HOME RETRO PROGRAM

2015 PROCEDURES GUIDE

Maine State Housing Authority
Energy and Housing Services
Augusta, Maine

Alpha One
South Portland, Maine

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SECTION 1: PURPOSE

1.1 Introduction

The purpose of the Home Retro Program is to provide grants to low-income single family households, with an occupant with physical disabilities and Housing Choice Voucher participants receiving community based services under DHHS Medicaid waiver programs (the "Program"). The Program will serve as a resource for homeowners or voucher holders who do not have sufficient income, assets, and/or good credit to qualify for a loan. The Program is delivered by Alpha One, who operates the Program state-wide.

Contingent upon funding availability, the Home Retro Program will utilize the following funds:

- State HOME funds.

1.2 Eligible tasks

Eligible tasks include, but are not limited to:

- Addition of wheelchair ramps
- Keyless entry systems
- Widening of halls and doorways
  Modification to kitchens, bedrooms and bathrooms

A minimum of 75% of each grant shall be used for accessibility rehabilitation which will improve the quality of life of the resident who has a physical disability

Up to 25% of the grant may be used for basic necessary repairs to the home, so long as the accessibility rehabilitation is completed first.

1.3 Per job maximum

$10,000

1.4 Pre-approval

Pre-approval required when or if projected costs exceed the per job limit.

Home Retro grants **do not require** the following:

- Housing Quality Standards (HQS) inspection of the home.
- Environmental and/or Historical review.

SECTION 2: ADMINISTRATION FEES

MaineHousing shall pay Alpha One as follows:

- 15% of total project cost for each Home Retro grant originated, provided such grants are in accordance with the Guide. The administrative fees are payable as follows:
- 10% of the job total to be paid upon MaineHousing's receipt and approval of Phase 1 documents.
- The remainder will be paid upon MaineHousing's receipt and approval of Phase 2 documents. Typically this will be 5%.
- Phase 2 must be completed by December 31st of the contract year.

- If there are change orders, the final administrative/support amount will be adjusted accordingly.

SECTION 3: PRE-SCREEN POTENTIAL APPLICANTS

Alpha One should pre-screen potential applicants to assess eligibility and establish priority.

When an applicant contacts Alpha One, a trained staff member should briefly describe the Program and eligibility criteria (income guidelines, ownership and occupancy of the property to be improved). If the Applicant is clearly ineligible for any of the Program funds, refer them to other appropriate resources.

If the Applicant appears eligible, Alpha One should provide the Applicant with an Application, Financial Certification , Applicant Information Sheet, a list of items of verification to provide, and income and credit verification documentation. Alpha One may choose to stagger the submission of these documents to minimize confusion in completing or obtaining necessary documents.

Note: Alpha One is not allowed to charge an application fee.

SECTION 4: IN-PERSON INTERVIEWS

Alpha One shall require a qualified staff person to interview the Applicant. During this interview, qualified staff person shall:

- Review and complete the Application and Financial Certification with the Applicant. Applicants need to fully understand the contents of the documents and Alpha One should not move forward with a grant until staff is confident that the Applicant understands all the information and the responsibilities of the grant.
- Explain to the Applicant that Alpha One will not know the actual grant amount until after the contractor bidding tasks are completed.

SECTION 5: 1915C VOUCHER HOLDER APPLICANTS:

MaineHousing will provide Alpha One with eligible 1915C Housing Choice Voucher (HCV) holders, or other HCV participants receiving community based services under DHHS Medicaid waiver programs, who are in need of accessibility modifications to their rental unit.

These HCV clients will **NOT** have to provide income documentation to Alpha One, as their income eligibility has already been determined as a pre-requisite for the Voucher that they hold. MaineHousing obtains and verifies this income eligibility before they are referred to Alpha One for the Home Retro Program.

Alpha One will work directly with the Landlord/Owner of the rental unit in which the eligible applicant resides, gathering the appropriate paperwork documentation and signatures. The Landlord is required to fill-out and sign the following documents:

- Landlord/Property Owner Application (Exhibit B)
- Grant Agreement (Exhibit L)
- Construction Contract (Exhibit F)
- Escrow Agreement (Exhibit G)
- Change Order (Exhibit J) – If Applicable
- Contractor Payment Request (Exhibit K)
- Certificate of Final Inspection (Exhibit I)

Alpha One will also work directly with the tenant, whose signature is only required on the following documents:

- Home Retro Application (Exhibit A)
- Financial Certification (Appendix A to Application)
- Grant Agreement (Exhibit L)
- Certificate of Final Inspection

All other processes remain the same for these projects.

SECTION 6: ESTABLISH PROJECT FILE

Alpha One shall establish a file to retain all original documentation pertaining to the project. Documentation must be maintained as indicated in these Guidelines and be available for review by MaineHousing In addition to the forms and respective file folder sections identified on the Phase 1 and Phase 2 Document Checklists, the inside back cover section of the folder should contain all email communications, notes, and miscellaneous documents pertaining to the project.

SECTION 7: INCOME ELIGIBILITY REVIEW

7.1 Income Eligibility

Client's annual gross household income must not exceed 80% of area median income limits for the area where applicant resides, adjusted for household size. Once Alpha One determines that applicant meets Program requirements, the applicant's annual gross income must be calculated as outlined below:

7.2 Process for Calculating Annual Gross Household Income:

7.2.1 Gross Monthly Income

Gross monthly income is the sum of monthly gross pay; plus any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Affairs (VA) compensation, net rental income, alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments.

7.2.2 Annualized Gross Income

Annualized gross income is gross monthly income multiplied by 12 in the case of monthly income that is received each month. To calculate gross annual income, multiply the current monthly base pay times 12 to derive annual base earnings. Add the actual average overtime, bonuses, etc., earned in the past 12 months or period of employment, whichever is less. In the case of income which is received other than monthly, annualized gross income includes the amount of periodic income multiplied by the number of periods in a year in which the income is received. If the applicant's income is irregular, unstable, seasonal or temporary, gross monthly income is calculated by taking the average of the actual monthly employment earnings over the previous 12 months or the period of time the applicant has been engaged in that field of employment, whichever is shorter. If the applicant has regularly earned overtime, bonuses, shift differentials or commissions, they must be included in income even when the employer does not guarantee their continuation.

7.2.3 Foregone Income

If, during the six-month period ending on the date of application, any applicant or co-head of household has taken a temporary leave of absence, a temporary voluntary reduction in compensation or hours normally worked, or has temporarily resigned from employment, the income foregone by such act or acts shall be included in computing gross income.

7.2.4 Temporary Unemployment

If, during the three-month period ending on the date of application, any applicant or co-head of household has commenced a temporary or indefinite layoff; has become unemployed, except for permanent retirement; or has ceased employment as a self-employed individual without gaining substitute employment, gross income shall include the rate of pay immediately prior to such event. This provision shall not apply if the applicant or co-head of household does not expect to return to work in the foreseeable future.

7.3 Factors of Income Determination

The income calculation must be done at time of application to determine annual gross household income for purposes of income eligibility. The following guidelines shall be followed in completing the income calculation for purposes of determining whether household income exceeds HUD's HOME income limits for the area where the applicant resides.

7.3.1 Income Inclusions

(a) The full amount of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before payroll deductions).

(b) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

(c) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in (b) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income includes the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

(d) The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except Supplemental Security Income [SSI] or Social Security).

(e) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see paragraph [c] under Income Exclusions).

(f) Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:

- The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**
- The maximum amounts that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.

(g) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.

(h) All regular pay, special day and allowances of a member of the Armed Forces.

7.3.2 Income Exclusions

(a) Income from employment of children (including foster children) under 18 years old.

(b) Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family that are unable to live alone).

(c) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earning – [e] of "Income Inclusions").

(d) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.

(e) Income of a live-in aide.

(f) The full amount of student financial assistance paid directly to the student or to the educational institution.

(g) The special pays to a family member serving in the Armed Forces who is exposed to hostile fire.

(h) Amounts received under training programs funded by HUD.

(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) eligibility and benefits because they are set aside for use under a Plan to Attain self-sufficiency (PASS).

(j) Amounts received by participants in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and that are made solely to allow participation in a specific program.

(k) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

(l) Temporary, nonrecurring, or sporadic income (including gifts).

(m) Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.

(n) Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household or spouse).

(o) Adoption assistance payments in excess of $480 per adopted child.

(p) Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.

(q) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

(r) Amounts paid by a state agency to family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.

(s) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.

(t) Disability related expenses are out-of-pocket costs incurred by the consumers for their disability, which are not reimbursed by any third-party sources.

7.3.3 Verification

Annual gross household income stated on the Application must be verified through source documents such as wage statements, interest statements, unemployment compensation statements, and Alpha

One's other verification of employment forms. Additionally, three (3) months of bank statements are required for all household members.

Any future increases in income resulting from pay raises or job changes which are known at the time of application or which occur prior to closing must be taken into consideration in determining eligibility. Decreases in income may be taken into consideration if the employer provides satisfactory explanation of the change, e.g. that the decrease is permanent and also affects other employees.

After Alpha One has gathered and verified income, liability information and ownership documentation, Alpha One shall analyze the data and make judgment concerning the applicant's need and priority to receive a grant.

7.3.4 Self Employed

For self-employed persons, Alpha One shall obtain 2 years previous tax returns and follow IRS regulations. (see www.IRS.org for guidance)

7.3.5 Re-Certification of Income

If more than four (4) months elapses before grant closing or funding, Alpha One shall obtain up-to-date income documentation to verify that the household is still income eligible.

SECTION 8: ASSET TEST

8.1 Asset Test

A household that has a cash value of $15,000 or more in assets **is not eligible** for a grant under this Program. Cash value is the market value of the asset minus reasonable costs that were or would be incurred in selling or converting the asset to cash such as penalties for withdrawing funds before maturity, or broker/legal fees assessed to sell or convert the asset to cash.

Assets owned by more than one person are prorated according to each party's percentage of ownership. If no percentage is specified or provided by state or local law, assets are prorated evenly among owners.

8.2 Assets include

- Cash
- Stocks/bonds & Treasury bills
- Money market or CD accounts
- Real Estate other than primary residence (e.g. summer home,
- camp and time share)

If applicant has other real estate, then they are not eligible for MaineHousing's assistance under this Program

If Alpha One feels, based on their assessment and analysis, that the Applicant has the capacity to access other funding sources for home repairs, they should refer the individual to other programs or resources outside of the Home Retro Program.

8.3 Assets do not include

- IRAs or Roth IRAs
- Pension plans
- Primary Real Estate
- Value of vehicles
- Savings bonds
- 401K plans

SECTION 9: VERIFICATION OF OWNERSHIP

Alpha One shall verify property ownership by obtaining a copy of the applicant's property deed and property tax bill.

Bond for deed arrangements are not acceptable and applicants with this type of ownership arrangement cannot receive assistance. Life Estates and Life Leases are acceptable, with the proper documentation provided by the Applicant.

SECTION 10: WORK SPECIFICATIONS

Alpha One staff shall reference the Job Standards and Specifications (Appendix A) as a benchmark for work quality. **These Specifications must be incorporated as part of the Construction Contract (Exhibit F) and signed by both the homeowner(s) and the contractor.**

Hard-wired or ten year life battery smoke detectors must be installed on all floors including the basement and enclosed interior common hallways in units in apartment buildings with 3 or more Units.

Battery powered carbon monoxide detectors must be installed within 15 feet of all bedrooms.

SECTION 11: CONTRACTOR SELECTION & BIDS FOR JOB

Upon completion of the property inspection, Alpha One staff shall prepare the Job Standards and Specifications (cover sheet and Appendix A).

The exact Job Standards and Specifications (Appendix A) developed by Alpha One staff will be distributed to bidders. This ensures that all contractors are bidding on the same scope of work to be completed. A contractor's completed (and final) Job Specifications must be incorporated as Exhibit A of the Construction Contract and signed by both the homeowner(s) and the contractor. Each page will also be initialed and dated by both.

Three qualified bids are required for all Home Retro grant projects. **Homeowners are not allowed to do their own work.** In order to acquire three qualified bids, it may be necessary to invite four (4) or more contractors to bid.

Bids that are returned via e-mail are allowable, as long as they do not contain confidential information (such as the Applicant's name); property address is okay.

Alpha One staff will work with the homeowner or landlord to contact contractors off of the approved contractor's list. Alpha One staff should then set-up a specified time and date for a walk-through at the Applicant's home. At this walk-through, Alpha One will provide a copy of the Job Standards and Specifications to the contractors who participate in the walk-through. **The Applicant's name should NOT be included in the copy provided to the contractor; only the property address**.

All three bids must be submitted to MaineHousing as part of the grant package developed for funding.

- Projects submitted to MaineHousing with only one bid, regardless of the number of bid refusals received, will not be funded.
- Projects submitted to MaineHousing for funding with two qualified bids and one bid refusal form, or other documentation such as e-mails and/or Alpha One staff Contact Notes, will be acceptable only if the two bids received are within 10% of each other.

If an owner prefers a contractor who has submitted a higher bid than its competition, the **owner must pay** the difference between the lowest qualified bid and the chosen contractor.

SECTION 12: NOTICE OF APPROVAL

After Alpha One has carefully reviewed the total accessibility costs as well as the type and amount of financial assistance the owner will receive, Alpha One shall notify the homeowner. This notification will inform the owner of their eligibility to receive the grant, the type and amount of the grant, conditions under which the grant is offered and the date of their scheduled grant closing.

SECTION 13: GRANT CLOSING

Alpha One must have the Applicant review the typed documents for accuracy prior to obtaining the Applicants' signature. At grant closing, the following documents are verified and executed:

- Application (Exhibit A for Homeowner applicants and HCV tenants, Exhibit B for Rental Property owners seeking tenant unit modifications)
- Grant Agreement (Exhibit L for rental situations, Exhibit C for homeowner applicants)
- Applicant Information Sheet – (Exhibit D: review, provide Applicant with a copy; signature not required)
- Construction Contract (Exhibit F)
- Escrow Agreement (Exhibit G)
- Job Standards and Specifications (Appendix A)

If a grant does not close within four months of application, Alpha One will have to obtain updated income verification sources, such as paystubs and bank account statements, as well as an updated Verification of Income form. This is necessary to ensure that Applicant's household income still falls within the 80% area median income guidelines.

Upon grant review, approval, and funding by MaineHousing, funds shall be forwarded to Alpha One on behalf of Applicants and must be held in escrow. Disbursements shall be made from the escrow only after Alpha One has received satisfactory documentation, through site inspections and contractor payment request forms, that the work for which payment is sought has been properly completed according to the Program standards and that the amount of the payment being requested is correct.

Once the work is completed and the escrow account has been fully disbursed, Alpha One will issue the Certificate of Final Inspection (Exhibit I), the Certificate and Release of Liens (Exhibit H) for the final payment and colored photographs of completed work.

Accessibility work should begin as soon as possible from the date of grant closing and completion date of the work may not exceed four (4) months from the date of grant closing without prior written approval from MaineHousing. Alpha One should try to schedule a grant closing only after owner and contractor have established an on or about start date.

SECTION 14: SUBMISSION OF GRANTS

14.1 Required Documents to MaineHousing

These instructions provide guidance on how to properly prepare and submit individual projects for grant funding.

Required Document – Phase 1	Home Retro Program
Application (Exhibit A for traditional applicants & tenants, Exhibit B for Rental Property Owners)	X
Income Verification (for Single-Family Homeowners only) – 90 days paystub/wage statements (unless Social Security), 90 days bank account info	X
Proof of Ownership (Property Deed, Bill of Sale, Life Lease/Estate) & Property Tax Bill	X
Proof of Homeowner's Insurance (current policy)	X
Grant Agreement (Exhibit L for rental situations, Exhibit C for traditional applicants)	X
Construction Contract (Exhibit F) & Job Standards and Specifications (Appendix A)	X
Escrow Agreement (Exhibit G)	X
Contractor Job Proposals (bids)	X
Bid Tabulation Sheet	X
Digital color photographs of home & area(s) to receive work	X
Phase 1 Invoice & Document Checklist	X
Alpha One Contact Notes	X

Alpha One shall submit the documents listed on the "Phase 1 Document Checklist".

Grant files submitted to MaineHousing for funding must contain all necessary documents as listed on the appropriate Document Checklist as described above. All files shall include borrow signed documents, except as noted where photocopies are acceptable. **The required documents must be typed, accurate and complete and signed in blue ink.** The Applicant and any other parties who executed the documents must initial changes to documents during or after grant closing. Changes to documents will not be accepted without the required initials.

MaineHousing will wire the grant amount upon receipt, review and approval of the required documents. Alpha One should ensure that grant packages submitted for funding are correct when submitted. Although MaineHousing will attempt to contact Alpha One in advance regarding errors preventing funding, MaineHousing cannot guarantee this service in all circumstances. In the event such errors prevent funding, MaineHousing will promptly return deficient grants with an explanation of corrections needed.

SECTION 15: ALPHA ONE PROJECT FILES

Alpha One shall establish a file to retain all original documentation pertaining to the project. Alpha one will submit required project documentation electronically to MaineHousing for project review and approval. **Alpha One will retain original grant closing documents.** Alpha One shall label and organize its project files in accordance with the appropriate Document Checklist and the file must be available for review by MaineHousing upon request during monitoring visits. Use of the appropriate Document Checklists will ensure consistency in documentation.

SECTION 16: ACCESSIBILITY-OVERSIGHT

Permits from the local municipality must be obtained by the contractor prior to any work commencing. Permit(s) must be visibly posted at the site during the construction phase. A copy of all applicable permits must be kept in the project file. All repairs must be performed in accordance with the written Project General Requirements, Maine Uniform Building Energy Code (MUBEC) and local building codes (if applicable)

SECTION 17: INSPECTIONS

Inspections are required initially, at the completion, and whenever a check is being issued to the contractor.

SECTION 18: PAYMENT TO CONTRACTORS

The number of payments that Alpha One issues to the contractor depends on the size of the project and the agreement with the contractor. Alpha One shall approve payment ONLY after an inspection and Contractor Payment Request form submitted and signed by the contractor, homeowner and Alpha One representative.

SECTION 19: CHANGE ORDERS

In housing rehabilitation situations, a change in the scope of the work may need to occur. *For example, the job specifications may call for replacing the existing wall covering (drywall, paneling, etc. It may later be discovered that the wall studs have severe damage and must be replaced. This was not anticipated in the job specifications, and a change is now required to correct the unanticipated problem.* ***A change order (Exhibit J) must be initiated.***

Change orders are also required when the project will extend past the completion date.

A change order **MUST BE IN WRITING**. Change orders must be initiated by Alpha Oneand must be confirmed and approved for funding by Alpha One's Program Manager/Director before being submitted to MaineHousing. Upon MaineHousing's approval, the homeowner and contractor must confirm and sign the change order. Verbal changes in the scope of work will not be allowed. Alpha One shall consult with MaineHousing when changes in scope of work need to be initiated. Alpha One must inform the Applicant and the contractor. MaineHousing will not be obligated to fund or inspect work performed outside of the Construction Contract (Exhibit F) and Job Standards and Specifications (Appendix A).

All change orders must be submitted with color photographs to serve as evidence and document the need for additional work.

All change orders, whether they are a no-cost change order or result in a cost above that which has been granted, must have prior written approval from MaineHousing before the work can continue. In the case of an emergency, after confirming with Alpha One's Program Manager/Director, the Alpha One's representative may contact MaineHousing's Technical Services Compliance Specialist by phone to receive preliminary approval to proceed with the additional work. The funding for such emergency change orders that are approved by phone will remain contingent upon receipt of written documentation and digital color photographs to serve as evidence of such change order.

Contingencies and changes in scope of work will be funded outside of the original grant, but within Alpha One's allocation. Consult with MaineHousing for further guidance if additional funds are needed to complete unanticipated work.

SECTION 20: SUBMISSION OF GRANTS – FINAL PHASE

20.1 Required Documents to MaineHousing

Required Document – Phase 2	Home Retro Program
Contractor Payment Request Form(s) & Invoices (Exhibit K)	X
Alpha One Contact Notes – detailing Construction Progress Reports including dates, persons present, and Alpha One's assessment of contractor's work.	X
Change Order (Exhibit J) *(if applicable)*	X
Certificate and Release of Liens for each payment (Exhibit H)	X
Certificate of Final Inspection (Exhibit I)	X
Digital color photographs of work completed	X
Phase 2 Invoice and Document Checklist	X

SECTION 21: CONTRACT CLOSE-OUT

Once Alpha One has received the Certificate of Final Inspection (Exhibit I) signed by the homeowner and the contractor, all Certificate and Release of Liens (Exhibit H) for each payment made, Contractor Payment Request forms (Exhibit K), all invoices and all written warranties, Alpha One shall prepare and issue a payment for the outstanding amount due the contractor. Delivery of the payment and the contractor's acknowledgement of receipt of the final payment close the project.

SECTION 22: DISPUTE RESOLUTION

22.1 Disputes

Disputes between the homeowner, Alpha One, and the contractor may arise from time to time during the life of the home retro project. The Home Retro Program has established a standard procedure for resolving these disputes. Alpha One is initially responsible for resolving disputes. In those situations where a mutually satisfactory agreement cannot be reached between the parties, the following dispute resolution process shall be followed.

22.2 Borrower Instructions/Complaint Intake

Alpha One shall designate an individual(s) on its staff to log telephone calls from homeowners voicing complaints. All telephone or written complaints received by designated staff shall be submitted to MaineHousing within 24 hours of receipt of complaint. Within 48 hours of receipt of the complaint, Alpha One shall contact the homeowner to assess the nature of the complaint. If the homeowner has not already done so, Alpha One shall request the homeowner to put the complaint in writing.

Within five business days of receipt of the telephone or written complaint, Alpha One shall send MaineHousing a notice of the complaint and all information regarding the nature of the complaint with a copy to the homeowner. If the complaint is immediately resolved (within the five working days), Alpha One will still be responsible for reporting the complaint with all the information regarding its nature, but will note that the complaint is resolved.

22.3 Informal Conference

Within 15 working days from receipt of a complaint, Alpha One shall organize an informal meeting with the homeowner, the contractor and an Alpha One representative to try and resolve the dispute. Alpha One shall notify MaineHousing and all interested parties 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 to the dispute, Alpha One shall prepare a document signed by all parties involved that plainly states the agreed upon resolution. A copy of this document shall be submitted to MaineHousing. MaineHousing may attend the

informal conference. If the meeting does not result in a resolution, Alpha One shall document the results of the meeting and where the parties disagree. Alpha One shall submit a copy of these written minutes to MaineHousing. A copy of all written resolutions shall be kept in the Applicant's file.

22.4 Binding Arbitration

If the contractor and owner cannot come to a resolution, then the issue must be resolved through binding arbitration. The Construction Contract and Construction Escrow Agreement among the contractor, the homeowner and Alpha One will contain a binding arbitration clause. If all attempts fail to produce a resolution, the parties shall participate in a binding arbitration process as soon as possible after the informal conference.

All unresolved claims or disputes between the homeowner and contractor arising out of or related to the work shall be decided by arbitration. Unless the homeowner, and contractor otherwise agree, the arbitration shall be conducted in accordance with the construction industry arbitration rules of the American Arbitration Association. The homeowner and contractor shall submit all disputes or claims, regardless of the extent of the work's progress to the arbitrator. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

MaineHousing will cover the costs of the arbitrator including for those grants issued. The parties in dispute (i.e., the contractor, owner, and Alpha One) will cover attorney's fees, if any.

22.5 Tracking

Alpha One shall maintain a log of all major disputes and provide MaineHousing with a copy of such log when requested. The dispute log must clearly document the nature of the dispute, contacts made with the parties involved, and actions taken to resolve the dispute. MaineHousing will monitor Alpha One to ensure all disputes are resolved as quickly as possible.

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