

Exhibit A

THE CITY OF ST. CHARLES SUPPLEMENTAL SINGLE-FAMILY DETACHED HOME REHABILITATION PROGRAM DESCRIPTION

PROGRAM OVERVIEW

The City of St. Charles is committed to preserving and maintaining its affordable housing stock. In response to this commitment, the City is initiating a single-family detached home rehabilitation program. This program offers no interest loans to qualified households to maintain the quality of the affordable housing stock and help distressed homeowners in need. Funding for this program will be provided from the City of St. Charles Housing Trust Fund.

Program Name	Program Description	Available Funds	Type of Loan
Supplemental Single Family Detached Home Rehabilitation Loan Program (the "Program")	Homeowners will apply to Community Contacts, Inc. for a loan through the City's Program. This loan will only be available to those properties located within the City of St. Charles' corporate limits. The Program is intended to be supplemental to Kane County's Single Family Detached Home Rehabilitation Loan Program; therefore, applicants must initially apply through the Kane County program. Loans through the City's Program will be considered in the following circumstances: (i) the cost of the Eligible Improvement(s) exceeds the maximum amount paid by Kane County or (ii) the homeowner has project costs that are not eligible for reimbursement through Kane County's program, but are Eligible Improvements.	Maximum of \$10,000 per household	0% Interest deferred loan with repayment at the time of sale or transfer of deed.

ELIGIBLE IMPROVEMENTS

- Repairs/improvements to mechanical, heating, plumbing, structural, and electrical systems.
- Exterior painting.
- Improvements to building security.
- Termite damage repair.
- Drainage improvements.
- Yard clean-up.
- Repairs or replacement of roofing.
- Improvements and modifications for physically disabled persons.
- Insulation.
- Exterior work that will improve overall neighborhood appearance.
- Windows in need of repair or replacement.

INELIGIBLE IMPROVEMENTS

- Additions/upgrades to existing structure or component parts, i.e. window upgrades (Bay Window), room additions, etc. (except to provide access to persons with disabilities).
- Purchase or repair of furnishings.
- Purchase of land/real property.
- Construction/repair of swimming pools or hot tubs.
- Appliances

RESIDENTIAL REHABILITATION PRIORITIES

The following priority system will be used to classify rehabilitation work needed for each property. The following priority system is in descending order of priority. Category A represents the highest priority items, and Category D represents items of lowest priority.

Category A - Health & Safety items

Category A consists of code violations and repair of the major systems that threaten the health and safety of the resident (e.g., basic structural, mechanical, electrical, heating and/or plumbing systems).

Category B - Incipient Code Violations

These items include those elements of the structure which are not in violation of the code but appear to be in a condition that will deteriorate into a code violation if left uncorrected (e.g., hot water heater or boiler of 30 or 40 years of age which may have given some minor problem in the recent past). If sufficient dollars are available to address more than the Category A items, then Category B improvements shall be undertaken to the extent of financial feasibility.

Category C - Energy Conservation Items

These items are directly related to the conservation of energy by upgrading the dwelling's thermal protection such as new windows, new doors, and insulation which may be undertaken if sufficient dollars have been available to address Category A and B items.

Category D - General Property Improvements

These work items constitute improvements which can be made to the property, but are not vital to health and safety of the resident. Examples could include yard maintenance, exterior painting, air conditioning, improvements and modifications for physically disabled persons. These items can be considered property improvements after Categories A through C have been addressed and subject to staff approval.

ELIGIBILITY

The following criteria will determine applicant eligibility:

1. Income: The annual gross household income of the applicant household may not exceed the income limits established below.
2. Location: The subject property must be within the City of St. Charles corporate limits.
3. Home Value: The value of the applicant's home may not exceed \$271,000.
4. Type of Unit: The unit must be a single-family detached residential property.
5. Ownership: The person receiving the loan must live within the dwelling unit, and not rent this unit to other persons.

INCOME LIMITS

To be eligible for a deferred loan with repayment at the sale of the property the following income criteria will apply:

The annual gross household income cannot exceed:

Owner Occupied Affordability Chart For Chicago Metro Area 80% of Average Median Income								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
2009 Income Limits (80% AMI)	\$42,200	\$48,250	\$54,250	\$60,300	\$65,100	\$69,950	\$74,750	\$79,600
Household Value Limitation	\$ 271,050	\$ 271,050	\$ 271,050	\$ 271,050	\$ 271,050	\$ 271,050	\$ 271,050	\$ 271,050

Please Note: The above chart uses 2009 income limits published by the Illinois Housing and Development Authority (Source: <http://www.ihda.org>). The Household Valuation Limitation is set to the FHA Mortgage Limit for the City of St. Charles (Source: <https://entp.hud.gov/idapp/html/hicostlook.cfm>).

3RD PARTY VENDOR DUTIES

1. The applicants will apply directly to the 3rd Party Vendor.
2. The 3rd Party Vendor will process all applications and review income eligibility.
3. The 3rd Party Vendor will perform onsite inspections of single-family detached home.
4. The 3rd Party Vendor will create the scope of work for all necessary repairs.
5. The 3rd Party Vendor will verify ownership of the property in the form of a title insurance policy.
6. The 3rd Party Vendor will send the application, Application information and Information Disclosure (Exhibit E) to City Staff for review and approval once steps 1 through 4 have been completed. No work involving St. Charles Housing Trust Fund money shall begin until the City approves the application.
7. The 3rd Party Vendor will bid the work to 3 separate contractors.
8. The 3rd Party Vendor will award the contract to the lowest responsible bidder and will supervise the work.
9. Prior to commencing work on a project, the 3rd Party Vendor will obtain a promissory note and mortgage agreement, in forms acceptable to the City, from the property owner. The mortgage shall be recorded in the Recorder's Office of the county where the property is located simultaneously with the disbursement of funds by the City.
10. The 3rd Party Vendor will ensure that all work is complete and inspected and approved by the City of St. Charles Building and Code Enforcement Division.
11. Once the work is complete the 3rd Party Vendor will submit lien waivers, cost affidavits, and such other documentation, as the City requires, to the City Staff to receive repayment.
12. City Staff will review Disbursement Request and issue reimbursement for Eligible Improvements and an administrative fee of 10% and all fees associated with recording of the mortgage lien and Title Search. No payment shall be made until the 3rd Party Vendor delivers an ALTA Loan Policy of Title Insurance in favor of the City for the amount of the reimbursement.
13. The 3rd Party Vendor will process any repayments of the mortgage lien on behalf of the City, and send this repayment to the City.

Exhibit B

**CITY OF ST. CHARLES SUPPLEMENTAL SINGLE-FAMILY DETACHED HOME
REHABILITATION PROGRAM**

DISBURSEMENT REQUEST

SECTION I: REQUEST FOR PAYMENT

3rd Party Vendor Name: Community Contacts, Inc.

Project Name: Single-Family Detached Affordable Housing Rehabilitation Loan Program

Dollar Amount Requested: \$ _____ Payment Request # _____

SECTION II: CERTIFICATION

I, the undersigned representative of the 3rd Party Vendor, certify that this Request for Payment has been prepared in accordance with the terms and conditions of the Agreement between City of St. Charles and the 3rd Party Vendor. I also certify that the amount of this Request for Payment is not in excess of the funding necessary to satisfy current project expenses.

Date Received:
Date Approved:
Approved By:
Payment Date:
Check Number(s):

Signature of 3rd Party Vendor Representative

Title

Date: _____

HOUSING REHABILITATION SUMMARY FORM			
HOUSEHOLD INFORMATION:			
Homeowner's Last Name: Street Address: City, State, Zip:			
Property Type: SINGLE-FAMILY	Number of Bedrooms: 0 1 2 3 4 5		
Is the property insured by FHA? YES NO	After-Rehab Value of Property: \$		
Household Type: SINGLE NON-ELDERLY ELDERLY SINGLE-PARENT TWO PARENTS OTHER			
Applicant Income	Household Size: 1 2 3 4 5 6 7 8		
Race (check one): <input type="checkbox"/> White <input type="checkbox"/> Black/African Amer. <input type="checkbox"/> Asian <input type="checkbox"/> Amer. Indian/Alaskan Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> Amer. Indian/Alaskan Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African Amer. & White <input type="checkbox"/> Amer. Indian/Alaskan Native & Black/African Amer. <input type="checkbox"/> Other Multi-Racial			
REHABILITATION INFORMATION:			
Type of Expense	Amount	Performance Measurement Questions	
Rehabilitation Hard Costs (Briefly Describe Improvements)		Was the unit brought up to local Code? <input type="checkbox"/> YES <input type="checkbox"/> NO	Were accessibility improvements made to the unit? <input type="checkbox"/> YES <input type="checkbox"/> NO
Soft Costs Title Search Recording Fee			
Project Delivery Costs (Up to ___% of above costs)			
Grand Total			
CONTRACTOR INFORMATION:			
Company Name: Street Address: City, State, Zip:			
Employer Identification Number: _____ - _____			

Exhibit C

CITY OF ST. CHARLES SUPPLEMENTAL SINGLE-FAMILY DETACHED HOME REHABILITATION PROGRAM

Subordination Guidelines

The City may, in its sole discretion, subordinate loans issued for housing rehabilitation assistance under its Single-Family Detached Home Rehabilitation Program. Such subordinations, however, must comply with the following guidelines:

1. The borrower may not take any cash out. (The payment of credit card debt is considered cash.)
2. The borrower may roll into the new first mortgage only reasonable and customary closing costs associated with the refinancing. (This does not include points paid to buy-down the interest rate, but does include expenses such as the appraisal, credit report, and title charges.)
3. The new first mortgage principal balance cannot exceed the original first mortgage existing principal.
4. The borrower may refinance into a 15-year mortgage provided that they have the capacity to handle the additional payment. (Such situations will be reviewed on a case-by-case basis.)
5. The borrower must refinance into a fixed-rate mortgage.
6. The first mortgage lender must escrow taxes and insurance, if the lender had been doing so prior to refinancing.
7. The City will not subordinate to home equity or reverse mortgage loans.
8. The City will subordinate to home improvement loans if the homeowner provides written documentation of the improvement to the City's satisfaction.

Exhibit E

Application Information Sheet and Information Disclosure Statement

HOUSING REHABILITATION SUMMARY FORM	
HOUSEHOLD INFORMATION:	
Homeowner's Last Name: Street Address: City, State, Zip:	
Property Type: SINGLE-FAMILY	Number of Bedrooms: 0 1 2 3 4 5
Is the property insured by FHA? YES NO	
Household Type: SINGLE NON-ELDERLY ELDERLY SINGLE-PARENT TWO PARENTS OTHER	
Applicant Income	Household Size: 1 2 3 4 5 6 7 8
REHABILITATION INFORMATION:	
Expected Renovation	Project Repair /Cost Amount

Information Disclosure

Affiant(s) hereby authorize(s) City of St. Charles., or its designated agent to obtain and receive all records and information pertaining to eligibility for the rehabilitation program, including employment, income (including IRS returns), credit, residency, and banking information from all persons, companies or firms holding or having access to such information.

This authorization hereby gives City of St. Charles, the right to request all information that can be obtained from any person, company or firm on any matter referred to above. It also gives City of St. Charles, the right to provide information about affiant(s) eligibility and status with any State, Federal, Local agency providing funding for the rehabilitation program. I (we) agree to have no claim for defamation, violation of privacy, or otherwise against any person or firm or corporation by reason of any statement or information released by them to Community Contacts Inc., for the purposes of the program. The term of this authorization shall commence on the date of signature and be in force for a period of two (2) years.

Signature _____

Signature Date: _____