

URBAN COUNTY PROGRAM OWNER-OCCUPIED REHABILITATION PROGRAM

EFFECTIVE June 1, 2021

PURPOSE

The purpose of the Hidalgo County Urban County Program – Homeowner Occupied Rehabilitation Loan Program (Rehabilitation Program) is to provide rehabilitation assistance to eligible low and moderate-income Homeowners residing in Hidalgo County. However, this excludes all residents that reside in the city limits of Edinburg, Pharr, McAllen and Mission.

PROGRAM OBJECTIVES

- Arrest the deterioration of substandard homes by rehabilitation them to conform to the U.S. Department of Housing and Urban Development (HUD) Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926 and with other applicable State and Federal Laws, City Codes and Ordinances.
- Provide means of stabilizing property values and enhancing the overall quality of life within eligible communities.
- Address the issue of housing overcrowding by providing an avenue for eligible families to obtain a home commensurate with family size.

FORM OF FINANCIAL ASSISTANCE

Assistance under this program is delivered through two (2) main mechanisms.

- One method is through the deferred loan program. Deferred loans are essentially grants provided to the homeowners for the rehabilitation of their home. A portion of the loan is deferred each year the client continues to live in the home.
- The second type of assistance is a no interest loan program that provides loans to homeowners for the rehabilitation of their property. The term of the loan is set by the UCP HOME Division by shall not exceed ten (10) years. The term of the loan offered to the client is based on the affordability factor of the loan payments.

APPLICANT QUALIFICATIONS

- Must be a resident of Hidalgo County but not live within the city of limits of Edinburg, Pharr, McAllen or Mission; and
- All household members must be U.S. Citizens or be legal resident aliens; and
- Applicant must have a property under their name with clear title and occupy the property to be assisted; and
- Must have lived in the home for a period of at least five (5) years prior to applying for assistance; and
- The home must be their principal residence; and
- Must meet HUD income guidelines according family size at time of application; and
- Must be current on their property tax responsibilities for the home to be rehabilitated.

HUD INCOME LIMITS

The applicant's annual income must not exceed 80% of the HUD determined area media income, adjusted by family size at the time of application as indicated by the table below. (Effective 6/1/2021)

1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
34,100	39,000	43,850	48,700	52,600	56,500	60,400	64,300

To be eligible for HOME Assistance, a property must be:

- Occupied by an income-eligible homeowner, and
- The owner's principal residence.

The following property types may be included under the program:

- Property must be within the boundaries of Hidalgo County. (Cities of Edinburg, Pharr, McAllen, and Mission do not qualify).
- Traditional single-family housing that is owned fees simple (this housing may contain one to four dwelling units)
- A condominium unit
- A cooperative unit or unit in a mutual housing project (if state law recognizes these as forms of homeownership); or
- A manufactured home, including a mobile home

APPLICANTS INELIGIBLE FOR ASSISTANCE

- Non-elderly head of household has real property (other than home to be rehabilitated or reconstructed), or cash assets in excess of \$12,500 (twelve thousand five hundred dollars).
- An elderly head of household (62 year or older) has real property (other than home to be rehabilitated or cash assets in excess of \$20,000 (twenty thousand dollars).
- A disabled head of household has real property (other than home to be rehabilitated) or cash assets in excess of \$20,000 (twenty thousand dollars).
- An applicant who has more than one dwelling structures on the property to be rehabilitated unless the applicant agrees to remove the excess structure upon the execution of the construction contract.
- An applicant who is operating a business out of the home to be rehabilitated unless an explanation of said business is submitted and approved by the UCP Director and the business complies with existing city ordinances.
- Any applicant whose property is located within the 100-year floodplain (FEMA Insurances Rate Maps) shall generally not be eligible for assistance unless approved by the UCP Director - contingent on such factors as additional construction costs (to deter flooding) and insurance cost and their respective impact on affordability.
- Applicants whose properties have identified by any code enforcement department for demotion.

HOMEOWNER'S RESPONSIBILITIES

- Maintain the home as their principal address for a period of at least five (5) to ten (10) years, dependent upon amount of assistance; and
- Provide and submit evidence of valid home insurances coverage, inclusive of fire and flood insurance (if applicable); and
- Provide and submit yearly proof of residency to the UCP (ex. Utility bill in the Homeowner's name); and
- Keep current on all property taxes.

SPECIAL CONDITIONS

As a requirement from HUD, the Urban County Program must document affordability and will assume a lien on the applicant's property for a period of five (5) to ten (10) years – dependent upon amount of assistance. A release of lien will be issued and filled after the affordability time period has been met. (Clients who are elderly head of household will have a 5 year lien period)

CHECKLIST TO APPLY FOR OUR PROGRAM

APPLICANT INFORMATION

At the point of application signing, the applicant must bring the following documentation:

- BIRTH CERTIFICATES (FROM ALL FAMILY MEMBERS IN HOUSEHOLD)
- RESIDENT ALIEN CARDS (FROM ALL FAMILY MEMBER IN HOUSEHOLD – IF APPLICABLE)
- SOCIAL SECURITY CARDS (FROM ALL FAMILY MEMBERS IN HOUSEHOLD)
- PROOF OF PROPERTY OWNERSHIP
- MINIMUM OF TWO (2) UTILITY RECEIPTS THAT SHOW APPLICANT'S NAME AND ADDRESS
- MINIMUM OF SIX (6) CURRENT PAY STUBS (FROM ALL FAMILY MEMBERS IN HOUSEHOLD)
- COPY OF CURRENT 1040 (FROM ALL FAMILY MEMBERS IN HOUSEHOLD THAT ARE EMPLOYED)
- UNEMPLOYMENT BENEFIT LETTER
- SOCIAL SECURITY BENEFIT LETTER
- PUBLIC ASSISTANCE (TANF/FOOD STAMPS) PRINT OUT FROM TEXAS HEALTH & HUMAN SERVICES
- CHILD SUPPORT BENEFIT LETTER
- MINIMUM OF SIX (6) CURRENT BANK STATEMENTS FOR CHECKING ACCOUNT
- MINIMUM OF ONE (1) CURRENT BANK STATEMENT FOR SAVINGS ACCOUNT
- CURRENT CITY AND SCHOOL TAX RECEIPT
- CURRENT COUNTY TAX RECEIPT
- MORTGAGE CONTRACT & BALANCE (THIS IS NEEDED ONLY WHEN PAYMENTS ARE BEING MADE)

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