

NORTON CITY/COUNTY ECONOMIC DEVELOPMENT

Norton County - Housing Rehab Program

Fix and Flip Program

Program Description: Qualified developers get 0% interest short-term funding for the purchase, renovation and resale of housing. Qualifying units include those identified as dilapidated or in major wear status by the 2019 Norton County Wide Housing Study.

Program Parameters:

1. Properties must be located within Norton County with a condition status of ‘dilapidated’ or ‘major wear’ within the Housing Condition Assessment of the 2019 Norton County Wide Housing Study
2. Norton County Housing Rehab Program. (“HRP”) provides no-interest financing to qualified developers for up to 100% of the purchase price, rehab costs and holding costs
3. Developers must be able to demonstrate experience in property rehab and present a plan utilizing resources to accomplish the rehab process.
4. Properties currently owned by the developer are eligible for the program, in this case housing purchase cost will not be financed.
5. The property must be purchased, renovated to move-in-ready status and resold in 12 months or less
6. The property must sell within a target range of \$120,000 to \$180,000.
7. Financing limit of \$125,000 per project.
8. Borrower pays \$1500 application fee, from which NCCED will pay title fees, title insurance, mortgage registration and mortgage release fees.

Program Process:

1. Developer locates suitable property fitting program parameters and places the property under contract subject to approval and financing from the HRP.
2. The developer submits an executed contract, developer application and all of the required items specified in the application to the NC/CED Housing Rehab Committee (“Committee”) for review.
3. The Committee reviews applications and Developer is notified of results, and if approved, one of the local title companies prepares a title commitment and schedules a closing.
4. Closing takes place and the rehab process begins. The funds needed to close are disbursed on the day of closing. The rehab funds are held in escrow and disbursed as the project progresses. Lien waivers from subcontractors are required at the time of payment. Committee representatives will perform inspections throughout key stages of the rehab process.
5. Upon completion the property is to be listed and sold, the closing of which is to be completed within 12 months of the original closing date.
6. Upon closing, the loan is repaid in full to NC/CED through escrow.
7. If the note is not paid off within 12 months of the making of the note, then interest shall accrue from that date forward at the rate of 1% above the then average of the home equity loan rates of banks or financial institutions in Norton County.

APPLICATION for Fix and Flip Program

ADDRESS OF PROPERTY: _____

AMOUNT ASKING TO BORROW: _____ **PROJECTED SALE PRICE:** _____

1. **Applicant Name** (Name of Company): _____

Representative: _____ Title: _____

Mailing Address: _____

Phone: _____ E-Mail: _____

2. Applicant Background

Are you a Licensed Contractor? _____

If not, have you graduated from an accredited post-secondary construction and trades program? _____?

If "yes," what trade school or program have you completed? _____

If you are working with a licensed contractor, please submit a signed contract with the contractor¹ that you will work with on this project and provide the following information about the contractor:

Name: _____

Contact Person: _____

Mailing Address: _____

Phone: _____ E-Mail: _____

Provide a brief description of your experience in construction (including rehabilitation and remodeling) and/or real estate development (attach an additional page or resume if necessary):

3. **Address of the Subject Property:** _____

¹ You or your contractor may be required to provide evidence of the contractor's experience and credentials when your application is considered

4. **Real Estate Licensee Involvement.** Participation in the HRP requires that you have obtained information or services with a real estate licensee familiar with the Norton County real estate market.

Name of Licensee: _____ Company: _____

Has the licensee provided you with a market analysis, broker price opinion or similar evaluation of comparable sales in the area, housing values and evaluation of the proposed asking price for the property after completion of your project? _____. If “yes,” **please attach the analysis, opinion or evaluation.**

Will you list the property for sale with this licensee? _____. If not, will you be listing the property with another licensee? Whom? _____

THIS IS AN APPLICATION FOR PARTICIPATION. THE INFORMATION PROVIDED WILL BE CONSIDERED FOR POSSIBLE INCLUSION OF YOUR PROJECT AS ONE THAT IS ELIGIBLE FOR THE HRP. ACCEPTANCE OF YOUR APPLICATION FOR CONSIDERATION IS NOT A PROMISE OF APPROVAL OR ELIGIBILITY.

Your application will be considered by a loan review team appointed solely at the discretion of the Norton City/County Economic Development (“NC/CED”). The review team’s review will include, but not be limited to: Accuracy of the budget given the proposed scope of work; realistic prospects for timely completion of the proposed project and compliance with the terms of the HRP; prospective loan to value ratio given the details of the project; and any other factors that, at the review team’s sole discretion, may affect the decision to approve your application. You may be asked to provide additional information after initial review. The statements you have made in this application will be relied upon by NC/CED and its loan review team in evaluating your application.

If your application is selected for approval in the HRP, you will be presented with a Developer Agreement and, as applicable, a Mortgage and Promissory Note in favor of NC/CED. Your representations in your application will be incorporated into your Developer Agreement and will be material representations to NC/CED. The Developer Agreement and any applicable Mortgage and Promissory Note will legally bind you to certain obligations as set forth in the documents. You are encouraged to consult legal counsel before agreeing to participate in the HRP and execute such documents.

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CERTIFICATION

I/we hereby certify that all of the information that is submitted on this application and in conjunction with it is true and accurate to the best of my/our knowledge. I/we understand that failure to disclose all information or the submission of incorrect information may result in denial of assistance and participation in the HRP. I/we understand that whether or not the application is approved is a decision that is at the sole discretion of NC/CED its representatives, officers, agents, and assigns.

Applicant's Signature

Date: _____

Co-Applicant's Signature (if applicable)

Date: _____

EQUAL CREDIT OPPORTUNITY NOTICE

While NC/CED in no way acknowledges or suggests that the HRP is subject to regulation under the Equal Credit Opportunity Act ("ECOA") or that the applicant(s) qualifies as an applicant under the ECOA or that the application submitted above constitutes an application for a credit decision as defined by the ECOA, NC/CED hereby notifies the applicant(s) that:

Under the ECOA, it is unlawful for any creditor to discriminate against any applicant for credit through a credit transaction on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant(s) have the capacity to contract); or based on the fact that all or part of an applicant's income is derived from a public assistance program; or based on the fact that an applicant has, in good faith, exercised any right under the Consumer Credit Protection Act.

I/we further acknowledge receipt of the above stated notice regarding The Equal Credit Opportunity Act ("the Act") and further state that I/we understand that NC/CED has not represented that it is covered by or subject to the Act or otherwise suggested that this application constitutes a request to consider a credit decision as defined in the Act.

Applicant's Signature

Date: _____

Co-Applicant's Signature (if applicable)

Date: _____