

VILLAGE of WALDEN
RESIDENTIAL HOUSING
REHABILITATION
PROGRAM

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What is the Small Cities Rehabilitation Program?

The Housing Rehabilitation Program is part of the Village Board's effort to improve housing conditions and the appearance of the Village. The original funding came from the U.S. Department of Housing & Urban Development (HUD).

The Village received five grants under this program. The funds were loaned to eligible owners and their repayments were made to the Village of Walden. The Village thereafter loans out that money in accordance with the requirements set forth in this document.

The Village of Walden expressly reserves the right to perform inspections on the premises to insure the property is being adequately maintained throughout the life of the loan.

Who is Eligible?

Village Homeowners who have sufficient equity in their home to substantiate the requested loan.

Terms of Eligible Loans

The payment terms and interest rates are dependent upon Orange County median income parameters as follows (Subject to terms as outlined in Resolution 19-15-16):

- Zero (0%) percent interest if you are sixty (60%) percent or below of the Orange County median income;
- One (1%) percent if you are sixty-one (61%) to eighty (80%) percent of the Orange County median income;
- Two (2%) percent if you are between eighty-one (81%) and one hundred (100%) percent of the Orange County median income;
- Three (3%) percent if you are at one hundred (100%) percent or above the Orange County median income.

The terms of the loan may be extended out to a maximum of twenty (20) years and must be self-amortizing, i.e., monthly payments are required to pay the debt off in full by the end of the term established in the loan documents. (The Village Manager has the right to waive this requirement under exigent circumstances).

Eligible Home Improvements

According to federal guidelines, priority must be given to repairs which eliminate health and safety hazards: that is, housing code violations. Energy efficiency and ADA accessibility are also eligible.

These are some examples of eligible work:

Structural Repairs

- Foundation, structural beams, joists
- Stairs and porches
- Roofs and chimneys

Replacements

- Plumbing and plumbing fixtures
- Furnaces, boilers and water heaters
- Wiring and electrical services
- Water and sewer lateral replacements

General Exterior Work

- Lead paint removal
- Asbestos removal/abatement/remediation
- Exterior painting and siding
- Repair of woodwork, windows, trim
- Gutters & leaders

General Interior Work

- Lead paint removal
- Asbestos removal/abatement/remediation
- Wall and ceiling repairs
- Flooring repairs
- Painting

Energy Efficiency

- Insulation
- Replacement doors and windows
- Storm windows and doors

ADA Accessibility

- Wheelchair ramps
- Widened doorways
- Special plumbing fixtures
- Handrails

Ineligible Work

Items such as driveways, garages, solar panels or cosmetic improvements are not eligible.

Information Required to Process Your Loan

Before you start the loan process with the Village, be prepared to provide some information to your loan officer. Have it ready now to save time later.

- Address to your place of residence (past five years)
- Social Security Numbers of all owners
- Names and location of your employers (last five years)
- Gross monthly salary at your current job(s)
- Pertinent information for all checking and savings accounts
- Pertinent information for all open loans
- Complete information for other real estate you own
- Approximate value of all personal property
- Current check stubs and your W-2 forms (past two years)
- Personal tax returns (past two years), current income statement and business balance sheet for self-employed individuals

Additional Information Required

- Credit report showing a minimum FICO score of 580 (Village of Walden to obtain at owner's expense)
- Appraisal showing evidence of equity in property (Village of Walden to obtain at owner's expense)
- Title Insurance in favor of the Village of Walden, as Mortgagee (Village of Walden to obtain at owner's expense)
- Property and Casualty Insurance showing the Village of Walden as a named insured in an amount at least equal to the replacement value of the premises (Property owner to obtain)

Required Fees

- Application fee of \$425.00 (includes credit report and appraisal)
- Title Insurance (this can be paid directly by the borrower or may be added into the loan amount)
- New York State Mortgage Tax
- Orange County Clerk recording fees
- Attorney's Fee of \$350.00

Loan Process

- Application submitted
- Village conducts credit check
- Applicant advised of credit approval and to contact the Building Inspector for a write up of proposed work to be done, noting any code violations to be remedied first
- Applicant provides list of proposed work to prospective bidders and gets a minimum of 3 bids
 - If work to be completed is over \$20,000 bid notice must be submitted to the newspaper for public bidding
- Applicant submits bids received to Village Manager
 - If applicant chooses to use the lowest bidder, the applicant will await approval to proceed

- If applicant chooses to not use the lowest bidder, the applicant must provide an escrow to the Village equal to the amount of the difference between bid selected and lowest bidder
- Once bid is approved by both the Village and the applicant, the Village Attorney will draft the note and mortgage documents to cover the amount to be financed
- Applicant signs note and mortgage and Village Attorney files them with the Orange County Clerk's office
- Applicant must contact the awarded bidder and have them provide the Village with certificates of insurance for both Liability and Workers Compensation coverage in the amount of \$1 million (minimum requirement) for contractor and any subcontractors naming the Village of Walden as additional insured
- Awarded contractor must supply a W9 to the Village of Walden Finance Department
- Once all paperwork has been completed and approved by the Village, the applicant is given notice to proceed with the work to be done and must obtain proper permits from the Building Department.
- Upon completion of each section of work, the applicant must complete a payment approval form and submit it to the Building Inspector for approval and inspection that work has been completed.
 - Any change orders requested during the construction process, must be approved by the owner, presented to the Building Inspector and Village Manager for review and approval prior to that work being started. Any work started before approvals are granted may not be paid for.
- Once payment approval form has been approved by the Building Inspector he will then submit it to the Village Manager for approval to make payment to the contractor
- Please note payments are issued Fridays following Board approval of audited vouchers
- At completion of work, contractor must submit lien release waiver that all bills are paid and provide workmanship warrantee.

PLEASE NOTE:

- Any disputes during the construction process must be resolved through the Building Department
- Contractors/homeowners must provide project start date and end date so there are no prolonged construction periods, even if there are separate contractors for each portion of the project.
- Any homeowner who desires to act as their own contractor may only be entitled to payment for material costs for the project. If any other persons provide labor, workers compensation policy must be provided. Liability insurance is always required.