

**Southwest Nebraska Community Betterment Corporation**  
**23-TFHO-33012 Regional Owner-Occupied Rehabilitation (OOR)**  
**Program Guidelines**  
**Approved December 6, 2023**

**1. APPLICANT/INCOME ELIGIBILITY**

- a) SWNCBC will open a 30-day application period.
- b) Applications will be date stamped when received in SWNCBC office.
- c) After the 30-day application period all applicants will be income qualified and priority ranked lowest income to highest income until the target number of homes has been met.
- d) SWNCBC will continue with an open application period until the targeted number of 9 qualified applicants is met.
- e) Must provide proof of ownership with a property deed and title verification or similar legal document. This will be verified with the county's Register of Deeds.
- f) If you are currently under litigation with your home, or will begin litigation including your home, you will be ineligible for the program, until after the conclusion of the litigation.
- g) Meet Area Median Income guidelines as defined by HUD (gross income at or below 120% Area Median Income).

**2. DETERMINING GROSS ANNUAL INCOME**

- a) Gross annual income will be determined using the HUD 24 CFR Part 5 Annual Income. The part 5 definition of annual income is the gross amount of income of all adult household members (18 and older) that is anticipated to be received during the coming 12-month period.
- b) HUD's Technical Guide for Determining Income and Allowances for the HOME Program (Third Edition) serves as the resource for this step in the eligibility process.
- c) Income will be verified by third party verification forms, which include bank statements, income tax returns, asset verification, employment pay stubs and employer verification, and any other steps deemed necessary to income qualify the applicant.
- d) Applicants will receive a selection or non-selection letter by mail and/or email after gross annual income has been determined. The selection letters will give the details of assistance and the next steps in the process. The non-selection letter will give details and references stated in the guidelines for ineligibility.

**3. CONFLICT- of – INTEREST**

- a) No official, employee or agent of SWNCBC who exercises policy and/or performs decision-making functions or responsibilities in connection with the planning and/or implementation of the program shall directly or indirectly benefit from this program. This prohibition shall continue for one year after an individual's relationship with the program ends. Any other employee, officer, or board member may be eligible, but will be treated without preference in the determination of the application accepted for funding. Enclosed with such an application shall be a statement of disclosure, which outlines any interest the applicant may have in the operation of the program.
- b) A waiver process shall be available to allow for the previously identified ineligible persons to be eligible for participation in the program. The waiver process will consist of request for approval by the following entities in order: SWNCBC Board of Directors. Each person requesting a waiver must describe their need for participation in the program and, if approved, agree to disassociate themselves from any decision-making that directly affects them.
- c) Upon written request, the Department on a case-by-case basis may grant exceptions to the Conflict-of-Interest provisions only after the following have been completed: 1) Disclosed the full nature of the conflict and submitted proof that the disclosure has been made public.

- 2) Provided a legal opinion stating that there would be no violation of state or local law if the exception was granted.
- d) Employees, officers, and agents cannot accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub agreements.

#### **4. GRIEVANCE PROCEDURES**

- a) Persons and/or families who believe that their application was not given fair consideration or that they have been discriminated against should give the reasons, in writing, to the Southwest Nebraska Community Betterment Corporation Board of Directors within ten days of the decision. The SWNCBC Board shall take the letter under consideration at the next regularly scheduled meeting and reply, in writing, to the complaint no later than five days following the meeting. If the homeowner is not satisfied with the response, a third party will be used to assess the situation and settle the dispute. Following review by the third party if the homeowner is still not satisfied, they can contact the NDED office.

#### **5. RETURN BENEFICIARIES**

- a) Applicants who were beneficiaries of previous NAHTF rehabilitation assistance are eligible for additional assistance only if the rehabilitation needs fall into one of the following categories:
- Need threatens structural integrity of home.
  - Need is to address an imminent health and safety threat.
  - Need is related to accessibility.
- b) Applications for return beneficiaries whose needs meet one or more of these 3 criteria and are satisfying previous program assistance affordability period enforcements will be considered to receive additional assistance. Owner-occupants, who have received any other previous NAHTF housing assistance and are satisfying previous program assistance affordability period enforcements will be considered eligible for the program.

#### **6. PROPERTY STANDARDS POLICY**

- a) The home being rehabbed must be located within the incorporated limits of the communities located in Chase, Dundy, Hayes, Hitchcock, & Perkins Counties and must serve as the principal residence of the homeowner and provide proof of ownership such as property deed and/or title. Proof of dwelling insurance coverage and paid property tax receipts will also be required throughout the entirety of the 10-year affordability period. Administrator may also verify through the County's Clerk office any outstanding liens on the property.
- b) SWNCBC will not rehabilitate any property that is tenant-occupied.
- c) Be permanently attached to a permanent foundation.
- d) Must be located where safe, sanitary, and adequate water supplies and sewage disposal are currently available for use.
- e) Property shall be single-family dwelling units.
- f) Not be a mobile home.
- g) Bears label certifying that it was built in compliance with National Manufactured Home Construction and Safety Standards.
- h) Taxed as real property.
- i) Achieve clearance from the State Historic Preservation Officer.
- j) Properties within federally designated flood plains are not eligible for rehabilitation under this program.
- k) Self-help costs incurred by private owner are not eligible for reimbursement.



- l) All units rehabilitated with NAHTF funds must meet Nebraska Department of Economic Development (NDED) Rehabilitation Standards following rehabilitation.
- m) The Housing Specialist will determine economic feasibility for each house under consideration for the Program. A home will be deemed infeasible if the amount of work needed to bring the home up to NDED Rehabilitation Standards totals more than the amount of assistance available per home in the program. For this program, the allowable costs per home is \$40,000 maximum. If the home is deemed infeasible, the homeowner will receive written notification that the program will not be able to assist said home. SWNCBC may refer applicants to other organizations to partner and help leverage funds to assist the homeowner and bring the home up to NDED Rehabilitation Standards.
- n) Replacement housing is not available through this program.
- o) All properties being rehabilitated shall be maintained in compliance with local ordinances.
- p) All properties must be in prime inspecting condition to conduct adequate inspections.

## **7. TYPES AND TERMS OF ASSISTANCE**

- a) SWNCBC will offer up to \$40,000 in rehabilitation NAHTF funds to those who qualify. The assistance will be in the form of a deferred conditional grant, which will accrue 0% interest. Homeowner(s) will sign a Subordination Deed of Trust and a Promissory Note to ensure the affordability period when project is completed. SWNCBC will file a Subordination Deed of Trust at the appropriate County Courthouse on each home participating in the program.
- b) Repayment Policy: The total amount of assistance will be forgiven over a 10-year affordability period with no monthly payments as long as the original owner continues to occupy the home. The forgivable loan will be prorated over the 10-year affordability period. For example: 10% of the amount of the loan will be forgiven each year of the loan. After the 10-year term expires, if the original owner owns and occupies the property, the full amount of the loan is forgiven. If the property is sold, refinanced, or no longer the principal residence of the homeowner during the affordability period, the recapture funds will be collected and used by SWNCBC in accordance with the NDED recapture requirements.
- c) Hardship Provision: In the event of unforeseen hardship under the program to the loan recipient, the loan recipient may request in writing to the SWNCBC Board for a waiver of repayment (full or partial) and shall provide necessary documentation to establish proof of such hardship. The SWNCBC Board will then consider whether said request for waiver of repayment should be approved or denied and then notify the loan recipient accordingly.
- d) SWNCBC will not subordinate beyond the primary mortgage. However, a written request to the SWNCBC Board of Directors for subordination with loan details and existing circumstances for subordination will be considered for one of the following reasons:
  - Make necessary repairs to the home for health and safety issues.
  - Lower the interest rate.
  - Reduce the number of loan payments.
  - Financial and/or medical hardship to restructure debt to avoid foreclosure.

## **8. REHABILITATION PROCESS**

- a) The grant administrator's Housing Rehabilitation Specialist will conduct a thorough safety inspection of the home, as well as a rehab needs assessment. The Housing Rehabilitation Specialist will complete a work write-up, incorporating rehab issues.
- b) The applicant will attempt to solicit more than one bid from contractors. The applicant will forward all bids to SWNCBC to review prior to selection of the contractor.

- c) Contractor selection is done by homeowner(s). Selection shall be based on availability, capacity, reputation, price, timeliness, willingness, and reasonableness. The grant administrator/housing specialist is responsible and accountable for the rehabilitation process and management, including cross checking with the Nebraska Debarred Contractor List, registered with the Nebraska Department of Labor, liability insurance certificate, assuring timely contractor payments, project inspections. Contractors must be appropriately trained and provide documentation demonstrating as such.
- d) Contractors and Homeowners will be required to attend a Pre-Construction Conference conducted by the grant administrator.
- e) SWNCBC, Contractors & homeowner(s) will sign a Development Plan and a Contractor's Agreement.
- f) SWNCBC will send a Notice to Proceed letter to the contractor(s).
- g) Contractors will submit invoices to SWNCBC. All invoices will be signed off on by the homeowner to ensure all repairs have been completed to homeowners' satisfaction and according to project specifications before payment is made to contractor.
- h) Any concerns about the performance of the contractor should be presented to SWNCBC as soon as they arise so they may assist in the mediating and resolving the issue.
- i) SWNCBC should be notified of any changes in the work so that the Housing Specialist can determine the eligibility of the new plans, as well as funds availability, and issue a change order if needed.
- j) A final sign off will be signed by the homeowner and contractor once the work has been completed, and final payment will be made to the contractor.
- k) The cashed checks will be considered the waiver of lien from each contractor.
- l) All homes rehabilitated under this program shall be subject to the current building and zoning standards and ordinances of the city and county in which they are rehabbed, and any construction standards or codes adopted hereafter and shall meet or exceed the NDED Rehabilitation Standards. It shall be the intent of all concerned to build or rehabilitate a home that incorporates current building standards and methods of energy efficiency.
- m) Rehabilitation work should focus on improving the home, so it is safer and more energy efficient. Eligibility expenditures for bringing the structure up to DED's Minimum Standards for Rehabilitation may include:
  - Structural Repairs to foundation, sagging or rotten beams, joists, columns, stairs, porches, roofs and chimneys, floors.
  - Modernization of plumbing and plumbing fixtures, furnace and water heaters, lighting, and wiring.
  - Energy Conservation and Weatherization: insulation of ceilings and walls; repair or replacement of windows and doors; caulking and weather-stripping, installation of storm windows and doors; removal and installation of roof covering, painting or replacement of siding and trim.
  - General Interior Renewal and Modernization: repair of walls, ceilings and floors, painting, and paneling, making the home accessible.
  - Accessibility and/or visibility modifications.
- n) Radon Mitigation Policy: Persons receiving NAHTF OOR assistance will be provided with educational materials disclosing the potential danger of high radon levels in their home and sign a Confirmation of Receipt of Radon Pamphlet. Radon testing is the choice of the homeowner and not required but encouraged by SWNCBC. Home test kit shall be provided to the homeowner per homeowners' request. If levels are found high, a radon mitigation system will



be installed. Homeowners will be required to sign an informed consent to avoid testing and/or mitigation if they refuse either or both.

- o) SWNCBC will follow the EPA's Renovation, Repair and Painting (RRP). Homes with minimal chipping and peeling paint built prior to 1978 will be assumed as Lead Hazard and will be addressed by a lead-safe certified contractor. Only homes that are deemed necessary (significant deteriorated and chipping paint) by the Housing Specialist during initial inspection will be required for LBP testing and clearance to test all surfaces on the home. SWNCBC prohibits the use of Lead Based Paint.
- p) All improvements must be physically attached to the property and permanent in nature.
- q) The maximum NAHTF funds is \$40,000, however, referrals for all appropriate applicants will be made to USDA Rural Development, the area weatherization program, as well as the Assistive Technology Partnership, to encourage partnering of funds for a common goal of assisting homeowners with rehabilitation requirements.
- r) SWNCBC reserves the right to make inspection of homes during the affordability period that have been assisted and will give proper notice.

#### **9. RELOCATION**

- a) The OOR program is a volunteer program; therefore, SWNCBC will not be responsible for any relocation costs during the rehabilitation process. Any temporary relocation of owner-occupants required because of the rehab work funded through the OOR program will be the responsibility of the homeowner.
- b) In cases where either voluntary or involuntary acquisition is anticipated, program will follow the Nebraska Relocation Assistance Act §§ 76-1214 to 76-1242 and DED will be contacted prior to any action.

#### **10. MAXIMUM AMOUNTS OF NAHTF ASSISTANCE PER UNIT SUBSIDY, AFTER-REHAB VALUE**

- a) Rehabilitation assistance will not exceed NAHTF maximum per unit subsidy of \$40,000 per unit. General Administration and housing management costs will not be included in the per unit calculation. Self-help costs are **not** eligible for NAHTF reimbursement.
- b) Homes assisted with NAHTF funds under these guidelines will not allow the maximum after-rehab value to exceed 140 percent of the median purchase price for the area as defined by the NDED at <https://opportunity.nebraska.gov/programs/housing/nahtf/>

#### **11. AFFORDABILITY PERIOD ENFORCEMENT**

- a) The Affordability Period for the OOR assistance is 10 years from the date the NAHTF rehabilitation funds are invested in the property.
- b) Homeowner(s) will sign a Subordination Deed of Trust and a Promissory Note to ensure the affordability period when project is completed. SWNCBC will file a Subordination Deed of Trust at appropriate County Courthouse on each home participating in the program.
- c) If the property is sold, refinanced, or no longer the principal residence of the homeowner during the affordability period, the recapture funds will be collected and used by SWNCBC in accordance with the NDED recapture requirements.
- d) Homeowners will be required to insure the home for the entire 10-year affordability period and list Southwest Nebraska Community Betterment Corporation as secondary loss payee. The insurance and utility records will confirm occupancy.

#### **12. RECAPTURE POLICY/REUSE PLAN**

- a) Recapture provisions will be utilized for this project. Recaptured funds are those funds returned to SWNCBC during the affordability period when the property is sold or no longer the initial or subsequent homeowner's principal residence.

- b) The amount recaptured prior to the end of the affordability period will not exceed the net proceeds. Net proceeds are the sales price minus superior loan repayment (other than NAHTF funds) and any closing costs.
- c) Recaptured funds during the open contract will be used for the current project prior to drawing down additional NAHTF funds.
- d) Resale provisions will not be utilized for this project.

**13. PHOTO PERMISSION**

- a) The OOR beneficiary may select to grant or deny permission for SWNCBC to use their name, photographs, video and/or audio recordings of them, their family, or their property. If permission is granted, the applicants understand the information may be used in any of SWNCBC’s electronic, print or multimedia publications with beneficiary’s permission.

**14. FAIR HOUSING ACT**

- a) All housing activities, including marketing will be in compliance with the Fair Housing Act and will indicate no preference, limitation, or discrimination on race, color, religion, sex, national origin, handicap, or familial status. All marketing materials will carry the Fair Housing logo.

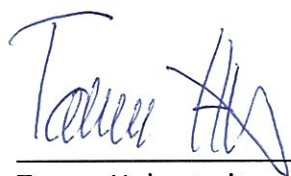
**15. AFFIRMATIVE MARKETING POLICY**

- a) This OOR project will use affirmative marketing procedures including, but not limited to, marketing to local or regional residents & tenants of public housing and manufactured housing, other families assisted by public housing agencies, and households identified to be potentially eligible but least likely to apply, including Seniors and those living with disabilities. SWNCBC will advertise the availability of the program utilizing the most effective means possible of reaching the local public. This may include, but not limited to the use of the local newspaper, public access via local media and the posting of a notice at selected public and/or private facilities.
- b) As recipient of funds in the Nebraska Department of Economic Development (DED) Nebraska Affordable Housing Trust Fund Program, SWNCBC must fulfill affirmative action requirements of federal fair housing laws. (P. L 90-284, as amended by L. 1988 P. L 100-430; and E.O. 11063). Actions taken include but are not limited to:
- c) Material about fair housing, including Equal Housing Opportunity logos, posted in the SWNCBC office.
- d) Brochures on display at the SWNCBC office include the Equal Housing Opportunity logo and statement of non-discrimination.
- e) To further fair housing awareness in the SWNCBC project service area, SWNCBC will submit a new letter to each of the newspapers in the project service area. The letter will be published in April for Fair Housing Awareness Month. SWNCBC will explain Fair Housing in the letter as well as list the contact information for SWNCBC’s Fair Housing Representative.
- f) SWNCBC agrees to comply with all state, federal and local laws applicable to the project and the use of NAHTF funds.

**16. GUIDELINE AMENDMENTS**

These Program Guidelines may be amended as appropriate by a majority vote of the Southwest Nebraska Community Betterment Board of Directors with notice to and approval from the appropriate Nebraska Department of Economic Development Program Representative.

The 23-TFHO-33012 OOR Program Guidelines have been approved by the SWNCBC Board of Directors on December 6, 2023.



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Tawna Holmstedt  
SWNCBC President