



Detroit 0% Interest Home Repair Loan Program

September 15, 2017

Who Are The Partners?

Local Initiatives Support Corporation (LISC)

- Program sub-recipient administering private & CDBG funds, develop and implement program design, oversee application intake, loan underwriting and loan servicing.

Corporate F.A.C.T.S., Inc.

- Provided program design, development and technical assistance.

Intake Centers (Total 12)

- Non-Profit Community Development Corporations; receive and review applications.

Community Development Financial Institutions (CDFI)

- **Opportunity Resource Fund, One Detroit Credit Union & Southwest Lending Solutions** – Performs loan underwriting, loan closing, construction contractor payment disbursement and loan servicing.

Construction Manager (GS Group, LLC)

- Performs project inspections, specification writing, bidding and contract award, construction management and conflict mediation.

General Construction Contractors (Total 36)

- Performs home repair work including minor repairs, replacement of deteriorated building components and lead-based paint hazard reduction.

City of Detroit - Housing & Revitalization Staff

- Monitors sub-recipient, develop and implement program design, policy and procedures, manage construction activity, maintain program files.

Program Design



- Zero Percent Interest
- \$5,000-\$25,000 available; up to a 10 year term*
- Homeowners who have owned & occupied their home for at least 6 months
- Loans available to Detroit low to moderate income households (up to 80% AMI); and above 80% AMI for households in designated 5 NRSA & 3 S/B areas
- Current homeowner's insurance and property taxes
- 560 Credit Score and 150% Loan – to – Value ratio
- Free credit and debt counseling available

*Loans may go up to \$50,000 under special circumstances

0% Interest Home Repair Loan Program Application Status

- ❖ 1,905 Total Complete Applications and Forwarded to LISC from Intake Centers for Processing
- ❖ 1,797 Total Applications Forwarded to the CDFI's for Underwriting
- ❖ 1,015 Applications Denied for various Underwriting Criteria
- ❖ 641 Applications Pre-Approved and in the Inspection, Spec, Bid, or Construction Phase
- ❖ 312 Projects completed to date and final payments released to contractors; \$5.75 M in expended loan capital

Role of the Construction Manager

Inspection & Risk Assessment

- Schedules lead risk assessment with homeowner
- Schedules full property inspection with homeowner

Specification Writing

- Prepares specifications based on the results of the risk assessment & property inspection
- Works with the homeowner to finalize specifications prior to bidding

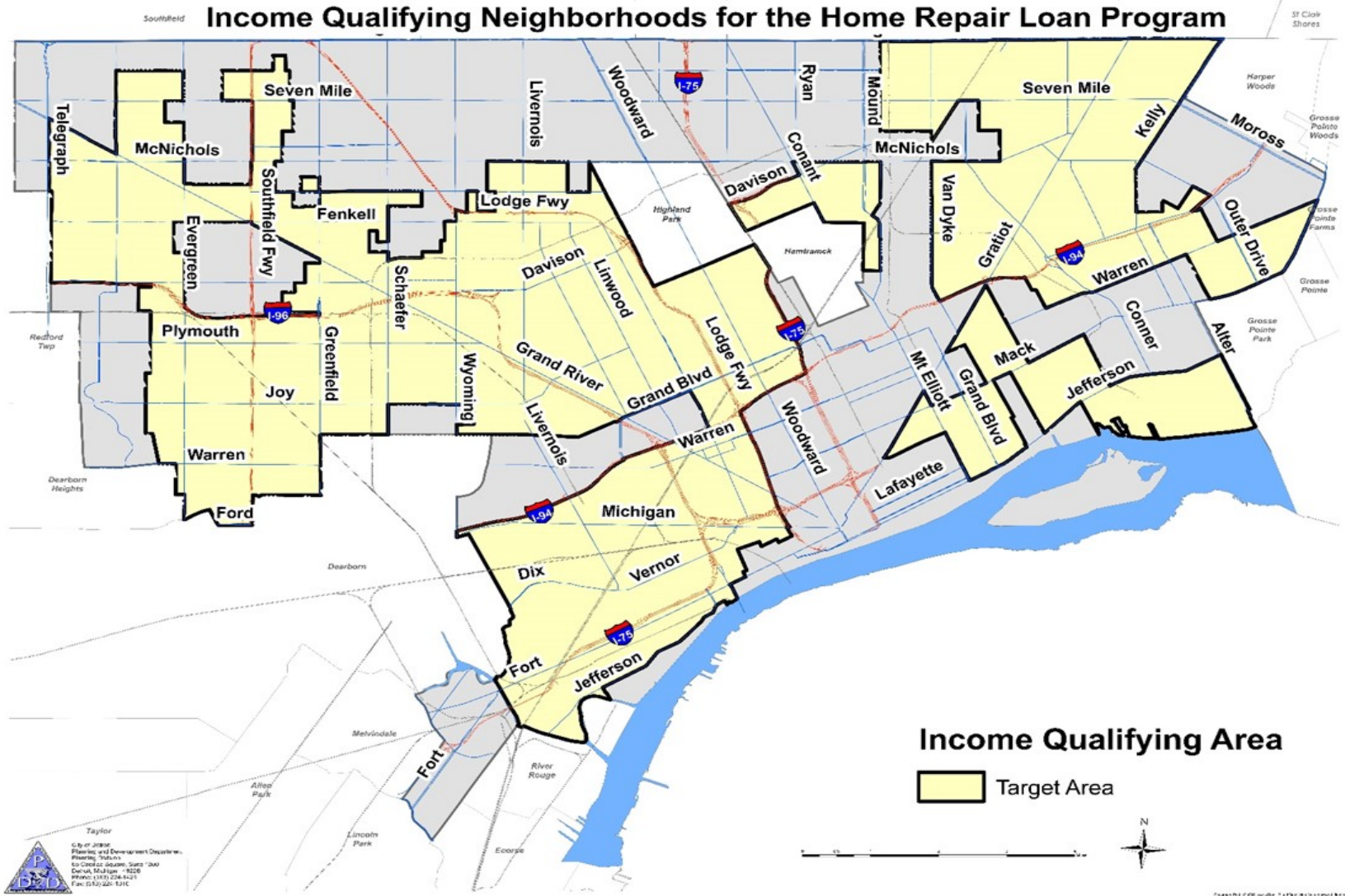
Bidding & Contractor Award

- Homeowners selects from a list of qualified contractors approved by the City of Detroit
- If projects exceed estimates by 10%, notifies homeowner of the need to re-bid
- Awards projects to the lowest, most responsible bidder

Construction Oversight

- Ensures that work is completed to the standards of this program
- Mediates conflicts between homeowner & contractors
- Signs off the final invoices submitted by the contractor at the completion of the project

Target Areas



Completed Projects (District 2)



Completed Projects (District 6)



How do I apply as a contractor:

- Program website: www.detroithomeloans.org.
- For contractors in need of an application to become approved to bid on projects through the 0% Interest Home Repair Loan Program, please contact Damon Thompson – Home Repair Coordinator, (313) 265-2928.
- Connie Reno, Housing Compliance Inspector (Housing & Revitalization Department) oversees the contractor vetting process.