

APPLICANT INFORMATION SHEET

This sheet describes basic program requirements and provides a list of things that an applicant needs to know before committing to a rehab grant.

GENERAL PROGRAM INFORMATION

Maine State Housing Authority (MaineHousing) provides funding for this program through State Home funds. The program is administered by the local Community Action Agencies (CAA) where the house is located.

The CAA will take applications, perform all necessary eligibility verifications and inspect the work. **The CAA is required to authorize only that work which is necessary to make the eligible home safe. This is not a program that remodels homes for things that would be nice to have but are not necessary.** If all guidelines are met, the MaineHousing will fund a repair grant with funds being held in escrow by the CAA on behalf of the homeowner.

The type and amount of grant issued will be contingent upon the funds available, the applicant household income and/or the type of rehab needed.

- Applicants must use the home being repaired as their principal residence. Property taxes must be up to date and paid and the homeowner must be in good standing with their mortgage if there is a mortgage on the property.
- **No rehab work may be started** until the CAA notifies the homeowner that the work can begin. Homeowners will not be reimbursed for work started prior to CAA notification to begin. The homeowner may not participate in the rehab work or provide their own materials, tools, equipment or appliances.
- Inspections will be conducted by the CAA during the construction phase. MaineHousing may also inspect work from time to time and as needed.

CONTRACTOR MINIMUM STANDARDS

The homeowner must select a contractor from CAA's pre-qualified pool of contractors. This list will be provided to all approved applicants. If the homeowner does not select a contractor from the pre-qualified list, a grant cannot be issued through this

program. Homeowners are prohibited from doing their own work.

- If the homeowner knows of a contractor they would like to use in their project, that contractor may apply to become pre-qualified for the program and he/she will have to bid on the project just like any other contractor.
- A pre-qualified contractor is a contractor who has demonstrated proof of workers compensation and liability insurance, references, assurances that the company does not appear on a state or federal debarred list, knowledge of local codes and a willingness to sign and adhere to the Attorney General's standard construction contract. **Neither the funding agency nor the CAA can guarantee the work of the contractor.**
- Homeowners should obtain proposals from more than one pre-qualified contractor, as three bids are required for each project. The CAA may offer assistance in this process. **If a contractor whose bid is higher than another is chosen, the homeowner will be responsible for paying the difference between the lowest qualified bid and the bid chosen.**

CONTRACTS, PERMITS AND LICENSED TECHNICIANS

- The State of Maine requires many trade persons to be licensed. Common examples include plumbers, electricians, and heating system technicians. Contractors that disturb painted surfaces in pre-1978 homes must be RRP (Renovation, Repair & Paint) Certified. The contractor must provide proof of any required licensing or training. The homeowner should check to see if the contractor has obtained building permits to do the work. Some kinds of rehab do not require permits. Building permits must be displayed at the job site and copies will be kept by the CAA.
- MaineHousing requires the use of a standard construction contract based on the Maine Attorney General's model contract for home construction and repair. The CAA will provide the contract to the eligible homeowner.

ESCROW DISBURSEMENTS

No payments will be made to the contractor until the homeowner **and** the CAA have authorized payment by signature.

LEAD SAFE PRACTICES

MaineHousing is required to assure that rehab work is performed using lead safe practices.

- Before obtaining a repair grant, homeowners with homes built prior to 1978 will need to agree to a lead paint assessment. This may delay work under the repair grant.
- If there are children under the age of 6, temporary relocation may be necessary to perform the work. Homeowners may be required to temporarily move from their home. If lead based paint is found or presumed to be present, various measures will be performed. Grant funds **may** be available to assist the homeowner and they should the appropriate CAA for additional details.

RESOLUTION OF DISPUTES

The Home Repair Program uses a standard procedure for resolving disputes between the homeowner and the contractor, concerning the rehab of a home. The CAA is initially responsible for resolving disputes. If a dispute arises concerning the provisions of the signed contract or the performance by the parties, the homeowner should contact the CAA immediately and describe their complaint. The complaint must be submitted in writing. Failure to provide a written complaint may result in no action on the part of the CAA. If the CAA is unable to resolve the dispute, the following process will be initiated.

Informal Conference. The CAA will set up an informal conference to be held within fifteen (15) days from when the CAA becomes aware of the dispute. The CAA will notify all parties of the date, time and place of the informal conference giving reasonable consideration to the schedules of all parties and the severity of the dispute. If the informal conference produces a resolution, the CAA will prepare a document signed by all parties that plainly states the agreed upon resolution.

Binding Arbitration. A construction escrow agreement among the contractor, the homeowner, and the CAA will contain a binding arbitration clause. If the informal conference does not produce a resolution,

the CAA will issue a document stating that no resolution was reached and that the parties will participate in a binding arbitration proceeding to be held as soon as possible after the informal conference. Unless the CAA, homeowner, and contractor otherwise agree, the arbitration shall be conducted in accordance with the Maine Uniform Arbitration Act.

REHAB OF EXISTING HOMES IS NOT ALWAYS EASY

- Existing homes, especially older ones, tend to settle or shift over time. Shifting overtime causes windows, doors, ceilings, walls and floors to not be as "square" or level as they were when newly constructed. Homeowners should not expect that rehab will result in a perfectly square, level or smooth result when the work is completed.
- It can be stressful living in a home that is undergoing rehab. The work can be noisy and disruptive. Many contractors have a backlog of work, thus it may take several weeks to complete the work on the home.
- Use of utilities such as electricity will be required during the work. Homeowners may see an increase in electric and heating bills during rehab. Utility bills are the responsibility of the homeowner, not the contractor, the CAA or MaineHousing.
- The homeowner is responsible for securing pictures on walls, items in cabinets or on shelves that may fall when work is being conducted.
- Houses always need maintenance. It is a good idea for the homeowner to save a little each month for future repairs and maintenance.

IF ANY SECTIONS OF THIS DOCUMENT IS NOT UNDERSTOOD OR THERE ARE QUESTIONS ABOUT THE PROVISIONS OF THE PROGRAM, PLEASE CONTACT THE CAA IN THE APPROPRIATE COUNTY/SERVICE AREA FOR CLARIFICATION BEFORE SIGNING ANY DOCUMENTS.