



Urban Rehabilitation Homeownership (UR Home) Program Homebuyer(s) Fact Sheet

Eligible Homebuyers:

- Homebuyers must be willing to purchase and occupy a home that needs repairs in the city where they work. Only the six (6) cities listed below are eligible.

Bridgeport Hartford New Haven New London Waterbury Windham/Willimantic*
* (Census tracts 8003-8007)

- Homebuyer(s) must be employed full-time.
- Connecticut State employees are eligible. Municipal employees, including teachers, are eligible if the municipality, by ordinance, authorizes not to tax improvements on all eligible properties for five (5) years from the date of rehabilitation. Private sector employees working in one of the six eligible cities.

Eligible Properties:

- Homes purchased through this program must be single family or up to 4 units. Condominiums and mobile homes are not eligible.
- Refinancing will not be permitted. You must be purchasing a home in need of eligible repairs. Please see the Allowable Improvements Fact Sheet.
- Funds for rehabilitation work may not exceed \$20,000 for a single family home or \$25,000 for homes with 2-4 units. **(NOTE: There are limited funds available. Any unused funds will be returned to CHFA.)** Rehabilitation funds you receive may be subject to IRS forgiveness of debt regulations.

Program Guidelines:

- The rehabilitation loan is at a 0% interest rate. The loan is forgiven at 20% per year over a five (5) year period.
- There are no income limits (for the CHFA first mortgage only).
- Homebuyer(s) pay a 1.5% origination fee (points) to the UR Home Lender.

- Downpayment Assistance Program loan available at a 3% interest rate (income limits apply).
- There are sales price limits. Please refer to CHFA's sales price limits listed in the CHFA Homebuyer Brochure on CHFA's website at www.chfa.org.
- To get started, contact a UR Home Lender for a preliminary assessment for a loan application. The lenders are Campbell Mortgage (800) 290-3521; McCue Mortgage Company (800) 382-0017; People's United Bank (800) 772-1090; Savings Institute Bank and Trust (860) 456-6594; Webster Bank (888) 681-7788.
- Neither CHFA nor UR Home Lenders will provide a list of contractors. Homebuyer(s) will be responsible for hiring a contractor to perform the rehabilitation work.
- There may be additional fees that a UR Home Lender will charge the homebuyer(s). Please check with the UR Home Lender you choose.
- You must provide all required documentation to your Lender prior to your application being submitted to CHFA for review and approval.
- Work must be completed within 6 months from the date of closing. Any funds remaining after six (6) months will be returned to CHFA.

Counseling Information:

- The prospective homebuyer(s) ***will be required*** to attend a free, Initial Counseling Assessment ***prior*** to retaining a licensed home inspector and making a formal application for a mortgage loan with a UR Home Lender. In addition, prospective homebuyers will be required to work with a counseling agency during the bid and repair work processes.
- The prospective homebuyer(s) must retain a Connecticut licensed home inspector to inspect the potential home. The homebuyer(s) will be responsible for the fee – generally between \$300 - \$750. If the homebuyer(s) obtain a Downpayment Assistance or Closing Cost loan, this fee may be included in the loan.
(Please Note: The homebuyer is responsible for paying the inspector upon receipt of the invoice. If the homebuyer(s) does not qualify for the UR Home Loan and rehabilitation funds, they are still responsible to pay for the inspection.)
- Prospective homebuyers ***CANNOT*** do the work themselves, regardless if the homebuyer is a licensed contractor. Only CT licensed contractors will be eligible to perform the rehabilitation work.
- Call the CT Department of Consumer Protection at (860) 713-6110 to obtain feedback on inspectors and contractors, visit www.ct.gov/dvp/, or call InfoLine at 211.

➤ Individual Counseling Sessions include, but are not limited to, the following information:

1. Receive guidance on how to find a contractor and licensed home inspector.
2. Learn how to understand your home inspection report.
3. Understand how to review the insurance requirements of contractors and check if insurance is valid.
4. Develop a timetable for work with contractor and UR Home Lender.
5. Learn how to enter into a contract or agreement.
6. Learn why title and visual inspections by the Lender are required prior to funding.
7. Learn how progress payments are made.
8. Understand dual payee checks and the timeline for payments.
9. Understand holdbacks/retainage.
10. Learn what happens and what recourse you have if the contractor doesn't finish the work while under contract.
11. You will be provided with suggested samples of a Contractor's Agreement, a draw request and cost over-run forms, if necessary.

Below is a listing of UR Home Counseling Agencies:

Affordable Housing Centers of America
Contact: Doris Latore (203) 366-4180 x8763

Mutual Housing of Greater Hartford
Contact: Patricia Bell (860) 296-1797 x15

Neighborhood Housing Services of New Haven
Contact: Michael Haynes (203) 562-0598 x18

Forms:

Homebuyer(s) will be required to utilize the Homebuyer(s) Initial Counseling Assessment Checklist at time of initial meeting with Counseling Agency.

Homebuyer(s) will be required to submit the following forms to their UR Home Lender:

Contractor Agreement(s) (Supplied by Contractor or suggested format supplied by Counseling Agency). The Agreement should include:

- List of repair items
- Cost estimates
- Timetable for work

NOTE: Please refer to the UR Home Fact sheet for additional information on the UR Home Program.

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