

Glossary of Terms

AIP – Aging in Place

CDCU – Community Development Corporation of Utah

CRD – Community and Resources Development (Salt Lake County)

FHB – Federal Home Bank

GHHI – Green and Healthy Homes

HCD – Housing and Community Development (Salt Lake County)

LSSL – Lead Safe Salt Lake

Process Outline

1. **Application** – This is the period where you, the homeowner, complete your application for home repairs. Salt Lake County will need at least 2 months of your most recent paystubs, a current copy of your homeowner's insurance, and your most recent mortgage statement. Copies of bank statements, pension or annuity statements, social security income letters, etc. may also be required depending on your financial circumstances. All household members over 18 must provide income documentation or a statement indicating they are not employed. **You have already completed this step.**
2. **Underwriting** – When your application has been determined as complete, the information will be forwarded to Emily Strong at CDCU. She will review your credit, title history, and income information which will be later used to determine the right financing terms for your project. If you have received this letter, your underwriting has been completed and your project is ready for site assessment. In some cases, she may need additional information, such as explanations on title or credit issues. Once Emily has completed this underwriting, she will return the credit information, title report, underwriting profile, and homeowner letter (included here) to Salt Lake County.
3. **Site Assessment** - Once Salt Lake County has the underwriting information, you will be contacted to schedule a site assessment. CDCU's Construction Manager, Taison Allen, and John Russell from Salt Lake County will assess your house and work with you to develop a prioritized list of repairs for your house.
4. **Bidding** - Taison will solicit bids from three contractors and coordinate a time with you when the contractors will walk through your home so that they can put their bids together. Taison will be present at this meeting. Taison will review the bids with you for your approval. Generally, the low bid will be the amount of the request for funding for your project.
5. **Funding** - CDCU will present a funding request for your project to the Salt Lake County Loan and Grant Committee. Funding may be provided a grant, loan, or combination of a grant and loan. Please note, if you are return client of GHHI, then funding will be provided as a loan only. **If your project funding is approved:**

- a. If a grant and/or loan is approved for your project and you agree to the funding, appropriate grant and/or loan documents will be drawn up for your review and signature. Program agreements (between you and Salt Lake County, and you and Community Development Corporation of Utah) and a construction contract and notice to proceed (between you and the general contractor) will also need to be signed.
6. **Sign Up** – Loan and grant documents will be prepared and sent to you to review. Clients are advised to take no less than a week to review the contents of these forms, as they contain critical information about loan and grants, scope of work, and the requirements of the contractor when doing work on your home. Once you feel you have had enough time to review the information, Emily from CDCU will schedule a time to sign finalized versions of the documents.

At the signing, CDCU will provide a notary for all documents needing to be notarized, at no cost to you the homeowner. Salt Lake County and the winning contractor will also be present to sign documents.

7. **Construction** – If a loan has been approved, the project cannot begin construction before the three day rescind period has passed. Once that three day rescind period is complete, the contractor will begin pulling all necessary permits within 10 days. Construction must be complete or substantially complete according to the timeframe set out in the construction contract.
8. **Closeout** – Once all contracted work has been completed, CDCU will schedule a project closeout. At this closeout, CDCU will inspect and photograph the work completed. Any outstanding items will be addressed and an action plan will be discussed with the contractor. If, at the point, the homeowner feels the work has been completed to their satisfaction, an Owner's Acceptance of Work will be signed giving CDCU permission to pay the contractor.

Any final items, regarding directing loan payments, warranty information, etc. will be discussed at the closeout.

Table of Documents

Promissory Note – Notarized (Loan Form)

The Note (or Promissory Note) is a contract where a party makes a promise to pay a sum of money to another party under specific terms. In real estate, the Note is the legal document that binds the borrower to repay a mortgage loan. This agreement will contain important loan specification, such as the loan amount, interest rate, due dates, late charges, and the terms of the mortgage.

The Deed of Trust – Notarized (Loan Form)

The Deed of Trust (or Mortgage or Security Instrument) is a legal document that grants the lender the rights to take the property if the borrower goes into default and does not pay under the terms of the Note. The lender holds title to the property until the borrower has repaid the debt in full.

The Differences

The Note is signed by the people who agree to pay the debt (the people that will be making the mortgage payments). The Deed and the Deed of Trust are signed by those who will own the property that is being mortgaged. Typically in a residential settlement, the signers of the Note and the Deed of Trust are the same, but this is not always the case.

The Note itself has virtually nothing to do with the property. If the borrower does not pay the agreed amount, the lender can sue “under the Note” and obtain remedies for breaching the contract. The Deed of Trust is the document that grants the lender the rights to take the property if the loan is not repaid.

The Deed and the Deed of Trust need to be recorded in the recording office of the property’s county or town, while the Note is returned to the lender.

Truth in Lending (Loan Form)

The Truth in Lending Act (TILA) of 1968 is a United States federal law designed to promote the informed use of consumer credit, by requiring disclosures about its terms and cost to standardize the manner in which costs associated with borrowing are calculated and disclosed.

Rescind Agreement (Loan Form)

If you are offered a loan to help subsidize your repairs, you legally have three days to change your mind on the loan. When a contract signing is scheduled, you will be issued a rescind agreement. If you change your mind, a copy of the rescind agreement will be left for you to sign and return to CDCU. Only sign the top portion at the signing. If you change your mind, sign the bottom portion of the form.

CDCU Grant and Loan Agreements

These are legal forms that clarify CDCU's responsibilities. These documents outline that CDCU is responsible to act as a financier and project manager, but has no responsibility in taking on liens, disputes between homeowners and contractors. This document also states that CDCU will only pay the contractor upon written approval from the homeowner. By signing this form, the homeowner indemnifies CDCU, for any liability related to the material repairs or payments that have been made with the homeowner's approval.

SL County Grant Agreement

This is a legal form that clarifies Salt Lake County's responsibilities. This document states that SL County is responsible to act as a financier and project manager, but has no responsibility in taking on liens, disputes between homeowners and contractors. This document also states that SL County will only pay the contractor upon written approval from the homeowner. By signing this form, the homeowner indemnifies SL County, for any liability related to the material repairs or payments that have been made with the homeowner's approval.

Grant and Case Management Form

This is a survey based form used by Green and Healthy Homes National. Homeowners are asked to list the top three repairs (in order of most important) that will be completed with the funding.

Contract for Construction

This document sets out the official scope of work, outlining the responsibilities of the contractor and the homeowner. This contract includes timeframes on when the contractor will pull permits, the contracted sum, including pulling permits, protection against liens, Section 3 compliance, access to the home, and terms of final payment. This document is strictly between the contractor and the owner, however CDCU and SL County are on hand for third party assistance.

Notice to Proceed

This document authorizes the contractor permission proceed with the work and begin pulling an applicable permits. This document is signed and initialed by the homeowner and signed by the contractor.

Owner's Acceptance of Work

Once all repairs have been completed to the satisfaction of the homeowner, the homeowner will sign an owner's acceptance work. This document allows CDCU to release payment to the contractor for the completed repairs.

Other Documents

Change Order

A change order is issued whenever an item that was not on the original, contracted scope of work is required. In order to approve a change order, written authorization from the homeowner must be signed by both the contractor and Salt Lake County.

Lien Waiver

A lien waiver is a document that states a contractor will not put a lien on the homeowner's property due to lack of payment. Contractors and their subcontractors will sign lien waivers once the homeowner has signed an acceptance of work. CDCU will release payment to the contractor when an owner's acceptance of work has been received and when all applicable lien waivers have been received.