

HOME IMPROVEMENT PARTNERSHIP PROGRAM [HIPP]

Gate City Bank and the City of Wahpeton are partnering to encourage preservation of the City's existing housing stock by providing low-interest loans and technical assistance to homeowners for home improvement projects.



Gate City has partnered with the City of Wahpeton in 2005 and 2011. The program proved successful both times and we are partnering again in 2016! Preservation, maintenance and improvement of the housing stock that already exists is an ongoing activity of community development. There is evidence that a large percentage of housing needs repairs. The Program Goals are defined below.

The HIPP program will allow 120% of median income households to apply. Households with a total gross income of \$89,160 or less will meet Wahpeton's income guideline. Properties within the City of Wahpeton are eligible. Gate City Bank will also offer improvement loans to customers in the Extraterritorial Zoning Area [ETZ] of Wahpeton which is 1 mile outside city limits.

HIPP GOALS:

- Address housing safety
- Prevent deferred maintenance and property deterioration
- Preserve the character of older neighborhoods
- Invest in the City's affordable housing stock
- Reverse or slow the trend toward conversions of single family homes to rental property

HIPP PRIORITIES:

A proposed housing rehabilitation project should preserve the integrity of the house and add to the long-term value and life of the property and the neighborhood.

- Health and safety code deficiency correction
- Accessibility modifications for persons with disabilities or frail elderly heads of households
- Structural improvements
- Weatherization and energy efficiency
- General home improvements

HIPP ELIGIBLE COSTS:

Funds may be used to correct existing code deficiencies, structural deficiencies, weatherization, accessibility, and general property improvements. All code issues must be addressed as part of the improvement project. Loans are available to finance new improvements not yet under construction. Examples of eligible costs/improvements*: Foundation work [drain tile, bracing, new foundation]; service line replacement; major exterior improvements [siding, roofing, windows]; addition of bedroom or new living space, major interior remodeling or replacement of major mechanical systems [furnace, electrical, plumbing]; fence repair or replacement; replacement of garage doors; sidewalk and/or driveway replacement; repair or replacement of existing detached structures.

*Some improvements may require a [permit](#) from the city.

ELIGIBLE HOUSEHOLDS:

- Participating households must have a Gate City checking account which must be used for automatic withdraw of loan payments.
- Participating households must meet Gate City's credit standards for repayment of the improvement loan.
- Household gross income may not exceed 120% of the Wahpeton median income, which is \$74,300* [120% X \$74,300= \$89,160] in 2016; however, for owners of homes built prior to 1980, the income restriction is reviewed on a case-by-case basis.

ELIGIBLE PROPERTIES:

- Located within the City of Wahpeton municipal boundaries or ETZ
- Owner-occupied single family residences
- Current on property tax, special assessment, and utility obligations (a taxpayer in good standing)

TERMS OF THE LOAN:

- 2.26% APR*, 10 Year repayment
- Minimum loan value \$10,000; maximum loan \$50,000
- Maximum loan-to-value 90% [Loan Amount divided by Assessed Value: example - \$30,000 loan and the City Assessor has the building valued at \$65,000; Loan to Value in this instance would be \$30,000/\$65,000 or 46%. If there were an extremely dilapidated property valued at \$40,000 and the owners opted to and qualified for a \$36,000 loan, this would be 90% loan to value scenario] The loan-to-value cannot exceed 90%.

RESPONSIBILITIES:

1. **Homeowner:** Complete the loan application with Gate City; submit scope of work to City for approval with a \$35 loan application fee payable to the City of Wahpeton; when necessary, obtain bid/s from licensed contractors and provide Gate City copies of the contractor license and liability insurance policy; complete the improvement project as agreed within 4-6 months of project start date; must have a Gate City checking account with auto-pay for the loan; if an appraisal is necessary, the cost is the responsibility of the homeowner.
2. **City of Wahpeton:** Upon homeowner completion of pre-application, verify property eligibility; City will send completed application to GCB for loan approval; review quotes from licensed contractors; conduct construction inspections [mid-term and final]; provide technical assistance to homeowner and Gate City as needed.
3. **Gate City:** Upon City of Wahpeton property eligibility, accept loan application and determine borrower eligibility; conduct the loan closing; service the loan.
4. **Contractor:** Provide the homeowner a copy of their North Dakota Contractor's license and liability insurance policy to submit to Gate City; complete the improvement project within 6 months of the project start date; obtain approval from homeowner and City for payment requests; provide lien waivers to homeowner upon completion of work.

APPLICATION PRIORITY:

Applications are reviewed on a first-come, first-served basis limited by fund availability. Total available funds are \$1,000,000. Fund balance is evaluated every six months by Gate City Bank and loan terms may be adjusted for new applicants. Gate City Bank will complete an annual evaluation to determine if any unused funds will remain eligible for the program.

For additional information, please contact Gate City at 701-671-4700 or the City of Wahpeton at 701-642-8559.

*Median income for Richland County as of 3-28-16; ND Division of Community Services website