

**HISTORIC COLUMBUS
FAÇADE LOAN PROGRAM**

Guidelines and Requirements

1. Program Definition

The Historic Columbus Foundation, Inc. (“HCF”) Loan Program (herein after referred to as “HCFLP”) is a financial assistance program administered by the HCF to assist owners in rehabilitating residential structures of historic and/or architectural significance. Loans will be made up to a maximum of \$15,000.00 and will bear a 2% interest rate and a one-time 3% servicing fee.

2. Loan Review Committee

The Loan Review Committee (herein so called) shall be appointed by the President of HCF. The Executive Director of HCF shall be responsible for reviewing all applications and bringing those applications that meet initial guidelines/requirements to the Loan Review Committee. It must be noted that limited funds are available and the Loan Review Committee will make final decision on applications.

3. Property Eligibility Requirements

A HCFLP Loan (“Loan”) may be made for the improvement of a property provided the following general conditions are met:

- The property must be eligible for listing on the National Register of Historic Places (meaning 50 years old or older) or located within a designated Historic District, National Historic Landmark District, or be individually listed on the National Register of Historic Places.
- The current use of the property must be residential.
- The applicant must own, in fee simple title, the property that is to be rehabilitated, or the applicant must be purchasing the property under a valid sales contract. Evidence of ownership of the property to be provided by a copy of the warranty deed, the sales contract and any security instruments outstanding.
- Owner occupied property will be given first consideration.
- The property must be physically and financially feasible of being rehabilitated.
- The HCFLP is designated for exterior improvements only, at least some of which must be visible from a public right-of-way.

4. Loan Requirements/Conditions

- *Fee.* The Borrower shall pay a processing fee of \$100.00.
- *HCF Membership.* Borrower must be a member of HCF to be eligible for loan proceeds. If applicant is not currently a member, the applicant must join to become eligible.
- *Credit score.* A credit score of 620 or higher is required to be eligible for this program.

- Priority in rehabilitation will be as follows:
 1. Correction of violations of Rehabilitation Standards and Southern Standards and City Building Codes.
 2. Correction of incipient health and safety problems.
 3. General Property improvements.

- *Approval.* The Loan Review Committee must approve the quality of the proposed changes.
- *Project Work Plan.* A Work write-up of the proposed rehabilitation work must be approved by the Loan Committee and in the form required thereby.
- *Use of Proceeds.* The Borrower shall agree to use the loan proceeds only to pay for costs of services and materials necessary to carry out the rehabilitation work identified in the project work plan. Proceeds shall not be used to pay expenses for work completed prior to Loan approval. Borrowers shall not be paid for their own labor. (No Sweat Equity.)
- *Permit Requirements.* For work other than general maintenance of property.
 - (1.) All work shall be done under a building permit(s) issued by Columbus, Georgia
 - (2.) Certificates of Appropriateness must be obtained from the Board of Historic and Architectural Review. (Where applicable.)
- *Inspections.* The Borrower shall permit inspection of the property by Columbus, Georgia employees for compliance with all City codes and ordinances pertaining to property maintenance and safety standards. The Borrower shall permit inspection of the property by HCF and/or its employees, agents and representatives.
- *Records.* The Borrower shall keep records of payments and receipts in connection with the rehabilitation work. Copies of payments to contractors shall be submitted to HCF at the time of project completion.
- *Work Completion.* The rehabilitation work must be completed in three months from the time the Loan is initially funded.

5. Funding/Loan Amounts

The Executive Committee of HCF shall determine on a yearly basis the amount of funds available for rehabilitation loans.

6. Application Process

Applications must be submitted by Homeowner in a form provided by the Loan Review Committee. The Loan Review Committee will review applications and applicants will usually be notified within 2 weeks.

7. Disbursement of Loan Proceeds

Monies will be disbursed at date of loan closing. Historic Columbus reserves the right to inspect property until loan maturity.

8. Terms of Payment

- The maximum term of repayment shall be sixty (60) months, payable in equal consecutive monthly installments.
- The Loan will bear a 2% interest rate.
- Such monthly payments must be paid on or before the first (1st) day of each month until the full amount of the Loan is paid.
- Should the Borrower fail to make the monthly payments on or before the tenth (10th) day of each month, the Note shall be in default, and HCF may declare the unpaid principal balance immediately due and payable and will have such other rights and remedies as may be available according to the laws of the State of Georgia.
- Payments will begin on the first (1st) day of the month following the date of the Note.
- Note will be in default if construction is not complete within three months from the date of the Promissory Note.
- The Loan will be serviced by Neighborworks Columbus and will bear a 3% servicing fee.

9. Security and Security Position

- The Loan will be evidenced by a Promissory Note.
- The Promissory Note is not assignable or transferable by the Borrower. If the Borrower sells or otherwise disposes of title to subject property the full amount of the unpaid balance shall be due and payable upon the closing of the sale.
- The Loan will be secured by the real property for which the proceeds will be used. Borrower and any other owner of the Real Property shall execute and deliver, in proper form for recording a security deed in form and content satisfactory to HCF, shall pay the cost of recording same and all applicable intangible taxes.

Borrower

Date: _____

**HISTORIC COLUMBUS LOAN PROGRAM
LOAN APPLICATION**

I (we) hereby apply for a loan in the amount of \$ _____ for the purpose of improving the residential building located at _____ in Columbus, Georgia. I (we) certify that:

1. the property is eligible for listing on the National Register of Historic Places (meaning 50 years old or older) or located within a designated Historic District, National Historic Landmark District, or be individually listed on the National Register of Historic Places.
2. the property has historic or architectural significance;
3. evidence of ownership or a sales contract is attached; and
4. it is feasible physically and financially to rehabilitate this property.

A work write-up is attached in the form prescribed by the Loan Committee. All of the requirements of paragraph 4 of the Historic Columbus Loan Program, "Guidelines and Requirements" have been or will be met. A credit application is attached.

Work will begin no later than _____ and be completed no later than ninety (90) calendar days thereafter. The work to be performed is as follows: _____

All materials will be good quality, securely fastened, and all work will be performed in a good, workmanlike manner. Loan proceeds may be drawn upon satisfactory completion of the work or as permitted by paragraph 7 of the "Guidelines and Requirements."

The Loan Application signed by the owner on _____ and approved by the HCF Loan Committee on _____ and the promissory note signed by the owner on _____ and the "Work Write-Up" form signed by the owner and certified by the contractor on _____ and _____ and the "Guidelines and Requirements" form signed by the owner on _____ constitute the entire agreement between the parties.

(Applicant)

(Date)

(approved/disapproved)

(Loan Committee)

(Date)

WORK WRITE-UP FORM

PROPERTY LOCATION: _____

APPLICANT'S NAME: _____

DAYTIME PHONE: _____

WRITE-UP PREPARED BY: _____

PREPARER'S DAYTIME PHONE: _____

EXTERIOR WORK TO
BE PERFORMED

ESTIMATED COST:

TOTAL: \$ _____

*Owner may not be reimbursed for sweat equity.

CERTIFICATE

I certify that the amount shown as "TOTAL" above is the full cost of the work to be done by me.

Signed by Contractor _____