

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Homeownership Opportunities and Preservation
HomeFix 2.0 Program

Term Sheet

Program Description	The HomeFix 2.0 Program supports homeowners and their tenants of 1-4 unit homes across NYC through the financing of home repairs, physical improvements and support services. HomeFix provides no-interest, forgivable loans and partnership support through non-profit housing service providers.
Eligible Buildings	1-4 unit homes located in New York City. - Home must be the primary residence, occupied by the homeowner of the property. - Household applicants whose properties have outstanding violations may participate in the HomeFix program providing that corrections are addressed before closing or are included in the scope or work funded by the HomeFix loan.
Eligible Borrowers	- To be eligible for a HomeFix loan, a borrower must be the owner occupant of a 1-4 unit family home, with a maximum household income of 120% of AMI. - Household must be current with their mortgage payments, and with Department of Environmental Protection (DEP) and Department of Finance (DOF) charges, or be on an active payment plan with those agencies. - Applicants with credit scores under 640 and/or Debt-to-Income (DTI) Ratio over 45% will be required to register for housing counseling assistance through HPD partner non-profit counseling agencies. A completion certificate will be required prior to loan closing.
Eligible Uses	- Scope of work must address building system(s) or housing deficiencies or conditions which may be hazardous to occupants/residents. - HomeFix program partners will develop the scope of work, which must be acceptable to HPD. - Eligible scope of work items may include, but are not limited to, roof, heating system, hot water heater, electrical system, plumbing system, sidewalks/paving, resiliency and energy efficiency upgrades, etc. - Residents may also be eligible for home improvements through HomeFix to improve accessibility and help senior residents age in place, including bathroom and kitchen modifications.
HPD Loan Amount	Loan amount will be based on the rehabilitation needs of the 1-4 unit home, with a maximum of \$100,000 for one-unit buildings, \$130,000 for two-unit buildings, \$160,000 for three-unit buildings, and \$190,000 for four-unit buildings.

HPD Loan Terms: General	• HPD calculates monthly expenses by adding IRS allowable living and transportation expenses, household costs (including mortgage payments, taxes, homeowner insurance, PMI (private mortgage insurance, if applicable), car payments and utilities. • HPD calculates monthly gross income by adding all sources of income (including rental income). Net income will be documented based on actual net income. • HomeFix loans will be deferred and forgivable with no interest rate and no monthly payments required. • The initial term of the loan is set as follows: • Loans up to \$30,000 will be set at 60 months (5 years), • Loans greater than \$30,000 will be set at 180 months (15 years)
HPD Equity Requirements	• A lien will be placed on homeowner property, to secure lending interest. • For lending of less than \$30,000, a UCC-1 lien may be recorded. • For lending of \$30,001 or greater, a mortgage lien will be recorded.
Design and Construction Requirements	• Projects must meet HPD Design Guidelines and plans must be approved by the HomeFix administrator and receive final from HPD. • The HomeFix administrator must approve subcontractors, including general contractors, engineers, architects and/or any other third party associated with HomeFix projects. • The HomeFix administrator will monitor construction. • Projects must be in full compliance with the design requirements of all applicable laws, including, but not limited to, the New York City Zoning Resolution, the New York City Building Code, the New York City Housing Maintenance Code, the New York State Multiple Dwelling Law, the Fair Housing Act, and Section 504 of the Rehabilitation Act of 1973.
Fees and Closing Costs	• An administrator fee will be included in loans made through HomeFix HDFC to cover required development expenses incurred through home repair financing. • Note that homeowners will be required to pay a fee in the event that subordination or satisfaction of mortgage is required in the future.
Regulatory Requirements	• Borrower must maintain ownership of the property as a primary residence for term of the loan. Homeowners are required to sign a primary residence affidavit and demonstrate primary residency to receive a loan satisfaction. If the applicant sells the home or refinances during the loan term, the loan must be repaid in accordance with the repayment schedule. • A rental regulatory agreement between the homeowner and the City of New York will be required for loans above \$50,000 and where work is being done in an additional unit. The regulatory restriction period of the regulatory agreement will be 10 years

	from commencement of the repairs or until satisfaction of the loan, whichever is first, provided that the term shall not be less than 5 years regardless of repayment. The regulatory agreement will include the following provisions for the duration of the regulatory restriction period: • For vacant apartments, unless otherwise approved by HPD, the unit must be rented at or below 120% of the Area Median Income upon initial lease-up. • Rent must not be increased by more than 2% annually. • Family members occupying the unit may be exempt from these provisions. • Homeowners are required to keep tenant leases demonstrating compliance with the rent restrictions and may be required to submit leases to HPD upon request.
Application Process	• Homeowners interested in participating in HomeFix must submit an Intake Form to one of HPD's HomeFix partner organizations.
HPD Contact	• Homeownership Opportunities and Preservation: 100 Gold Street Room #9-W8, New York, NY 10038 See HomeFix webpage.