



West Virginia Housing
Development Fund

www.wvhdf.com
(800) 933-1272

West Virginia Property Rescue Initiative



Your Doorway
Home



NMLS 198038



Program Purpose

Provide financing assistance to cities and counties to address dilapidated houses in their communities





Eligible Borrowers

Any city or county may be an eligible borrower

- Must have the license, authority and power to acquire and/or demolish structures
- Must have the authority to enter into a binding debt obligation for the term of the loan
- Cities or counties may authorize other organizations to apply for a Program Loan on the behalf of the city or county
 - Urban Renewal Authority
 - Building Commission



Loan Terms

- Loan amount may not exceed \$250,000 per fiscal year beginning July 1st
- No minimum loan amount
- Program loan terms may be up to 7 years
- Payments may be deferred the first 2 years and then be made on a monthly, quarterly, semi-annual or annual basis
- No prepayment penalty



Loan Terms Continued

LOAN TERM

INTEREST RATE

1-Year Term

0% Interest

2 -Year Term

0% Interest

3-Year Term

Years 1 and 2 - 0% Interest

Year 3 - 3% Interest

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4-Year Term

Years 1 and 2 - 0% Interest

Years 3 and 4 - 4% Interest

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5 - 7 Year Term

Years 1 and 2 - 0% Interest

Years 3, 4, 5, 6 and 7 - 5% Interest

The Interest Rate for Years 1 and 2 will always be 0%, regardless of the Loan Term.



Program Loan Collateral

- The Housing Development Fund may require a pledge of general revenues or other collateral as security for a Program Loan
- Options are flexible and are specific to each transaction



What can be Financed

The Program is available Statewide and may be used to finance:

- The acquisition of property and/or the demolition or deconstruction of **residential** structures
- The removal and proper disposal of all debris, including hazardous materials
- Pre-demolition costs such as surveys and title searches and supplemental work associated with demolition



Eligible Properties

- Eligible properties must constitute health and safety hazards and be beyond reasonable repair at the time of demolition
- Communities must have access to a licensed waste disposal site





Application

What should I submit with our application?

1. Outline or development plan of how you plan to use the loan proceeds
2. Preliminary list of properties identified
3. Plan used to select prioritized properties
4. Method of repayment
5. Financial statements for most recent 3 years
6. Borrowers authorization to release information
7. Application fee



Application Continued

- Extremely important to submit a complete application with all requested information
- Applications are accepted at any time
- Include all required attachments
- Applications cannot be processed until complete



Fees

- Application fee - \$500
- Closing fee - \$2,000 (may be paid from proceeds of the loan)
- Other Fees – Borrowers must also pay all fees, charges, and expenses relating to Program Loan, including but not limited to recording and legal fees



Disbursement of Loan Proceeds

- Program Loan proceeds will be disbursed for the eligible program costs as evidenced by receipts and/or other supporting documentation required by the Housing Development Fund



Advances of Loan Proceeds

- The Housing Development Fund may consider the advance of up to \$25,000 for program start up once the loan closes
- Advanced funds must be evidenced by receipts before additional funds are disbursed



De-obligation of Loan Proceeds

- All Program Loan funds are expected to be disbursed within a reasonable period of time after the loan closing in accordance with the plans and schedule provided by the applicant
- Any Program Loan proceeds not disbursed within the initial 24 months of the loan closing may be de-obligated



Loan Documents

- Program Loans will be evidenced by a
 - Loan agreement
 - Promissory note
- Additional documents may be necessary to perfect the Housing Development Fund's security interest and lien on any collateral required to secure the loan and may include but is not limited to
 - Deeds of trust
 - Security agreements
 - Pledge agreements



Reporting Requirements

- Borrowers must provide annual, audited financial statements and evidence of licensed code officials
- Any changes to plans, policies or ordinances affecting the demolition project must be provided upon adoption
- The Housing Development Fund reserves the right to request additional information if needed



Disclaimers

- Deviations from program requirements are subject to Board approval
- The applicant shall comply with all applicable FHEO and EEO laws and regulations
- See our Program Guide for additional details
 - www.wvhdf.com



Technical Assistance

- **The West Virginia HUB**
 - Stephanie Tyree
 - s.tyree@wvhub.org
 - 681-404-6053
- **West Virginia Brownfields**
 - Luke Elser
 - Luke.elser@mail.wvu.edu
 - 304-293-6990
- **WVU Land Use & Sustainable Development Law Clinic**
 - Katherine Garvey
 - Katherine.garvey@mail.wvu.edu
 - 304-293-2757
- Visit our website www.wvhdf.com for more information concerning Workshops and a list of Contractors in your community



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Thank you!

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