



## **CDBG - Single-Family Rehabilitation Program Summary**

### **Description of Program**

- No interest, forgivable loans available to low-to-moderate income homeowners for necessary repairs to their home.
- Lien placed on property; forgiven over five-year period at a rate of 20% per year.
- If home is sold, rented, or ownership is otherwise transferred during the five-year period, the recipient is required to pay back the remaining percentage of the lien.
- Typical repairs include: roof replacement; plumbing and electrical upgrades; furnace replacement; and kitchen and bathroom repairs.
- Program is intended to correct code deficiencies, not make property improvements. The Rehabilitation Specialist prioritizes code deficiencies to address the most serious problems.
- If the dwelling was built before 1978, a lead paint risk assessment will be performed/provided; if lead-based paint is found to be in a deteriorated condition, it must be addressed as part of the scope of work.

### **Eligibility Criteria**

- Must meet HUD maximum Gross Income requirements (Effective: 5/2024)

FAMILY SIZE	MAXIMUM GROSS INCOME FOR 100% CITY CONTRIBUTION
<b>1</b>	\$ 68,500
<b>2</b>	\$ 78,250
<b>3</b>	\$ 88,050
<b>4</b>	\$ 97,800
<b>5</b>	\$ 105,650
<b>6</b>	\$ 113,450
<b>7</b>	\$ 121,300
<b>8</b>	\$ 129,100

- The home must be owner-occupied and be the owner's sole and principal residence
- Owner cannot be underwater (i.e., owe more on the home than the SDAT value)
- Homeowner's assets cannot exceed \$150,000 (excluding the value of the home being applied for)
- Applicant must be current on personal and property taxes
- Ownership is verified through property tax records and a deed
- Properties with reverse mortgages are reviewed on a case-by-case basis

### **Documents Needed of CDBG Applicants at the time of eligibility review – Please send COPIES (No original documents)**

- Full application
- Copies of most recent tax returns, both Federal and State of Maryland
- Copies of all income statements (W-2's, 1099's, Social Security or pension benefit statements, any retirement savings or investment account, etc.)
- Copy of current Homeowner's insurance Declaration Page which includes property address and coverage dates
- Most recent mortgage or home equity loan statement (showing balance and payments are current)
- Most recent checking and savings bank statements (last 2 months)

### **Target Population**

- City of Rockville low-to-moderate income homeowners that meet gross income requirements
- Applicants prioritized according to severity of repair need

### **Resources Available**

- \$25,000 limit per household
- Work is assessed and prioritized by Rehabilitation Specialist

### **Funding Source**

- Funded with Federal Community Development Block Grant (CDBG)

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