

*Application & Eligibility continued...*

You may be eligible to receive funding if your annual household income is at or below the following amounts:

Household Size	Income Limits*
1	\$45,500
2	\$52,000
3	\$58,500
4	\$65,000
5	\$70,200
6	\$75,400
7	\$80,600
8	\$85,800

\* Income limits are subject to periodic change.

Loan to value ratios for each property are also reviewed to determine the availability of equity which is considered when determining maximum loan amounts. The Owner may provide their own property appraisal at their expense, for the Town's consideration.

**FUNDING**

Funds are typically offered in the form of deferred loans to owner/ occupants. Deferred loans are 0% interest loans which require no repayment until a transfer of title, refinancing, the Owner's demise, or the subject property is no longer the applicant's principle place of residence. Investors may be eligible for direct loans with interest rates up to 3% and maximum terms of 15 years. All loans are secured with a mortgage deed, promissory note, and memorandum of agreement.

The Town may, at their option, subordinate their loan, to future lenders, upon written request from the Owner, if determined to be in the Town's best interest.

*The information and process outlined in this flyer is illustrative only and does not bind the Town or its agent. The Town has the right to amend, revise, rescind, or interpret any part, process, or procedure of its Program as it deems necessary. All decisions are subject to the review and approval of the State of Connecticut.*

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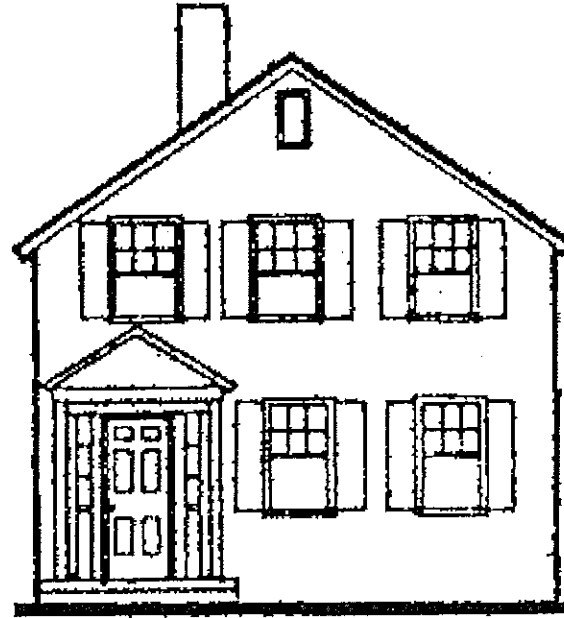
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*Rev. February 9, 2012*

**Town of Ledyard  
Housing Rehabilitation  
Loan Program  
Information**



**Funding provided by  
Connecticut Department of  
Economic & Community Development**



**U.S. Department of  
Housing and Urban Development  
Equal Opportunity Lender**

**COMMUNITY DEVELOPMENT  
BLOCK GRANT LOAN PROGRAM**

The Town of Ledyard has Community Development Block Grant funds available for use by income eligible residential property owners for housing rehabilitation projects. These funds come from the U. S. Department of Housing and Urban Development (HUD) and are administered at the State level by the Department of Economic and Community Development (DECD).

The Town of Ledyard has retained L. Wagner & Associates, Inc. to coordinate its local housing rehabilitation loan program and to serve as the Town's agent.

Eligible repairs include the correction of health and safety violations, septic system repairs, code compliance, weatherization, energy conservation measures, lead paint remediation, and general home improvements such as roofing, carpentry, doors and windows, electrical, plumbing, heating, and other non-luxury work subject to approval of the Town.

If you participate in the Program, you should become familiar with several key elements. This pamphlet attempts to explain the general procedure and process and to address some commonly asked questions.

**APPLICATION & ELIGIBILITY**

All applications must be fully completed and returned to the address listed on the back of the application. Applications are processed on a first come first serve basis.

Eligibility is based on a combination of household size and annual household income. Income documentation for each of the household residents over the age of eighteen must be submitted with the application. This documentation must include copies of a minimum of the last 3 pay stubs, the most recent Federal tax return, social security documentation, or other pertinent income information. All tax returns must be signed.

**TYPICAL REHABILITATION PROCESS**

*Initial Inspections*

Once applicants are determined eligible, the Rehabilitation Consultant will contact the Owner to schedule an initial inspection. This inspection allows the Rehabilitation Consultant to explain the program in greater detail and to determine the specific needs of the property.

All participating homes built prior to 1978 will be tested for hazardous levels of lead based paint. Lead Based Paint Reduction/ Mitigation efforts will be performed in accordance with Federal and state regulations.

In certain cases the Building Official, Health Department and the Fire Marshal may perform additional inspections of the dwelling to ensure that code related concerns are addressed. The Rehabilitation Consultant will contact the appropriate parties and provide them with an outline of the Owner's proposed scope of work.

*Scope and Budget*

After the inspections are performed, the Rehabilitation Consultant will prepare a preliminary "Scope and Budget" to estimate the value of the work proposed. This document is sent to the Owner for their review and approval. The Owner is responsible for verifying the accuracy of the proposed scope in comparison to the work they anticipate being performed.

*Specifications*

Upon acceptance of the Scope & Budget, the Rehabilitation Consultant will prepare specifications describing the proposed work. The specifications will be sent to the Owner for their approval. These project specifications will then be used by interested contractors in submitting their bids.

*The Bid Process*

Upon receipt of the signed specifications, the Rehabilitation Consultant will coordinate with the Owner to schedule a pre-bid conference and bid opening date. The pre-bid allows interested contractors an opportunity to visit the site, review the work, and introduce themselves to the Owner. The pre-bid is held at the location of the project and usually lasts 45 minutes to 1 hour.

Bids are received by the Town on behalf of the Owner. They are typically opened and read aloud. Information is compiled and the Owner is notified of the bid results.

Generally, the low bidder is selected by the Owner. If the low bidder is not a qualified contractor, the Town may extend it's financing to the dollar amount of the second lowest bidder. The Town will fund the project based upon the lowest qualified bid received. The Owner may select a bidder other than the lowest qualified bidder, providing they provide the additional funding.

The contractor is required to provide the Owner with current references, valid insurance, and licensing information. It is advised that the Owner contact the references; even visit the referenced projects, if possible, to assist them in making their decision. Ultimately the contract is between the Owner and the Contractor.

*Contract and Loan Closing*

Upon contractor selection, the Rehabilitation Consultant will prepare contracts and loan documents. A meeting will be arranged for all participants to review and sign these documents.

*Project Oversight*

The construction contract is between the Owner and the Contractor. All scheduling, selections, and arrangements shall be made between the two parties. The Rehabilitation Consultant will periodically visit the site to ensure compliance with the Town's grant requirements. The local agency having jurisdiction over the work being performed will perform their customary inspections as part of the permit process.

*Payments*

Payments are made to the Contractor in installments as work is completed. The Owner, the Rehabilitation Consultant, and Contractor will meet to inspect the work and approve payments as the work is completed.

A two party check is issued by the Town made payable to the Owner and to the Contractor. The check is sent to the Owner for endorsement and forwarded to the Contractor by the Owner.

The contractor will provide a signed and notarized lien waiver(s) for each payment or as appropriate.

*Warranty*

The contractor is responsible to the Owner to provide all warranty information and warranty their work for a minimum of one year upon completion.

**OWNER RIGHTS AND RESPONSIBILITY**

Under this program the Owner has the right to withdraw their application at any time until the contract and loan closing. The Owner also has the right to rescission, the right to terminate the loan and contract within three business days of signing.

The Owner must disclose all required information in a timely manner. Any willful misrepresentation may result in the disqualification of an application

The Owner has the right to hire any bidder they choose, as explained in the previous section on the bid process, subject to certain conditions.

All colors, models, and materials will be selected or approved by the owner prior to installation. The Owner is responsible to respond to the Rehabilitation Consultant and/ or the contractor with these decisions or any other decisions within a reasonable amount of time.

The Owner must make themselves reasonably available for inspections, pre-bids, work scheduling, and meetings.

The Owner must make their home available to the contractor during normal working hours.

The Owner is responsible for the safe keeping of their possessions, moving, and storage of furniture unless otherwise stated.

The Owner cannot withhold payment from the contractor for items not related to the contract or if the work has been approved by the Town.