West Covina
Community Development Commission

# HOME IMPROVEMENT LOAN PROGRAM

Since 1975, the Community Development Commission has been offering a Home Improvement Loan Program (HILP). Its aim is to help rehabilitate and maintain the owner-occupied housing stock within the City by making available no-interest deferred payment loans to low income homeowners. This program is funded with Redevelopment Set-A-Side funds.

Qualification for the program is based on county income limits provided by the State of California Department of Housing and Community Development. Please refer to the specific income guidelines.

**2010 MAXIMUM INCOME LIMITS**

| FAMILY SIZE | ANNUAL INCOME | FAMILY SIZE | ANNUAL INCOME |
|---|---|---|---|
| 1 | $46,400 | 5 | $71,550 |
| 2 | $53,000 | 6 | $76,850 |
| 3 | $59,650 | 7 | $82,150 |
| 4 | $66,250 | 8 | $87,450 |

(Based on current effective limit income of Los Angeles County. Revised annually as set forth in 25 Cal. Code Regs. Section 6932) As June 17, 2010.

**FROM**

*Hilp101bb*

## SATISFIED HOMEOWNERS

***"The program allowed me to do needed repairs to my property that I would otherwise not have been able to do."***

***"The program provides financial help to those in financial need when they need it most"***

***"If it were not for the Home Improvement Loan Program, I would not have been able to make the quality repairs and improvements needed so badly. I'm so grateful!"***

WEST COVINA

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Community Development
Commission

**HOME IMPROVEMENT LOAN PROGRAM-**

No Interest

# Commonly Asked Questions and Answers

EQUAL HOUSING LENDER

**1. How can I qualify?**

You must be a West Covina resident and your income must be within the program guidelines.

**2. How much can I borrow?**

A maximum of $10,000.

**3. When must the loan be paid back?**

When the home is sold, refinanced (if required by lender), upon death of the homeowner, when the homeowner wishes to pay off in a lump sum, or when the homeowner no longer resides in the home.

**4. Can I pay the loan back in monthly installments?**

No, the loan must be paid back in a lump sum.

**5. Will the city take my home if I don't pay this loan back?**

No. The loan must eventually be paid back. See number 3 above.

**6. Which income amount do you use, gross or net?**

Gross (before taxes).

**7. Can I do the work myself?**

Only licensed contractors can be used. Should the homeowner wish to do the work, the Community Development Commission will pay for materials only; no equipment, labor, or tool costs will be paid. All payments will be made upon completion of work.

**8. Why must I hire a licensed contractor? They cost more money.**

Licensed contractors are bonded and monitored by the State Contractor's License Board. If the work is not performed in a satisfactory manner, there is help available from this board. The City does not pay until all homeowner/contractor disputes are settled.

**9. Will you give the money directly to me?**

No.

**10. Will the city reimburse me for money already spent?**

No.

**11. Can I use the loan to pay my bills?**

No, the loan can only be used for eligible home improvements.

**12. Does the loan affect my living trust?**

No.

**13. I'm not working. Does that disqualify me?**

No, the loan program does not require the homeowner to be employed. Your income must fall within the program income guidelines.

**14. Is this loan confidential?**

The application is confidential, but the deed is recorded with the Los Angeles county recorder, and then becomes public record.

**15. My child's name is on the deed, will that disqualify me?**

No, if you can prove that your child does not live in your household.

**16. If my spouse dies, will I have to pay the loan back at that time?**

No, as long as the surviving spouse continues to reside in the home.

**17. Can I apply more than once?**

A homeowner may apply more than once, but not in the same fiscal year (July 1 to June 30) and as long as the maximum loan amount is not exceeded.

**18. Can I mail the application in?**

Yes, or you may drop it off in room 218 at City Hall.

**19. How long will it take to qualify?**

Once the application is completed, it will take 3 to 5 working days to verify income and home ownership. An inspection of the proposed work is scheduled soon thereafter. The homeowner is then notified by mail to proceed with obtaining contractor bids. The construction period depends on the nature of the work.

***Please note homes with reverse mortgages do not qualify***

***For further information please call Barbara Banks at (626) 939-8432.***