



# Community & Economic Development

Advancing the Economy, Image and Quality of Life

[www.hagerstownmd.org](http://www.hagerstownmd.org)

# Down Payment and Rehabilitation Program

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City-Wide

## Comprehensive Program Goals

- ❖ Supporting and strengthening City neighborhoods
- ❖ Encouraging homeownership
- ❖ Inspiring reuse and rehabilitation of existing vacant residential structures

## **CITY-WIDE DOWN PAYMENT AND REHABILITATION PROGRAM SUMMARY**

- 0% Interest deferred loan to grant of up to \$7,500 for homebuyers purchasing an eligible property within the City of Hagerstown's corporate limits
- No income restrictions
- Funds can be used for down payment, select home repairs in conjunction with acquisition, or a combination of both
- Loan to be secured by a mortgage
- Entire loan amount to be forgiven if homebuyer maintains structure as their primary residence for five (5) years
- Down payment and rehabilitation program applications are accepted and reviewed on a first come, first serve basis
- All grants are subject to funding availability

### **I. ELIGIBILITY REQUIREMENTS**

- a. Structure must be located within the Corporate Limits of Hagerstown
- b. Applicant must be purchasing:
  - a. A single family dwelling built prior to 1960 and unoccupied/vacant for a minimum of 12 months prior to purchase OR
  - b. A rental dwelling consisting of two or more units and upon purchase by program applicant will be converted to a single family, owner-occupied dwelling unit within 6 months of the date of settlement
- c. Homebuyer will be required to maintain the structure as their primary residence for five (5) years in order for the loan to be forgiven
- d. If the homebuyer fails to maintain the structure as their primary residence for 5 years, complete recapture of the loan is required and the original loan amount will become due and payable to the City of Hagerstown
- e. Application must be received by fifteen (15) business days prior to settlement of home purchase

### **II. ELIGIBLE USE OF FUNDS**

- Funding may be applied to down payment, select home repairs in conjunction with acquisition, or a combination of both
- Home repairs must be completed by a licensed contractor and repairs must fall in one or more of the following categories:
  - Window Replacement
  - Roof Replacement

- HVAC Updates or Replacement
- Room or Bathroom Additions
- Electrical System Updates
- Exterior Paint, Siding, Brick Restoration
- Kitchen Updates (i.e. Permanent upgrades such as countertops, cabinetry, flooring, etc.)
- All rehabilitation work shall comply with Federal, State and Local codes, laws and ordinances and the work completed is subject to inspection by the City of Hagerstown prior to payment.

### **III. INELIGIBLE USE OF FUNDS**

- Unit reduction of existing rental units that is not in conjunction with a purchase of property for homeownership is not eligible for this program.

[vs. 08.21.2018]



## City-Wide Down Payment and Rehabilitation Program

The City-Wide Down Payment and Rehabilitation Program offers an incentive for you to become a homeowner in the City of Hagerstown. This investment will help to support and strengthen neighborhoods all over the city by restoring the unique and treasured beauty of our historical homes.

### Incentive Options:

Homebuyers may receive up to \$7,500 to apply towards down payment and/or closing costs, select home rehabilitation in conjunction with the purchase\*, or a combination of both. Funds are provided in the form of a loan secured by a mortgage which is forgiven after a five year residency commitment is fulfilled.

### Eligibility Requirements:

To qualify for the program, the home must be within City of Hagerstown corporate limits and **MUST:**

- Be a single family dwelling built prior to 1960 and unoccupied for a minimum of 12 months prior to the purchase

**OR**

- Be a rental dwelling consisting of two or more units and upon purchase by program applicant will be converted to a single family, owner-occupied dwelling unit within 6 months of the date of settlement

**The completed application and all required supporting documentation must be received at least 15 days prior to settlement.**

### Eligible Use of Funds:

- Down payment and/or closing costs
- Eligible home repairs to include:
  - Window Replacement
  - Roof Replacement
  - HVAC updates or replacement
  - Room Additions or Bathroom Additions
  - Electrical System Updates
  - Exterior Paint, Siding, Brick Restoration
  - Kitchen Updates (i.e. Permanent upgrades such as countertops, cabinetry, flooring, etc.)

*\*Rehabilitation projects must be approved by the Department of Community and Economic Development and work must be completed by a licensed contractor. Please contact our office with questions about eligibility.*

## PROGRAM APPLICATION

### APPLICANT INFORMATION

Name of Applicant		Name of Co-Applicant	
Employer	Position Title	Employer	Position Title
Current Street Address		Current Street Address	
City, State, Zip		City, State, Zip	
Home Phone Number	Cell Phone Number	Home Phone Number	Cell Phone Number
Email Address		Email Address	

### PROPERTY INFORMATION

Property Address:		Anticipated Settlement Date:
Mortgage Company Name:		Real Estate Company Name:
Mortgage Loan Officer Name:		Real Estate Agent Name:
Mortgage Loan Officer Phone:		Real Estate Agent Phone:
Mortgage Loan Officer Email:		Real Estate Agent Email:
Year Home Was Built:	Number of Months Property has been Vacant: <input type="checkbox"/> 0-11 months <input type="checkbox"/> 12 or more	
Is this property being converted from a rental to a single unit, owner-occupied home?		
<input type="checkbox"/> Yes <input type="checkbox"/> No    If yes, number of rental units being converted to the single unit: _____		

Please indicate the type of assistance you are applying for:

- Down Payment and/or Closing Costs Only     Rehabilitation Only (in conjunction with purchase)
- Combination of Down Payment and/or Closing Costs and Rehabilitation

If you selected one of the rehabilitation options, please check which type of eligible repairs you are seeking:

- Window Replacement             Roof Replacement             Kitchen Updates
- Electrical Updates             HVAC Updates/Replacement     Room Addition
- Exterior Paint/Siding             Bathroom Addition

Estimated Cost of Rehabilitation Project(s):\* \$ \_\_\_\_\_

*\*When available, contractor estimates for eligible rehabilitation work must be submitted.  
Individual repair jobs estimated to be over \$5,000 will require at least three (3) contractor estimates.*

### Additional Program Requirements:

- In order to qualify for loan forgiveness, the homebuyer must maintain the home as their primary residence for a minimum of five years. If the home is sold, transferred, or not used as the primary residence before this minimum residency requirement is met, the original loan amount will immediately become due and payable to the City of Hagerstown.
- All rehabilitation work must comply with Federal, State, and Local codes, laws, and ordinances.
- Any rehabilitation work or cost above and beyond the amount awarded by the City of Hagerstown is the responsibility of the homeowner.
- Rehabilitation work completed with program funds is subject to inspection by the City of Hagerstown prior to final payment.
- Program assistance is subject to funding availability. All applications are accepted and reviewed on a first come, first served basis.
- Unit reduction of existing rental units that is not in conjunction with a purchase of property for homeownership is not eligible for this program.

## **APPLICATION SUBMISSION CHECKLIST**

***Please read this information in its entirety.*** The following documents are required in order for an application to be considered complete. The loan officer may be able to assist to provide some of these documents, but it is the applicant's sole responsibility to ensure everything is submitted in a timely manner. ***If settlement is scheduled to occur less than fifteen (15) business days after the complete application is received, please note that it may be delayed. Even if funds are used for rehabilitation only, applications must be received prior to settlement to qualify.***

### **To obtain pre-qualification and reserve funds, the following must be submitted:**

- Complete City-Wide Down Payment and Rehabilitation Program Application
- Complete mortgage application from mortgage lender
- Purchase Contract (must be signed by both buyer and seller)

### **To obtain final approval in time for settlement, the following must be submitted:**

- Signed Truth in Lending Form (provided to applicant after pre-qualification)
- Signed Lead-Based Paint Notification Receipt (provided to applicant after pre-qualification)
- Signed Commitment Letter (provided to applicant after pre-qualification)
- Proof of homeowner's insurance with City of Hagerstown listed as mortgage payee
- Copy of Appraisal

#### **DCED**

**ACKNOWLEDGMENT AND CERTIFICATION**

I/We hereby certify that I/we have read and understand the information contained in the Down Payment and Rehabilitation Program Application and meet the eligibility guidelines for the program. I/we also certify that the above information is true and correct, and understand that any misinformation submitted or omitted could result in the dismissal of this request for program assistance. I/we understand that this application does not guarantee assistance and all eligibility guidelines, terms, and conditions must be met in order to receive benefits. I/we understand that this request will be kept confidential and reviewed by the City of Hagerstown Department of Community & Economic Development staff and representatives to determine eligibility.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant Signature

\_\_\_\_\_  
Date

Please return your completed application to:  
City of Hagerstown  
Department of Community & Economic Development  
14 N. Potomac St., Suite 200A  
Hagerstown, MD 21740  
Attn: Ashley Newcomer, Finance Specialist  
301-739-8577 ext. 131

The City of Hagerstown does business in accordance with the Federal Fair Housing Act which prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions based on race, color, national origin, religion, sex, familial status, and mental or physical disability. The City of Hagerstown fully supports the principals of Equal Opportunity for all and requires all program participants, loan recipients, developers, contractors, and subcontractors to comply with all applicable law.



[vs. 08.21.2018]