

Skowhegan's Heat Program

Exempt: No loan or grant will be given to any Church owned property.

1. Purpose of heating system loans

To help LMI and Elderly to do the following

- Repair Existing Heating systems
- Replace Existing Heating systems with new high efficiency systems
- Improve insulation in the home
- Increase energy efficiency in the home

Therefore, it is the purpose of the heating system program to assist property owners living in Skowhegan in their efforts to make their homes more energy efficient.

2. Structure of Program

Loans will be given under the following conditions:

The Community Development Advisory Board will decide at time of Eligibility determination if Project will be a straight loan or a deferred loan.

1. Interest will be for a maximum of 4% -board will determine actual percentage
2. Deferred Loans – No payments until time of changing ownership or/and applicant does not maintain primary residence within home
3. Straight loans – payments will be made monthly and will be for maximum of 15 yrs.
4. All loans (deferred and straight loans) become payable upon sale of property within terms of loan.

3. Administration and Processing of loan applications

- A) The chief administrator of this program shall be the Econ/Comm Program Director, whose duties include daily administration of the Program, including financial, personal and other authority that is necessary to insure that the program proceeds smoothly
- B) Application forms and information will be made available to all those interested upon request. Applications will be taken at the Skowhegan Economic and Community Development office (office) or when necessary at the applicant's home. No application will be reviewed until a complete application is received along with all verifications of income, ownership and insurance. Plus all taxes on home must be current.
- C) An inspection will be made by the office accompanied by the owner, to determine the extent and nature of the repairs to the heating systems that are needed to make the home more livable and/or efficient.

- D) Work specifications shall be drawn up by the office and homeowner. At the time the scope of work will be reviewed and approved by the Program director. Once the scope has been reviewed, the scope will be signed by the homeowner and contractor.
- E) The application, work specs and other necessary information are presented to the Community Development Advisory Board for their consideration. They will approve applicants and make the loan award.
- F) Upon approval of an application, the work specs will be submitted to all approved contractors or at least a minimum of three approved contractors for that specific trade by the office for bidding purposes.
- G) When all bids have been submitted, the advisory board will make the determination of who gets the job. Contracts go to the lowest responsible bidder.
- H) Once the contract is awarded, the office, contractor and homeowner will meet and review the scope of work, time period agreed to and if no problems, sign the contract. Once the contract is signed, there can be no changes, unless specifically authorized by the Program director and homeowner.
- I) Once the contract is signed, the preliminary promissory note and Mortgage is signed by the client. This is updated at the close of the project subject to any change order during the project.
- J) The office or Code enforcement officer will inspect work to insure that all Codes are being followed and that the scope of work is being followed. If the homeowner has any complaints or problems they are to inform the office right away. Only the office has the authority over the contractor and is responsible for insuring that the work is performed as specified. If a homeowner does not feel their complaints have been acted upon within a reasonable amount of time by the office, they should contact the Community Development advisory board. If residents still have a problem can contact the Town Manager.
- K) When the contractor makes a request for payment, the office will inspect the premises to determine compliance with the contract provisions. When the homeowner and office have indicated their approval of the work performed, the Director shall authorize payment to be made by check to the contractor, countersigned by the homeowner and contractor.
- L) If the work has been accomplished in a satisfactory and in compliance with the contract, and the completed work has been approved by the office, but the homeowner refused to endorse the contractor's check, without apparent cause, then the Director shall attempt to mediate the conflict and will also have the Code Enforcement officer review the work performed and if it is determined that the homeowner is unjustified in refusing to endorse the check, the Director shall authorize payment to be made by check written to the contractor alone.

4. Priorities

Except for housing units which pose an imminent threat to the general safety and welfare of the occupants, which will receive top priority, selection of applicants for inspection by the office will be made in the following order from the complete application on file at the Economic and Community Development office.

1. Elderly disabled
2. Elderly, non disabled
3. Family with a disabled member
4. Family Non disabled
5. Others

5. Eligibility Requirements

A) Income Requirements

Applicants must below the low income for the family size.

	1 person	2 person	3 person	4 person	5 person	6 person
LOW-INCOME	\$27,600.00	\$31,550.00	\$35,500.00	\$39,450.00	\$42,600.00	\$45,750.00

6. Verification

Applicant income shall include all earned income or unearned income from any household member regardless of age. This includes all assistance checks received by any members of the household, as well as pensions, interest earned on assets and any other source of income received. Applicant will supply verification of income with a signed copy of employment verification sheet or signed sheet from other sources of income.

Applicants must also submit a copy of property deed / ownership papers and copy of property

Applicant must show that property taxes are current at time of project.

7. Restrictions

- a. The homeowner must have owned the home that is to be worked on for at least six months or request a waiver.
- b. Subject property cannot be over \$150,000 in assessed valuation as determined by the Board of Assessors.
- c. Homeowner must have Homeowner and Flood insurance (if required) on the home before work is started.
- d. At no time will owners debt load be more than 90% of home value.

8. General Conditions

- a. Repairs /replacement/upgrades will be done to the heating system to make the home more energy efficient.
- b. Civil Rights: The applicant will be required to comply with Title VI of the Civil Rights Act of 1968, 1974, and 1988 not to discriminate upon the basis of race, color, national origin sex, age, handicap or familial status in sale, lease, rental, or use of occupancy of the subject property
- c. Penalty Charge - Any repayment of loans that are over 60 days late will have a 10% interest late charge for the outstanding late payments.

9. Terms and Conditions

- a. Loan funds are to be used only to pay for replacing/repairing/updating the heating system including but not limited to furnace, fuel tank and/or hot water tank. In cases where it is required, some insulation will be installed to make the home more energy efficient, including weatherstripping around windows and doors. This program will not pay for non-energy efficient items.
- b. If it is found that the applicant has misrepresented any statements on the application form, the Program Director shall reserve the right to cancel any approval of the project, and if work has already started to stop the contractor from proceeding. If work has been completed, the applicant will be required to make arrangements to secure other funding to reimburse the program within thirty days.
- c. No Municipal officer of the Town who exercises any function or responsibility in connection with the administration of this program shall have any interests, direct or indirect, in the proceeds of any grant, or in any contract connected with this program for labor or materials entered into by the applicant or any contractor.
- d. All applicants shall maintain adequate homeowners insurance on their property for the full term of the loan.
- e. If the cost of the rehab work exceeds the amount of financial assistance to be provided because of the overall condition of the unit, the Community Development Advisory Board will review the work specs and decide if the work called for is necessary to be accomplished, the homeowner will be requested to make some arrangements to finance the extra cost of the Rehab. The office will assist the applicant in finding and in completing applications for other funding sources.
- f. The office shall be responsible for writing scopes of work and inspections of the rehab work in progress. The office will also provide help to clients completing applications if needed.
- g. All payments from clients will be made payable to Town of Skowhegan or mailed to Town of Skowhegan Economic and Community Development office, 225 Water St. Skowhegan, Maine 04976

10. Contractors

- A) Heating, Electrical and Plumbing contractors shall possess current licenses issued by the appropriate state agency.
- B) Contractors wishing to participate in the Heating System Program are required to carry sufficient full and complete workers compensation insurance, and must supply the office with proof of this. The Contractor shall furnish evidence of a comprehensive Liability Insurance coverage protecting the owner and the town for not less than 500,000 – 1,000,000 Bodily Injury or Property damage arising out of the work performed by the contractor. Contractor must also provide the office with three references, one supplier and two homeowners familiar with Contractors

work. Any contractor who is on HUD's list of disbarred or ineligible contractors will be prohibited from participating in this program.

- C) All contractors must agree to guarantee their work for one year from date of completion.
- D) All Contractors working on Heating systems will be licensed by the Maine Solid Fuel Board.

This program is available in the Towns of Canaan and Cornville subject to selectmen in each town approving applications and subject to funding being available.