



HOME IMPROVEMENT LOAN PROGRAM

The Home Improvement Loan Program is administered by Localworks to upgrade the appearance, safety and energy efficiency of residential properties, and for exterior and interior improvements that improve the overall residential environment within Wheat Ridge.

- Eligible areas:** Any resident within the city boundaries of Wheat Ridge.
- Eligible borrowers:** Home owners or potential home owners (those under contract) who will live in the property for an additional 5 years as a primary residence.
- Eligible Project Costs:**
- Exterior façade improvements;
 - Structural, mechanical & electrical repairs;
 - Landscaping;
 - Interior renovations;
 - Energy improvements.
- Loan Structure:** 1st or 2nd mortgage loans (based upon demonstrated need, 3rd lien position may be considered)
- Loan Amounts:** 80% of the project costs
Minimum \$5,000 – Maximum \$30,000
- Loan Terms:** 5 Years (amortized over 20 years)
- **Year 1:** 0% Interest
 - **Years 2-5:** 1% below WSJ Prime Rate
 - **Years 6-10** (if loan extension is requested): 1% above WSJ Prime Rate
- Approval Criteria:** Evidence of sufficient cash flow to repay loan, and sufficient collateral to secure the debt. Personal guarantees are required. Code compliance and permit(s) with the City of Wheat Ridge are required. Localworks performs an underwriting process and site visit. Final loan approval will be made by the Localworks Loan Committee.
- Loan Fees:** Non-refundable \$250.00 application fee, plus all legal and closing costs (approximately \$600.00)
- Taxes:** During the term of the loan, borrowers receiving loan funding must be current on all Property Taxes of the City, County and School District, Water and Sewer bills, State Taxes, Municipal liens, and any miscellaneous invoices.
- Information/Application:** Applications may be secured through: Localworks
4251 Kipling St., Suite 580
Wheat Ridge, CO, 80033

PURPOSE

Administered by Localworks, the purpose of the Home Investment Loan Program (hereafter referred to as “loan” or “loan program”) is to update the appearance, safety and energy efficiency of residential properties and for interior improvements in order to improve the overall residential environment within Wheat Ridge. The long-term goal of the loan program is to create an environment that will continue to attract new investors and residents to the community.

PROGRAM OBJECTIVES

- To provide financial assistance to property owners in overcoming the barriers associated with the renovation of older buildings.
- To encourage the renovation and revitalization of older homes.
- To preserve and maintain viable older buildings located in Wheat Ridge.
- Generally, to promote and encourage the purposes of the Neighborhood Revitalization Strategy (NRS).

ELIGIBILITY

Properties must be located within the city boundaries of Wheat Ridge. The program is open to both existing owners and potential new owners who have a pending settlement on a property. Localworks is an equal opportunity lender under the laws of the United States and the laws of the State of Colorado.

Owners receiving loan program funding must be current on all Property Taxes of the City, County, and School District, Water and Sewer bills, State Taxes, Rental Unit Registration/License Fees, tax liens, special assessment, and any other state, federal or municipal indebtedness then outstanding at the time of the loan application and/or loan closing.

ELIGIBLE PROJECT COSTS & USES

Up to 80% of the project costs (loan proceeds not to exceed loan amount) for exterior façade improvements; structural, mechanical and electrical repairs, landscaping; interior renovations; and energy improvements. Applicants must demonstrate proof of at least 20% in matching funds for projects; the matching contribution may be increased at the discretion of Localworks.

INELIGIBLE USES OF LOAN PROGRAM FUNDS

Loan Program funds cannot be utilized for any of the following uses:

1. Property acquisition costs.
2. Paying off existing debt.
3. Site plan, building or permit fees.

PROGRAM REQUIREMENTS

Applicants will be required to complete an application packet provided by Localworks. The following loan guidelines also apply:

1. Projects must maintain or create quality residential properties as addressed in the NRS.
2. Loan program funds will be allocated at a minimum of \$5,000, with a maximum of \$30,000 for most homes.
3. Loan program funds may be available for interior or exterior renovation and construction costs, with an emphasis on increasing the number of bathrooms; kitchen and bath renovations; exterior façade improvements; structural, mechanical and electrical repairs or upgrades; increasing overall home square footage by adding additional floors to the residence; and landscaping.

4. Owners receiving loan funding must be current on all Property Taxes due to the City, County and School District, Water and Sewer bills, State Taxes, Municipal liens, and any miscellaneous invoices, and that the subject property is insured in an amount as is required by Localworks as part of its conditions for the Loan Program.
5. Applicant must provide detailed narrative for the project identifying financing, project budget estimate information, including a “for all materials and labor”, and, if applicable, provide bank issued commitment letter(s) verifying that any and all private financing has been secured.
6. Loan program funding is limited. Localworks will make final determinations on individual project eligibility and can reject any application at its exclusive discretion, based upon its evaluation factors, including, but not limited to, the availability of program funds, Applicant credit rating, loan suitability for the Applicant, and the impact the project will have on the community.
7. All required municipal and/or governmental permits must be obtained prior to commencement of construction and shall not be paid for out of any loan proceeds obtained under the Loan Program. The Applicant must provide copies of all applicable municipal and governmental permits to Localworks to obtain project funding.
8. Loan funds for construction projects will be disbursed on a draw basis upon progressive completion of work as established by Localworks at the start of the construction project. Executed contracts and/or contractor invoices must be presented to Localworks prior to disbursement of program funds.
9. All loans issued by Localworks shall be secured by a deed of trust and/or other appropriate security agreement.
10. Localworks has exclusive discretion regarding which properties and Applicants may qualify for the Loan Program. Localworks is a non-profit organization. No partnership, joint venture, or agency relationship with the Applicant is expressly or impliedly created by virtue of the Loan Program.

APPLICATION AND SELECTION PROCESS

Applications may be obtained in person in the office of Localworks or on the Localworks website. Localworks staff shall determine initial eligibility of each applicant and the corresponding project. Upon determining the applicant’s and project eligibility, the estimated scope of work for the project will be discussed. The application process will also include a site visit by Localworks staff. If the applicant and staff representative reach consensus that the project should move forward, the project will be presented to the Localworks Loan Committee for approval. This committee meets once per month to provide input, make suggestions to scope of work and approve or deny individual projects. The Localworks Loan Committee will not consider incomplete applications. Upon approval, a Home Improvement Loan Agreement will be executed, and the project can proceed.

A \$250 non-refundable application fee must be included with the application packet.

Check made payable to “Localworks.”

NOTE: Localworks shall be held harmless for any disputes that may arise under any contracts between the applicant and contractor.

RIGHTS RESERVED

Localworks reserves the right to reject any and all applications up to the time of the loan closing. The specific program guidelines herein are subject to revision or amendment by Localworks. Localworks may discontinue this program at any time, subject to the availability of program funding.

Any commitment to fund a loan as described herein is expressly conditioned upon the right of Localworks to withdraw the commitment and approval at any time prior to closing the loan transaction.

LOAN TERMS

Loan Amounts: 80% of the project costs
Minimum amount: \$5,000.00
Maximum amount: \$30,000.00

Loan Structure: 1st or 2nd mortgage
(based upon demonstrated need, 3rd lien position may be considered).

Loan Terms: 5 Years (amortized over 20 years)
Year 1: 0% Interest
Years 2-5: 1% below WSJ Prime Rate
Years 6-10 (if loan extension is requested): 1% above WSJ Prime Rate

FINANCING GUIDELINES

Program funding will be made in the form of a reimbursement to the property owner upon a draw request. Requests for progressive funding reimbursement will be made in accordance with a mutually agreed upon draw schedule with 10% of each draw being retained by Localworks. Localworks will release the final 10% upon completion and occupancy. Proof of necessary permit approval for work completed will be required with any draw request. Progressive mechanic lien releases from contractors and material suppliers must be obtained showing a full waiver and release of all lien rights through the then applicable payment for labor and materials.

DEFAULT AND REMEDY

To access program funds, applicants must demonstrate a bona-fide commitment to implement building improvements and must certify that construction will commence within 60 days of funding approval and applicant shall complete the Project within 365 days. Applicant will be in default, at Localworks's discretion, if work is not completed within the specified time period. Upon default, the applicant shall reimburse 100% of all costs and expenses paid by Localworks for the project.

Additionally, in the event of default, the borrower shall reimburse Localworks for the entire amount of the Home Improvement Loan Program funds received by borrower, the interest fee on all funds disbursed prior to default, plus all applicable collection costs and reasonable attorney fees. One or more of the following events shall constitute a default:

1. The Applicant fails to pay, when due, any real estate taxes or special assessments on the subject property during the term of this Loan Agreement.
2. The Applicant expends program funds for uses other than approved project costs as represented in the original Loan application.
3. If, during a period of five (5) years following the completion of the project, the Owner/Applicant transfers ownership or interest in subject property to another party, unless, such transfer is made with the prior written approval of Localworks.
4. The Applicant defaults on bank loan or other public financing made in conjunction with the Home Improvement Loan Program.
5. The Applicant fails to pay, when due, the principal or interest payments related to the repayment of the loan.
6. Failure to complete all work within 365 days of the Loan Settlement.

HOME IMPROVEMENT LOAN PROGRAM APPLICATION

SECTION I – PROPERTY INFORMATION

APPLICANT(S): _____ DATE: _____

PROPERTY ADDRESS: _____, Wheat Ridge, CO _____

MAILING ADDRESS (if different than property address):

Address or PO Box: _____

City _____ State _____ Zip _____

TELEPHONE: Daytime _____ Evening _____

EMAIL(S): _____

SECTION II – INCOME AND ACCOUNT INFORMATION

Please provide 30 days' worth of paystubs, most recent **two** years W-2's and Tax Return and most recent Bank and Asset Statements.

- 30 days' worth of paystubs
- 2 years of W-2's and Tax Returns
- Most recent Bank Statements and Asset Statements

SECTION III – INSURANCE INFORMATION

Please list the name and phone number of your homeowner's insurance agent:

Company Name

Phone Number

STATUS OF APPLICANT (Please Check One): Property Owner Buyer (under contract)



SECTION IV – LOAN REQUEST INFORMATION *(Localworks only funds up to 80% of the projects costs)*

Project Cost: \$ _____

Bank Loan: \$ _____
(any additional financing going into the project)

Localworks Loan: \$ _____
(amount you are applying for)

Applicant Capital: \$ _____
(your money going into the project, *at least 20%*)

Name of participating Bank (if applicable): _____

Bank Contact: _____ Phone: _____

SECTION V – USE OF LOAN PROCEEDS

(1) Interior Renovations \$ _____

(2) Exterior Improvements \$ _____

(3) Landscape Improvements \$ _____

(4) Energy Improvements \$ _____

(5) Other Improvements \$ _____

_____ \$ _____
(Please provide project name)

Total \$ _____

SECTION VI – PROJECT DESCRIPTION *(Please include “Before” pictures and enclose or email)*

- i. Please provide a brief description of the renovation project and how the renovation will have a positive impact on the property and the neighborhood:

- ii. To what extent does the proposed project fill these specific program goals:
 - a) Aesthetic exterior improvements:

 - b) Energy-efficiency improvements and systems upgrades (e.g. new windows, electrical, etc):

iii. Brief description of the design of the project. Please include the following items (if applicable):

Before Pictures

(please include printed photo page with this application AND email them electronically to accounting@WeAreLocalworks.org with your name and property address in the email)

Drawings

Plans and Specs

SECTION VII – PROPERTY EXHIBITS

The following information must accompany this application:

- Copy of deed for the property or executed purchase and sale agreement.
- Recent statements from any existing mortgage notes held by banks, or private lenders (if applicable) against the property.
- Building plans and specifications, if applicable.
- Material quotes for proposed project, if applicable.
- Contractor's Agreements and Quotations on proposed renovations.
- Zoning approvals, if applicable.
- Authority to release federal and state tax return and to obtain credit information.

SECTION VIII – LOAN APPLICATION FEE

A Loan Application fee of **\$250.00** made payable to “Localworks” must accompany this application. Payment of this fee does not guarantee placement or approval of financing by or through Localworks.

SECTION IX – ACKNOWLEDGEMENTS

Accuracy of Information

Information herein and submitted herewith is true and complete to the best of the APPLICANT'S knowledge and belief; it is intended to induce Localworks to approve this loan application, and/or to make a loan or participate with others in making a loan to APPLICANT for the purposes of the WHEAT RIDGE HOME IMPROVEMENT LOAN PROGRAM.

Related Expenses Paid by APPLICANT

Whether or not a loan is approved (or if approved, whether or not disbursed), APPLICANT agrees to pay the cost of any survey, appraisal, title search and title insurance, or other study or professional service deemed essential to processing this application; and herein authorizes Localworks to conduct such studies or contract such services as required. These fees can be assessed to the loan proceeds.

In addition, APPLICANT agrees to pay all costs of closing the loan, guaranty and related transactions, including title insurance, recording fees and processing fees.

Business and Credit Information

The APPLICANT and Localworks agree that Localworks may receive confidential business, financial and credit information regarding the APPLICANT from financial institutions, credit reporting agencies or other sources. Localworks agrees that all confidential financial or business information provided by the APPLICANT, its agents, or other sources shall be held in confidence and shall not be divulged to any persons, agencies, or institutions except prospective lenders or guarantors of the financing requested herein.

Other Provisions

Localworks and APPLICANT agree that Localworks's HOME IMPROVEMENT LOAN PROGRAM GUIDELINES are incorporated with the terms of the loan application and shall be executed and incorporated with this agreement and that no other provisions, promises, terms or conditions shall exist outside this agreement unless said changes are in writing and signed by both the Executive Director of Localworks and the APPLICANT, and that this agreement and referenced applications control over any such provision, promises, terms or conditions whether they are conflicting, additional, or consistent. No changes may be made to this agreement by any agent or employee of Localworks without express written approval of the Localworks Board of Directors.

The APPLICANT agrees that Localworks may display a temporary sign acknowledging assistance to the project during the time period of the renovations and that Localworks may publicly acknowledge APPLICANT'S participation in the loan program through various media or news releases, including photo images of the property and applicants.

No Localworks Liability

Localworks is depending upon the APPLICANT to promptly and accurately supply all information deemed necessary to Localworks and to assist in preparing the application. In addition, the APPLICANT is herein cautioned that financing is dependent upon many factors that Localworks cannot control, including economic factors. Accordingly, Localworks does not guarantee that APPLICANT will obtain financing.

Localworks is an equal opportunity lender under the laws of the United States and the State of Colorado.

The APPLICANT agrees that Localworks shall not be responsible in any manner or liable to the APPLICANT or any other person in the event that a loan under the Localworks program is denied.

The APPLICANT also agrees that Localworks shall not be liable for any of the debts or obligations incurred in and for the assistance or benefit of the APPLICANT. The APPLICANT further agrees that APPLICANT will hold Localworks harmless and pay all costs, including court costs, and expenses including attorney's fees, in the event any claim is made or lawsuit is filed by or against Localworks arising out of any transaction with or assistance to the APPLICANT.

Localworks reserves the right to, at its exclusive discretion; require any dispute that may arise under this Agreement or Loan Program, to be resolved through binding arbitration as

enforceable under the laws of the State of Colorado. The arbitration shall be conducted using relaxed rules of evidence using one mutually agreed upon arbitrator. In the event the parties cannot so agree, then and in that event, the parties shall each choose one arbitrator and the two shall pick a third arbitrator, with the dispute then tried to a three-arbitrator panel. A majority decision shall control. The initial cost of the arbitration shall be divided equally between the parties with the prevailing party to be awarded its/his/her cost of arbitration, including reasonable attorney's fees.

All disputes shall be resolved by applying the laws of the State of Colorado. The APPLICANT specifically waives APPLICANT'S right to a jury trial in the event of a lawsuit between the parties.

Conclusion

APPLICANT certifies that the person(s) signing on behalf of APPLICANT are authorized to do so, either individually or by any partnership, partners, corporations or other entities that are to be assisted under this agreement.

Localworks:

APPLICANT(S):

By: _____

By: _____

Date: _____

Date: _____

By: _____

Date: _____



Authorization to Release Information

From: _____
(Name of Applicant)

To: Credit Agencies, Employers and Banking Institutions

I have applied for a loan with Localworks.

I have been requested to provide information for their use in reviewing my credit history, employment, and financial holdings.

Therefore, I hereby authorize the investigation of my credit history, verification of financial holdings, and verification of employment.

The release in any manner of all information by you is hereby authorized whether such information is of record or not, and I do hereby release all persons, agencies, firms, companies, etc., from any damages resulting from providing such information.

This authorization is valid for 90 days from date below.

Please release information to:

Localworks
Re: Loan Program
4251 Kipling St., Suite 580
Wheat Ridge, CO 80033

Please keep this copy of my release request for your files. Thank you.

Applicant's Signature

Date

Witness's Signature

Date