

**Proposed Changes to Rehab Lending Guidelines  
February 2019**

	Current Policy		Proposed Policy
	Rehab NRSA - CDBG/HOME	Rehab CW - HOME	Rehab - CDBG/HOME
<b>Eligible Applicants</b>	O/O: Deferred and Direct I/O: Direct Only	O/O: Deferred and Direct I/O: Direct Only	O/O: <b>Forgivable</b> and Direct I/O: Direct Only
<b>Eligible Properties</b>	A. Repairs or improvements required to meet minimum housing code standard. B. Not suitable if cost of repair exceeds 65% as-is tax value minus land cost or, cost of rehab > 95% after rehab value	A. Repairs or improvements required to meet minimum housing code standard. B. Not suitable if cost of repair exceeds 65% as-is tax value minus land cost or, cost of rehab > 95% after rehab value	A. Repairs or improvements required to meet minimum housing code standard. B. Not suitable if cost of repair exceeds 65% as-is tax value minus land cost or, cost of rehab > 95% after rehab value
<b>Ineligible Properties</b>	A. Properties in bankruptcy or foreclosure B. Properties with reverse mortgage or federal tax liens	A. Properties in bankruptcy or foreclosure B. Properties with reverse mortgage or federal tax liens	A. Properties in bankruptcy or foreclosure B. Properties with reverse mortgage or federal tax liens
<b>Eligible Areas</b>	Designated Target Area	Designated Target Area	Designated Target Area
<b>Types of Assistance</b>	Deferred - Income reviewed every 2 years. Direct - Monthly P&I payment.	Deferred - Income reviewed every 2 years. Direct - Monthly P&I payment.	<b>Forgivable - 1/10th forgiven each year, up to 10 years</b> <b>Direct - Monthly P&amp;I payment.</b>
<b>Income Eligibility</b>	O/O - HH AMI <= 50% Deferred I/O - HH AMI 51% to 80% Direct	O/O - HH AMI <= 50% Deferred I/O - HH AMI 51% to 80% Direct	O/O - HH AMI <= 50% <b>Forgivable</b> O/O - HH AMI 51% to 80% Direct I/O - HH AMI 51% to 80%
<b>Loan Terms</b>	20 Year Amortization	20 Year Amortization	20 Year Amortization
<b>Interest Rates</b>	O/O: 0% - 2% I/O: 0% - 6%	O/O: 0% - 2% I/O: 0% - 6%	O/O: 0% - 2% I/O: 0% - 6%
<b>Amount of Assistance</b>	\$45,000. CLTV not exceed 95% tax value and/or after rehab value	\$45,000. CLTV not exceed 95% tax value an/or after rehab value	<b>\$65,000</b>
<b>Repeat Assistance</b>	Allowed	Allowed	<b>Emergency only - 1 time</b>
<b>Application Fee</b>	O/O: None, I/O: \$250.00	O/O: None, I/O: \$250.00	O/O: None, I/O: \$250.01
<b>Assumptions</b>	Allowed by member of immediate family	Allowed by member of immediate family	Allowed by member of immediate family
<b>Notes &amp; DOT and/or Financing Agreement</b>	Note and DOT	Note and DOT	Note and DOT; 20 year Deed Restriction
<b>Exceptions</b>	By Rehab Loan Committee	By Rehab Loan Committee	By Rehab Loan Committee
<b>Homeowner Insurance</b>	Required	Required	Required

**Proposed Changes to Rehab Lending Guidelines  
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<b>Forgiveness</b>	Not Applicable	Not Applicable	<b>Yes</b>
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**Proposed Changes to Emergency Repair Guidelines  
February 2019**

	<b>Current Policy</b>		<b>Proposed Policy</b>
	<b>Emergency Repair</b>	<b>CD Urgent Repair</b>	<b>Emergency Repair - CDBG</b>
<b>Eligible Applicants</b>	O/O: Deferred and Direct	O/O and must have special need: $\geq$ 62 years old; handicapped; single parent w/ dependent child; $\geq$ 5 household members	O/O: <b>Forgivable</b> and Direct
<b>Eligible Properties</b>	Conditions which present imminent threat to the health and/or safety of the residents of substandard housing	Conditions which pose imminent threats to residents life and/or safety that require displacement.	Conditions which present imminent threat to the health and/or safety of the residents of substandard housing
<b>Ineligible Properties</b>	Properties that do not constitute a threat to the health and/or safety of the occupants	Properties without conditions that pose imminent threat to residents life and/or safety and do not require displacement.	Properties that do not constitute a threat to the health and/or safety of the occupants
<b>Eligible Areas</b>	Within City Limits of Winston-Salem	Within City Limits of Winston-Salem	Within City Limits of Winston-Salem
<b>Types of Assistance</b>	Deferred - Income reviewed every 2 years. Direct - Monthly P&I payment Forgivable Loan: Forgiven after 3 to 10 years	Deferred - Forgivable loan after 3 years from date of closing	Direct - Monthly P&I payment Forgivable Loan: <b>Up to \$6.5k - 3 years</b> <b>\$6.5-\$10K - 5 years</b> <b>over \$10K - 10 years</b>
<b>Income Eligibility</b>	HH AMI: 31% to 50% / Deferred HH AMI: 51% and $<$ 81% / Direct HH AMI: $\leq$ 30% / Forgivable	HH AMI: $\leq$ 50%	HH AMI: 51% and $<$ 81% / Direct HH AMI: $\leq$ <b>50%</b> / Forgivable

**Proposed Changes to Emergency Repair Guidelines  
February 2019**

	<b>Current Policy</b>		<b>Proposed Policy</b>
<b>Loan Terms</b>	10 Year Amortization	None	10 Year Amortization
<b>Interest Rates</b>	1%: AMI >50% and </= 65% 3%: AMI >65% and </= 80%	Not Applicable	1%: AMI >50% and </= 65% 3%: AMI >65% and </= 80%
<b>Amount of Assistance</b>	Director approval: </- \$6,500 Loan Committee: > \$6,500	\$15,000	Director approval: </- <b>\$15,000</b>
<b>Repeat Assistance</b>	Not Allowed	Not Allowed	Not Allowed
<b>Application Fee</b>	None	None	None
<b>Assumptions</b>	Allowed by member of immediate family	Assumable by Heirs	Allowed by member of immediate family
<b>Notes &amp; DOT and/or Financing Agreement</b>	Note, DOT and Emergency Rider	Note and Urgent Repair Program Agreement	Note, DOT and Emergency Rider
<b>Exceptions</b>	By Loan Committee	None	By Loan Committee
<b>Homeowner Insurance</b>	Required	Required	Required
<b>Forgiveness</b>	Loans up to \$6,500 - Forgiven at year three Loans up to \$6,501 - Forgiven at year five Loans of \$10,001 and up - Forgiven at year 10	Forgiven after 3 years	Loans up to \$6,500 - Forgiven end of year three Loans up to \$10,000 - Forgiven end of year five Loans of \$10,001 and up - Forgiven end of year 10

**Proposed Changes to Physical Accessibility Guidelines  
February 2019**

	<b>Current Policy</b>		<b>Proposed Policy</b>
	<b>CD Handicap Grant - CDBG/HOME</b>	<b>CD Handicap Loan - CDBG/HOME</b>	<b>Physical Accessibility - CDBG/HOME</b>
<b>Eligible Applicants</b>	O/O: Deferred	O/O: Deferred and Direct I/O: Direct Only	O/O: <b>Grant</b> and Direct I/O: Direct Only
<b>Eligible Properties</b>	Properties with architectural barriers that create a physical impediment to the mobility of handicapped resident(s)	Properties with architectural barriers that create a physical impediment to the mobility of handicapped resident(s)	Properties with architectural barriers that create a physical impediment to the mobility of handicapped resident(s)
<b>Ineligible Properties</b>	Properties without handicapped resident(s)	Properties without handicapped resident(s)	Properties without handicapped resident(s)
<b>Eligible Areas</b>	Within City Limits of Winston-Salem	Within City Limits of Winston-Salem	Within City Limits of Winston-Salem
<b>Types of Assistance</b>	Deferred - Forgivable after 3 years	Deferred - O/O only. Income reviewed every 2 years. Direct - Monthly P&I payment	<b>Grant - O/O only</b> Direct - Monthly P&I payment Direct - I/O
<b>Income Eligibility</b>	HH AMI: <= 50%	O/O - HH AMI: 51% to 80% & housing expense <30% / Deferred O/O - HH AMI: 51% to 80% & housing expense >30% / Direct I/O - Same rates as Rental Rehab Program (?)	O/O - HH AMI: < <b>51%</b> & housing expense <30% / <b>Grant</b> O/O - HH AMI: 51% to 80% & housing expense >30% / Direct I/O - Same rates as Rental Rehab Program
<b>Loan Terms</b>	None	10 Year Amortization	10 Year Amortization
<b>Interest Rates</b>	Not Applicable	O/O: 0% to 2% I/O: 0% to 6%	O/O: 0% to 2% I/O: 0% to 6%
<b>Amount of Assistance</b>	\$7,500	\$7,500	<b>\$15,000</b>
<b>Repeat Assistance</b>	Not Allowed	Not Allowed	Not Allowed
<b>Application Fee</b>	None	None	None

**Proposed Changes to Physical Accessibility Guidelines  
February 2019**

	<b>Current Policy</b>		<b>Proposed Policy</b>
<b>Assumptions</b>	Allowed by member of immediate family	May be assumed by person(s) who intend to occupy as their principal residence	Allowed by member of immediate family
<b>Notes &amp; DOT and/or Financing Agreement</b>	Note, Handicapped Program Agreement and Memorandum of Indebtedness	Note, DOT and Handicapped Program Agreement	Note, Handicapped Program Agreement and Memorandum of Indebtedness
<b>Exceptions</b>	None	None	None
<b>Homeowner Insurance</b>	Required	Required	Required
<b>Forgiveness</b>	Forgivable after 3 years	Not Applicable	Not Applicable

**Proposed Changes to TURN Guidelines**  
**February 2019**

	<b>Current Policy</b>	<b>Proposed Policy</b>
	<b>TURN</b>	<b>TURN</b>
<b>Eligible Applicants</b>	O/O: Deferred and Direct I/O: Direct Only	O/O: <b>Forgivable</b> and Direct I/O: Direct Only
<b>Eligible Properties</b>	Repairs or improvements required to meet minimum housing code standards. B. Not suitable if cost of repair exceeds 65% as-is tax value minus land cost or, cost of rehab > 95% after rehab value	Repairs or improvements required to meet minimum housing code standards.
<b>Ineligible Properties</b>	A. Properties in bankruptcy or foreclosure B. Properties with reverse mortgage or federal tax liens	A. Properties in bankruptcy or foreclosure B. Properties with reverse mortgage or federal tax liens
<b>Eligible Areas</b>	TURN Designated Target Area	TURN Designated Target Area
<b>Types of Assistance</b>	Deferred - Income reviewed every 2 years Direct - Monthly P&I payment.	<b>Forgivable - Forgiven at year ten (10)</b> Direct - Monthly P&I payment.
<b>Income Eligibility</b>	Applies only to O/O* O/O - HH AMI <= 50% Deferred O/O - HH AMI 51% to 200 % Direct I/O - Direct	Applies only to O/O* O/O - HH AMI <= 50% <b>Forgivable</b> O/O - HH AMI 51% to 200 % Direct I/O - Direct
<b>Loan Terms</b>	20 Year Amortization O/O- Forgiveness after 5 years I/O - Forgiveness after 7 years	20 Year Amortization O/O- Forgiveness after <b>10</b> years I/O - Forgiveness after <b>10</b> years
<b>Interest Rates</b>	O/O: 0% to 4% I/O: 0% if 50% funds obtained outside and 4% if >51% funds provided by CWS	O/O: 0% to 4% I/O: 0% if 50% funds obtained outside and 4% if >51% funds provided by CWS
<b>Amount of Assistance</b>	\$45,000. CLTV not exceed 95% tax value and/or after rehab value	<b>\$65,000</b>
<b>Repeat Assistance</b>	Allowed	<b>Emergency Only - 1 time</b>
<b>Application Fee</b>	None	None
<b>Assumptions</b>	O/O and I/O: Person must intend to occupy property. Investors cannot assume	O/O and I/O: Person must intend to occupy property. Investors cannot assume
<b>Notes &amp; DOT and/or Financing Agreement</b>	Note, DOT and TURN Financing Agreement	Note, DOT and TURN Financing Agreement
<b>Exceptions</b>	By Loan Committee	By Loan Committee
<b>Homeowner Insurance</b>	Required	Required

**Proposed Changes to TURN Guidelines  
February 2019**

	<b>Current Policy</b>	<b>Proposed Policy</b>
<b>Forgiveness</b>	<p>O/O: Based on terms of Note and DOT; One-fifth (1/5th) of debt forgiven each year. Minimum of 60 payments for total forgiveness to occur.</p> <p>I/O: Based on terms of Note and DOT; 50% forgiveness can occur in year seven (7). Minimum 60 payments for forgiveness to occur.</p>	<p>O/O: Based on terms of Note and DOT; <b>One-tenth (1/10th)</b> of debt forgiven each year. Minimum of <b>120</b> payments for total forgiveness to occur.</p> <p>I/O: Based on terms of Note and DOT; 50% forgiveness can occur in year <b>ten (10)</b>. Minimum <b>120</b> payments for forgiveness to occur.</p>

**Proposed Changes to Hazard Reduction Guidelines  
February 2019**

	<b>Current Policy</b>	<b>Proposed Policy</b>
	<b>Hazard Reduction- CDBG/HOME</b>	<b>Hazard Reduction - CDBG/HOME</b>
<b>Eligible Applicants</b>	O/O and I/O: Deferred	O/O and I/O: <b>Forgivable</b>
<b>Eligible Properties</b>	Conditions where the presence of LBP hazards and asbestos must be decreased or eliminated in order to avoid exposure to the occupants.	Conditions where the presence of LBP hazards and asbestos must be decreased or eliminated in order to avoid exposure to the occupants.
<b>Ineligible Properties</b>	Properties without the presence of LBP hazards and asbestos.	Properties without the presence of LBP hazards and asbestos.
<b>Eligible Areas</b>	Within City Limits of Winston-Salem	Within City Limits of Winston-Salem
<b>Types of Assistance</b>	Deferred - Due upon sale or transfer	<b>Forgivable - Forgiven end of year ten (10)</b>
<b>Income Eligibility</b>	Based upon type of rehab assistance applicant is eligible for (i.e., CD Rehab, CW Rehab, Emergency Repair, Urgent Repair, or TURN)	Based upon type of rehab assistance applicant is eligible for (i.e., <b>Rehab or TURN</b> )
<b>Loan Terms</b>	None	None
<b>Interest Rates</b>	Not Applicable	Not Applicable
<b>Amount of Assistance</b>	\$15,000	\$15,000
<b>Repeat Assistance</b>	Unknown	<b>Not Allowed</b>
<b>Application Fee</b>	None	None
<b>Assumptions</b>	Allowed by member of immediate family	Allowed by member of immediate family
<b>Notes &amp; DOT and/or Financing Agreement</b>	Note and DOT	Note and DOT
<b>Exceptions</b>	Costs greater than \$15K require CD Director approval	<b>Costs greater than \$15K require ACM or Loan Committee (\$20K) approval</b>
<b>Homeowner Insurance</b>		<b>Required</b>
<b>Forgiveness</b>	Not Applicable	<b>Forgiven in full at end of year ten (10)</b>