

Tipton Home Loan Fund

The City has created a loan fund that is directed at making improvements to owner-occupied homes within the City of Tipton. This lending program may be used under these parameters:

- Uses:** This program is applicable to homes of no more than \$185,000 in assessed value (including lot and buildings.) Loans are for the renovation or improvement of existing homes, but are limited to permanent improvements, such as: exteriors (such as new siding,) roof replacement, handicap improvements, windows, and buildings systems (electrical, mechanical, plumbing.)
- Loan Amt:** The maximum loan amount is \$10,000 per home.
- Interest:** Zero percent (0.5%) will be charged on the loan amount for the duration of the loan.
- Loan Period:** The timeline for completion of the project is one year from the date of receipt of the funds.
- Match:** A minimum of 25 percent (25%) match on the loan amount is required by the applicant.
- Collateral:** Best available lien position on the improved property.
- Application Materials Required:**
- 1.) Completed application.
 - 2.) Adequate collateral.
 - 3.) Information provided by applicant such as current financial statement, previous year's tax return, and where balance of loan fund is coming from.
 - 4.) Evidence of property ownership and its assessed value.
 - 5.) Narrative of scope of work and itemization of expenses.
 - 6.) Other types of information as the City deems appropriate.
- Approval:** The Tipton Development Commission will serve as the Loan Committee for this program and will make recommendations on all loan applications. The City Council will make the final decision on all applications. The City reserves the right to approve, deny, or discontinue any loan application on a case-by-case basis.
- Other Loan Guidelines:**
- A.) Loans will be made to property owners.
 - B.) Loan recipients can do their own labor, but may not charge their labor to their loan or their loan's match requirement.
 - C.) Though not limited to these alone, this program cannot be used to:
 - Refinance another loan without the City's prior approval.
 - Fund anything other than physical improvements to homes.
 - Match another financing or grant program (nor vice-versa) without the City's prior approval.
 - D.) The borrower must pay for all costs or fees associated with the issuance of the loan.
 - E.) Any outstanding loan balance will become immediately due and payable if the project fails a building inspection, the home is no longer owner-occupied, or the applicant otherwise defaults on the loan.
 - F.) The City reserves the right to waive its loan requirements on a case-by-case basis.

**Tipton Home Loan Fund
Application Form
City of Tipton**

Application Information

Applicant's Name

Mailing Address (Street/City/State/ZIP)

Email Address

Phone

Bank Reference

Bank Reference (include name, city, phone number, and type of account with them.)

Building Information and Proposed Use of Funds

Street address of building or lot for which the loan is sought

Description of proposed use of loan funds (Attach info, if applicable.)

Total Estimated Construction Cost: \$ _____

Loan Amount Requested: \$ _____

Balance of funding will be supplied by what source?

Note to Applicant: Please refer to the check list on the last page of this application for a summary of the requirements that must be provided.

Loan Security and Repayment Schedule

A. Along with a personal guarantee, the applicant proposes to use the following as loan security (circle one:)

- 1.) First mortgage on building being renovated or improved.
- 2.) Second mortgage on building being renovated or improved.
- 3.) Personal guarantee.
- 4.) Mortgage on other property (specify) _____

B. The applicant proposes to repay loan in the following manner:

_____ Monthly Payments

_____ Quarterly Payments

C. Loan repayments would begin on what date: _____. Note: This date cannot be more than one year after the loan funds are advanced and loan document signed.

Statement of Understanding

1.) The applicant (undersigned) agrees to comply with the guidelines and procedures the Tipton Home Loan Fund and the scope of the renovation/improvement as agreed by the applicant and the Loan Committee.

2.) It is hereby certified that all of the financial and related data supplied to the City is true and accurate.

3.) It is understood that all information supplied to the City by the applicant (that is not subject to open records laws) will be kept strictly confidential and only shared with those that are integral to the loan process.

4.) It is further understood that the City may order a credit history review and that by signing this application, the borrower consents to said review. It is also understood that additional financial information may be requested in order to evaluate this application and that the City is hereby authorized to obtain verification of any information contained in the application from the applicant's financial institution.

5.) By signing this application, the applicant hereby consents to the release of any and all financial information from the above-designated bank reference.

Signature of Applicant(s)

Date

Return to: Linda Beck
Tipton Development Director
417 Cedar Street
Tipton, IA 52772

Phone: 563-886-6350
Email: lbeck@tiptoniowa.org

Checklist of Application Attachments

- | | <u>Yes</u> | <u>No</u> | |
|-----|------------|-----------|--|
| 1.) | ___ | ___ | Narrative of scope of work. |
| 2.) | ___ | ___ | A short resume of your background/experience. |
| 3.) | ___ | ___ | Information on where the balance of funding is coming from. |
| 4.) | ___ | ___ | Previous year's income tax return. |
| 5.) | ___ | ___ | Personal financial statement (forms for this can be picked up at your local bank.) |
| 6.) | ___ | ___ | Itemization of project expenses. |
| 7.) | ___ | ___ | Evidence of property ownership and the property's assessed value. |