

Resolution adopting criteria by which home improvement loans made under the County's U.S. Department of Housing & Urban Development federal HOME Program may be forgiven or the loan amount reduced

(Economic Development & Planning Department)

WHEREAS, pursuant to Title I of the Housing and Community Development Acts of 1974 and 1977 and as further amended, the Grantee has applied for and received federal HOME funds from the U.S. Department of Housing & Urban Development to create affordable housing for low-income households; and

WHEREAS, the Franklin County Board of Commissioners have allocated those HOME funds to support housing rehabilitation program services to low and moderate income homeowners; and

WHEREAS, those contract services are provided to homeowners as deferred loans which do not have to be paid until the homeowner sells or vacates their property; and

WHEREAS, for the purpose of providing relief to families facing extreme financial or personal hardships this resolution will adopt the following criteria to allow such loans to either be fully or partially forgiven:

Under this resolution the following loan forgiveness criteria and process is proposed for adoption for the County's HUD HOME funded housing rehabilitation programs:

Qualifying Criteria to be considered for a loan modification:

- The death of the obligor (the client under whose name the loan has been granted), or the death of the obligor's surviving spouse or domestic partner, and the circumstances warrant consideration of the full or partial forgiveness of their loan; or
- The obligor is required to move into a long-term health care facility (substantiated either by the obligor's attending physician or by the facility itself), and the circumstances warrant the consideration of the full or partial forgiveness of their loan; or
- The obligor is a veteran, and the circumstances warrant consideration of the full or partial forgiveness of their loan; or

- The obligor (through sufficient documentation as determined by the Franklin County Director of Economic Development & Planning) demonstrates that extreme circumstances warrant the full or partial forgiveness of their loan.

Process:

1. Determine the eligibility of the request (if the request meets one of the qualifying criteria).
2. Determine if the amount being proposed to pay off the loan is fair and equitable for both the obligor and the County.
3. If the amount being proposed by the obligor to pay off the loan is determined to be fair and equitable, the request will be submitted to the Board of Commissioners for their approval.
4. If the amount being proposed by the obligor to pay off the loan is determined to be insufficient, a counter-offer (based on the factors utilized in determining a fair and equitable payoff amount) may be sent to the obligor, or surviving spouse or domestic partner.

Factors to be utilized in determining a fair and equitable payoff amount:

- Establishment of a maximum payoff amount based on the age of the loan (the number of years the obligor has successfully met the terms of the loan).
- A review of the obligor's assets and liabilities (their ability to repay the loan), including the current value of the property.
- Any additional factors submitted for consideration by the obligor, or surviving spouse or domestic partner.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS,
FRANKLIN COUNTY, OHIO:

That the attached Resolution between the Franklin County Board of Commissioners and the Franklin County Department of Economic

Resolution No. 0275-14

April 15, 2014

Development & Planning adopting criteria by which home improvement loans made under the County's U.S. Department of Housing & Urban Development federal HOME program may be forgiven or the loan amount reduced is hereby approved.

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