

## THE RENTAL REHABILITATION PROGRAM

- ▶ Funding for rehab of permanent rental housing that is affordable to and occupied by low-income persons and families
- ▶ Tenant income must be less than 80% of the area median income at the time of funding commitment
- ▶ Tenants with incomes above the program guidelines may occupy units in the building; however, program funds may be expended only on units occupied by eligible tenants

### ELIGIBLE PROPERTY OWNERS

- ▶ Individuals, corporations, partnerships, nonprofit and organizations
- ▶ Have documented qualifying interest (1/3 interest in the property to be rehabilitated)
- ▶ Landlord must own home outright or a single mortgage
- ▶ The property must be physically and financially feasible of being rehabilitated

### DEFERRED LOAN FINANCING TERMS

- ▶ Deferred loan is set at 0% and is coterminous with the existing first mortgage (a first mortgage is required to obtain deferred payment loan).
- ▶ Properties are monitored for five years to ensure compliance with occupancy, rent, and physical condition standards.
- ▶ Repayment is required upon sale, transfer, payment in full or upon maturity of the permanent senior mortgage or in the event of default of the mortgage

### LOAN FINANCING TERMS

- ▶ Fixed 3% loan for 20 years
- ▶ Borrowers must provide a minimum of 50% of eligible costs
- ▶ Some borrowers may qualify for the entire cost to be financed with half the loan amount deferred until the sale, transfer or default of the property
- ▶ Repayment is required upon sale, transfer or in the event of default of the mortgage
- ▶ A commitment letter from a lending institution stating that private funds will be available to the borrower contingent upon obtaining the funds
- ▶ A commitment letter from a governmental body providing other public funds such as Community Development Block Grant Funds, Rental Rehabilitation Loan Program funds, or other qualifying funds



Agreeing to help make this  
a clean & safe community

### INELIGIBLE PROPERTIES

- ▶ Developments previously funded under the HUD and/or Rental Rehabilitation Program.
- ▶ Emergency shelters, transitional housing, nursing homes, assisted living, public housing
- ▶ Developments where bankruptcies appear against the property and/or where there are outstanding liens or judgements filed against the property

### HOW DO I GET STARTED?

1. Call 610.437.7696 and talk with our Financial Specialist
2. Gather together the following information
  - One month of current pay stubs
  - Most current two years of Tax returns & W-2's
  - Proof of homeowner's insurance
  - Most current month's mortgage statement
  - Most current month's bank statement
3. Send in or bring in your documentation to start the approval process

It's that simple to help restore the  
condition of your investment

## PURPOSE

The City of Allentown's Rental Rehabilitation Program is a low-interest loan program designed to update substandard rental units by providing financial assistance to the investor/owner of the residential property

## BENEFITS

- ▶ Help with assessing home repairs and how much those repairs should cost
- ▶ Help with finding and selecting qualified and reputable contractors
- ▶ 10, 15 or 20 year fixed rate loan options
- ▶ Borrow up to \$25,500
- ▶ Minimum fees for eligible borrowers
- ▶ Improve quality of home
- ▶ No prepayment penalty
- ▶ Fixed interest rate 3%

### Serving People

Within our Community . . .



Equal Housing Opportunity

## WE HAVE AN INTEREST IN HELPING



City of Allentown  
Bureau of Building  
Standards & Safety  
435 Hamilton Street  
Allentown, PA 18101-1699  
Phone: 610.437.7696  
Fax: 610.437.8798



[www.allentownpa.gov](http://www.allentownpa.gov)

## Information for Landlords

LOOK AT OUR

# RENTAL REHABILITATION PROGRAM

*Re* Neighbors  
**Discover**  
*the city*  
**Allentown**