

Manufactured Home Loan— Program Process

- Homeowner completes the application and returns it along with a copy of the most recent Federal Tax Return with all schedules and attachments (include W-2s).
- Submit a copy of the Certificate of Title, proof of current homeowner's insurance, and a copy of monthly mortgage payment statement, if any.
- Application is reviewed for eligibility and is processed.
- Homeowner is notified via mail upon acceptance to the program.
- Home inspection is conducted.
- Program Staff meet with homeowner to review the home inspection and develop a work list.
- Homeowner begins seeking at least three bids from contractors.
- Homeowner and Program Staff review bids. Homeowner chooses contractor(s) for the project.
- Homeowner, contractor and Program Staff meet for a pre-construction meeting / loan closing. A construction agreement is signed and the homeowner signs loan documents.
- Construction begins and the work is usually completed within about three months. All work is inspected by Program Staff.

City of Billings - Community Development Division

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The City's Community Development Division programs are open to all eligible persons, regardless of Race, Color, National Origin, Disability, Familial Status, Sex, Religion, Creed, Marital Status, Age, Gender Identity and Sexual Orientation.



REV 4/30/2019



*City of Billings
Community Development Division*

Manufactured Home Repair Loan Program



The Manufactured Home Repair Loan Program provides a deferred, 0% interest loan to qualified low-income owners to make essential repairs to their eligible mobile / manufactured home. Financial assistance is provided as a secured lien payable upon sale, transfer of title, when no longer used as the primary residence, or if the unit becomes a rental.

Funding for this program is made available by local and federal sources including, but not limited to, Community Development Block Grant program.

This document will be provided in an alternative, accessible format upon request. Female headed households, minorities, and disabled homeowners are encouraged to apply.

General Conditions

- This program is funded on a first-come, first-served, available funding basis. Assistance is provided only ONCE to each eligible applicant.
- The property must be a mobile / manufactured home ≤20 years old (year listed on title).
- The property must be located within the Billings city limits.
- The applicant must own **and** occupy the unit to be rehabilitated for at least one year prior to application.
- Loans funded under this program are secured with a lien filed with the State of Montana.
- Credit check, employment and income verification, title search, and verification of homeowner insurance are required as part of the loan application review.
- The applicant must agree to an inspection of the unit by the City and agree to bring the unit up to minimum housing standards.
- The program is designed to address health, safety, structural deficiencies, improve energy efficiency and provide accessibility for occupants with a disability.

Loan Terms

- The loans are 0% interest.
- There are no monthly payments.
- The loan is due in full if the property is sold or at title is transfer, under certain refinance condition, if the unit is rented, or is no longer owner-occupied.
- Loan amounts are based on the age of the mobile / manufactured home **and** the unsecured value of the property.
- Maximum loan amounts are \$10,000 based on the age of the home and unsecured value.
- Loans are secured by a lien on the manufactured / mobile home.
- All existing liens will be evaluated to determine if the property can be used as security for the loan.

Borrower Eligibility

- The annual family income must be less than*:

<u>Household Size</u>	<u>Income Limit</u>
1	\$43,900
2	\$50,150
3	\$56,400
4	\$62,650
5	\$67,700
6	\$72,700
7	\$77,700
8+	\$82,700

*Effective April 24, 2019

- The applicant cannot have liquid assets in excess of \$10,000. Liquid assets mean: checking and savings accounts; time certificate of deposit; cash value of whole life insurance; equity in stocks or bonds; real property.
- Occupant must be the owner of record.
- The applicant cannot have any late mortgage payments for the 12 months previous to the application date.

Property Eligibility

- A mobile / manufactured home ≤20 years old.
- Within the Billings city limits and must be residentially zoned.
- Real estate taxes, mortgage payments, and assessments need to be current and the property must be free of any delinquent liens / encumbrances.
- The before-rehab Taxable Market Value of the property (per Yellowstone County Tax Assessment Data) cannot exceed \$85,000.
- The property must be suitable and financially feasible to rehabilitate. Units requiring excessive repairs, or repairs that are not cost effective will not be eligible.

Racial and ethnic minorities, non-English speaking persons, female-headed households, and disabled homeowners are encouraged to apply.

Eligible Repairs

Once qualified and accepted into the program, a home inspection will be conducted to assess the current condition of the home. Based on this inspection, staff will work with the homeowner to prioritize improvements in order of importance.

The repairs financed by the program must first be used to correct immediate health and safety hazards and / or emergency repairs as determined by the inspection.

Examples of eligible repairs include:

- Repair / replacement of major systems (heating, electrical and plumbing).
- Roof replacement
- Correcting hazardous conditions including trip and fall hazards.
- Energy conservation measures including weather stripping / caulking, installing insulation and installing storm doors / windows.
- Skirting repair / replacement.
- Repairs that eliminate exterior deterioration (including exterior paint).
- Improve accessibility for disabled individuals including installation of ramps, accessible showers, grab bars, etc.

Ineligible Repairs

- New construction or additions except where overcrowding exists, as defined by federal guidelines.
- Improvements that are not required for a safe and healthy living environment such as hot tubs, storage sheds, microwaves, furniture, and other improvements not attached to the manufactured home.
- Items that exceed average pricing such as luxury fixtures, highest grade flooring, etc.