

# ***Essential Single-Family Rehabilitation Loan Pool***

***ESFRLP20***

Administrator's Manual

Updated August 2020

*Includes HUD 2020 HOME Income and Post-Rehab Limits*

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# Administrator's Manual

**North Carolina Housing Finance Agency  
Essential Single-Family Rehabilitation Loan Pool (ESFRLP20)**

*April 2020 updated August 2020*

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### **Printing Instructions for the ESFRLP Administrator's Manual**

This manual is formatted to be printed on both sides of 8 ½" x 11" paper so that tabs may be used in front of or on the first page of any major section. If you print this as a single sided document, be advised that there will be several pages printed that will not contain content.

### **Errors, omissions or inconsistencies in the document**

If you locate what you believe to be an error, omission or inconsistency in the Administrator's Manual, please send the section number and a description of the issue you believe you observe to: [djcoleman@nchfa.com](mailto:djcoleman@nchfa.com).

# ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL ADMINISTRATOR'S MANUAL

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## **APPENDIX**

### **A. ESSENTIAL REHABILITATION CRITERIA**

#### **Section:**

- A. Introduction
- B. General Requirements
- C. Essential Property Standards
  - C1. Priority List of Additional Repairs
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- D. Essential Rehabilitation Standards
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### **B. INCOME LIMITS**

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#### **Required Forms**

- ESFRLP Partner Portal Instructions
  - Information Collected in the Partner Portal:
    - 1. Project Data
    - 2. Loan Application & Reservation Request
    - 3. Environmental Screening and Instructions
    - 4. SHPO – Historical Evaluation
    - 5. Post Rehabilitation Value Certification
    - 6. HOME Owner Agreement
    - 7. Settlement Data Sheet
    - 8. Requisition for HOME Funds and Invoice Log
    - 9. Unit Completion Screen (UCS)
- Lead-Based Paint Requirement Worksheet and Exhibits
- ESFRLP Essential Property Standard Certification of Compliance
- Certification of Completion and Final Cost (CCFC)
- Request for Project Amendment
- Section 3 Guidance for ESFRLP with Summary Report

(see **Model Forms**, next page)

### **Model Forms**

- Case File Log
- Pre-Application and Eligibility Form
- Written Agreement (Member/Contractor)
- Bid Opening Tabulation/Record
- Contract for Rehabilitation
- Essential Property Standards Certification Checklist (2016-2018)
- ESFRLP Field List
- Pre-construction Conference
- Post-Construction Conference
- Certification of Final Inspection
- Owner Certificate of Satisfaction
- Release of Liens



## **SECTION 1. INTRODUCTION AND BACKGROUND**

### **1.1 Introduction**

2020 marks the twenty sixth year since the beginning of the Single-Family Rehabilitation Program as the Agency's primary program for comprehensive rehabilitation of owner-occupied homes. Since the Program's creation, a total of 164,250,184 million has been committed to rehabilitate 4502 homes in the state.

Throughout this period, the program has evolved and changed in response to internal program evaluation and to feedback offered by recipient organizations -- both individually and through small, user roundtables convened for that purpose. In the ESFRLP19 cycle we introduced additional changes to better meet the needs of our partners by focusing on essential and critical repairs. These changes include:

- 1) Increasing the annual forgiveness amount to \$5,000/year so that the expected maximum loan length is 6 years;
- 2) Increasing the typical hard cost loan amount from \$25,000 to a maximum of \$30,000 to increase the eligible units and adjust for inflation;
- 3) Increasing the initial Member Set-Aside from \$175,000 to \$190,000 for five homes;
- 4) Made slight revisions to the Property Standards and Rehabilitation Standards;

While most of the goals and objectives did not change (i.e., to serve seniors and disabled home owners, to promote aging-in-place, energy-efficiency and lead-safety, etc.), the program rehabilitation standards and maximum costs per unit changed in numerous ways since 2016. Personnel with years of SFR experience are strongly encouraged to read these guidelines carefully and work with their Agency case managers closely to ensure compliance with the Program Guidelines.

Some changes will be seen by Members as major improvements. The continuation of the three-year funding cycle for the ESFRLP program goes far in furthering the ideal of steady-state rehab funding and continuity of local efforts. There is the real possibility that a given county might have rehab assistance opportunities available continuously over time to serve its neediest homeowners. Local and regional rehab organizations can recruit rehab specialists, attract contractors and market their services to the community with assurance that they have a fair chance of being able to do so on a continuous basis. Similar to past ESFRLP cycles, a first-come, first-served "pool" of funds is available for ESFRLP. These

funds may be accessed after a Member has completed two (2) units under its initial allocation. Groups with the capacity to use their \$190,000 allocations within 18 months will be able, with reasonable limitations, to keep rehabilitating additional homes until the pool funds (\$2.3 million in 2020) are all committed. It is hoped that this will help more productive Members do more work without penalizing groups that work at a slower pace. Of equal importance, it should mean that all the funds committed to the program will be invested, and more low-income homeowners will be helped. The inclusion of most CDBG Entitlement communities and the revised Essential Property Standard will provide Members with increased local flexibility to reach more families and provide critical repairs.

As always, we hope you will share with us your ideas about the future of the Program. Please let us know, as specifically as possible, what your community needs, how the current program does or does not meet your needs, and what we might do to improve it. Please keep in touch with your case manager and allow her or him to help you through whatever Program-related challenges you may face.

## **1.2 Program Goals and Objectives**

The primary goal of the Essential Single-Family Housing Rehabilitation Loan Pool (ESFRLP) is to encourage the essential rehabilitation of scattered-site single-family housing units owned and occupied by very low- and low-income homeowners with special needs.

The objectives of ESFRLP are:

- 1) to promote equitable distribution of Program funds across the state;
- 2) to serve elderly, disabled and Veteran households and households with a child under the age of six whose health is threatened by the presence of lead hazards, with incomes at or below eighty percent (80%) of area median incomes;
- 3) to facilitate aging in place amongst elderly and disabled fulltime household members of eligible dwelling units through accessibility modifications;
- 4) to promote the long-term affordability and lower operating costs of ESFRLP-assisted units through cost-effective, energy-efficiency measures;
- 5) to facilitate the continued development of rehabilitation management skills among recipient organizations across the entire state; and,
- 6) to ensure that all available program funds are invested within the limited time available.

The [Essential Rehabilitation Criteria](#) ensures that each assisted unit will make a positive

impact on the state's housing stock by providing decent, safe, affordable housing

### 1.3 How to Use This Manual

Your Administrator's Manual contains program guidelines along with many of the forms and documents needed to successfully manage your project under ESFRLP20. For your convenience, all forms and documents can now be found online at NCHFA's website: [www.nchfa.com](http://www.nchfa.com). Once you have clicked the link and the web-page opens, scroll down to ESFRLP20. An alphabetical, cross-referenced index is provided at the end of the Program Guidelines (*following page 44*). It is a useful tool for finding all significant references to subjects of interest. For example, if you needed to review Program requirements regarding final inspections of rehabilitated properties, you could find the relevant information by looking under either "close-out procedures," "final inspections or "inspections, final". Each listing would direct you to several different locations in the Program Guidelines (listed by section number) where final inspection requirements are mentioned or discussed. Members are encouraged to call, write or email the Agency with any questions regarding interpretation of Program Guidelines. The Agency has assigned a case manager to serve as your primary contact person for matters relating to ESFRLP.

All correspondence should be directed to your case manager. Case managers are: Team Lead Home Ownership Rehabilitation, Chuck Dopler, 919-981-5008 or [jcdopler@nchfa.com](mailto:jcdopler@nchfa.com); Senior Housing Rehabilitation Officer, Donna Coleman, 919-981-5006 or [djcoleman@nchfa.com](mailto:djcoleman@nchfa.com) and Housing Rehabilitation Officer, Dan McFarland, 919-875-3753 or [dnmcfarland@nchfa.com](mailto:dnmcfarland@nchfa.com). Ms. Coleman also serves as ESFRLP program coordinator for the Agency.

Key Agency ESFRLP staff are Manager of Home Ownership Rehabilitation and Compliance, Michael Handley, 919-877-5627 or [mghandley@nchfa.com](mailto:mghandley@nchfa.com); Senior Program Compliance Coordinator, Mark Lindquist, 919-501-4263 or [mwlindquist@nchfa.com](mailto:mwlindquist@nchfa.com) who provides continuous ESFRLP timeline review and desktop monitoring to assist in compliance with Program Guidelines; Senior Program Documentation Specialist, Deborah Hamilton, 919-877-5709 or [dmhamilton@nchfa.com](mailto:dmhamilton@nchfa.com) who processes all ESFRLP requisitions; Program Documentation Specialist, Laura Altimare, 919-981-2649 or [lmaltimare@nchfa.com](mailto:lmaltimare@nchfa.com) who provides portal training and technical assistance. Other team members include: Director of Home Ownership Programs, Sonia Joyner, 919-877-5630 or [sbjoyner@nchfa.com](mailto:sbjoyner@nchfa.com); Home Ownership Support Specialist, Vadera Mimms, 919-877-5655 or [vcmmimms@nchfa.com](mailto:vcmmimms@nchfa.com); and Team Leader of Documentation and Compliance, Kim Hargrove, 919-877-5682 or

[kchargrove@nchfa.com](mailto:kchargrove@nchfa.com).

## SECTION 2. PROGRAM REQUIREMENTS

### 2.1 Eligible Activities

1. Members may use Program funds to effect the rehabilitation of owner-occupied site-built or modular dwelling units in accordance with the Member's approved Application for Funding and these Program Guidelines. New construction and replacement housing units are not eligible.
2. Manufactured housing units that are real property are eligible for rehabilitation if they meet all other program requirements. (See [Section 4.1.4.4, Property Requirements](#) for a definition of "permanently affixed".)

### 2.2 Eligible Uses of Funds

1. ESFRLP will utilize funds from the HOME Investment Partnerships Program (HOME), only. (Note: The C.F.D.A. number for the HOME Program is 14.239.) The maximum amount of Program assistance, excluding soft costs, to any housing unit cannot exceed \$30,000. Variances from this maximum will be considered on a case by-case basis where certain exceptional expenditures are necessary. Examples of potential exceptional expenditures include water and/or sewer installations, excessive lead-based paint and asbestos remediation costs. Always contact your case manager for prior approval.
2. The minimum amount of Program funds that can be spent on rehabilitation hard costs for any assisted dwelling unit is five thousand dollars (\$5,000).
3. Members must ensure that each dwelling unit assisted will meet all requirements of the Essential Rehabilitation Criteria. Other Program hard cost expenditures are limited to work items consistent with Section 2.2.4, Eligible Uses of Funds.
4. Program funds may be used to pay for hard costs, including the cost of temporary relocation, and soft costs
  - 1) Eligible rehabilitation hard costs are costs necessary to:
    - i) Meet the more stringent of local minimum housing code or the Essential Property Standard;
    - ii) Meet the requirements of HUD's final regulation on Lead-Based Paint Hazards in Federally Owned Housing and Housing Receiving Federal Assistance, published September 15, 1999 in 24 CFR 35 for

the remediation of lead-based paint hazards. (See Appendix A ESFRLP Rehabilitation Standards), Section F;

- iii) *(reserved)*
- iv) Eliminate threats to the health or safety of occupants, and to the structural integrity of the dwelling unit;
- v) Install (where practicable) new or replacement items in accordance with “Universal Design” principles, including wheelchair-accessible outlets and switches, wider doors, curbless entries, and a barrier-free corridor connecting bedrooms, baths, kitchens and living rooms, etc. (For further information, refer to the publication “Residential Rehabilitation, Remodeling and Universal Design” available at [http://www.ncsu.edu/ncsu/design/cud/pubs\\_p/docs/residential\\_remodelinl.pdf](http://www.ncsu.edu/ncsu/design/cud/pubs_p/docs/residential_remodelinl.pdf));
- vi) Take reasonable measures to strengthen homes against natural disasters such as wild fire, flooding, and in coastal areas, hurricane force winds;
- vii) Make other eligible improvements to dwelling units as listed in the ‘Priority List of Additional Repairs’ or pre-approved by NCHFA and
- viii) Pay for reasonable, temporary relocation costs in accordance with Agency-approved written relocation plan. ([See Section 2.8, Household Relocation](#)).

- 2) ESFRLP soft costs are the reasonable and necessary support costs directly associated with the rehabilitation of eligible units. Soft costs are paid on a unit-by-unit basis in accordance with the ESFRLP Member’s Agency-approved ESFRLP Budget for Soft Costs, as referenced in the Funding Agreement and cannot exceed \$10,000. Potential eligible Soft Costs include:

- Outreach & Advertising
- Environmental Review Preparation
- Asbestos Testing/Clearance
- Radon Testing
- LBP Inspection/Risk Assessment
- LBP Clearance
- Loan Document Execution; recording & legal fees
- Pre-rehab Inspection including scope of work

- Work Write-ups
  - Cost Estimate
  - Project & Construction Management
  - Flood Insurance (units in Flood Hazard Zones)
  - Post-rehab Value Certification
- 3) ESFRLP funds may not be used to pay for administrative expenses.
  - 4) No ESFRLP funds may be used to rehabilitate housing units that have been rehabilitated with \$30,000 or more of State or Federal funds within the previous ten years without the prior written consent of the Agency.
  - 5) ESFRLP Members may request reimbursement of soft cost expenses for assisted units that do not meet the Essential Rehabilitation Criteria due to no fault of the Member. A first-come, first-served “limited pool” of funds has been set aside for this purpose. Members may receive only partial reimbursement of their expenses or, if the pool is exhausted, no reimbursement.

### **2.3 Forms of Assistance**

1. ESFRLP assistance covering only the hard costs of rehabilitation will be provided to eligible homeowners in the form of interest-free loans secured by a Deed of Trust, forgiven at the rate of \$5,000 per year, until the principal balance is reduced to zero. Soft costs associated with ESFRLP-assisted units will be granted to homeowners.
2. Agency-prepared loan (Promissory Note and Deed of Trust) and grant (Grant Agreement) documents for each unit to be assisted under ESFRLP shall be provided to Members, by the Agency, for execution by the Homeowner, following receipt, by the Agency, of information necessary to complete the referenced documents from the Member. The Member shall submit the necessary information to the Agency by completing the “Settlement Data Sheet” via the ESFRLP Partner Portal.

### **2.4 Eligible Households**

1. No household with a gross annual income exceeding eighty percent (80%) of the area median, as determined by HUD and provided by the Agency, with adjustments for family size, can occupy units assisted under ESFRLP. Members must select Program beneficiaries in a manner consistent with their Agency-approved Assistance Policy, which must allow for assistance to households with elderly, disabled or Veteran fulltime household members, or to households with a child

under the age of six whose health is threatened by the presence of lead hazards in the unit, exclusively ([Section 2.4.6](#)). Documentation used to determine income eligibility must be current, that is, within 6 months of the date on which funds are committed to the unit. (Funds are committed to a unit on the date which the “HOME Owner Agreement” ([Section 4.3.1.12](#)) between the Homeowner and the Member is executed or the date this document is uploaded to the Partner Portal, whichever date is later). See [Section 3.2.1, Reservations and Disbursements](#) for additional information on the HOME Owner Agreement.

2. Income Limits for applicants for ESFRLP assistance are based on the estimates of county median household incomes published by HUD for the HOME program with adjustments for household size. Each year Members must use updated income limits and amend their Assistance Policies to reflect updated income limits as published by HUD annually.
3. Annual Income is the anticipated gross annual income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12-month period following the effective date of certification of income, exclusive of certain types of income. “Anticipated” means projecting future income based on current circumstances, which may include recent job loss, recent promotion etc. Gross annual income of households for ESFRLP must be calculated in accordance with the part 5 definition of annual income as found at the following link <https://www.hudexchange.info/incomecalculator/>. Should the calculator be unreliable, refer to the Office of Affordable Housing Program’s “Technical Guide for determining income and allowances for the HOME Program.”
4. Members must use the calculator provided at this site and submit an executed copy of the calculated results via the ESFRLP Partner Portal. If it is not feasible to anticipate a level of income over a twelve (12) month period, the income anticipated over a shorter period may be annualized, subject to a redetermination at the end of the shorter period. Members must examine and upload to the ESFRLP Partner Portal at least two months of source documentation (wage statements, interest statements, or unemployment compensation documentation) when determining household income for all potential HOME beneficiaries (HOME Final Rule 2013: 24 CFR 92.203).



5. Members must have a fair, systematic and uniform policy (written into their Assistance Policy) for responding to appeals from applicants who have been denied assistance under ESFRLP, pursuant to ([Section 4.8.4, Loan Closeout Procedures](#)).
6. Eligible households with special needs include households with:
  1. elderly household members who are at least sixty-two (62) years old;
  2. a disabled household member is defined as follows:
    1. A person shall be considered disabled if he or she has a physical or mental impairment that substantially limits one or more major life activities: 1) is expected to be of long-continued and indefinite duration; 2) substantially impedes the person's ability to live independently; and 3) is such that the person's ability to live independently could be improved by more suitable housing conditions. A person with a Developmental disability as defined by the Developmental Disabilities Assistance and Bill of Rights Act (42 USC 6001(7)) shall be considered disabled or handicapped. An adult who has chronic mental illness shall be considered disabled if he or she has a severe and persistent mental or emotional impairment that seriously limits his or her ability to live independently and whose impairment could be improved by more suitable housing conditions.
    2. A person meeting the definition above in 2.4.6.2.1 shall be considered disabled if they are receiving Social, Security Disability, Railroad Retirement Disability, or Supplemental Security Income as disabled, one hundred percent Veteran's Administration Disability benefits or is determined to be disabled by a licensed physician. In the latter case, a letter from the physician is required.
    3. A person whose sole impairment is drug addiction shall not be considered disabled under the Essential Single-Family Rehabilitation Loan Pool unless the applicant has been granted Social Security Disability benefits based solely on their drug addiction;
  3. children below the age of six (6) living in homes built prior to 1978 where lead hazards or the potential for those hazards exist;
  4. a person who is a military veteran, is defined as one who served in the active military, naval, or air service (i.e. Army, Navy, Air Force, Marine Corps, and Coast Guard; as a commissioned officer of the Public Health Service; or as a commissioned officer of the National Oceanic and Atmospheric Administration or its predecessors), and who was discharged or released therefrom under

conditions other than dishonorable, as demonstrated by a DD-214 form.

## 2.5 Eligible Units

1. Members must certify prior to committing funds to a unit that the value of the property (assisted unit) after rehabilitation will not exceed the most recent HUD issued limits that represent 95% of the area median purchase price for existing single-family housing units. NCHFA updates the ESFRLP Partner Portal incorporating these new limits when available. (HOME Final Rule 2013: 24 CFR 92.254).
2. Rental units are not eligible under ESFRLP. However, the following are acceptable forms of home ownership: a) Fee Simple; b) Inherited property with multiple owners<sup>1</sup>; c) Life estate<sup>2</sup>; d) Inter vivos trust<sup>3</sup>, also known as a living trust; and e) Beneficiary deed<sup>4</sup>; (HOME Final Rule 2013, 24 CFR 92.254).
3. Assisted units, upon completion, must meet the Essential Rehabilitation Criteria without exceeding the ESFRLP hard cost limit (\$30,000).

## 2.6 Essential Rehabilitation Criteria

1. All units assisted with any HOME funding from ESFRLP must, upon completion, meet the [Essential Rehabilitation Criteria](#). The Essential Rehabilitation Criteria incorporates either the local minimum property standards or the Essential

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<sup>1</sup> *Inherited property.* Inherited property with multiple owners: Housing for which title has been passed to several individuals by inheritance, but not all heirs reside in the housing sharing ownership with other nonresident heirs. (The occupant of the housing has a divided ownership interest.) The participating jurisdiction may assist the owner-occupant if the occupant is low-income, occupies the housing as his or her principal residence, and pays all the costs associated with ownership and maintenance of the housing (e.g., mortgage, taxes, insurance, utilities).

<sup>2</sup> *Life estate.* The person who has the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent. The participating jurisdiction may assist the person holding the life estate if the person is low-income and occupies the housing as his or her principal residence.

<sup>3</sup> *Inter vivos trust, also known as a living trust.* A living trust is created during the lifetime of a person. A living trust is created when the owner of the trust holds legal title and the beneficiary holds equitable title. The person may name him or herself as the beneficiary. The trustee is under a fiduciary responsibility to hold and manage the trust assets for the beneficiary. The participating jurisdiction may assist if all beneficiaries of the trust qualify as a low-income family and occupy the property as their principal residence (except that contingent beneficiaries, who receive no benefit from the trust nor have any control over the trust assets until the beneficiary is deceased, need not be low-income). The trust must be valid and enforceable and ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life.

<sup>4</sup> *Beneficiary deed.* A beneficiary deed conveys an interest in real property, including any debt secured by a lien on real property, to a grantee beneficiary designated by the owner and that expressly states that the deed is effective on the death of the owner. Upon the death of the owner, the grantee beneficiary receives ownership in the property, subject to all conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges, and other encumbrances made by the owner or to which the owner was subject during the owner's lifetime. The participating jurisdiction may assist if the owner qualifies as low-income and the owner occupies the property as his or her principal residence.

Rehabilitation Property Standard (which exceeds HUD’s Section 8 Housing Quality Standards and Uniform Physical Condition Standards), along with [Environmental Standards](#) consistent with federal HOME program requirements, as well as additional standards for energy-efficiency.

## **2.7 Environmental Standards**

1. In selecting dwelling units for rehabilitation assistance, and in determining the scope of work for each unit selected, Members must consider and mitigate any significant threats from to the environment. An [Environmental Screening](#) must be completed and submitted to the Agency via the ESFRLP Partner Portal in accordance with the instructions at the top of the checklist, prior to committing funds to a unit. The environmental review process is described in the [Essential Rehabilitation Criteria](#) under section E, Environmental Protection.

## **2.8 Household Temporary Relocation**

1. The Member’s Assistance Policy may allow for the temporary relocation of beneficiary households where necessary to facilitate construction activities or to protect the household from dangers inherent in the construction process (such as lead-based paint dust and temporary structural instability). Voluntary, temporary relocation at homeowner’s expense may be included as a condition of participation or allowed as an option where temporary relocation would be required, so long as the requirement is uniformly applied in all cases. No project activities shall result in permanent displacement of households.
2. Households selected for ESFRLP rehabilitation assistance may be temporarily displaced (relocated) using Program funds if:
  - a. The Member has incorporated into its Assistance Policy (following submission to and approval by the Agency) a written plan specifying terms and conditions of relocation assistance and ensuring temporarily relocated households access to standard temporary housing at reasonable cost to the Program;
  - b. The Agency has approved the Member’s relocation plan in writing; and,
  - c. There is a documented need for temporary displacement (relocation) of a household. (e.g. due to lead-based paint abatement or lead hazard reduction activities, asbestos removal, “gut” rehabilitation, etc.) Occupant protection requirements for work

involving lead-based paint must be adhered to and are detailed in 24 CFR 35.1345. (See [Essential Rehabilitation Criteria](#), Section F, “Lead-Based Paint (LBP) Requirements”).

3. ESFRLP-eligible temporary relocation expenses are limited to reimbursement of reasonable out-of-pocket expenses incurred by relocated households in connection with temporary relocation, including the cost of moving to and from the temporarily occupied housing, and any cost associated with the rent of the temporarily occupied housing and storage space necessary to protect home furnishings and effects.
4. Households to be temporarily relocated during construction activities, whether at personal or Program expense, should be given reasonable, advance-written notice of the date and approximate duration of the temporary relocation.
5. Households to be temporarily relocated at Program expense should also be advised in writing of:
  - 1) The location of any known suitable, decent, safe and sanitary dwellings which may be made available for the temporary period;
  - 2) The terms and conditions under which the household may reoccupy their dwelling unit; and
  - 3) The provisions of [Section 2.8.3](#), regarding relocation.

## **SECTION 3. PROJECT FINANCIAL ADMINISTRATION**

### **3.1 Funding Agreement**

1. “Members” are those organizations which have access to the ESFRLP20 “Pool” for which a funding allocation has been set aside under ESFRLP20. All Members must sign a Funding Agreement (the “Agreement”) with the Agency before funds will be released for disbursement. The Funding Agreement is a contract between the Agency and the Member. It will identify the amount of funding allocated to the Member and allow them access to the ESFRLP20 Pool. It also specifies the proposed use of the funds, the effective date of the Agreement, and the required Date of Completion.
2. The Member must adopt written policies and procedures meeting Program requirements prior to receiving a Funding Agreement. These policies and procedures must include:
  - 1) The Member’s financial management system;
  - 2) The Member’s Agency-approved Assistance Policy governing eligibility and priority for Program assistance (see [Section 4.1.2](#)); and,
  - 3) The Member’s rehabilitation management system, including its written procurement and disbursement policies, specific to ESFRLP20.
3. The Funding Agreement is subject to these ESFRLP Program Guidelines which are incorporated into the Agreement by reference. These Guidelines may be revised by the Agency and revisions will be forwarded to the Member and made part of the Agreement. The Official version of the Program Guidelines is always the version posted at [www.nchfa.com](http://www.nchfa.com).
4. The Agency may terminate the Funding Agreement before the Date of Completion if it determines the Member has failed to comply with the conditions of the Agreement or has failed to implement its project consistent with the approved Application for Funding, Post Approval Documentation or Assistance Policy.
5. The Agency or the Member may terminate the Funding Agreement prior to the Date of Completion by mutual consent with 60 days notice to the other party, or as otherwise provided by law, when both parties agree that continuation would not produce beneficial results commensurate with the further expenditure of

funds.

6. Members are not permitted to assign all or any part of their interest in the Funding Agreement or delegate any duty or obligation under the Agreement without the prior written approval of the Agency.
7. Changes to the Member's approved, written Assistance Policy and/or procurement policy, staff assignments, and/or sources or amounts of other funds leveraged must be approved in advance by the Agency. Proposed changes must be submitted via the ESFRLP form [Request for Project Amendment](#) with an explanation of the reasons for, and/or advantages of, the proposed change. Requests regarding a proposed change in staffing must be accompanied by resumes of any staff members (or consultants) proposed for ESFRLP roles who were not identified in the Member's original, approved Application for Funding.
8. Proposed changes will be reviewed with regard to how the change(s) would affect the Member's original Application for Funding rating score, if applicable. If a proposed change would result in a loss of rating points, another rating factor should be changed to affect a comparable increase in points such that no net loss of points would result; otherwise, the required monitoring of units will be adjusted to meet [Section 3.11.3](#).
9. If a net loss in rating points results from a Member's proposed amendment, the reasons given for the proposed change(s) will be critical to the success of the request.
10. Failure to fulfill the terms of the Funding Agreement will result in sanctions and penalties which may affect future applications for funding, and which will, at the Agency's discretion, apply to the Member and to any key personnel on the project (and, if applicable, to any firms and individuals contracted to manage the project, or any part of the project).

### **3.2 Reservations and Disbursements**

1. Once a Member has selected the units to be assisted under ESFRLP, the Member then submits a Reservation Request (constituting the loan application) via the ESFRLP Partner Portal. This submission requires, at minimum, the following information for each unit: the [Environmental Screening](#); the [Historical Evaluation](#)

[Form](#) and [SHPO Response](#), if applicable; the [Post-Rehabilitation Property Value Certification](#); the Income Eligibility calculation and the [HOME Owner Agreement](#). The HOME Owner Agreement form must be down loaded from the ESFRLP Partner Portal and then uploaded after the form is completed and signed by the borrower prior to approval of the loan reservation. The Agency then conducts a title search and completes the environmental review and notifies the Member of the results. Once the Member receives approval from the Agency they may proceed with the rehabilitation process.

2. Under the original set-aside of \$190,000, each Member may reserve funds, for at least 5 units, by submitting the above-stated, required documents to the Agency. Members have until December 31, 2021 to reserve funds under their original set-aside. Any funds not reserved by that date will be returned to the ESFRLP20 Pool and made available to all Members. Funds for additional units may be reserved from the pool on a unit-by-unit, first-come, first-served basis after the Member has completed two (2) units under its ESFRLP20 set aside and by completing the funding agreement modification process. No funds may be reserved after December 31, 2022 and all units must be completed and closed out by June 30, 2023.
3. Prior to submitting the first requisition for funds in the ESFRLP Partner Portal, each Member must submit a completed Requisition Approval and Project Access Authorization form and State of North Carolina State Treasurer's Electronic Payment form to the Agency with its Post Approval Documentation packet prior to receiving the Funding Agreement. No reservations, payments, requisitions or access to the ESFRLP Partner Portal is available prior to issuance of a Funding Agreement.
4. Reserved
5. Disbursements of ESFRLP funds will be made to Members by electronic transfer once a completed and authorized [Requisition for HOME Program Funds](#) and invoices have been received by the Agency in the ESFRLP Partner Portal. Uploaded hard copy invoices provided as documentation must be tied to a specific unit, see [Section 3.3.3](#). The final requisition including any Modifications(s)/Estoppel to the contract is that requisition which, if processed, causes a \$0.00 balance in the unit account.

6. A Unit Completion Screen must be completed in the ESFRLP Partner Portal for each completed dwelling unit, within 60 days of the final drawdown of funds for that unit (i.e., from the date on the check from the Agency). When it is necessary to complete Section 3 reporting see [Section 4.2.7](#).
7. Reserved
8. Failure of the Member to comply with any requirements of these Guidelines may result in suspension of disbursements, a reduction in the amount of Program monies available and/or other sanctions listed at [Section 3.11.5](#).

### **3.3 Recipient Accounts**

1. The Member shall establish a Federally-insured master account to hold all ESFRLP funds. Once ESFRLP funds are received, they MUST be expended for eligible costs within twelve (12) days. Any interest earned within the twelve-day period must be treated as program income per [Section 3.4](#), below.
2. Any funds that are “drawn down” and not expended for eligible costs within twelve days MUST be returned to the Agency immediately. Any ESFRLP funds held beyond the 12-day period will be subject to Agency-imputed interest charges.
3. ESFRLP funds for soft costs may be paid from the Member’s account only after a written agreement [see model [Written Agreement \(Member/Contractor\)](#)] has been entered into between the Member and the entity receiving payment. (e.g. If a consultant is to receive payment for a work write-up, or a lead inspector is to receive payment for a lead inspection, then there must be a written agreement between the Member and the entity providing the service, prior to the disbursement of funds to that entity.) Any such agreement must at a minimum contain a scope of work, an amount to be paid for the services and a schedule with a deadline for completing the tasks (see [Section 3.7.3.2](#), below). Each Member/Contractor Agreement must be submitted upon request of the Agency (see [Section 3.7.3](#)). All invoices shall be numbered and include the following information at minimum: the payee(s), the unit(s) address(es) and/or borrower(s), the scope of work and an amount to be paid for services.
4. Furthermore, hard costs for the actual rehabilitation of a unit may be paid from a Member’s account only after the following:



- 1) A Promissory Note (in the full amount of hard costs) and Deed of Trust have been properly executed and the Deed of Trust has been properly recorded by the Register of Deeds (see [Section 4.8](#), below); and
- 2) A [Contract for Rehabilitation](#) has been executed between the Homeowner and the contractor undertaking the work and uploaded to the ESFRLP Partner Portal.

### **3.4 Program Income**

1. Program income is income from monies deposited in interest-bearing accounts and ESFRLP loan payments received. Matching funds are not considered Program income.
2. All program income must be credited to the Member's ESFRLP account and treated as part of its ESFRLP allocation. Any net program income not used for eligible Program activities must be paid to the Agency, along with any unused ESFRLP funds on hand, at the time of submitting a [Certification of Completion and Final Cost](#) form (CCFC). Also, any undisbursed balance of the Member's ESFRLP award will be de-obligated after receipt by the Agency of the Member's CCFC.

### **3.5 Accounting System Requirements**

1. Members must establish and maintain a system (consistent with financial information reported on Unit Completion Reports, ESFRLP Requisitions and Invoices) to account for ESFRLP funds separately from funds received from other sources.
2. The accounting system must provide for:
  - 1) Accurate, current and complete disclosure of the financial condition and financial results of the Project in accordance with the reporting requirements herein;
  - 2) Records that adequately identify the source and application of funds for activities supported by ESFRLP (These records must contain information pertaining to ESFRLP Project awards and authorizations, obligations, unobligated balances, assets, liabilities, expenditures and income);
  - 3) Effective internal control over, and accountability for, all funds received under the Funding Agreement (for example there should be a system whereby ESFRLP contract amendments, or change orders are approved by more than one staff member to ensure against impropriety);

- 4) Comparison of actual expenditures with budgeted amounts for the Project;
- 5) Accounting records that are supported by source documentation (e.g., invoices, receipts or contracts); and,
- 6) Systematic methods to ensure timely and appropriate resolution of audit and/or monitoring findings, concerns and recommendations.

### **3.6 Recordkeeping**

1. The Member must maintain financial records, statistical records, individual case files and all other records pertinent to the Project for five (5) years from the date of the project closeout letter from the Agency. All records must be sufficient to determine compliance with the requirements and objectives of the Program.
2. The record retention period starts from the date of the close-out letter. If any litigation, claim or audit starts before the expiration of the five years, the records must be retained until all litigation, claims or audit is complete.
3. Financial records must be made available to the Agency immediately upon request for the purpose of making audits, examinations or reports. All invoices, vouchers, statements of cost and records pertaining to the disbursement of Program funds and Project-related matching funds are subject to audit by the Agency. Failure to comply with this requirement will result in the Agency taking one or more of the actions identified in [Section 3.11.5](#) below.

### **3.7 Procurement**

1. Members may not incur any Project costs until a Funding Agreement between the Member and the Agency has been executed and the Post Approval Documentation (PAD) packet approved.
2. Members must establish written ESFRLP-specific procurement procedures consistent with [Section 4.2](#), which provides that proposed procurement and contracting actions will be properly managed. Said procedures must specify how all procurement activities will be conducted so as to promote fair, open/transparent competition to the maximum practicable extent. The procurement procedures shall be approved by Agency staff prior to adoption by the Member.
3. Contract Documents
  - 1) Members must use and retain written contracts with all firms providing

- services for eligible construction hard costs under the Program. The Member must include in all Contracts for Rehabilitation those provisions and clauses required by 2 CFR 200. To view a model [Contract for Rehabilitation](#) click on the link provided. Also, see [Section 4.3.1.8](#), below;
- 2) A Written Agreement must be executed between the Member and any entity providing any eligible construction soft cost services (lead-based paint inspections/risk assessments, energy assessments, blower door testing, creating work write-ups and cost estimates etc.) prior to funds being disbursed to that entity, see [Section 3.3.3](#). To obtain a model “[Written Agreement \(Member/Contractor\)](#)” click on the link provided.
  4. Materials and supplies purchased with funds received under the Program will be accounted for separately from all other materials and supplies obtained from any other source.
  5. Members should conduct all Project activities fairly, openly (transparently) and competitively so as to eliminate any conflicts of interest and even the appearance thereof, including [Session Laws 2001-424, Section 6.6](#) (Conflict of Interest), and [G.S. 44A-25](#) through 33 (Model Payment and Performance Bond).
  6. Members must comply with Procurement standards established in 2 CFR 200.
  7. Members are required to comply with federal equal opportunity standards in all Program-funded procurement activities pursuant to [24 CFR 92.350](#). Contracting firms, professional service companies, employees and materials suppliers must be selected without regard to, or discrimination based on, race, color, national origin, religion, sex, familial status and disability.
  8. Contracting activities must be conducted in compliance with [Executive Order 11625](#) and [12432](#) (concerning Minority Business Enterprises) and [12138](#) (concerning Women’s Business Enterprises). For compliance guidelines to these requirements see [Section 4.2.6, Rehabilitation Procedures](#) below.
  9. Members must ensure that no Program-funded rehabilitation work will be contracted with businesses or individuals which are debarred, suspended or otherwise ineligible under the terms of 24 CFR part 24, see [Section 3.10.4](#), Project Reporting. When in doubt, the Member should contact their case manager at the

Agency.

10. Any modification to a contract completion date, scope of work, or cost must be reduced to writing as a contract addendum, or “change order,” which clearly and completely defines all agreed-upon changes. Change orders must be signed by all parties to the contract and shall be approved by two different representatives of the Member organization. The Member must produce and file a detailed written cost estimate (with the same level of specificity outlined in [Section 4.2.2, Rehabilitation Procedures](#)) for each change order and negotiate a fair and reasonable price for the work based on the estimate. (Note: Changes in the overall cost of rehabilitation shall be reflected in a Modification Agreement (or Estoppel for reductions) drawn up by the Agency at the close out of the unit, which will indicate the total amount of hard costs expended on the unit.

### **3.8 Financial Audit Requirements**

1. Members during FY 2020 must comply with the financial audit provisions provided for by [GS 159-34](#) (for units of local government that are subject to the audit and other reporting requirements of the Local Government Commission) or [GS 143C-6-23](#) (for non-governmental organizations), as well as the requirements of 2 CFR 200 and the State Single Audit Act. Because these statutes are subject to change from time to time, please refer to the following websites which maintain regulations for the applicable audit requirements: <https://www.nctreasurer.com> (units of local government) or contact the Agency if your organization is a non-governmental organization. All required audit reports must be forwarded to the Agency in PDF format.
2. Copies of the current requirements, [GS 159-34](#), “Annual Independent Audit: Rules and Regulations” and [GS 143C-6-23](#) (“Report on State funds by non-state entities”) and applicable forms are found at [Audit Requirements](#). Also see [2 CFR 200](#).
3. When an auditor’s report, or auditor’s statement, discloses material non-compliance with the Agreement or material weakness in internal controls, the Member must submit to the Agency within 60 days of the date of the auditor’s opinion letter or statement, a written response to the auditor’s findings and a plan for corrective action.

### **3.9 Project Monitoring by the Member**

1. The Agency expects the Member to be active in the ESFRLP Project and to adequately train and supervise its staff in the operation of the Project.
2. The Member's approved Application for Funding includes its work plan for staffing and administering the Project. The Member must notify the Agency of any material changes in its work plan or of any events that may have a significant impact on the Project (see [Section 3.1.7, Funding Agreement](#) above).
3. If the Member is monitored by the Agency, and if a lack of proper control systems (financial and/or project) is observed, the Agency may withhold all Program funds not already disbursed to the Member and require that unused funds be returned promptly to the Agency.
4. Members must monitor and approve the performance of contractors undertaking rehabilitation work funded by ESFRLP to ensure that work specifications and all applicable licensing, insurance, inspection and code requirements are complied with and schedules are met (see [Appendix A, Essential Rehabilitation Criteria](#) for additional guidance).
5. The Agency is currently employing a "desk monitoring" system, under which, Members scan the requested case file or other documents and complete an electronic submittal to the Agency upon request. This system allows Housing Rehabilitation Officers the opportunity to spend more time providing technical assistance and inspecting the rehabilitation work performed by the Member as well as giving staff at the Agency time to provide in-depth technical assistance concerning case files or the overall project.

### **3.10 Project Reporting**

1. Members will be provided with reporting forms (electronic versions) to be submitted to the Agency including:
  - 1) Unit Completion screen and;
  - 2) The [Certification of Completion and Final Cost](#) form.
2. A Unit Completion screen in the ESFRLP Partner Portal must be completed by the Member and submitted, with required documentation attached, within 60 days

of the final drawdown of funds for a unit (i.e., from the date of the final disbursement of funds, for the unit, by the Agency).

3. The [Certification of Completion and Final Cost](#) form must be submitted to the Agency by the project close-out date (within 6 months following the Completion Date specified in the Funding Agreement). The project completion date for ESFRLP20 projects is December 31, 2022, and the project closeout date is June 30, 2023.
4. Members must ensure that no contractors are allowed to perform Program-funded rehabilitation work if they are subject to applicable sanctions by HUD, including a Limited Denial of Participation (LDP), suspension or debarment. The listing of LDP contractors is available electronically through the World Wide Web here: [https://www.hud.gov/topics/limited\\_denials\\_of\\_participation](https://www.hud.gov/topics/limited_denials_of_participation) Suspended or debarred contractors are listed on the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov). To screen contractors on a case-by-case basis you may call your Case Manager at the Agency.

### **3.11 Project Monitoring by the Agency**

1. The Agency will use the following criteria to review the Member's performance:
  - 1) Conformance with the Member's Application for Funding;
  - 2) Compliance with the requirements of the Program as stated in the Funding Agreement and ESFRLP Program Guidelines;
  - 3) Adherence to the Member's policies for Assistance and Procurement/Disbursement.
2. The Agency will conduct desk audits and site visits to review the performance of Members and to provide technical assistance. The Agency will review progress made by the Member on its project work plan and will review the Member's case files, financial management, loan and grant processing procedures, rehabilitation management system and other control systems.
3. A monitoring goal with a minimum number of reviewed case files and units inspected per project will be determined by the review of the Member's capacity conducted during the application process. The capacity indicator score includes a rating of the staff and/or consultant qualifications and experience and recent performance under other housing rehabilitation projects. Members with a

superior capacity score will have at least three case files and unit inspections. Members with an acceptable capacity score will have at least five case files and unit inspections. Members with a problematic capacity score will have at least ten case files and unit inspections. If the Member completes less units than the monitoring goal for the project, all of the units will be monitored. Case managers may choose to review more than the minimum case files or units and may require the use of specific tools upon their discretion.

4. Members will be required to provide the Agency with electronic data, records, and other information needed for the Agency to conduct the desktop review including, but not limited to, the Member's:
  - 1) Loan and grant procedures and records;
  - 2) Case files;
  - 3) Rehabilitation procedures and contract documents; and,
  - 4) Financial records.
5. The Agency will also inspect some of the construction work performed with ESFRLP funds to determine if:
  - 1) The scope of work was appropriate;
  - 2) Completed units meet the more stringent of a local minimum housing code or the Essential Property Standard;
  - 3) All work specified in the contract (including the work write-up and all change orders) was completed as specified;
  - 4) Any unresolved warranty claims are being dealt with as appropriate; and
  - 5) ESFRLP funds were appropriately utilized in the rehabilitation.
6. If the Agency determines, based on its review of the Member's performance, that the Member is not in compliance with the requirements of ESFRLP, the Agency may:
  - 1) Require the Member to submit additional information to determine the reason for the noncompliance, and describe and document actions being taken to correct the problem;
  - 2) Issue a letter of warning advising the Member of the deficiency and identifying possible sanctions if the deficiency is not corrected;
  - 3) Instruct the Member to suspend, discontinue or not incur costs for the affected activity;

- 4) Instruct the Member to reimburse the Agency for any amounts improperly expended, with interest if applicable (see [Section 3.3.2](#), Recipient Accounts above);
- 5) Reduce or withhold all ESFRLP funds or terminate the Funding Agreement; and/or,
- 6) Impose rating penalties under future program funding cycles (affecting the Member, key project staff and/or contracted personnel and their companies).

### **3.12 Project Close-Out**

1. The Member must initiate close-out procedures when the Date of Completion identified in the Funding Agreement is reached. See [Section 3.10.3](#).
2. No new rehabilitation contracts obligating any ESFRLP funds may be executed after the Date of Completion. Contracts executed prior to the Date of Completion may be amended after that date by no more than ten percent (10%) of the original contract amount in order to accommodate necessary changes to the scope of work without written approval from the Agency.
3. Members will be required to submit the [Certification of Completion and Final Cost](#) form (CCFC) to the Agency no later than six (6) months following the Date of Completion. The Member will also be required to submit revisions and updates of the Certification that may be necessary as a result of audits or reporting errors.
4. All ESFRLP funds not disbursed for eligible costs associated with rehabilitation contracts executed prior to the Date of Completion, including all net Program income/interest earned, must be remitted to the Agency with the CCFC.
5. Members are required to submit a minimum of one (1) human interest story, with photographic documentation of before and after rehabilitation, focusing on one of the households assisted under ESFRLP20. The story should tell us about your work and about people who have benefitted from your efforts, describing briefly all funding sources. Some of the things we would like you to tell us are:
  - 1) Who are the people who were assisted?
  - 2) Are there any unique facts about the household?
  - 3) Were any needs met by incorporating special features in the rehab?
  - 4) What was the condition of the home prior to rehab?



- 5) Has the rehab changed their lives in any way?
  - 6) What energy-efficiency measures or accessibility measures were done?
6. The required human-interest story and additional stories can be supported by and told through pictures of homes, homeowners and other household members. Interior “before and after” shots of some notable repairs or improvements showing a dramatic difference – whole house exterior shots, both before and after, from the same position, casual shots of the homeowner and/or family. Submit pictures via the ESFRLP Partner Portal; the member must submit a high quality (600 DPI or higher) Adobe Acrobat PDF. Also, Members are encouraged to submit via the ESFRLP Partner Portal any written correspondence from households assisted under the project, to the Agency, if such correspondence would be beneficial in promoting the Program. The story and the photo documentation are to be submitted with or prior to the CCFC.
7. Members are required to submit a minimum of five (5) before and five (5) after rehabilitation photos of various interior and exterior repairs completed on each unit assisted with the UCR for the unit. At least one before and after photo should provide an overall picture of the unit’s front entry side.

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## **SECTION 4. LOAN PROCESSING REQUIREMENTS**

### **4.1 Selecting Applicants**

1. Members must establish a system for inviting households to participate in ESFRLP. Members must serve all areas of the targeted county equally except the large CDBG Entitlement cities of Charlotte, Durham, Greensboro, Raleigh and Winston-Salem. Within each county, Members may prioritize households according to need (e.g., income level or housing condition). Members may draw from existing, or establish new, waiting lists to select eligible applicants, but a system of internal controls must be in place to ensure fair housing practices are adhered to. Members are required to publicly advertise ESFRLP, so that both those on existing waiting lists and those responding to the public advertisement have equal access to the available assistance.
2. The Member's policy for screening and prioritizing pre-applications for rehabilitation assistance must be contained in a concise written policy adopted by the Member, provided to all applicants for assistance, readily available to the general public and applied uniformly. This "Assistance Policy" should be consistent with Program Guidelines, as well as the Member's approved Application for Funding and Post Approval Documentation, and should clearly identify and describe:
  - 1) The goals of the Program;
  - 2) The eligibility criteria for ESFRLP assistance;
  - 3) The priority system by which eligible applicants will be ranked;
  - 4) The forms of assistance;
  - 5) The specific terms of assistance;
  - 6) The specific service area;
  - 7) The availability of Essential Rehabilitation Criteria;
  - 8) The rehabilitation process (from the initial inspection to the warranty period);
  - 9) Any limitations to the range of rehabilitation choices (lead-based paint abatement costs, manufactured housing, relocation, flood zone, etc.);
  - 10) The specific sources of all project funding;
  - 11) The total amount of funding;
  - 12) The maximum and minimum assistance amounts;
  - 13) The Project schedule;

- 14) A statement certifying that applicants will not be selected or denied assistance based on race, color, national origin, religion, sex, familial status or disability;
- 15) A reference to the lead-based paint requirements;
- 16) A description of the Member's plan for marketing the Project;
- 17) The right of all applicants for Program assistance to receive a written Notice of Disposition informing them of their status within 30 days of the date of their completed pre-application for an ESFRLP loan; and
- 18) The process for handling complaints and appeals see Section [4.8.4, Loan Closeout Procedures](#).

3. Ownership Requirements

- 1) Loan recipients (borrowers) assisted under ESFRLP must possess an ownership interest in the property and have the legal authority to create a valid and unrestricted lien on the property in the form of a Deed of Trust.
- 2) Housing units must be owned and occupied by very low-and low-income homeowners that meet the income eligibility requirements contained in [Section 2.4, Eligible Households](#), with one or more elderly and/or disabled and/or Veteran fulltime household member(s) or a child under the age of 6 whose health is threatened by lead hazards in the home.

4. Property Requirements

- 1) The property must be located in North Carolina and within the service area identified in the Member's approved Application for Funding.
- 2) Every ESFRLP-assisted housing unit must remain "affordable" (pursuant to 24 CFR 92.254) after its rehabilitation is complete. The value of the property, after rehabilitation (determined prior to committing funds to a unit), must not exceed the most recent HUD issued limits that represent 95% of the area median purchase price for existing single-family housing units. Members must complete, and submit a Post-Rehabilitation Property Value Certification entry for each unit assisted with ESFRLP funds via the ESFRLP Partner Portal. Members must choose one of the three methods presented on the ESFRLP Partner Portal and consistently use the chosen method throughout the duration of the project to determine the post-rehab value of properties.
- 3) The property must be owner-occupied and must be affixed on a permanent foundation on property owned by the borrower. Manufactured housing is

eligible only if it is allowed by the Member's Assistance Policy and conforms to the following: owner-occupied by a low- or very low-income household and the manufactured home is on real estate owned by the borrower and is permanently affixed and has permanent utility hook-ups.

- 4) Permanently affixed means the transporting equipment has been removed (e.g. wheels, axles, tongue) and the home has been placed on masonry supports with a full masonry foundation including tie-downs.
  - 5) No more than fifty percent (50%) of the total area of the unit may be used for an office or business (e.g. day care, hair salon, room rental, etc.). Program funds may only be used to improve the residential exterior, interior and systems portion owned by the borrower of mixed-use or connected units without prior NCHFA approval.
5. Members must evaluate households using a standard pre-application form developed by the Member. This data will be entered into the ESFRLP Partner Portal; after data entry, print the form and have the applicant sign the HOME Owner Agreement prior to final application submission via the Partner Portal. The data collected must contain, at a minimum:
- 1) Name, address and phone number;
  - 2) Size of household and marital status of the borrower;
  - 3) Age, sex, race and ethnicity (Hispanic or non-Hispanic) of household head;
  - 4) The total amount and all sources of household income for each household member;
  - 5) Veteran status, and;
  - 6) Disability status;
  - 7) Social Security Number for the borrower and any co-borrower(s).
6. Members must obtain and retain written third-party verification of the household's principal source(s) of income and upload verification(s) via the ESFRLP Partner Portal. The information received from verified sources will be used to determine Program eligibility. (See [Section 2.4](#))
7. Members must calculate "gross annual income" for households to be assisted under ESFRLP in accordance with [Section 2.4.3](#) and upload this information into the ESFRLP Partner Portal.
8. Members must maintain on file all Pre-Application forms, HOME Owner

Agreements and Notices of Loan Disposition for all applicants for ESFRLP assistance, whether or not approved for assistance.

## **4.2 Rehabilitation Procedures**

1. Members must have an inspection of the property to identify either local minimum housing code or Essential Property Standards violations prior to preparing a work write-up. The required ESFRLP Essential Property Standard Certification of Compliance will be provided for this purpose. A consistently used pre-rehab inspection written list (checklist) of violations must be part of the case file for the property.
2. Members must prepare a work write-up detailing necessary improvements to the property and an itemized estimate of the cost, broken down by materials, labor, profit and overhead, of all proposed improvements, including the installation of energy efficiency measures and lead, radon or asbestos hazard remediation.
  - 1) Members are encouraged to maintain a file of the rehabilitation specialist's notes and calculations used in developing the cost estimate.
  - 2) Work write-ups should be logically organized (trade-by-trade or room-by-room), with individually numbered sections and items. Spaces should be provided for the contractor's cost breakdown. Work write-ups should provide all information necessary to ensure that all contractors are bidding on the same quality end product. That information should include, for a given work item: 1) the scope of work; 2) the construction method; 3) the quantity; 4) the quality standard; 5) the location; 6) reference to the Member's "performance manual" or "general specification manual"; and/or installation and performance standards.
  - 3) If matching funds are used, amounts attributed to each source (ESFRLP and source(s) of matching funds) must be identified separately, on an item-by-item basis on the work write up.
  - 4) If a unit requires lead, radon or asbestos hazard reduction or abatement as part of an ESFRLP-funded rehabilitation job, amounts attributed to those activities must be identified on an item-by-item basis on the winning bidder's final cost breakdown (typically on the work write-up document). If matching funds are used with ESFRLP funds to affect lead, radon or asbestos hazard reduction or abatement activities, the charges to each source must be identified.

3. Members must secure competitive bids from contractors for the eligible improvements or follow written, Agency-approved, procurement standards for work to be performed by the Member.
  - 1) If competitive bidding is used, a written ESFRLP-specific bid procedure must be adopted by the overseeing body of the Member Organization and made readily available to contractors and the general public by inclusion in the Assistance Policy and the procurement standards, as approved by NCHFA. The bid process must be transparent—designed to maximize fair and open competition, prevent corruption and avoid even the appearance of impropriety.
  - 2) An itemized bid breakdown must be secured from the winning bidder and maintained on file. (The Member must require that all bids be itemized – broken down line item by line item.)
  - 3) All members, including those proposing to perform rehabilitation work themselves or to act as general contractors on their own jobs, must not disburse any ESFRLP funds until the Agency has reviewed and approved their written procurement standards. Said standards must detail the Member’s proposed methods of: 1) maximizing free and open competition in materials procurement; 2) exerting internal controls against impropriety and the appearance of impropriety; and 3) cost accounting and verification.
  - 4) If the Member is approved to perform rehabilitation work, each case file must contain an itemized summary account of all costs paid for with ESFRLP funds, with each work write-up item broken down by labor (hours worked times pay rate, plus taxes and benefits) and materials (each item, by quantity times unit price). Any other job costs charged to the Project must also be detailed in the summary account. Invoices for all work must be uploaded via the ESFRLP Partner Portal (see [Section 3.3.3](#)). Necessary transportation costs directly associated with Program-funded improvements may be charged at a rate not to exceed the lesser of: a) the current IRS mileage reimbursement rate, which at the time of this publication is fifty-eight cents (\$.57.5) per mile or b) two percent (2%) of total materials and labor costs. Necessary tool rental costs may be charged at a maximum rate not to exceed the lesser of fifty dollars (\$50) per day or two percent (2%) of total materials and labor costs. No other improvement costs can be charged to the Program without the expressed written consent of the Agency. All improvement expenses listed in the itemized summary account must be

supported by original source documentation such as itemized materials invoices, payroll records, indirect cost plans, etc.

4. Members must hold a pre-construction conference (which should include a “walk thru”) prior to commencement of rehabilitation work to discuss the improvements with both the property owner and the contractor. Case files must contain a signed record of the date, time and attendance of the pre-construction conference. The record shall be signed by the homeowner, contractor and a Member representative and dated. Members must hold a post-construction conference to review and turn over all warranty owner’s manuals, maintenance schedules, etc.
5. Members must have written procedures for the disbursement of ESFRLP funds awarded to each property owner and must ensure the proper completion of all work to be performed under the Contract for Rehabilitation (see [Section 4.7, Loan Disbursement Procedures](#), below).
6. Pursuant to [Section 3.7.8, Procurement](#) and consistent with [Section 3.7.7, Procurement](#), Members must ensure and document the inclusion of Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) in procurement activities to the maximum possible extent. Generally, this means that the Member must take affirmative steps to ensure that such enterprises are made aware of, and invited to compete for, all Program-funded contracting opportunities. At a minimum, it is recommended that the Member advertise, at the beginning of the ESFRLP project and at least once annually, thereafter, in a local newspaper of general circulation. A Minority Business Enterprise (MBE) is defined as a business enterprise which is at least 51 percent owned by one or more minority individuals and whose management and daily operations are controlled by one or more such individuals. “Minority individuals” include African-Americans who are not of Hispanic origin, Native Americans, Hispanics, and Asians or Pacific Islanders. “Control” means exercising the power to make policy decisions. Women Business Enterprises (WBE) are defined as a business enterprise that is at least 51 percent owned by a woman or women who also control and operate it. “Control” means exercising the power to make policy decisions. “Operate” means being actively involved in the day-to-day management.
7. Pursuant to Section 3 of the Housing and Urban Development Act of 1968, Members who amend their HOME Written Funding Agreement with the Agency



to exceed \$200,000 will be required to implement Section 3 reporting for their organization beginning at the contract amendment date and will report to the Agency. The Agency will continue to aggregate the information for all pool members and submit a HUD-60002 form to HUD as required. See Appendix C for guidance and a required Summary Report.

### **4.3 Program Documents**

1. Members must use, upload to the ESFRLP Partner Portal when required, and retain in individual case files, the following documents;
  - 1) Pre-Application for assistance (see [Section 4.1.5, Selecting Applicants](#) above), including any verification of special needs information;
  - 2) Verification of occupant income; (see [Section 4.1.6, Selecting Applicants](#) above), including a copy of the income eligibility worksheet\* (see Section 2.4.4);
  - 3) Verification of ownership [see Section 2.5.2, Eligible Units](#);
  - 4) Work write-up;
  - 5) Cost estimate;
  - 6) Rehabilitation proposals (bids received);
  - 7) Pre-construction conference and post-construction conference records;
  - 8) [Contract for Rehabilitation](#) and/or other written agreements, [Written Agreements Member/Contractor](#) with specialty service providers (e.g. lead inspections, blower door testing, etc.), including any changes to those contracts;
  - 9) Contractor's [Release\(s\) of Liens](#) ;
  - 10) Settlement Data Sheet (portal screen) see [Section 3.3](#)\*;
  - 11) [Post Rehabilitation Property Value Certification](#) (portal screen) \*;
  - 12) HOME Owner Agreement\*;
  - 13) Promissory Note\*;
  - 14) Deed of Trust\*;
  - 15) Essential Property Standards Certification of Compliance with backup documentation as deemed appropriate (unless otherwise required by the assigned NCHFA case manager) see [Section 3.11.6.1](#)\*;
  - 16) Certificate of Final Inspection, see [Section 4.8.1](#);
  - 17) Any documentation required by the age of the unit or the scope of rehabilitation, including, but not limited to, radon test report, lead-based paint clearance test reports, asbestos inspection reports and flood insurance documentation;

- 18) Before and after photographs (at least 5 of each) documenting the need for, and results of, rehabilitation;
- 19) Unit financial log documenting all financial transactions by unit, date, amount, payee, balance, etc., and consistent with information reported on the Partner Portal (this could be augmented by printed screen shots of the Partner Portal);
- 20) A copy of the invitation to bid on the work, and a record of all contractors invited to bid;
- 21) Bid opening record/tabulation identifying date and time of the bid opening, all parties present for the opening, all bidders and the amounts of their bids. The bid tally must be witnessed and signed by all present;
- 22) Owner's Certificate of Satisfaction in which the homeowner certifies that the work has been completed to his/her satisfaction. It should also include language to certify that the homeowner received all warranties from the contractor as well as counseling from the project manager and/or contractor(s) on maintenance issues, instructions on operating new appliances and/or systems, etc. at the post-construction conference;
- 23) Request for Notice of Sale\*, if applicable (see [Section 4.4.5](#), below);
- 24) Privacy Notice\*, (provided by Agency);
- 25) [Lead Based Paint Requirements Worksheet](#)\*; and
- 26) Unrepresented Borrower Affidavit\*;

Documents with an asterisk (\*) must be used in the form provided in the Program Guidelines, the ESFRLP Partner Portal or from Agency website/staff.

2. Members are responsible for the proper completion of all documents, including having signatures notarized.
3. Do not use correction fluid ("white-out") or scratch outs on Program legal documents unless each such change/correction is initialed and dated, in ink, by all parties to the transaction.
4. Where applicable, it is recommended that Members also maintain, in the individual case files, the following documentation:
  - 1) A chronological record of all case-related contacts and correspondence, including phone calls, office visits by the owner or contractor, site visits, inspections, emails, etc.;
  - 2) Floor plans (existing and proposed, if relevant);

- 3) A record of interim inspections of the property, including date, time, inspector, issues and on-site discussions;
  - 4) A “certification of compliance” form signed by a local Code Enforcement Officer certifying that all work completed under the Project was found to meet the N.C. State Building Code;
  - 5) All contractor’s invoices and receipts, consistent with payment data reported on the [Unit Completion screen](#) in the Partner Portal; and
  - 6) A file documentation index or checklist detailing items in the file, their location within the file and status.
5. The Member’s case files should be logically and uniformly organized (with documentation arranged by date, by phase, etc.). The use of a case file checklist or documentation index in each case file is highly recommended. Members are encouraged to use the Agency’s case file log (see Appendix C) so that the Member’s files are organized in a manner consistent with that which the Agency performs its “desk monitoring” of the Member’s files.
6. It is not necessary for all records that are required to document individual cases to be kept in a single case file. However, the locations of all required documents not kept in the case file must be specifically identified in said file and readily available for review by Agency personnel upon request.

#### **4.4 General Loan and Grant Procedures for ESFRLP Program monies**

1. Assistance under ESFRLP shall take the following forms: a) a grant to the Homeowner, not to exceed \$10,000 or the maximum total soft costs in Member’s Agency-approved ESFRLP soft cost budget; and b) a 0%-interest, deferred-forgivable loan, not to exceed \$30,000 to cover the cost of actual rehabilitation of the home. So long as the Borrower/Homeowner is not in default, the original Promissory Note (Note) balance will automatically be reduced by \$5,000 on each anniversary of the date of the Note such that on the Maturity Date, the principle balance will be zero. The loan, or balance thereof, is due immediately upon transfer of title or default. Prepared Loan and grant documents are provided by the Agency.
2. Under certain circumstances the Agency may allow assumption or refinancing of a loan (e.g., to heirs or income eligible buyers). See [Section 4.4.4, General Loan and Grant Procedures](#), below.

3. Default is defined as:
  - 1) Sale or transfer of the property; or,
  - 2) failure to use the home as a principal residence.
4. Requests for loan assumptions, subordinations, or refinancing must be submitted to the Agency in writing. In all cases, the Member should offer their recommendation on the action (in the event that they have knowledge beneficial to assist the Agency in making a decision).
  - 1) When a borrower wishes to request the subordination of an ESFRLP deferred- forgivable loan to a new private-sector loan, the first step is for the borrower to contact NCHFA's servicing department at Subordinations@nchfa.com . The borrower will then be contacted by Agency staff and provided with a form and additional instructions on completing the form.
  - 2) After receiving, reviewing and approving the completed Request for Subordination form (with attachments) the Agency will execute a Subordination Agreement and return it to the new lender. Subordination is typically approved only when the Agency is assured that (1) the new loan is being made by a legitimate lender at competitive terms and rates to informed, responsible borrowers, (2) the appraised value of the property exceeds the principal value of all liens, (3) loan payments for all mortgage loans combined do not exceed 30% of income, and (4) the borrower needs funds for a medical emergency or equivalent.
  - 3) With Agency approval, ESFRLP deferred-forgivable loans may be assumed by new owners if the transaction is deemed to have no negative impact on Program goals. All assumption requests must be made in writing. This request letter must be provided to the Agency, along with a supporting letter from the Member assuring the Agency that the goals of ESFRLP will not be adversely affected by the transaction. If occupancy has changed, the Member must also certify that the new occupant's income-eligibility has been verified or that the new occupant is a family member who has chosen to reside in the unit.
  - 4) With Agency approval, ESFRLP deferred-forgivable loans may be refinanced by new owners if the transaction is deemed to have no negative impact on Program goals. New loan documents, including the terms, will be provided by the Agency at that time. A request to refinance must be

submitted to the Agency in writing. Refinancing may be an option in the event of either the sale of the dwelling unit by the original borrower or the death of the original borrower. All requests (other than those involving family members) must be accompanied by a certification of the new borrower's household income.

5. The following documents encompass a complete loan closing:
  - 1) Pre-Application for Assistance and Application for Assistance in the Partner Portal;
  - 2) Work Write-Up and Cost Estimate;
  - 3) Contract for Rehabilitation;
  - 4) HOME Owner Agreement (see [Section 4.1.5](#));
  - 5) Promissory Note (Loan document created using the ESFRLP Partner Portal provided by Agency);
  - 6) Deed of Trust (provided by Agency);
  - 7) Grant Agreement (provided by Agency);
  - 8) Request for Notice of Sale (if applicable, provided by Agency); and,
  - 9) Unrepresented Borrower Affidavit (if applicable, provided by Agency).

Deeds of Trust and Requests for Notice of Sale (if ESFRLP lien position is other than first) must be recorded at the County Register of Deeds office prior to the start of construction. \*Note: A Request for Notice of Sale (provided by Agency with completed Promissory Note and Deed of Trust) must be completed and recorded for every loan holding superior lien position. It is the Member's responsibility to have the documents recorded.

#### **4.5 Preparing Loan Documents**

It shall be the responsibility of the Member to facilitate the loan closing by presenting, or cause to have presented by an attorney, the Agency-prepared loan documents to the Homeowner for execution and to have the documents recorded and submitted to the Agency once completed.

#### **4.6 Loan Closing Procedures**

1. Members are responsible for obtaining the appropriate signature(s) on all documents listed in [Section 4.4.5, General Loan and Grant Procedures](#) at closing, and prior to the initiation of construction.

2. The Note and Deed of Trust must be executed by all titleholders with an interest in the property, and their spouses.
3. The Deed of Trust and Request for Notice of Sale (if applicable) should be recorded the day of closing.
4. The Borrower must keep the property and all improvements constantly insured for the benefit of the Beneficiary against loss by fire, windstorm and such other casualties and contingencies, in the manner and with companies as may be satisfactory to the Member or the Agency. The amount of the insurance required by this provision is one hundred percent (100%) of the amount of the loan secured by the Deed of Trust. If the property is located in a special flood hazard zone, the Borrower must maintain flood insurance on the Property in a minimum amount of one hundred percent (100%) of the amount of the loan secured by the Deed of Trust.

#### **4.7 Loan Disbursement Procedures**

1. Members must have written procedures for the periodic disbursement of all Program funds for work to be completed [Section 4.2.5, Rehabilitation Procedures](#) including:
  - 1) Inspecting work prior to each contractor payment;
  - 2) Paying only for satisfactorily-completed work;
  - 3) Making a maximum of five (5) payments per unit rehabilitation contract;
  - 4) Ensuring that adequate funds are always available to complete the work (e.g., paying 80% or less of the bid value for any completed line item); and,
  - 5) Ensuring that any changes in the work write-up are agreed to in writing (“change order”) by the owner and the contractor and approved and attested to by the Member or Member representative and the Rehab Specialist. See [Section 3.7.10, Procurement](#), above).
2. Members must ensure that the contractor provides lien waivers for ESFRLP funds received and work completed. It is recommended that lien waivers be required for all payments, including progress payments, and final lien waivers (for the final payment) must be signed by the general contractor as well as all subcontractors and materials suppliers. To obtain a [Release of Liens](#) form see Appendix C.

#### **4.8 Loan Close-out Procedures**

1. Members must have procedures for closing out the work under the loan including:

- 1) Making a final inspection and having a lead-based paint clearance test, if applicable, prior to the final contractor payment;
  - 2) Ensuring and certifying that all items in the work write-up have been satisfactorily completed, and that all applicable code and inspection requirements have been met;
  - 3) Ensuring that a completed [Release of Liens](#) has been provided by the contractor for final payment of Program funds;
  - 4) Ensuring that unspent Program funds reserved for the benefit of the loan recipient are either used for eligible work items through an addendum to the work write-up (“change order”) or the loan balance is reduced, through an executed and recorded estoppel agreement, to reflect the final loan amount;
  - 5) Securing a signed statement from the owner certifying that the work was satisfactorily completed (see [Section 4.3.1.22, Program Documents](#)), and
  - 6) Conducting a post-construction conference with the owner and contractor in the home to review and hand over warranties, owner’s manuals, maintenance schedules, etc.
2. For each loan, the Member must remit the following documents to the Agency:
  - 1) Promissory Note;
  - 2) Deed of Trust (recorded); and,
  - 3) Recorded Request(s) for Notice of Sale (Needed if ESFRLP Deed of Trust is not the “first” lien.) (***NOTE: All documents must have original signatures***).
3. Members are responsible for the proper completion of all documents, including having signatures notarized and documents recorded, as required.
4. Members must have systematic, fair and uniform written policies for resolving disputes between contractors and homeowners, for responding to complaints from homeowners, contractors and/or unsuccessful applicants for Program assistance, and for addressing appeals of decisions by the Member. Resolution of disputes between contractors and homeowners may be addressed in the rehabilitation contract, directly or by reference. Complaints and appeals from homeowners or applicants must be covered in the Member’s Assistance Policy. The Member’s Complaint Policy must, at a minimum:
  - 1) Be readily available to the public;
  - 2) Describe the form in which appeals and/or complaints must be submitted;

- 3) List the name, address and telephone number of the person charged with receiving the appeal or complaint;
- 4) Describe the time limits within which appeals or complaints will be accepted;
- 5) Describe the time limits within which the Member's written response may be expected;
- 6) Describe the process by which the response may be appealed to a higher local authority;
- 7) Describe the time limits for the secondary appeal and for the response;
- 8) Allow for a final mediated or arbitrated settlement in the event that the dispute cannot be settled by the previous steps;
- 9) Describe the time limits for the mediation or arbitration of the final appeal;
- 10) Ensure a written response to the homeowner stating the Member's final ruling on the appeal or complaint; and,
- 11) Provide a form to be signed by the homeowner accepting resolution of the appeal or complaint.



# ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL

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## **U**

Unit Close-Out: 3.7.10; 4.8.1.

Unit Completion Report: 3.2.6; 3.10.1; 3.10.2; 4.3.1.19; 4.3.4.5.

Universal Design: 2.2.4.1.v; Appendix A, Sections C and D.

## **V**

Verification of Income: 2.4.1; 2.4.3.2; 2.4.4; 4.3.1.2.

## **W**

Warranty: 3.10.5.4; 4.1.2.8; 4.2.4.

Women's Business Enterprises: 3.7.7; 3.7.8; 4.2.6.

Work Write-up: 3.3.3; 3.11.5.3; 4.2.1; 4.2.2; 4.2.3.4; 4.7.1.5; 4.8.1.2; 4.8.1.4.

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# **Appendix A**

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## **ESSENTIAL REHABILITATION CRITERIA**

- A. Introduction
  - B. General Requirements
  - C. Essential Property Standards
    - C1. Priority List of Additional Repairs
    - C2. Request for Waiver of ESFRLP Property  
Standard Requirement
  - D. Essential Rehabilitation Standards
  - E. Environmental Protection
  - F. Lead-Based Paint Requirements
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NORTH CAROLINA HOUSING FINANCE AGENCY  
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL  
**Essential Rehabilitation Criteria**

*(effective July, 2016)*

## **A. Introduction**

1. The goal of the Essential Single-Family Rehabilitation Loan Pool is to make a positive impact on the state's stock of standard affordable housing by encouraging the essential rehabilitation of existing, single-family, owner-occupied housing units occupied by lower-income (less than 80% area median income) households with one or more elderly, disabled or Veteran fulltime household members or owner-occupied units with lead hazards and a child six years old or younger.

2. **Contents.** The Essential Rehabilitation Criteria are segmented into 6 major subject areas as follows:

- A. **Introduction;**
- B. **General Requirements;**
- C. **Essential Property Standards;**
- D. **Essential Rehabilitation Standards;**
- E. **Environmental Protection; and,**
- F. **Lead-Based Paint.**

Within each segment you will find an introduction to the topic, the specific applicable standards, and related documents, forms, checklists, etc.

3. **General Principles.** When determining the feasibility of rehabilitation for a given dwelling unit and the prioritization of optional rehabilitation work items, recipients should be guided by these general principles:

- 3.1 Do not "throw good money after bad." That is, if a unit cannot be made standard (decent, safe, sanitary and affordable) with the funds available for the purpose, do not treat the unit.
- 3.2 Do not leave "bad apples." Whenever possible avoid leaving dilapidated units in close proximity of treated units. Such structures contribute to neighborhood disinvestment and can ultimately undermine the work you have done.
- 3.3 When in doubt about the appropriateness of an optional energy-related rehabilitation work item, consider whether the proposed improvement will pay for itself over its expected useful life. If it will not, it may be best not to do it.

- 3.4** Remember that home energy conservation is a year-round process. In addition to winter heat-loss, attention should be paid to summer heat-gain, ventilating, shading, stormwater drainage, etc.
- 3.5** Where local utility companies offer discount rates to homes meeting certain energy standards, every effort should be made to qualify each dwelling unit for the discount.

**NORTH CAROLINA HOUSING FINANCE AGENCY**  
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**B. General Requirements**

1. All rehabilitation work funded by ESFRLP must meet or exceed N.C. State Building Code standards, and all local permitting and inspection requirements.
2. In those jurisdictions with an adopted minimum housing code, all units rehabilitated with ESFRLP funds must meet or exceed all local codes, rehabilitation standards, ordinances and zoning ordinances upon the completion of rehabilitation.
3. On July 29, 2013 the US Department of Housing and Urban Development (HUD) issued the Final HOME Rule, which contains several revisions to the previous Final HOME Rule published in 1996. Because the Essential Single-Family Rehabilitation Loan Pool program is funded with HOME funds, the Essential Property Standards section may be revised due to a delineated version of the Uniform Physical Condition Standards (UPCS) replacing the Housing Quality Standards (HQS). A memo will be sent to all ESFRLP Members as soon as we receive guidance from HUD specifying which inspectable items and areas in UPCS must be included in ESFRLP inspections. Until then, all units rehabilitated with ESFRLP funds must meet or exceed our Essential Property Standard which exceeds HUD's HQS (see Essential Property Standard Section C) upon the completion of rehabilitation.
4. No unit rehabilitated with ESFRLP funds shall retain threats to the health or safety of the occupants or to the structural integrity of the unit.
5. All units rehabilitated with ESFRLP funds must meet or exceed the Essential Property Standards stated herein.
6. All units considered for rehabilitation assistance must be reviewed for environmental effects pursuant to Section E, below.
7. It is imperative that close attention be paid to manufacturers' installation instructions and the workmanship applied to all ESFRLP-related rehabilitation items.
8. It is the Member's responsibility to advise clients of proper care and maintenance of equipment and materials installed with ESFRLP funds. Examples include when and how to change HVAC filters, how to set thermostats, when and how to use bath and kitchen exhaust fans, when and how to clean and/or replace range hood filters, how to test and reset GFCI breakers/outlets, and when to have HVAC equipment cleaned and tuned.

- 9.** The North Carolina Housing Finance Agency promotes the concept of “universal design.” Therefore, ESFRLP-funded work should, where practicable, be performed in accordance with universal design principles, including things such as wheelchair ramps, wheelchair-accessible electrical outlets and switches, wider doors, curbless entries, and a barrier-free corridor connecting bedrooms, baths, kitchens and living rooms. For more information regarding universal design click on web-link provided [NCSU Center for Universal Design](#).
- 10.** To the maximum practicable extent, excessive moisture in crawlspaces or basements shall be eliminated. Remedial measures may include foundation/footing drainage systems, sealing plumbing penetrations, water-proofing foundations below grade, gutter systems, and/or sump pumps. All accessible crawlspace areas (18” or more clearance from the bottom of the wood structural floor and/or with 12” or more clearance from the bottom of wood girders) must have continuous 6-mil poly ground cover, wall to wall.
- 11.** In addition to the above general requirements all units and work performed must comply with the Essential Rehabilitation Standards.

NORTH CAROLINA HOUSING FINANCE AGENCY  
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL  
**Essential Rehabilitation Criteria**

## C. Essential Property Standards

1. **SITE HEALTH AND SAFETY**

Site. The site components, such as fencing and retaining walls, grounds, lighting, mailboxes/project signs, parking lots/driveways, play areas and equipment, refuse disposal, roads, storm drainage and walkways must be free of health and safety hazards and be in good repair. The site must not be subject to material adverse conditions, such as abandoned vehicles, dangerous walks or steps, poor drainage, septic tank back-ups, sewer hazards, excess accumulations of trash, vermin or rodent infestation or fire hazards.

**A. Property Access and Egress**

1. Exterior platforms and/or steps shall be provided to serve exits and shall be maintained in a safe condition.
  - a. Every porch, terrace or entrance platform located at more than thirty (30) inches above the adjacent finished grade shall be equipped with guardrails not less than thirty-six (36) inches high.

**B. Exterior stairs, handrails and railings shall be constructed with moisture resistant materials or protected with paint or other approved covering or material to prevent moisture penetration.**

**C. Infrastructure: Utilities & Storm/Site Drainage**

1. Water Supply. Every dwelling unit shall be connected to an approved public or private water supply and sewage disposal system that is sanitary and free from contamination.
2. Drainage. Every yard shall be properly graded so as to obtain positive drainage and so as to prevent the accumulation of stagnant water in the yard or under the structure. Gutter and downspouts, if installed, shall be provided to properly collect, conduct and discharge the water from the roof and away from the structure.

**D. Fire Safety.**

1. Site Address: Address numbers. Buildings shall have approved address numbers, building numbers or approved building identification placed in a position that it is plainly legible and visible from the street or road fronting the property.

**E. Sanitary Conditions**

1. Infestations: The dwelling unit and its equipment must be in sanitary condition: free of vermin and rodent infestation(s).

**F. Hazardous Site Conditions**

1. Site Hazards. The site may not be subject to serious adverse natural or manmade environmental conditions, such as dangerous walks or steps, soil/geologic instability, flooding, poor drainage, septic tank back-ups or sewer hazards, mudslides, excessive accumulations of trash, or fire hazards.

## 2. **BUILDING HEALTH AND SAFETY**

Dwelling. All areas and components of the housing must be free of health and safety hazards. These include, but are not limited to, air quality, electrical hazards, emergency/ fire exits, flammable materials, garbage and debris, handrail hazards, infestation, and lead-based paint. For example, the buildings must have fire exits that are not blocked and have hand rails that are undamaged and have no other observable deficiencies. The housing must have no evidence of infestation by rats, mice, or other vermin, or of garbage and debris. The housing must have no evidence of electrical hazards, natural hazards, or fire hazards. The dwelling must have proper ventilation and be free of mold, odor (e.g., propane, natural gas, methane gas), or other observable deficiencies. The housing must comply with all requirements related to the evaluation and reduction of lead-based paint hazards and have available proper certifications of compliance (see 24 CFR part 35).

### A. Dwelling Access, Egress and Security

1. Access. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows). Access shall be provided to all rooms within a dwelling unit without passing through a public space. Access to toilet and bathing facilities shall be through a weather-tight area without going outside the building.
2. Egress. Each dwelling unit must provide two (2) remote exits or if only one (1) exit door is provided, every sleeping room must have at least one (1) operable window approved for emergency egress. The window must be operable from the inside without use of a key or tool. It is preferable that the window sill height does not exceed forty-four (44) inches above the floor and provides a minimum clear opening width of twenty (20) inches and a minimum clear opening height of twenty-two (22) inches. The total net clear opening shall not be less than four (4) square feet. Bars, grills or other obstructions placed over these windows must be releasable or removed from the inside with the use of reasonable force/dexterity and without the use of a key or tool.
  - a. Each sleeping room must have at least one operable window in proper working order.
  - b. Stairwells and flights of stairs, attached to or within a dwelling unit, that contain four (4) or more risers shall have handrails. Every rail shall be firmly fastened and maintained in good condition
  - c. Every stair riser on the path of egress from the home's sleeping rooms shall be reasonably uniform and shall not exceed eight and one-fourth ( $8\frac{1}{4}$ ) inches in height and shall be securely fastened in position.
3. Security. The dwelling unit must provide adequate security for the family.
  - a. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.
  - b. Unit windows located on the first floor, at the basement level, on a fire escape, porch, or other outside space that can be reached from the ground and that are designed to be opened must have a locking device. (Windows



with sills less than six feet off the ground are considered accessible.) Traditional window locks, those provided by storm/screen combination windows, window pins, and nails are acceptable. Windows leading to a fire escape or required to meet egress or ventilation requirements may not be permanently nailed shut.

**B. Hazardous Interior Conditions**

1. Egress. Safe, continuous and unobstructed exits shall be provided from the interior of the structure to the exterior at street or grade level.
  - a. There shall be no loose flooring or floor covering.
  - b. There shall be no dirt floors or wood floors on the ground.
  - c. No flight of stairs settled more than one (1) inch out of its intended position or pulled away from supporting or adjacent structures shall be allowed.
2. Interior Air Health Threats. The dwelling unit must be free of air pollutant levels that threaten the occupants' health, including carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.

**C. Fire Safety**

1. Alarms and Detectors: The dwelling unit must include at least one battery-operated or hard-wired smoke detector, in proper operating condition and less than 10 years old, on each level of the unit, including basements, but excluding crawl spaces and unfinished attics.
2. Combustibles and Combustible Materials. The dwelling units must have proper ventilation and be free of odor (e.g., propane, natural gas, methane gas), or other observable combustion deficiencies.
  - a. Liquid fuel stored on the premises shall be stored in accordance with the provisions of the North Carolina State Building Code and any other applicable codes.
  - b. Hearths shall be of noncombustible material and shall extend at least twelve (12) inches beyond the face and six (6) inches beyond each side of the fireplace opening. No combustible materials shall be permitted within seven (7) inches of the top and seven (7) inches on either side of the fireplace opening.
  - c. No holes shall be permitted in the flue/vent of any fuel-burning equipment or waste pipe except for necessary vent connections and clean-out doors.
  - d. Existing chimneys shall be tight, safe and capable of maintaining proper draft of combustion by-products to outside air. Thimbles shall be grouted tightly and shall be located high enough to provide proper draft for the heating appliance served thereby.
  - e. No combustible material shall be located within six (6) inches of the thimble.
  - f. There shall be no cardboard, newspaper, or other similar highly combustible wall finish.

**D. Sanitary Facilities**

1. General: The dwelling unit must have hot and cold running water, including an adequate source of potable water.
  - a. Every dwelling unit shall be connected to an approved water supply and sewage disposal system.
  - b. Every dwelling unit used or intended for use as human habitation shall have an enclosed bathroom and toilet facilities complete with water closet, tub or shower and lavatory; and shall also have a kitchen sink, all of which shall be connected to approved water and sewer systems with unimpeded flow to each inlet or outlet.
  - c. Water-heating facilities shall be provided which are properly installed, are maintained in safe and good working condition, are properly connected with the hot water line to each tub, shower, lavatory, kitchen sink, washing machine, and/or any other supplied plumbing fixture and are capable of supplying water at a temperature of not less than one hundred twenty (120) degrees Fahrenheit. Such supplied water-heated facilities shall be capable of operating independently of the space-heating equipment.
2. Human Hygiene. The dwelling unit's sanitary facility must be in proper operating condition, usable in privacy, and adequate for personal hygiene and the disposal of human waste.
3. Food Preparation. The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner. All required equipment must be in proper operating condition.

**E. Light, Heat and Ventilation**

1. Light. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. Every habitable room in a dwelling or dwelling unit shall contain a window or windows facing outside.
2. Heat. The dwelling unit must be able to provide a thermal environment that is healthy for the human body.
3. Ventilation. There must be adequate air circulation in the dwelling unit.
  - a. Bathroom areas must have one openable window or other adequate passive or mechanical ventilation.
  - b. Attics shall be properly ventilated.
  - c. Clothes dryers shall be exhausted in accordance with the manufacturer's instructions. Dryer exhaust systems shall be independent of all other systems and shall convey the moisture and any products of combustion to the outside of the building.
  - d. The home must have at least one exhaust fan in the bathroom or kitchen vented to the outside for every 1800 SF. The exhaust fan must be capable of continuous operation to provide fresh air from a clean source. Additionally, the home shall have an exhaust fan vented to the outside in at least one of the following locations: bathroom or kitchen. If this fan meets the minimum criteria for an exhaust fan (see Section 4) and the home is less than 1800 SF, then a single exhaust fan in the home is acceptable.

- e. A filtered and protected passive or mechanical fresh air intake system is required if the home or occupants meet any of the following criteria: inoperable or no windows in any habitable room; an open fireplace is present; known indoor contaminants are present (for example: lead, asbestos, radon, carbon monoxide, mold, cigarette smoke) and/or a home occupant has a respiratory illness.
- F. Lead, Asbestos, Radon and Other Toxins
  - 1. The dwelling unit must be free of lead, asbestos, radon and other toxin hazards that threaten occupants' health.

### 3. BUILDING SPACE AND STRUCTURE STANDARDS

Dwelling Unit. The dwelling unit must be structurally sound, habitable, and in good repair. All areas and aspects of the dwelling unit (for example, the unit's bathroom, ceiling, doors, floors, kitchen, patio/porch/balcony, stairs, walls, and windows) must be free of health and safety hazards, functionally adequate, operable, and in good repair.

#### A. Minimum Space Requirements

- 1. General. The dwelling unit must provide adequate space for the family.
- 2. Habitable Rooms. At a minimum, the dwelling unit must have a living room, a kitchen and a bathroom and at least one sleeping area.
  - a. No cellar shall be considered a habitable area.
  - b. No basement shall be used as a habitable room or housing unit unless: the floors and walls are impervious to leakage of underground and surface runoff water and insulated against dampness and condensation and there is at least one means of egress that meets building exit standards.
- 3. Sanitary Facilities. The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and disposal of human waste. The sanitary facilities must be usable in privacy.
  - a. The bathroom must be located in a separate room and have a flush toilet in proper operating condition.
  - b. The unit must have a fixed basin (lavatory) with a sink trap as well as a shower or tub both with hot and cold running water in proper operating condition.
  - c. All sanitary facilities must utilize an approved public or private sanitary waste disposal system.
- 4. Food Preparation. The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner.
  - a. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approved public or private system.
- 5. Sleeping Areas. The dwelling unit must have at least one sleeping area (bedroom or living/sleeping room) for every two persons.

**B. Exterior Surfaces**

1. General. Each building on the site must be structurally sound, secure, habitable, and in good repair. Each building's doors, fire escapes, foundations, lighting, roofs, walls, and windows, where applicable, must be free of health and safety hazards, operable, and in good repair. All exterior surfaces shall be structurally sound.
  - a. All exterior surfaces shall be protected with paint or other approved protective covering to prevent deterioration and the entrance or penetration of moisture.
2. Foundation.
  - a. The foundation shall be on firm, reasonably dry ground, and there shall be no water standing or running under the building.
  - b. Homes with a crawl space have unobstructed foundation vents.
3. Walls.
  - a. The exterior wall surface must not have any serious defects such as leaning, buckling, sagging, large holes, or defects that may result in water infiltration or vermin infestation
  - b. There shall be proper flashing at walls and chimney, windows, doors or any other wall penetration. For hidden/non-visible flashing, the presence of no damage assumes proper flashing.
4. Roof.
  - a. Roofing shall prevent the entrance of moisture into the dwelling unit.
  - a. There shall be a minimum of Class C roof covering.
  - b. There shall be no roof with more than two (2) roof coverings.

**C. Interior Surfaces**

1. General: Interior finish materials/finish substrates shall be free of serious defects.
2. Floors: Floors shall be in sound condition and good repair and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon.
  - a. After removal of any non-affixed treatment or object including all furniture, floors shall be reasonably smooth, not rotten or worn through, and without visible or excessive cracks/deterioration which permit rodents to penetrate rooms.
  - b. Floors shall be reasonably level.
  - c. All bathroom, toilet room, laundry and kitchen floors shall be constructed reasonably impervious to water so as to permit such floor to be readily kept in a clean and sanitary condition
3. Walls: Walls shall be in sound condition, not seriously out of plumb and structurally sound.
  - a. After removal of any non-affixed treatment or object including all furniture, there shall be no visible loose plaster, loose boards or other loose wall materials susceptible to falling.
  - b. There shall be no exposed/evident/visible seriously rotted, termite-damaged, fire-damaged or broken studs.

4. Ceiling:
  - a. The ceiling shall be substantially vermin and rodent-proof. After removal of any non-affixed treatment(s) or object(s), there shall be no visible loose plaster, boards, sheetrock or other ceiling finish susceptible to falling.
- D. Doors
  - a. General: Doors shall be provided at all doorways leading to bedrooms, toilet rooms, and bathrooms and all rooms adjoining a public space. Toilet and bath doors shall have an operable privacy lock.
  - b. Exterior doors shall be water and rodent-proof and lockable from inside and outside.
  - c. Doors shall be in sound working condition and good repair.
- E. Windows
  1. General. There must be at least one window in both the living room and each sleeping room.
  2. Function. Window frames and glass shall have no missing, cracked or broken glass.
    - a. All operable windows shall be provided with suitable hardware to include operable locks and shall be made to open freely.
    - b. All operable and openable windows shall be adequately screened. Screens shall not be permanently fixed to the window frame or sash. The screens on windows and doors may be omitted for dwelling units containing a permanently installed heating and air conditioning system providing the dwelling unit with year round mechanical ventilation. Screens shall be installed in dwellings with window air conditioning units which are not permanently installed.
- F. Structural Support
  1. General. The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment. Any structural issue uncovered during the execution of the scope of work must be addressed for the health, safety and protection from the environment of the occupants.
  2. Foundation. The foundation and exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
    - a. The foundation shall be on firm, reasonably dry ground, and there shall be no water standing or running under the building.
    - b. Broken, overloaded, decayed or excessively sagging sills, beams, girders and joists shall be prohibited.
    - c. All elements of the foundation including piers, underpinning and masonry, shall be in good repair. Piers shall be sound.
      - i. There shall be no wood stiff-knee piers or other improper piers.
      - ii. No isolated masonry pier shall exceed (10) times the least dimension.
    - d. Underpinned units shall use an approved material so as to be substantially weatherproof and rodent-proof.

- e. Units with a crawl space will have a crawl space access, with cover. Adequate ventilation shall be provided to the foundation area by approved methods.
- 3. Roofs, Ceilings & Floors. Roofs shall be in sound condition and capable of supporting the load intended. Floors, attic floors and ceilings shall be in sound condition and good repair and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon.
  - a. The roof must be structurally sound and weather-proof.
  - b. There shall be no exposed/evident/visible rotten, broken, sagging, or fire-damaged joists or improperly supported ends.
  - c. Joists and supporting members shall provide sufficient support.
  - d. Rafters shall be adequately braced.
  - e. Broken, overloaded, decayed or excessively sagging sills, beams, girders and joists shall be prohibited.
  - f. There shall be no loose, or visibly rotted or fire-damaged sheathing or roof covering.
  - g. All existing hanging masonry chimneys shall be removed or reattached.
  - h. There shall be no chimneys or parts thereof which are defective, deteriorated or in danger of falling, or in such condition or locations as to constitute a fire hazard.
- 4. Walls. All load-bearing walls, exterior or interior, shall not be substantially bowed or out-of-plumb and shall be structurally sound.
  - a. Walls must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
  - b. The foundation and exterior wall structure must not have any serious defects such as serious leaning, buckling, sagging, or defects that may result in unsafe conditions or vermin infestation.
  - c. Studs shall provide sufficient support for sheathing or exterior finish and shall not be visibly rotten or termite damaged.
  - d. There shall be no visibly rotted, termite-damaged, fire-damaged or broken studs.
- 5. Other.
  - a. **Porches:** Foundation, floor, ceiling and roof shall be equal to standards as set forth above, except sills and joists need not be level if providing drainage of floors; floors need not be weather-tight. Posts and railings shall not be visibly rotted or termite-damaged.
  - b. **Stairs:** They shall be safe to use and capable of supporting the load that normal use may cause to be placed thereon. Every rail shall be firmly fastened and maintained in good condition. No rotting, sagging or deteriorated supports shall be allowed.

#### 4. BUILDING SYSTEM STANDARDS

Building Systems. Each dwelling unit's domestic water, electrical system, HVAC, and sanitary system must be free of health and safety hazards, functionally adequate, and operable. Any electrical, plumbing, heating or other utilities furnished to an accessory

structure shall be free of health and safety hazards. Major building systems (e.g. structural support, roofing, cladding and weatherproofing, plumbing, electrical & HVAC) must have a remaining useful life of a minimum of five years.

**A. Plumbing**

1. Supply. Hot and cold water must be available at the kitchen sink, tub, shower, and lavatory taps. The definition of hot water (temperature) required at the lavatory, tub, or shower should be determined from local health standards or applicable local code. All water piping shall be protected from freezing by approved methods.
2. Waste. The kitchen sink, tub/shower, toilet, and basin/lavatory must have a proper sewer trap, drain, and vents to prevent the escape of sewer gases or severe leakage of water. Drains must not be clogged and the toilet must flush.
  - a. All existing and necessary plumbing vents shall be properly sized and functioning.
  - b. Sewer and water lines shall be properly supported with no broken or leaking lines.
3. Fixtures. All fixtures shall be in proper working condition with no leaks existing.
  - a. The unit must have these minimum fixtures in proper operating condition: a fixed basin (lavatory) with a sink trap and hot and cold running water; a shower or tub with hot and cold running water and a kitchen sink, with a sink trap and hot and cold running water.
  - b. No fixtures shall be cracked, broken or badly chipped.
  - c. Water closets shall be properly connected to a cold water line; water closets without traps are prohibited.

**B. Heating, Cooling and Ventilation**

1. General. The dwelling unit must be able to provide a thermal environment that is healthy for the human body.
  - a. There must be a safe system in proper operating condition for heating (and cooling in US Department of Energy climate zones 3 & 4) the dwelling unit, such as electric baseboard, radiator, or forced air systems. In order to ensure a healthy living environment appropriate for the climate, the system must be able to adequately provide or reduce adequate heat either directly or indirectly to each habitable room.
  - b. The dwelling unit must not contain unvented room heaters or other non-sealed combustion equipment. Electric heaters are acceptable. Existing wood-burning open fireplaces which are supplemental heating are exempt from this requirement but any combustion equipment installed in an open fireplace is not exempt.
  - c. One carbon monoxide (CO) detector shall be installed outside each bedroom area and to manufacturer specifications in homes that have a combustion appliance(s) or an attached garage (minimum one per floor).

2. Heating/Cooling Equipment. Every central or electric heating system including any ductwork, controls, return/delivery grills, etc. shall be properly installed and capable of safely and adequately heating all habitable rooms, bathrooms, and water closet compartments to a temperature of at least sixty-eight (68) degrees Fahrenheit with an outside temperature of 20 degrees Fahrenheit.
  - a. All gas and oil burning equipment existing on the premises shall be of a type approved and installed in accordance with the provisions of the North Carolina State Building Code and any other applicable codes.
  - b. Fireplace(s) shall be used only for supplemental heat and not for primary heating, and shall have no loose mortar or damaged firebrick.
3. Ventilation and Fresh Air. There must be adequate air circulation in the dwelling unit.
  - a. Exhaust fan: A mechanical exhaust fan is one that is rated to exhaust 80 CFM minimum and capable of exhausting at a rate of 50 CFM minimum. Additionally, the fan should be capable of continuous, quiet (by homeowner preference) operation in conjunction with either a passive or mechanical filtered air intake system to provide fresh air. Existing fans in a home meeting these criteria are acceptable.
  - b. Vented to the outside: All ventilation/exhaust ducts shall terminate at or beyond the exterior skin of the building. No exhaust air can be delivered to/terminated in the attic, crawl, enclosed/screened porch or other semi-enclosed space.
  - c. Fresh Air: Mechanical and gravity outdoor air intake openings shall be located not less than 10 feet (3048 mm) horizontally from any hazardous or noxious contaminant source, such as vents, chimneys, plumbing vents, sanitary sewer vent, streets, alleys, parking lots and loading docks, except as specified in the current NC Residential Codes. Intakes shall be located not less than 3 feet (914 mm) below contaminant sources where such sources are allowed by the NC Residential Code to be located within 10 feet of the opening. Intake openings on structures in flood hazard areas shall be at or above the 100 year flood plain. No intake air can be sourced from the attic, crawl, enclosed/screened porch or other semi-enclosed space.
  - d. Filters: The washable or throwaway filter for passive fresh air intake shall be designed to keep insects, pollens and dust mites out of the home but allow maximum infiltration (this is equivalent to a MERV rating of 3-4).
  - e. Protection: Fresh air intake openings in residential occupancies shall meet the following minimum and maximum opening sizes in louvers, grilles and screens, measured in any direction: not  $<1/4''$  and not  $>1/2$  inch.



C. Electrical

1. General: The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The dwelling unit shall be safely wired for existing or required electrical lights, convenience receptacles, central heating (and cooling when present) equipment, the major appliances/equipment and water pumps/septic systems when applicable.
  - a. Electrical fixtures and wiring must not pose a fire hazard. All electric wiring, devices, appliances and fixtures shall be installed in accordance with the North Carolina State Building Code and none shall be dangerous or hazardous.
  - b. Hanging light fixtures or outlets from electric wiring, missing cover plates on switches and outlets, badly cracked outlets or cover plates, exposed fuse box connections and, overloaded circuits are unacceptable.
  - c. All receptacles, ceiling fixtures or other fixtures shall be securely attached. No flexible cords shall be used as a substitute for the fixed wiring of a structure, nor run through holes in walls, ceiling or floors; through doorways, windows or similar openings; attached to building surfaces, or concealed behind building walls, ceilings or floors.
2. Electrical Supply:
  - a. Fuses and branch circuits shall be sized and installed properly.
  - b. The living room and each sleeping space must have at least two electrical outlets in proper operating condition. The kitchen must have at least one electrical outlet in proper operating condition. This outlet must be GFCI if located within 6' of a water supply outlet/faucet.
  - c. Outlet(s) that exist in the bathroom must be GFCI.
3. Electrical Appliances:
  - a. The dwelling unit must have an oven and a stove or range. A microwave oven may be substituted for an oven and stove or range.
  - b. The dwelling unit must have a refrigerator. The refrigerator must be capable of maintaining a temperature low enough to keep food from spoiling. A counter-top or under-counter type refrigerator is not acceptable as the only refrigerator. The freezer space must be present and working, and the equipment must not present an electrical hazard.
4. Lighting Fixtures: At least one (1) fixed in place ceiling or wall type electric light fixture shall be provided in every bedroom, laundry room, furnace room, hall, basement or any other area in which artificial light is required for the safety and welfare of the occupants. A switched wall receptacle shall be acceptable in a bedroom, living room or den. The kitchen area and the bathroom must have a permanent ceiling or wall-mounted fixture in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets in the living room and sleeping areas.
  - a. All switches and fixtures shall be safely operable or sealed off and disconnected.
  - b. Lights at entrances and exits are required.

## 5. ENERGY EFFICIENCY STANDARDS

- A. Air Tightness.** The dwelling unit shall be weatherproof and capable of being adequately heated. Existing insulation, light/fan fixtures, cover plates, HVAC grills/panels, cabinets, plumbing fixtures are all considered affixed.
1. Attics/Ceilings: After removal of any non-affixed treatment(s) or object(s), there shall be no visible holes, loose plaster, boards, sheetrock or other ceiling finish susceptible to air infiltration.
  2. Floors: After removal of any non-affixed treatment or object including all furniture, floors shall be without visible holes or excessive cracks which permit air to penetrate the dwelling unit.
  3. Walls: After removal of any non-affixed treatment or object from interior walls including all furniture, there shall be no visible holes, loose plaster, visible cracks that would permit air to penetrate the dwelling unit. All exterior wall surfaces and the foundation shall be waterproof, weatherproof and rodent proof with no visible holes, cracks or rotted boards.
  4. Doors and Windows: Exterior doors shall be substantially weather-tight with no visible light at the header, jambs or threshold. Window frames and glass shall be reasonably weather-tight.
- B. Insulation.** Insulation shall be installed in ceilings to the insulation manufacturer's specifications with no gaps, voids, compression or wind intrusion. Insulation and the air barrier shall be installed in physical contact with each other. Accessible attics shall be insulated to R-38 or greater; if attic insulation rated at R-30 or better exists in a very good and undisturbed condition and no construction activity will damage the insulation, then no additional upgrading is required.
- C. Crawlspaces:** All crawlspace areas with 18" or more clearance from the bottom of the wood structural floor and/or with 12" or more clearance from the bottom of wood girders shall have a 100 percent ground cover of 6 mil thickness or greater.

# C1. Priority Lists of Additional Repairs

## 1. PRIORITY PROJECTS

If after rehabilitation work required to comply with either the *Essential Property Standards* and/or the local *Minimum Housing Code* are completely accounted for in the budget and ESFRLP HOME funds or ESFRLP local matching funds remain, then additional rehabilitation work that matches closely the scope of listed Priority Projects may be addressed without consulting NCHFA. Additional rehabilitation work that does not match closely with the scope of work identified below must be approved by your case manager. Priority Projects are organized by topic; numerical order is not necessarily indicative of the importance as this is often dictated by the specific home or homeowner. Some cross-cutting topics are included on more than one list.

### A. Accessibility

1. Exterior entry path is improved to include one or more of the following: max. 6'x6' level landing at the door; area to support groceries/store outside shoes; 10' long mud walk-off area; entry landing is protected overhead by min. 2' deep overhang OR a maximum 7'x 7' covered entry roof.
2. Rehab one bathroom to provide appropriate turn around space and human hygiene facilities to meet needs of the homeowner and the NC Accessibility Code.
3. Increase entry door to 32" wide clear or better; add a vision panel (max. 144 square inches).

### B. Durability/Longevity

1. Remediate the surrounding grade of the home so that no standing water occurs within 10 feet of the home and/or no plantings closer than 3'-0 to the home (measured from the center of the plant roots).
2. Exterior entry path is improved to include one or more of the following: max. 6'x6' level landing at the door; area to support groceries/store outside shoes; 10' long mud walk-off area; entry landing is protected overhead by min. 2' deep continuous overhang; create 5'x5' area of vinyl/wood/tile/solid surface flooring at all exterior entries with no trip hazards OR a maximum 7'x 7' covered entry roof.
3. Remove any carpet in the home and replace with solid surface, easily cleanable flooring with a minimum 15 year life.
4. Increase structural and occupant safety by one of the following improvements which meets the current NC Residential Building code: For a crawlspace, provide foundation venting OR crawlspace is semi-conditioned and weathertight OR other approved method.
5. Increase the durability of the plumbing system or a specific subset of the system (supply, waste, venting) to meet the requirements of the current NC Residential Building Code.
6. Extend the life of the roofing and structure by upgrading the roof soffit and ventilation system to meet the current NC Residential Building Code. This

only applies when the existing roof appears to have 5 or more years of life in its current condition.

7. Improve or extend the life of the exterior cladding system by reducing moisture penetration. Discussion of this project with your case manager prior to including it in the scope of work is highly recommended.

**C. Energy**

1. The building envelope between exterior and interior air shall not leak greater than 8 ACH @ 50 PA or less than 3 ACH @ 50 PA. At the end of the project, choose one of the following protocols to perform a blower door test: WAP, BPI, RESNET. Contact your Case Manager if the home leakage is outside this range. All methods must properly deal with combustion appliances for occupant safety.
2. Install an outdoor thermostat for a home with a heat pump or any type of electronic strip backup heating.
3. Floors over crawl spaces insulated to at least R-19 when a minimum clearance of 18" between the ground and the bottom of the floor joists exists.
4. Heating and air conditioning delivery ducts shall be tested and remediated to meet current NC Residential Building Code airtightness and delivery standards.
5. Improve the weather tightness of the home by one of the following methods: certify to meet ENERGYSTAR (current version) OR certify to meet SystemVision for Existing Homes OR home has HERS score of 70 or lower OR home meets requirements of the current residential energy code. All scenarios must properly deal with combustion appliances and fresh air for occupant health and safety.
6. Insulate exterior walls; insulation in contact with the air barrier.

**D. Health**

1. Reduce moisture issues in the home by installing or upgrading an existing exhaust system as follows: a min. 70-80 cfm mechanical exhaust system in any bathroom with a tub or shower and a 100-150 cfm exhaust system in the kitchen. Both systems must be tested to insure proper air delivery as follows: 50-80 cfm in bathroom and 100-150 cfm in the kitchen.
2. Heating and air conditioning delivery ducts shall be tested and remediated to meet current NC Residential Building Code airtightness and delivery standards.
3. Remove carpet and replace with solid surface easily cleanable flooring with a minimum 15 year life.
4. Encapsulate/abate potential lead hazards in the home especially in horizontal locations (floors, window sills) and areas where friction from operations (window jambs, door jambs) provide a higher potential for lead deterioration in the future.
5. Encapsulate/abate potential asbestos hazards in the home especially in horizontal locations (floor coverings) and areas where household operations (wall compound/textured finishes) provide a higher potential for asbestos

- deterioration in the future.
6. Exterior entry path is improved to include one or more of the following: max. 6'x6' level landing at the door; area to support groceries/store outside shoes; 10' long mud walk-off area; entry landing is protected overhead by min. 2' deep overhang OR a maximum 7'x 7' covered entry roof.
  7. Install air conditioning (cooling) or dehumidification system where none exists (applicable to zone 5 only).
  8. Provide a whole-house mechanical fresh air ventilation system in compliance with ASHRAE 62.2-2010. This ventilation system typically includes either a fresh air make-up duct to the return side of the air handler (the preferred approach) or a continuously running bathroom fan set at the calculated air flow rate in compliance with ASHRAE 62.2.

***E. Safety***

1. Install wired, interconnected smoke/CO detectors throughout the home to meet current NC Residential Building Code.
2. Replace or provide new stairs or handrails/guardrails to increase safety, meeting the current NC Residential Building Code.
3. Upgrade the electrical system or a specific subset of the system (service, panel or distribution) to meet the current NC Residential Building Code.
4. Replace bedroom windows to meet current NC Residential Building Code for egress and energy efficiency [note: this is not considered an energy efficiency project].
5. Increase entry door to 32" wide clear or better and add a vision panel (max. 144 square in.)
6. Improve the safety of the property by removing a dilapidated outbuilding, repairing existing retaining walls or other physical site hazard. Note that no new construction or non-life threatening repair of existing structures is allowed.

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## **C2. Request for Waiver of ESFRLP Property Standard Requirement**

Date: \_\_\_\_\_

Agency: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Owner: \_\_\_\_\_

Phone: \_\_\_\_\_

Project Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

County: \_\_\_\_\_

By signing this document, the undersigned acknowledges NCHFA's Minimum Requirements of the Essential Single-Family Rehabilitation Loan Pool (ESFRLP) are for the benefit of meeting and/or exceeding building codes and the design standard is intended to promote minimum housing code construction for this project address.

I, \_\_\_\_\_, affirm I am the authorized representative of the funded entity for this project and do hereby request a waiver of the following Minimum Requirement for my project:

[Enter ESFRLP Minimum Property Standard Section Reference Number/s]

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Please state how this waiver will meet or exceed the above ESFRLP Minimum Property Standard requirement for this project:

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I hereby acknowledge that by requesting this waiver, I will hold harmless any party providing funding, administration, or construction, due to omission of this provision of the North Carolina Housing Finance Agency's ESFR Property Standard and that implementation of this request will not violate any state or local codes or ordinances.

Homeowner's Name: \_\_\_\_\_  
(print full name and sign)

Rehabilitation Specialist's Name: \_\_\_\_\_  
(print full name and sign)

Funded Member/Community Partner Contact: \_\_\_\_\_  
(print full name and sign)

Date: \_\_\_\_\_

*For NCHFA use only below this Line*

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NCHFA Case Manager Comments:

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Case Manager: \_\_\_\_\_ Date reviewed: \_\_\_\_\_

NCHFA Manager of Housing Rehab Comments:

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NCHFA Manager of Housing Rehab: \_\_\_\_\_ Review Date: \_\_\_\_\_  
Date of:      Approval \_\_\_\_\_      Denial \_\_\_\_\_



NORTH CAROLINA HOUSING FINANCE AGENCY  
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL

# Essential Rehabilitation Criteria

## D. Essential Rehabilitation Standards

These standards are based on the Sample NSP Single-Family Housing Rehabilitation Standard created for HUD's Neighborhood Stabilization Program (NSP). They have been adjusted to reflect the requirements of the ESFRLP as it is administered by the NC Housing Finance Agency in North Carolina. Website for the source document is: <https://www.hudexchange.info/resource/745/sample-nsp-singlefamily-housing-rehabilitation-standard/>

Exceptions: On a case-by-case basis, deviations from the minimum requirements of this standard will be permitted with approval of an ESFRLP Waiver. See the Program Guidelines for the Waiver Process.

### 1 - Health & Safety

Contaminants-Interior Only	
<b>Repair Standard</b>	Minimum Life NA
If any paint, sealant, caulk, adhesive, particleboard or MDF is used in a repair, meet the replacement standard.	
<b>Replacement Standard</b>	Minimum Life 10 years
All materials installed will meet the following standards to minimize the presence of Volatile Organic Compounds (VOC) and Formaldehyde: <ul style="list-style-type: none"><li>• All adhesives, paints/sealants and primers must meet the most recent Green Seal G-11 Environmental Standard (paints and primers) or have obtained <u>GreenGuard certification</u> for the appropriate product. Product lookup websites: <a href="https://greenseal.org/certified-products-services">https://greenseal.org/certified-products-services</a> (GreenSeal product finder) <a href="https://spot.ul.com/">https://spot.ul.com/</a> (GreenGuard/UL product finder: SPOT)</li><li>• All caulks should be low VOC labeled caulking.</li><li>• All particleboard components will meet ANSI A208.1 for formaldehyde emission limits, or all exposed particleboard edges will be sealed with a low-VOC sealant or have a factory-applied, low-VOC sealant prior to installation. All MDF edges will meet ANSI A208.2 for formaldehyde emission limits, or all exposed MDF edges will be sealed with a low-VOC sealant or have a factory-applied, low-VOC sealant prior to installation.</li></ul>	

<b>Lead Based Paint (LBP)</b>	
<b>Repair Standard</b>	Minimum Life 5 yrs.
<p>See Section F of the Program Guidelines for complete LBP requirements.</p> <p>All units rehabilitated with ESFRLP assistance are deemed "HUD-associated housing" for the purpose of the Lead-Based Paint Poisoning Prevention <a href="#">Act (42 U.S.C. 4821</a>, and are, therefore, subject to <a href="#">24 CFR part 35</a> (as published in the <i>Federal Register</i> on September 15, 1999) requiring testing, abatement and/or lead hazard reduction activities under certain circumstances. Members are responsible for ensuring that rehabilitation specialists, contractors and workers are trained and/or certified in accordance with <a href="#">24 CFR part 35</a>. Essentially, any lead hazard identified during the inspection and testing process must be addressed. It is also the responsibility of the Member to provide the CFR pamphlet, "Renovate Right", to households occupying pre-1978 dwelling units.</p> <p>Website: <a href="https://epi.dph.ncdhhs.gov/lead/lhmp.html">https://epi.dph.ncdhhs.gov/lead/lhmp.html</a></p>	
<b>Replacement Standard</b>	Minimum Life 20 years
<p>See Section F of the Program Guidelines for complete LBP requirements.</p> <p>When stabilization of surfaces containing LBP is impractical, the most affordable solution for abatement of the component will be chosen. Examples include walls containing LBP which may be covered with drywall or gutted and replaced with drywall. Trim and other wood or metal components containing LBP may be removed and replaced with similar materials. Lead-safe work practices must be followed, and only certified abatement contractors used to perform the work.</p>	

<b>Asbestos</b>	
<b>Repair Standard</b>	Minimum Life NA
<p>Non-friable intact Asbestos materials that are not creating a hazard such as cementitious exterior wall shingles may be left intact and painted if appropriate. Asbestos-resilient floor tiles may be labeled as such and covered with underlayment and new resilient flooring. Certain threshold limits regarding the quantity and type of asbestos to be removed may require certified contractors. Applicable federal regulations are found at <a href="#">40 CFR, Part 61, Subpart M</a>. The rehabilitation specialist should contact the <a href="#">Asbestos Hazard Management Branch of the Division of Epidemiology</a> to discuss the treatment of any suspected asbestos hazard. Resource website: <a href="https://www.epa.gov/asbestos">https://www.epa.gov/asbestos</a></p>	
<b>Replacement Standard</b>	Minimum Life NA
<p>Friable asbestos components such as boiler or pipe insulation, badly deteriorated cementitious shingles or deteriorated flooring will be removed and, if necessary, replaced with non-hazardous materials. Applicable federal regulations are found at <a href="#">40 CFR, Part 61, Subpart M</a>. The rehabilitation specialist should contact the <a href="#">Asbestos Hazard Management Branch of the Division of Epidemiology</a> to discuss the treatment of any suspected asbestos hazard. Resource website: <a href="http://epi.publichealth.nc.gov/asbestos/ahmp.html">http://epi.publichealth.nc.gov/asbestos/ahmp.html</a></p>	

<b>Radon</b>	
<b>Repair Standard</b>	Minimum Life 5 years
All housing in this program will be subject to a “Short Term” Radon Test, and if the result is a reading of 4 pCi/L or higher, a follow-up “Short Term” test will be performed. When a second test is required, average the results. If the average is above 4 pCi/L, remediation is required.	
<b>Replacement Standard</b>	Minimum Life 20 years
If, as a result of the testing above, there is a presence of Radon at or above the 4 pCi/L level, remediation will be undertaken per the EPA guidance in their Consumer’s Guide to Radon Reduction. Resource websites: <a href="http://www.epa.gov/radon/pubs/consguid.html">http://www.epa.gov/radon/pubs/consguid.html</a> ; <a href="http://www.ncradon.org/Home.html">http://www.ncradon.org/Home.html</a>	

<b>Mold - Conditioned Space</b>	
<b>Repair Standard</b>	Minimum Life NA
Any presence of mold is unacceptable and must be addressed per the National Center for Healthy Housing protocol “Creating a Healthy Home.” <a href="http://www.nchh.org/Portals/0/Contents/FloodCleanupGuide_screen_.pdf">http://www.nchh.org/Portals/0/Contents/FloodCleanupGuide_screen_.pdf</a>	
<b>Replacement Standard</b>	Minimum Life NA
All carpeting, drywall or other gypsum-based wall coverings or any other non-structural components with mold present will be removed and replaced. The National Center for Healthy Housing protocol “Creating a Healthy Home” will be followed for remediation of structural components.	

<b>Fire Safety - Egress</b>	
<b>Repair Standard</b>	Minimum Life NA
NA	
<b>Replacement Standard</b>	Minimum Life NA
Where egress windows are required (but not existing) or improved, the dimensions for an egress window’s net clear opening must meet the current NC Residential Building Code [min. 20” wide by min. 22” tall, with a clear opening of 5 square feet for ground floor windows and 5.7 square feet for upper story windows]. Existing egress windows that do not meet the current NC Residential Building Code should be discussed with your case manager. No bedrooms should be created in attics or basements unless Life Safety Code egress requirements are met and the space meets habitability requirements per the Essential Property Standards.	

<b>Fire and CO Alarms</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Existing fire and smoke and carbon monoxide detectors or systems that meet the ESFR Property Standard will be repaired to operating condition.	
<b>Replacement Standard</b>	Minimum Life 5 years CO, 10 years Smoke
Directly wired smoke detectors are required to meet the NC Residential Building Code which includes detectors on each dwelling floor and in all sleeping rooms. CO detectors are required with all fuel-burning furnaces and water heaters in sleeping rooms and on each floor level.	

## 2 - Site

<b>Grading</b>	
<b>Repair Standard</b>	Minimum Life 1 year
All grading adjacent to the building and for a distance of at least 5 feet away from the building will slope away from the structure to provide positive drainage.	
<b>Replacement Standard</b>	
All grading adjacent to the building and for a distance of at least 10 feet away from the building will slope away from the structure at a pitch of at least 3 inch per 5 feet. All bare earth will be reseeded or sod will be installed to cover.	

<b>Outbuildings</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Unsafe and blighted structures, including outbuildings, will be removed if it is not financially feasible to complete the repairs required to make them structurally sound, leak-free and with lead hazards stabilized.	
<b>Replacement Standard</b>	Minimum Life NA
No outbuilding replacement is permitted in this program.	

<b>Fencing</b>	
<b>Repair Standard</b>	Minimum Life 3 years
If replacements are needed, replacing sections in kind is permissible if the budget permits.	
<b>Replacement Standard</b>	Minimum Life NA
No wholesale replacement of deteriorated fencing is permitted in this program.	

<b>Paving And Walks</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Essential paving (required for egress), such as front sidewalks and driveways with minor defects, will be repaired to match. Tripping hazards greater than ¾” must be addressed. Non-essential, highly deteriorated paving, such as sidewalks that are unnecessary, will be removed and appropriately landscaped if they pose a site hazard.	
<b>Replacement Standard</b>	Minimum Life 40 years
<p>A wood-framed ramp creating an accessible route coupled with an accessible entrance meeting Chapter 11 of the NC Building Code are eligible expenses.</p> <p>Un-repairable essential walks and driveways may be replaced with paving under the following circumstances:</p> <ul style="list-style-type: none"> <li>- when financially feasible <u>and</u> identified in the scope of work to be bid and</li> <li>- when funds remain in the project <u>and</u> required by local ordinance <u>and</u> all bid work has been completed.</li> </ul>	

<b>Trees and Shrubbery</b>	
<b>Repair Standard</b>	Minimum Life NA
Trees that are hazardous to the structure or infrastructure will be removed. Removal may include cutting close to the ground, grinding of the stump to 12 inches below the finished grade, installation of topsoil and re-seeding as financially feasible and desired by the homeowner.	
<b>Replacement Standard</b>	Minimum Life 1 year
<p>Replacement trees and shrubs are not permitted except when required by local ordinance. If not specified by local ordinance, trees and shrubs must be selected from drought-resistant and non-invasive plant materials. Resources for finding these plants include:</p> <p><a href="https://ncsu.edu/goingnative/howto/mapping/invexse/index.html">https://ncsu.edu/goingnative/howto/mapping/invexse/index.html</a> (Invasive, Exotic Plants of the Southeast)</p> <p><a href="#">Xeriscape North Carolina</a> (Drought Tolerant Plants for NC Landscapes)</p> <p><a href="http://ncwildflower.org/native_plants/recommendations">http://ncwildflower.org/native_plants/recommendations</a> (Garden with Natives)</p> <p><a href="https://hgic.clemson.edu/factsheet/plants-that-tolerate-drought/">https://hgic.clemson.edu/factsheet/plants-that-tolerate-drought/</a> (Plants that Tolerate Drought)</p> <p>In placement of trees, attention should be paid to shading the house to reduce air conditioning costs while minimizing maintenance costs or creating future site hazards. Trees should be located a sufficient distance from foundations, sidewalls, walkways, driveways, patios and sidewalks in order to avoid future damage from root growth and branches brushing against the structure. Setbacks from structures should typically exceed half of the canopy diameter of a full-grown example of the species.</p>	

<b>Lawn</b>	
<b>Repair Standard</b>	Minimum Life 1 year
Bare sections of lawn created by a repair necessary to meet the ESFR Property Standard will be reseeded with drought-resistant varieties. Resource website: <a href="https://content.ces.ncsu.edu/extension-gardener-handbook/9-lawns">https://content.ces.ncsu.edu/extension-gardener-handbook/9-lawns</a> (Extension Gardner Handbook, Chapter 9 Lawns).	
<b>Replacement Standard</b>	Minimum Life 1 year
Wholesale replacement of lawn grass is not allowed, over-seeding is allowed if recommended by the grass seed distributor. Use drought-resistant varieties as recommended by the resource website.	

### 3 - Exterior Building Surfaces

<b>Exterior Cladding</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Siding and trim will be intact and weatherproof. All existing exterior wood components will have a minimum of one coat of paint such that no exterior painted surface will have any exposed wood. New exterior wood used to make repairs will blend with existing and will be spot-primed and top-coated on all exposed and non-exposed surfaces to provide moisture resistance and enhance longevity. Buildings designated as historic shall follow applicable historic guideline requirements.	
<b>Replacement Standard</b>	Minimum Life 40 years
Buildings not designated as historic may have siding replaced with vinyl siding of .042 gauge or better. If replaced, soffit material will be vented/perforated vinyl of .05 gauge or better. New wood components will be painted or sealed on all exposed and non-exposed surfaces to provide moisture resistance and enhance longevity.	

<b>Exterior Porches</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Deteriorated concrete entry porches will be repaired when site hazards exist. Unsafe wood porch components will be repaired with readily available materials to conform closely to the replaced components or to historically accurate porches in the neighborhood. Porch repairs will be structurally sound, with smooth and even decking surfaces. Deteriorated wood structural components will be replaced with preservative-treated wood.	
<b>Replacement Standard</b>	Minimum Life 10 years
Porches on a home designated as historic shall follow applicable historic guidelines. Decks on non-historic porches will be replaced with 5/4" preservative-treated decking. Replaced railings will meet code. Replaced wood structural components will be preservative-treated.	

<b>Exterior Railings</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Existing handrails will be structurally sound. 36" guard rails are required on any accessible area with a walking surface over 30" above the adjacent ground level. Sound railings may be repaired if it is possible to maintain the existing style. On historic structures railing repairs will be historically sensitive or shall follow applicable historic guidelines.	
<b>Replacement Standard</b>	Minimum Life 10 years
Install Handrails on at least one side of all interior and exterior steps or stairways with more than two risers and around porches or platforms over 30" above the adjacent ground level and meet local ordinances. Handrails and guard rails will conform to the style of similar components in the neighborhood. On historic structures new railings will be historically sensitive or shall follow applicable historic guidelines.	

<b>Exterior Steps and Decks</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Steps, stairways, and porch decks will be structurally sound, reasonably level, with smooth and even surfaces. Repairs will match existing materials,	
<b>Replacement Standard</b>	Minimum Life 5 years
In non-historic structures wood decking may be replaced with 5/4" X 6" preservative-treated material and new steps will be constructed from nominal 2" preservative-treated wood. On historic structures new wood decking will be 3/4" clear T & G fir, primed on all 6 sides before installation.	

<b>Exterior House Numbers and Mailboxes</b>	
<b>Repair &amp; Replacement Standard</b>	Minimum Life 5 years
All houses will have minimum 4" house numbers clearly displayed and near the front entry. Visibility will be as required by the ESFR Property Standard. A standard size mailbox and necessary attachments/support is an allowable expense when financially feasible.	

## 4 - Foundations & Structure

<b>Foundations</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Foundations will be repaired to be sound, reasonably level, and free from movement. All crawlspaces will have a 100 percent ground cover of 6-mil plastic thickness or greater.	
<b>Replacement Standard</b>	Minimum Life NA
Foundation replacements are beyond the scope of the program.	

<b>Structural Walls</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Structural framing and masonry will be free from visible deterioration, rot, or serious termite damage, and be adequately sized for current loads. All sagging floor joists or rafters will be visually inspected, and significant structural damage and its cause will be corrected.	
<b>Replacement Standard</b>	Minimum Life 20 years
New structural walls will be minimum 2" x 4", 16" OC. The new/rebuilt section of an exterior wall that is part of the building envelope (the air barrier and thermal barrier separating the conditioned space from the non-conditioned space) will be built, insulated and sheathed to meet the current NC Residential Building Code. Knee walls shall be insulated and backed with support material.	

## 5 - Windows and Doors

<b>Interior Doors</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Baths and occupied bedrooms will have operating doors and lock sets.	
<b>Replacement Standard</b>	
Hollow-core, pressed-wood product consistent with the style of existing doors including a lock set to complement existing hardware finish and style.	

<b>Exterior Doors</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Exterior doors will be solid, weather-stripped and will operate smoothly. They will include a peep site, a dead bolt, and an entrance lock set.	
<b>Replacement Standard</b>	Minimum Life 50 years
Replacement doors at the front of the property for historically significant buildings will be historically sensitive or shall follow applicable historic guidelines. Steel, six-panel doors may be installed at entrances not visible from the front street and on the front of the property for buildings that are not historically significant. Dead bolt locks will be installed on all exterior doors keyed to match. All new doors will be weather-stripped to be air tight (no visible light).	

<b>Windows</b>	
<b>Repair Standard</b>	Minimum Life NA
All windows required to be operable by the ESFR Property Standard will operate, remain in an open position when placed there, lock when closed and the open section will be covered with a screen (screens for egress windows will be easily removable).	
<b>Replacement Standard</b>	Minimum Life 20 years
Windows that are not repairable and are required by the ESFR Property Standard may be replaced and will meet the NC Residential Building Code. New windows may be vinyl and double-glazed. Windows on key façades of historically sensitive properties will be of the style original to the building or shall follow applicable historic guidelines.	



## 6 - Roofing

Flat and Low-Slope Roofing	
<b>Repair Standard</b>	Minimum Life 5 years
Built-up roofing that is leak-free will be re-coated and flashing and accessories repaired if their minimum life is questionable.	
<b>Replacement Standard</b>	Minimum Life 10 years
The most cost-effective roof – either 3-ply, hot built-up or EPDM – will be installed.	

Pitched Roofs	
<b>Repair Standard</b>	Minimum Life 5 years
Missing and leaking shingles and flashing will be repaired on otherwise functional roofs with minimum Class C shingles or better. Slate, metal and tile roofs will be repaired when financially feasible.	
<b>Replacement Standard</b>	Minimum Life 30 years
No more than 2 layers of roofing are permitted. At minimum, fiberglass, asphalt, 3-tab, class A shingles with a prorated 30-year warranty with a continuous ridge vent will be installed to shingle manufacturer's specifications over 15-lb. felt (or other weather resistant barrier as required by the shingle manufacturer) with new drip edge on all edges. Inoperable equipment, vents and other unnecessary roof penetrations will be removed and the sheathing repaired/replaced as needed.	

Gutters and Downspouts	
<b>Repair Standard</b>	Minimum Life 5 years
Existing gutters and downspouts must be in good repair, leak free and collect storm water from all lower roof edges where they are installed. The system must move all storm water away from the building and prevent water from entering the structure. In addition to positive drainage away from the building, outlets will be a minimum of 5 feet away from the foundation whenever there is a history of water problems. Splash blocks must be installed in such a manner as to assist in moving water away from the foundation.	
<b>Replacement Standard</b>	Minimum Life 5 years
Consider the ability of the homeowner to maintain the system prior to replacing gutters as unmaintained gutters can create more severe problems than no gutters. Replaced gutters and downspouts will be installed and collect storm water from all lower roof edges although it is not the intent to install gutters and downspouts in locations they do not currently exist without demonstrated need. The system must move all storm water away from the building and prevent water from entering the structure. In addition to positive drainage away from the building, outlets will be a minimum of 5 feet away from the foundation whenever there is a history of water problems. Splash blocks must be installed in such a manner as to assist in moving water away from the foundation.	

## 7 - Insulation and Ventilation

<b>Infiltration</b>	
<b>Repair Standard</b>	Minimum Life 5 years
As required in the Essential Property Standards on all interior and exterior walls, repair all visible cracks and holes with appropriate materials compatible with existing adjacent surfaces so that: no light is visible, no air is moving, the surface is smooth/cleanable and, if necessary, the joint provides for minor movement without deterioration of the filler. No testing is required but may be completed when financially feasible (see Replacement Standard, below).	
<b>Replacement Standard</b>	Minimum Life 5 years
All homes tested with a Blower Door and/or duct blaster must use the protocols and meet the requirements of the program chosen as stated in the ESFR Priority Projects section under <b><u>Energy</u></b> . All homes where the Priority Project chosen seeks to reduce air infiltration will require air sealing and mechanical or passive fresh air exchange to meet the minimum Blower Door and/or Duct Blaster test fresh air introduction requirements. Homes with combustion appliances may have additional requirements for occupant safety.	

<b>Insulation</b>	
<b>Repair Standard</b>	Minimum Life NA
All homes with an accessible attic will have minimum R38 insulation in physical contact with the air barrier. Insulation will be installed to manufacturer's specifications and the NC Residential Building Code with no gaps voids, compression or wind intrusion.	
<b>Replacement Standard</b>	Minimum Life 20 years
All homes choosing to complete one of the ESFR Priority Projects in the <b><u>Energy</u></b> section must meet the insulation requirements of the program. Choices include the current versions of the following programs: WAP, ENERGYSTAR, SystemVision for Existing, HERS or the residential energy code (Chapter 11). Typical measures required in these programs include: a continuous air barrier and a continuous thermal barrier that is in contact with the air barrier; exterior walls opened in the course of renovations shall be insulated to meet the existing NC Residential Building Code. When financially feasible, insulating rim joists to R19 with either foil-faced foam board or Class 1-rated spray foam is allowed.	

<b>Ventilation</b>	
<b>Repair Standard</b>	Minimum Life 5 years
<p>Repair all existing exhaust fans as needed to meet the requirements of the ESFR Property Standards. If it is financially feasible, repair or replace all fans to last for 7 years. All homes shall have a minimum of one mechanical exhaust fan in any sleeping room, living room, bathroom or kitchen per 1800 sf of floor space, rated for 80 cfm minimum, and <u>capable</u> of exhausting at a rate of 50 cfm minimum, while operating at a quiet noise level acceptable to the homeowner continuously (ie. make it clear to the homeowner that they would hear the sound all of the time). The exhaust duct(s) shall terminate at or beyond the exterior skin of the home. Homes with heating, cooling and operational mechanical fresh air makeup connected to the return system but with no exhaust fan in one of the rooms indicated should add an exhaust fan. Locate new, required fans in a centrally located bathroom as the first choice, a high use bathroom as the second choice and the kitchen as a third choice.</p>	
<b>Replacement Standard</b>	Minimum Life 7 years
<p>When financially feasible, replace or add new fans to meet the most recent ASHRAE 62.2 standard for fresh air. All new ductwork will be heavy gauge galvanized metal, air tight with mastic-sealed seams (no tape). All terminations will occur beyond the exterior skin.</p> <p><u>Whole House Ventilation</u>: One option of doing this is to provide fresh air make-up duct to the return side of the air handler (preferred). A second option of doing this is by using one bathroom fan continuously operating at a verified CFM rate sufficient to meet the ASHRAE standard. The fan will also have a <math>\geq 80</math> CFM boost function switched one of three ways: by a switch at the entrance, with an adjustable time-delay function that runs the fan for an additional period after the switch is turned off; or a motion detector with an adjustable time-delay function that runs the fan for an additional period after the motion detector ceases to see motion; or by a humidistat. The strategy used must be either a balanced or exhaust strategy.</p> <p><u>Bathroom Fans</u>: Fans should be rated to move 80 cfm air and create <math>\leq 0.3</math> sones of fan noise.</p> <p><u>Kitchen Fans</u>: Fans should be rated to move no less than 100 cfm and no more than 150 cfm air after accounting for duct configuration losses and creating <math>\leq 20</math> sones of fan noise.</p>	

<b>Roof Ventilation</b>	
<b>Repair Standard</b>	Minimum Life 5 years
<p>Repair any leaks in the roof venting system to include but not limited to: soffit vents, ridge vents, box vents and gable-end vents. There is no requirement to upgrade the roof venting system if the roof is not being replaced or there is no evidence of degradation attributable to the lack of or inadequacy of a roof vent system.</p>	
<b>Replacement Standard</b>	Minimum Life 20 years
<p>When installing a new roof, 1 square foot of free venting (this may be achieved by keeping gable vents in place and free to vent) must be supplied for every SF of area directly under the roof if there is no soffit venting. 1 square foot of free venting must be supplied for every 300 SF of area directly under the roof if 20% of the venting is soffit vent and if the living space ceiling directly below the roof has a rating of one perm or less. 1 perm is achievable with a coating of ICI Dulux Ultra Hide Vapor Barrier paint 1060-1200 per manufacturer's instructions.</p>	

## 8 - Interior Standards

Interior Walls and Ceilings	
<b>Repair Standard</b>	Minimum Life 3 years
Holes, cracks and deteriorated and un-keyed plaster will be repaired to match the surrounding surfaces. All visible surfaces will be stabilized (minimizing the potential for new lead paint hazards when the potential exists) using premium vinyl acrylic paint.	
<b>Replacement Standard</b>	Minimum Life 25 years
When necessary plaster will be replaced by ½" gypsum board. Fire-rated assemblies will be specified on a project-by-project basis as required by the NC Residential Building Code.	

Flooring	
<b>Repair Standard</b>	Minimum Life 5 years
Bathroom, kitchen and other water-susceptible floor areas will be covered with water-resistant flooring that is free from tears or tripping hazards. Wood floor with trip hazards will be repaired to complement the existing floor whenever possible, leaving a cleanable surface. Deteriorated and/or damaged carpet with trip hazards shall normally be replaced with vinyl floor or other flooring with a cleanable surface. Existing basement floors will be continuous concrete at least 1" thick.	
<b>Replacement Standard</b>	Minimum Life 10 years
Baths will receive resilient sheet goods over plywood underlayment, and kitchens will receive resilient sheet goods or tile over plywood underlayment. When existing deteriorated carpet is installed over hardwood floors in a room not required to be impervious to water, the hardwood will be refinished whenever possible to be moisture resistant. Whenever possible rooms other than kitchens and baths with existing wood flooring will be maintained as wood floors and refinished when appropriate. Rooms other than kitchens or baths without usable wood floors may be finished with continuous vinyl or other solid surface cleanable flooring.	

<b>Kitchen Cabinets and Countertop</b>	
<b>Repair Standard</b>	Minimum Life 3 years
Kitchens will have a minimum of 3 feet of clear food preparation area; add 1 foot per each additional household member, not including homeowner. Existing laminate countertop(s) as well as base and wall cabinets with hardwood doors and face frames may be repaired if in good condition; hinges shall be secure and drawers operable. All cabinets will be sound and cleanable.	
<b>Replacement Standard</b>	Minimum Life 30 years
Required new countertop will be a minimum of 6 lineal feet of post-formed material (3' for sink base cabinet and 3' of clear food preparation area) with corresponding base cabinets and wall cabinets (wall cabinets required only for the length of the food preparation area). Add 1 lineal foot per each additional household member, not including homeowner. Any new kitchen cabinets will meet the ANSI A208.1 and A208.2 standard for formaldehyde content of particleboard and MDF, or have exposed edges of particleboard and MDF sealed to prevent the out-gassing of formaldehyde. Cabinets will have hardwood doors and face frames. A drawer base (12" min.) will be included in new cabinetry. Corners in countertop designs are permitted if factory assembled. A splash panel to match or coordinate with the countertop will be installed as a base cabinet to wall cabinet backsplash behind an existing or new range and extending 6 inches past the range on both sides, or if the range is in a corner along the side wall; trim with chrome metal edging.	

## 9 - Electric

<b>Ground Fault Interrupter Circuits</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Non-functioning GFCIs will be replaced. Kitchen counter, bath and laundry receptacles within 6' of a sink will be replaced with a GFCI-protected receptacle or protected by a GFCI device.	
<b>Replacement Standard</b>	Minimum Life 15 years
Kitchen counter, bath and laundry receptacles within 6' of a sink will be replaced with a GFCI-protected receptacle or protected by a GFCI device.	

<b>Passage Lighting</b>	
<b>Repair Standard</b>	Minimum Life 7 years
All lights and switches in hallways, stairs and other passages will be operable and safe.	
<b>Replacement Standard</b>	Minimum Life 5 years
All halls, stairs and rooms necessary to cross to other rooms and stairways must be well lit and controlled by a 3-way switch using concealed wiring. Attics, basements and crawl spaces must have utility fixtures. All new light fixtures will be ENERGY STAR labeled and will utilize compact fluorescent lamps (CFLs), light emitting diodes (LEDs) or tubular fluorescent bulbs.	

<b>Kitchen Electric Distribution</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Minimum of one outlet in kitchen is required. Existing receptacles, fixtures and switches will be safe and grounded.	
<b>Replacement Standard</b>	Minimum Life 15 years
Permanently installed or proposed stoves, refrigerators, freezers, dishwashers and disposals, washers and dryers will have separate circuits sized to N.E.C. Two separate 20-amp counter circuits are required with each kitchen area.	

<b>Interior Electric Distribution</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Exposed knob and tube will be replaced. Every bedroom and living room will have a minimum of two duplex receptacles, placed on separate walls and one light fixture or receptacle switched at each room entrance. Where the source wiring circuit is accessible (e.g., first floor above basements, in gutted rooms, etc.), receptacles will be grounded. All switch, receptacle, and junction boxes will have appropriate cover plates. Wiring will be free from hazard, and all circuits will be properly protected at the panel. Floor receptacles will be removed and a metal cover plate installed. Exposed conduit is allowed. Bedrooms receptacles will be protected by an Arc Fault breaker. Basements will have a minimum of 2 keyless bare bulb fixtures switched at the top of the stairs.	
<b>Replacement Standard</b>	Minimum Life 25 years
When a room's wall finishes are removed, it will be rewired to the latest version of the National Electric Code.	

<b>Service and Panel</b>	
<b>Repair Standard</b>	Minimum Life 10 years
Distribution panels will have a main disconnect, at least 10 circuit-breaker-protected circuits, a 100-amp minimum capacity and be adequate to safely supply existing and proposed devices. If a working central air conditioning system is present, the minimum service will be 150 amp.	
<b>Replacement Standard</b>	Minimum Life 50 years
200-amp service with a main disconnect panel containing at least 30 circuit breaker positions.	

## 10 - Plumbing System

<b>Drain, Waste, Vent Lines</b>	
<b>Repair Standard</b>	Minimum Life 1 year
Waste and vent lines must function without losing the trap seal.	
<b>Replacement Standard</b>	Minimum Life 50 years
When walls are removed exposing vent and waste lines those lines will be reworked to the current NC Plumbing Code.	

<b>Plumbing Fixtures</b>	
<b>Repair Standard</b>	Minimum Life 5 years
All fixtures and faucets will have working, drip-free components. Toilets with greater than a 1.6 GPF rating will be replaced with a maximum 1.3 GPF model.	
<b>Replacement Standard</b>	Minimum Life 5 years
Single lever, metal faucets and shower diverters with 15-year, drip-free warranty and maximum 2.0 GPM flow. White ceramic low-flow toilets (1.3 Gal), double bowl stainless steel sinks, and fiberglass tubs with surrounds.	

<b>Plumbing Minimum Equipment</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Existing equipment will be repaired to conform to the ESFR Property Standards.	
<b>Replacement Standard</b>	Minimum Life 5 years
Every dwelling unit will have a minimum of one single bowl sink with hot and cold running water in the kitchen and at least one bathroom containing a vanity with a sink, and a shower/tub unit, both with hot and cold running water, and a toilet.	

<b>Water Heaters</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Water heaters more than 5 years old may be repaired if it is clear that a repair will make it operable.	
<b>Replacement Standard</b>	Minimum Life 10 years
Provide a water heater with a 10-year warranty installed to the current NC Plumbing code. If a new water heater is installed, then electric water heaters shall have an energy factor (EF) of at least .92 and gas water heaters shall have an EF of .61. High efficiency power-vented or sealed combustion tankless models are acceptable when financially feasible.	

<b>Water Supply</b>	
<b>Repair Standard</b>	Minimum Life 5 years
The main shut off valve must be operable and completely stop the flow of water to the house. All fixtures must be leak-free and deliver sufficient cold water and, where applicable, hot water.	
<b>Replacement Standard</b>	Minimum Life 50 years
The main shut off valve must be operable and completely stop the flow of water to the house, and should be replaced if it does not. Lead and galvanized pipe that is part of the water service or the distribution system that is operating and not malfunctioning is encouraged as a Priority Project when financially feasible, <u>particularly when mixed pipe materials with the potential for material corrosion are distributing water to faucets.</u> All fixtures will have brass shut off valves. One freeze-protected exterior hose bib is recommended.	

## 11 - HVAC

<b>Air Conditioning</b>	
<b>Repair Standard</b>	Minimum Life - NA
Non-functioning, non-repairable air conditioners will be removed and drained of all CFCs. Existing central air conditioning will be inspected, serviced and refurbished to operate safely.	
<b>Replacement Standard</b>	Minimum Life 20 years
New HVAC systems will have a rough-in installed for air conditioning ( $\geq 15$ SEER). See HVAC Distribution System and Heating System for additional requirements.	

<b>Chimney Repair</b>	
<b>Repair Standard</b>	Minimum Life NA
Unused chimneys will be removed to below the roof line wherever roofing is replaced. Unsound chimneys will be repaired or removed. When chimneys must be used for combustion ventilation, they will be relined.	
<b>Replacement Standard</b>	Minimum Life NA
The creation of new flues is not recommended in this program. The use of high efficiency closed combustion appliances is recommended to avoid the need for new flues. Replacement furnace flues, when required, will be metal double- or triple-walled as recommended by the furnace manufacturer.	

<b>HVAC Distribution System</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Duct work and radiator piping will be well supported, insulated in unconditioned space and adequate to maintain 68°F measured 36" off the floor when the outside temperature is the average yearly minimum, in all habitable rooms. Repaired duct work that requires removal of insulation will be insulated to R-7 and sealed at all seams with UL-listed bucket mastic (not tape).	
<b>Replacement Standard</b>	Minimum Life 25 years
New duct work will be installed to meet the NC Residential Mechanical Code, Chapter 6 including design using ACCA Manual D, sealing all seams with UL-listed bucket mastic (not tape) and insulating to R-7. Pressure testing of the new and existing ductwork to eliminate leakage will occur if new ductwork comprises 50% or more of the ductwork, see Section N1103 of the NC Residential Building Code.	



<b>Heating System</b>	
<b>Repair Standard</b>	Minimum Life 5 years
Workable existing heating systems will be inspected and serviced to operate in a safe manner.	
<b>Replacement Standard</b>	Minimum Life 15 years
<p>New or replacement mechanical systems will be sized to within ½ ton of an ACCA Manual J load calculation. ACCA Manual J load calculations, including all inputs, shall be available for review by your case manager for each replacement unit to verify sizing when necessary. Gas-fired heating plants will be rated at <math>\geq 90\%</math> AFUE or better; weatherized package units required due to space limitations in the attic or crawl may be rated at <math>\geq 81\%</math> AFUE or better in zones 3 and 4. Heat pumps will be rated at <math>\geq 15</math> SEER. Setback thermostats are required. Heat pumps will have an outdoor thermostat installed and set to the balance point of the house to prevent supplementary heater operation when the heat pump is capable of meeting the load.</p> <p>Replacement of any electric resistance heating appliance being used as the home's primary heat system with a more efficient system meeting the above requirements is strongly encouraged when financially feasible.</p>	

## 12 – Appliances

<b>Kitchen Appliances</b>	
<b>Repair Standard</b>	Minimum Life NA
<p>Existing ranges will have a working and cleanable range (at least 3 functional burners); a microwave is an acceptable substitution for a range if desired by the homeowner. Refrigerators will maintain temperatures low enough to keep food from spoiling and have a freezer and not present an electrical hazard; repair of non-functioning ice and water delivery equipment is required for leaks and electrical hazards only. If there is an existing dishwasher in working and cleanable condition, it may be retained with minor repairs.</p>	
<b>Replacement Standard</b>	Minimum Life 15 years
<p>All replaced kitchen appliances will have ENERGY STAR-labeled appliances where applicable. All new cooking ranges will be electric.</p>	

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NORTH CAROLINA HOUSING FINANCE AGENCY  
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL

# Essential Rehabilitation Criteria

## E. Environmental Protection

1. **Threats from the environment** Section B.4 in General Requirements requires that units rehabilitated with ESFRLP assistance retain no threats to the health or safety of the household or to the structural integrity of the dwelling itself. Examples of such threats from environmental sources include, but are not limited to:
  - 1.1 Radon gas. Reducing infiltration through rehabilitation can exacerbate existing radon threats. All assisted units must be tested for radon levels. In the event that measured levels of radon exceed 20 picoCuries per liter of air (pCi/l), remediation measures must be taken to reduce the level to 4 pCi/l or below. Where tested levels are between 4 and 20, homeowners must be informed of the level and provided with [EPA's "Home Buyer's and Seller's Guide to radon"](#) or an Agency-approved alternative.
  - 1.2 Friable asbestos. A dangerous mineral, especially when its microscopic fibers are inhaled, asbestos is found in several building products common in North Carolina. Among them are ceiling tiles, pipe or duct wrap resembling coarse, thick paper or papier mache. Asbestos-cement shingle siding is not considered friable and is not a hazard unless removed, sawn, broken or otherwise disturbed, at which point it must be treated as a hazard. There are over 3,000 different building products, which contain asbestos. Some are considered "friable and regulated", some are not and some depend on the method of removal to trigger regulation. Rehabilitation specialists must learn to recognize the most commonly encountered of these products and how to stabilize, encapsulate or have them removed safely and legally to protect the health of workers, the household and the environment. Certain threshold limits regarding the quantity and type of asbestos to be removed may require certified contractors. Applicable federal regulations are found at [40 CF, Part 61, Subpart M](#). The rehabilitation specialist should contact the [Asbestos Hazard Management Branch of the Division of Epidemiology](#) to discuss the treatment of any suspected asbestos hazard.
  - 1.3 Over-hanging trees. Members should consider whether limbs or trees that overhang an assisted unit pose a threat to the unit and/or its occupants. If so, appropriate pruning should be included in the scope of work.
  - 1.4 Poor drainage. Excessive moisture in crawlspaces and basements may be the most common and odious environmental threat encountered in ESFRLP-funded

rehabilitation work, serving as a catalyst to decay, mildew, mold, radon-transfer, corrosion, and other problems. Correcting drainage problems should be a priority in ESFRLP-funded rehabilitation work.

- 1.5** Lead-based paint. All units rehabilitated with ESFRLP assistance are deemed "HUD-associated housing" for the purpose of the Lead-Based Paint Poisoning Prevention Act ([42 U.S.C. 4821](#).) and are, therefore, subject to [24 CFR part 35](#) (as published in the *Federal Register* on September 15, 1999) requiring testing, abatement and/or lead hazard reduction activities under certain circumstances (See Section F, below). Members are responsible for ensuring that rehabilitation specialists, contractors and workers are trained and/or certified in accordance with [24 CFR part 35](#). It is also the responsibility of the Member to provide the pamphlet, "Renovate Right", to households occupying pre-1978 dwelling units.
- 1.6** Volatile Organic Compounds (VOCs). Rehabilitation specialists should avoid specifying, especially for indoor use, building products high in VOCs which may threaten the comfort and/or well-being of the household. Particular sensitivities or allergies should be ascertained in initial interviews with applicants for assistance.
- 1.7** Flooding. If the Member's Assistance Policy allows for assistance to units within the floodplain, owners of any such units selected for assistance must be required to carry flood insurance in a minimum amount equal to 100% of Program loan's principal balance for the term of the loan.
- 1.8** Natural Disasters. Reasonable measures should be taken to strengthen homes against natural disasters such as wild fire, flooding, and in coastal areas, hurricane force winds.
- 2. Threats to the environment.** Although single-family rehabilitation activities are "categorically excluded" under the [National Environmental Policy Act of 1969 \(NEPA\)](#) such activities are not excluded from individual compliance requirements of other environmental statutes, including the [North Carolina Environmental Policy Act \(SEPA\)](#). To ensure that all ESFRLP-funded activities are in compliance, the Member must complete a brief review ("Environmental Screening Checklist") using the ESFRLP Partner Portal screen and instructions for each unit targeted for rehabilitation assistance. An Environmental Screening Checklist must be submitted to the Agency prior to committing funds to a unit. Although numerous areas of concern are covered in the required review, only a few of them are often relevant to ESFRLP work. Those are:

  - 2.1** Historic Properties. If a property deemed to have bona fide historical significance is targeted for ESFRLP-funded rehabilitation, the scope of work must meet or exceed the Secretary of the Interiors Standards for Rehabilitation and Guidelines for Historic Buildings. To ensure compliance with applicable regulations and guidelines, Members must complete an additional form ("Historical Evaluation Request Form") for any unit targeted for Program-funded rehabilitation which is 45

years old or older or is deemed by the Member to have potentially significant architectural or historical importance. Historical Evaluation Request Form must be forwarded, with photographs of the unit and a location map attached, to the [State Historic Preservation Office](#) (SHPO) for review, and a copy, with SHPO's response, must be submitted to the Agency with the Environmental Screening Checklist through the ESFRLP Partner Portal. (Note: meeting the required standards for historic properties can be expensive. Members may deem it necessary to exclude historic properties from eligibility in their Assistance Policies or require matching funds from other sources in order to meet their average-cost targets.)

- 2.2** Floodplain Management. Although traditionally listed with threats to the environment for the purposes of environmental reviews, the primary concern here is with protection of the property from the environment (as discussed at section 2.6.2, above). The owner of any dwelling unit located within the 100-year floodplain, which is rehabilitated with Program funds is required to carry flood insurance on the unit continuously throughout the term of the ESFRLP loan in an amount not less than 100% of the principal balance of the ESFRLP loan. NCHFA, as mortgagee for the ESFRLP loan, shall be named as an insured lender on the policy. The first year's premium is an eligible Program soft cost. Property location must be documented by providing the map and panel numbers as supporting documentation to the Environmental Screening Checklist through the ESFRLP Partner Portal. (See "Instructions to Environmental Review" and "Environmental Review Checklist")
- 2.3** Toxic chemicals. Defunct buried oil or gas tanks, stored chemicals, old car batteries and the like are sometimes found in or near units targeted for rehabilitation. The Member's rehabilitation specialist should ask the homeowner and inspect the house and grounds to determine if any such hazard exists and, if so, consult their case manager at the Agency regarding appropriate mitigation measures. Though lead-based paint, another toxic chemical, can be a threat to the environment, it is discussed above (Section E.2) as a threat from the environment.
- 2.4** Wells and septic systems. The installation of a new well or septic system could conceivably have a deleterious effect on wetlands and/or water quality. To ensure that this is not the case, any such installations must be done under the supervision of local health department officials.

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**Essential Rehabilitation Criteria**

## **F. Lead-Based Paint Requirements**

ESFRLP is funded with dollars from the HOME Program and, therefore, any unit to which ESFRLP funds were committed after September 10, 2001 is subject to the requirements of [24 CFR 35](#) regarding lead-based paint. Generally, there has been much confusion about implementing the lead-based paint rule.

NCHFA (the Agency) hopes the following will provide clarification on implementing 24CFR35, as well as offer guidance on what an Agency case manager will be looking for during a monitoring visit with respect to this regulation. NCHFA's goal is to be as flexible as possible by providing you, the ESFRLP Member (the Member), with [24 CFR 35](#) compliance options.

**Lead Hazard Information Pamphlet** For all pre-1978 units assisted with ESFRLP funds, [24 CFR 35](#) requires that the occupants of the units be provided with the lead hazard information pamphlet developed by HUD, EPA and the Consumer Product Safety Commission entitled "*2010 Lead-Safe Certified Guide to Renovate Right*". Members must keep documentation in the case file certifying that the households received this pamphlet.

**Notices** For all pre-1978 units assisted with ESFRLP funds, Members have the option of evaluating the units for lead-based paint, or presuming that lead-based paint is present throughout a unit. Copies of all notices must be kept in the respective case file.

**Notice of Presumption** If the presumption is made that lead-based paint is present, then the occupants must be provided with a notice of presumption within 15 calendar days of the date on which the presumption was made. The notice shall include: a) the nature and scope of presumption; b) a contact name, address and telephone number for additional information and; c) the date of the notice. Along with the copy of the notice of presumption there must be documentation certifying the date on which the presumption was made.

**Notice of Evaluation** If evaluation (a lead hazard screen, lead-based paint inspection, paint testing, risk assessment or combination thereof) is undertaken and lead-based paint or lead-based paint hazards are found to be present, then the occupants must be provided with a notice of evaluation within 15 calendar days of the date when you, the Member, receive the evaluation report. The notice of evaluation shall include: a) the nature, scope and results of the evaluation; b) a contact name, address and telephone number for additional information and to allow access to the actual evaluation report and; c) the date of the notice.

**Notice of Hazard Reduction** When hazard reduction activities (i.e., measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including

interim controls or abatement or a combination of the two) are undertaken, occupants must be provided with a notice of hazard reduction activities within 15 days of the completion of such activities. Completion is designated by the Lead Clearance inspection date. The notice of hazard reduction shall include: a) a summary of the nature, scope and results (including clearance), of the hazard reduction activities; b) a contact name, address and telephone number for additional information and; c) available information on the location of any remaining lead-based paint in the rooms, spaces or areas where hazard reduction activities were conducted, on a surface-by-surface basis.

**Temporary Relocation** It may be necessary to temporarily relocate the occupants of the units to be assisted under ESFRLP. During hazard reduction activities occupants shall not be permitted to enter the worksite until hazard reduction is complete and clearance has been achieved. With some exceptions, as listed at [24 CFR 35.1345](#), occupants shall be temporarily relocated before and during hazard reduction activities to a suitable, decent, safe and similarly accessible dwelling unit which does not have lead-based paint hazards

**Calculating hard costs of rehabilitation, and determining the approach to LBP** Lead-Based Paint requirements for the rehabilitation of units using ESFRLP funds fall into three categories that depend on the amount of federal funds applied toward the hard costs of rehabilitation of the unit. Under [24 CFR 35.915](#) hard costs of rehabilitation do not include LBP hazard evaluation and hazard reduction activities, cost of site preparation, occupant protection, relocation, interim controls, abatement, clearance, or waste handling attributable to LBP hazard reduction. Therefore, the hard cost of rehabilitation is equal to the contract price (labor and materials) of performing “ordinary” rehabilitation, in other words, the cost of bringing the unit up to the rehabilitation standards of ESFRLP in the absence of the LBP regulation.

Work write-ups should provide the following information: a description of the item to be addressed, the material cost (without lead work), the labor cost (without lead work), total rehab cost for each item (i.e. labor + material, without lead) and the extra cost of completing the item due to the presence, or presumed presence, of LBP. See example below:

Item	Material	Labor	Rehab	LBP
Replace window (using safe work practices)	\$300	\$50	\$350	\$50

Rehabilitation costs (excluding all lead-based paint hazard evaluation and reduction activities) are then calculated by totaling the Rehab column. The total of all figures in the Rehab column will then determine the appropriate approach to lead hazard evaluation and reduction.

If rehabilitation costs total \$5,000 or less, then the approach would be that outlined in [24 CFR 35.930\(b\)](#), which says to either conduct paint testing on surfaces to be disturbed by rehabilitation or presume the presence of LBP. Following evaluation or presumption, the measure to be taken to address LBP would be that of using safe work practices.

If rehabilitation costs total more than \$5,000 but are less than or equal to \$25,000, then the approach would be that outlined in [24 CFR 35.930\(c\)](#), which states to conduct paint testing or



presume the presence of LBP, and conduct a risk assessment if paint testing results are positive (optionally, do not conduct paint testing, but begin with the risk assessment). Following evaluation, the use of interim controls and safe work practices is the prescribed measure of lead hazard reduction. Following the presumption of LBP, use standard treatments as the prescribed measure.

Where rehabilitation costs exceed \$25,000, the approach outlined in [24 CFR 35.930\(d\)](#), says to conduct paint testing or presume LBP. If the paint test is positive, then conduct a risk assessment. In this approach also one has the option of not conducting paint testing, but beginning with the risk assessment. Following evaluation, abate all LBP hazards identified in the paint testing or risk assessment and any LBP hazards created as a result of the rehabilitation work, except, if you choose, interim controls may be used on exterior surfaces that are not disturbed by rehabilitation. Following presumption of LBP, abate all applicable surfaces per [24 CFR 35](#), including but not limited to: surfaces disturbed during rehabilitation efforts and existing friction surfaces.

**North Carolina's Lead Hazard Management Program for Lead-Based Paint Renovation, Repair and Painting Rule (RRP)** How will "RR&P" or "RRP" affect ESFRLP rehab projects? As public health authorities have learned more and more over the last decades about the danger from working on old houses with lead-based paint, more and more targeted controls have been implemented. RRP is the latest, and it affects all repair and rehab work, whether publicly funded or not.

The RRP rule, which took effect January 1, 2010, requires (1) that all contractors working in homes built prior to 1978 become NC Certified Renovation Firms, and (2) that all workers on these homes work under the direction of an accredited NC Certified Renovator. Under RRP, those working on pre-1978 homes are also required (1) to follow specific work practices to prevent lead contamination and (2) to provide the lead pamphlet "2010 Lead-Safe Certified Guide to Renovate Right" to owners and occupants before starting rehabilitation work.

For a wealth of information on North Carolina's requirements under RRP -- how to get training, guidance documents, forms and applications, links to other resources, etc. -- go to <https://epi.dph.ncdhhs.gov/lead/lhmp.html> There Members will find the actual North Carolina Rules, a 7-page document, which make frequent reference to the 79-page Federal law. Although the Agency is not the enforcement entity for RRP, your program guidelines require you to remain in compliance with all state and local construction laws.

**Documentation associated with LBP hazard reduction** Throughout the process of implementing 24 CFR 35 there are certain items that the Member must maintain in the case file to document the lead hazard reduction process including the "[Lead Requirements Worksheet](#)".

In addition to the required notices listed above and the work write-up/cost estimate delineating those items attributable to lead hazard reduction from those associated with the rehabilitation of the unit, the Member must be prepared to provide the following documentation during a typical

monitoring visit: 1) documentation showing the amount of federal funds attributed to the hard costs of rehabilitation of a unit and the method used in calculating this amount; 2) documentation showing the approach used in addressing lead hazard reduction (e.g., safe work practices, interim controls, abatement); 3) documentation of the necessary certifications required by [24 CFR part 35](#) for those performing evaluations, clearances, lead hazard reduction activities, etc. (e.g. Abatement Worker Certification for those involved with the abatement of lead hazards or Risk Assessor Certification for those performing risk assessments); 4) documentation showing clearance of the worksite/unit; and 5) documentation showing that the recipient has complied with [24 CFR part 35](#) regarding the relocation of the occupants of the dwelling unit.

The Office of Community Planning and Development (CPD) and the Office of Healthy Homes and Lead Hazard Control (OHHLHC) have jointly created the Lead-Safe Housing Rule Checklist” and the “Lead-Safe Housing Rule Applicability Form” to aid in the implementation and compliance with the Lead-Safe Housing Rule. These forms may be used and kept in the case file to ensure the required procedures are performed and the appropriate documentation is maintained for each assisted unit. However, the “[Lead Requirements Worksheet](#)” must be used and kept in each ESFRLP-assisted case file.

# **Appendix B**

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## **Income Limits**

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## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Alamance	\$64,200	30%	\$13,500	\$15,400	\$17,350	\$19,250	\$20,800	\$22,350	\$23,900	\$25,450	\$165,000
		50%	\$22,500	\$25,700	\$28,900	\$32,100	\$34,700	\$37,250	\$39,850	\$42,400	
		60%	\$27,000	\$30,840	\$34,680	\$38,520	\$41,640	\$44,700	\$47,820	\$50,880	
		80%	\$35,950	\$41,100	\$46,250	\$51,350	\$55,500	\$59,600	\$63,700	\$67,800	
Alexander	\$61,000	30%	\$12,500	\$14,300	\$16,100	\$17,850	\$19,300	\$20,750	\$22,150	\$23,600	\$157,000
		50%	\$20,850	\$23,800	\$26,800	\$29,750	\$32,150	\$34,550	\$36,900	\$39,300	
		60%	\$25,020	\$28,560	\$32,160	\$35,700	\$38,580	\$41,460	\$44,280	\$47,160	
		80%	\$33,350	\$38,100	\$42,850	\$47,600	\$51,450	\$55,250	\$59,050	\$62,850	
Alleghany	\$47,900	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Anson	\$49,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Ashe	\$52,900	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$164,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Avery	\$48,600	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$171,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Beaufort	\$58,300	30%	\$12,250	\$14,000	\$15,750	\$17,500	\$18,900	\$20,300	\$21,700	\$23,100	\$157,000
		50%	\$20,450	\$23,350	\$26,250	\$29,150	\$31,500	\$33,850	\$36,150	\$38,500	
		60%	\$24,540	\$28,020	\$31,500	\$34,980	\$37,800	\$40,620	\$43,380	\$46,200	
		80%	\$32,700	\$37,350	\$42,000	\$46,650	\$50,400	\$54,150	\$57,850	\$61,600	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Bertie	\$45,000	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Bladen	\$48,600	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Brunswick	\$71,600	30%	\$15,050	\$17,200	\$19,350	\$21,450	\$23,200	\$24,900	\$26,600	\$28,350	\$218,000
		50%	\$25,050	\$28,600	\$32,200	\$35,750	\$38,650	\$41,500	\$44,350	\$47,200	
		60%	\$30,060	\$34,320	\$38,640	\$42,900	\$46,380	\$49,800	\$53,220	\$56,640	
		80%	\$40,050	\$45,800	\$51,500	\$57,200	\$61,800	\$66,400	\$70,950	\$75,550	
Buncombe	\$72,500	30%	\$15,050	\$17,200	\$19,350	\$21,500	\$23,250	\$24,950	\$26,700	\$28,400	\$257,000
		50%	\$25,100	\$28,650	\$32,250	\$35,800	\$38,700	\$41,550	\$44,400	\$47,300	
		60%	\$30,120	\$34,380	\$38,700	\$42,960	\$46,440	\$49,860	\$53,280	\$56,760	
		80%	\$40,150	\$45,850	\$51,600	\$57,300	\$61,900	\$66,500	\$71,100	\$75,650	
Burke	\$61,000	30%	\$12,500	\$14,300	\$16,100	\$17,850	\$19,300	\$20,750	\$22,150	\$23,600	\$157,000
		50%	\$20,850	\$23,800	\$26,800	\$29,750	\$32,150	\$34,550	\$36,900	\$39,300	
		60%	\$25,020	\$28,560	\$32,160	\$35,700	\$38,580	\$41,460	\$44,280	\$47,160	
		80%	\$33,350	\$38,100	\$42,850	\$47,600	\$51,450	\$55,250	\$59,050	\$62,850	
Cabarrus	\$83,500	30%	\$17,550	\$20,050	\$22,550	\$25,050	\$27,100	\$29,100	\$31,100	\$33,100	\$206,000
		50%	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,800	\$55,150	
		60%	\$35,100	\$40,080	\$45,120	\$50,100	\$54,120	\$58,140	\$62,160	\$66,180	
		80%	\$46,800	\$53,450	\$60,150	\$66,800	\$72,150	\$77,500	\$82,850	\$88,200	
Caldwell	\$61,000	30%	\$12,500	\$14,300	\$16,100	\$17,850	\$19,300	\$20,750	\$22,150	\$23,600	\$157,000
		50%	\$20,850	\$23,800	\$26,800	\$29,750	\$32,150	\$34,550	\$36,900	\$39,300	
		60%	\$25,020	\$28,560	\$32,160	\$35,700	\$38,580	\$41,460	\$44,280	\$47,160	
		80%	\$33,350	\$38,100	\$42,850	\$47,600	\$51,450	\$55,250	\$59,050	\$62,850	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Camden	\$78,200	30%	\$16,450	\$18,800	\$21,150	\$23,450	\$25,350	\$27,250	\$29,100	\$31,000	\$209,000
		50%	\$27,400	\$31,300	\$35,200	\$39,100	\$42,250	\$45,400	\$48,500	\$51,650	
		60%	\$32,880	\$37,560	\$42,240	\$46,920	\$50,700	\$54,480	\$58,200	\$61,980	
		80%	\$43,800	\$50,050	\$56,300	\$62,550	\$67,600	\$72,600	\$77,600	\$82,600	
Carteret	\$68,900	30%	\$14,500	\$16,550	\$18,600	\$20,650	\$22,350	\$24,000	\$25,650	\$27,300	\$223,000
		50%	\$24,150	\$27,600	\$31,050	\$34,450	\$37,250	\$40,000	\$42,750	\$45,500	
		60%	\$28,980	\$33,120	\$37,260	\$41,340	\$44,700	\$48,000	\$51,300	\$54,600	
		80%	\$38,600	\$44,100	\$49,600	\$55,100	\$59,550	\$63,950	\$68,350	\$72,750	
Caswell	\$54,000	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Catawba	\$61,000	30%	\$12,500	\$14,300	\$16,100	\$17,850	\$19,300	\$20,750	\$22,150	\$23,600	\$161,000
		50%	\$20,850	\$23,800	\$26,800	\$29,750	\$32,150	\$34,550	\$36,900	\$39,300	
		60%	\$25,020	\$28,560	\$32,160	\$35,700	\$38,580	\$41,460	\$44,280	\$47,160	
		80%	\$33,350	\$38,100	\$42,850	\$47,600	\$51,450	\$55,250	\$59,050	\$62,850	
Chatham	\$90,900	30%	\$19,100	\$21,800	\$24,550	\$27,250	\$29,450	\$31,650	\$33,800	\$36,000	\$247,000
		50%	\$31,850	\$36,400	\$40,950	\$45,450	\$49,100	\$52,750	\$56,400	\$60,000	
		60%	\$38,220	\$43,680	\$49,140	\$54,540	\$58,920	\$63,300	\$67,680	\$72,000	
		80%	\$50,900	\$58,200	\$65,450	\$72,700	\$78,550	\$84,350	\$90,150	\$96,000	
Cherokee	\$51,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Chowan	\$52,300	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Clay	\$50,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$162,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Cleveland	\$52,300	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Columbus	\$49,600	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Craven	\$66,200	30%	\$13,900	\$15,900	\$17,900	\$19,850	\$21,450	\$23,050	\$24,650	\$26,250	\$157,000
		50%	\$23,200	\$26,500	\$29,800	\$33,100	\$35,750	\$38,400	\$41,050	\$43,700	
		60%	\$27,840	\$31,800	\$35,760	\$39,720	\$42,900	\$46,080	\$49,260	\$52,440	
		80%	\$37,100	\$42,400	\$47,700	\$52,950	\$57,200	\$61,450	\$65,700	\$69,900	
Cumberland	\$58,000	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Currituck	\$82,500	30%	\$17,350	\$19,800	\$22,300	\$24,750	\$26,750	\$28,750	\$30,700	\$32,700	\$257,000
		50%	\$28,900	\$33,000	\$37,150	\$41,250	\$44,550	\$47,850	\$51,150	\$54,450	
		60%	\$34,680	\$39,600	\$44,580	\$49,500	\$53,460	\$57,420	\$61,380	\$65,340	
		80%	\$46,200	\$52,800	\$59,400	\$66,000	\$71,300	\$76,600	\$81,850	\$87,150	
Dare	\$69,400	30%	\$14,600	\$16,650	\$18,750	\$20,800	\$22,500	\$24,150	\$25,800	\$27,500	\$299,000
		50%	\$24,300	\$27,800	\$31,250	\$34,700	\$37,500	\$40,300	\$43,050	\$45,850	
		60%	\$29,160	\$33,360	\$37,500	\$41,640	\$45,000	\$48,360	\$51,660	\$55,020	
		80%	\$38,850	\$44,400	\$49,950	\$55,500	\$59,950	\$64,400	\$68,850	\$73,300	



## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Davidson	\$59,300	30%	\$12,500	\$14,250	\$16,050	\$17,800	\$19,250	\$20,650	\$22,100	\$23,500	\$157,000
		50%	\$20,800	\$23,750	\$26,700	\$29,650	\$32,050	\$34,400	\$36,800	\$39,150	
		60%	\$24,960	\$28,500	\$32,040	\$35,580	\$38,460	\$41,280	\$44,160	\$46,980	
		80%	\$33,250	\$38,000	\$42,750	\$47,450	\$51,250	\$55,050	\$58,850	\$62,650	
Davie	\$68,600	30%	\$14,050	\$16,050	\$18,050	\$20,050	\$21,700	\$23,300	\$24,900	\$26,500	\$172,000
		50%	\$23,400	\$26,750	\$30,100	\$33,400	\$36,100	\$38,750	\$41,450	\$44,100	
		60%	\$28,080	\$32,100	\$36,120	\$40,080	\$43,320	\$46,500	\$49,740	\$52,920	
		80%	\$37,400	\$42,750	\$48,100	\$53,400	\$57,700	\$61,950	\$66,250	\$70,500	
Duplin	\$46,400	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Durham	\$90,900	30%	\$19,100	\$21,800	\$24,550	\$27,250	\$29,450	\$31,650	\$33,800	\$36,000	\$247,000
		50%	\$31,850	\$36,400	\$40,950	\$45,450	\$49,100	\$52,750	\$56,400	\$60,000	
		60%	\$38,220	\$43,680	\$49,140	\$54,540	\$58,920	\$63,300	\$67,680	\$72,000	
		80%	\$50,900	\$58,200	\$65,450	\$72,700	\$78,550	\$84,350	\$90,150	\$96,000	
Edgecombe	\$57,700	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Forsyth	\$68,600	30%	\$14,050	\$16,050	\$18,050	\$20,050	\$21,700	\$23,300	\$24,900	\$26,500	\$161,000
		50%	\$23,400	\$26,750	\$30,100	\$33,400	\$36,100	\$38,750	\$41,450	\$44,100	
		60%	\$28,080	\$32,100	\$36,120	\$40,080	\$43,320	\$46,500	\$49,740	\$52,920	
		80%	\$37,400	\$42,750	\$48,100	\$53,400	\$57,700	\$61,950	\$66,250	\$70,500	
Franklin	\$94,100	30%	\$19,800	\$22,600	\$25,450	\$28,250	\$30,550	\$32,800	\$35,050	\$37,300	\$236,000
		50%	\$32,950	\$37,650	\$42,350	\$47,050	\$50,850	\$54,600	\$58,350	\$62,150	
		60%	\$39,540	\$45,180	\$50,820	\$56,460	\$61,020	\$65,520	\$70,020	\$74,580	
		80%	\$52,750	\$60,250	\$67,800	\$75,300	\$81,350	\$87,350	\$93,400	\$99,400	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Gaston	\$83,500	30%	\$17,550	\$20,050	\$22,550	\$25,050	\$27,100	\$29,100	\$31,100	\$33,100	\$206,000
		50%	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,800	\$55,150	
		60%	\$35,100	\$40,080	\$45,120	\$50,100	\$54,120	\$58,140	\$62,160	\$66,180	
		80%	\$46,800	\$53,450	\$60,150	\$66,800	\$72,150	\$77,500	\$82,850	\$88,200	
Gates	\$68,000	30%	\$14,300	\$16,350	\$18,400	\$20,400	\$22,050	\$23,700	\$25,300	\$26,950	\$157,000
		50%	\$23,800	\$27,200	\$30,600	\$34,000	\$36,750	\$39,450	\$42,200	\$44,900	
		60%	\$28,560	\$32,640	\$36,720	\$40,800	\$44,100	\$47,340	\$50,640	\$53,880	
		80%	\$38,100	\$43,550	\$49,000	\$54,400	\$58,800	\$63,150	\$67,500	\$71,850	
Graham	\$49,400	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Granville	\$65,300	30%	\$13,750	\$15,700	\$17,650	\$19,600	\$21,200	\$22,750	\$24,350	\$25,900	\$195,000
		50%	\$22,900	\$26,150	\$29,400	\$32,650	\$35,300	\$37,900	\$40,500	\$43,100	
		60%	\$27,480	\$31,380	\$35,280	\$39,180	\$42,360	\$45,480	\$48,600	\$51,720	
		80%	\$36,600	\$41,800	\$47,050	\$52,250	\$56,450	\$60,650	\$64,800	\$69,000	
Greene	\$54,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Guilford	\$66,600	30%	\$13,900	\$15,900	\$17,900	\$19,850	\$21,450	\$23,050	\$24,650	\$26,250	\$163,000
		50%	\$23,150	\$26,450	\$29,750	\$33,050	\$35,700	\$38,350	\$41,000	\$43,650	
		60%	\$27,780	\$31,740	\$35,700	\$39,660	\$42,840	\$46,020	\$49,200	\$52,380	
		80%	\$37,050	\$42,350	\$47,650	\$52,900	\$57,150	\$61,400	\$65,600	\$69,850	
Halifax	\$45,200	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Harnett	\$64,800	30%	\$13,650	\$15,600	\$17,550	\$19,450	\$21,050	\$22,600	\$24,150	\$25,700	\$158,000
		50%	\$22,700	\$25,950	\$29,200	\$32,400	\$35,000	\$37,600	\$40,200	\$42,800	
		60%	\$27,240	\$31,140	\$35,040	\$38,880	\$42,000	\$45,120	\$48,240	\$51,360	
		80%	\$36,300	\$41,500	\$46,700	\$51,850	\$56,000	\$60,150	\$64,300	\$68,450	
Haywood	\$60,400	30%	\$12,700	\$14,500	\$16,300	\$18,100	\$19,550	\$21,000	\$22,450	\$23,900	\$189,000
		50%	\$21,150	\$24,200	\$27,200	\$30,200	\$32,650	\$35,050	\$37,450	\$39,900	
		60%	\$25,380	\$29,040	\$32,640	\$36,240	\$39,180	\$42,060	\$44,940	\$47,880	
		80%	\$33,850	\$38,650	\$43,500	\$48,300	\$52,200	\$56,050	\$59,900	\$63,800	
Henderson	\$72,500	30%	\$15,050	\$17,200	\$19,350	\$21,500	\$23,250	\$24,950	\$26,700	\$28,400	\$247,000
		50%	\$25,100	\$28,650	\$32,250	\$35,800	\$38,700	\$41,550	\$44,400	\$47,300	
		60%	\$30,120	\$34,380	\$38,700	\$42,960	\$46,440	\$49,860	\$53,280	\$56,760	
		80%	\$40,150	\$45,850	\$51,600	\$57,300	\$61,900	\$66,500	\$71,100	\$75,650	
Hertford	\$46,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Hoke	\$54,800	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Hyde	\$58,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$265,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Iredell	\$73,100	30%	\$15,400	\$17,600	\$19,800	\$21,950	\$23,750	\$25,500	\$27,250	\$29,000	\$200,000
		50%	\$25,600	\$29,250	\$32,900	\$36,550	\$39,500	\$42,400	\$45,350	\$48,250	
		60%	\$30,720	\$35,100	\$39,480	\$43,860	\$47,400	\$50,880	\$54,420	\$57,900	
		80%	\$40,950	\$46,800	\$52,650	\$58,500	\$63,200	\$67,900	\$72,550	\$77,250	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Jackson	\$60,700	30%	\$12,750	\$14,550	\$16,350	\$18,150	\$19,650	\$21,100	\$22,550	\$24,000	\$176,000
		50%	\$21,200	\$24,200	\$27,250	\$30,250	\$32,700	\$35,100	\$37,550	\$39,950	
		60%	\$25,440	\$29,040	\$32,700	\$36,300	\$39,240	\$42,120	\$45,060	\$47,940	
		80%	\$33,900	\$38,750	\$43,600	\$48,400	\$52,300	\$56,150	\$60,050	\$63,900	
Johnston	\$94,100	30%	\$19,800	\$22,600	\$25,450	\$28,250	\$30,550	\$32,800	\$35,050	\$37,300	\$236,000
		50%	\$32,950	\$37,650	\$42,350	\$47,050	\$50,850	\$54,600	\$58,350	\$62,150	
		60%	\$39,540	\$45,180	\$50,820	\$56,460	\$61,020	\$65,520	\$70,020	\$74,580	
		80%	\$52,750	\$60,250	\$67,800	\$75,300	\$81,350	\$87,350	\$93,400	\$99,400	
Jones	\$50,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Lee	\$62,100	30%	\$13,100	\$14,950	\$16,800	\$18,650	\$20,150	\$21,650	\$23,150	\$24,650	\$157,000
		50%	\$21,750	\$24,850	\$27,950	\$31,050	\$33,550	\$36,050	\$38,550	\$41,000	
		60%	\$26,100	\$29,820	\$33,540	\$37,260	\$40,260	\$43,260	\$46,260	\$49,200	
		80%	\$34,800	\$39,800	\$44,750	\$49,700	\$53,700	\$57,700	\$61,650	\$65,650	
Lenoir	\$51,300	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Lincoln	\$65,500	30%	\$13,800	\$15,750	\$17,700	\$19,650	\$21,250	\$22,800	\$24,400	\$25,950	\$192,000
		50%	\$22,950	\$26,200	\$29,500	\$32,750	\$35,400	\$38,000	\$40,650	\$43,250	
		60%	\$27,540	\$31,440	\$35,400	\$39,300	\$42,480	\$45,600	\$48,780	\$51,900	
		80%	\$36,700	\$41,950	\$47,200	\$52,400	\$56,600	\$60,800	\$65,000	\$69,200	
McDowell	\$49,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Macon	\$54,300	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$159,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Madison	\$72,500	30%	\$15,050	\$17,200	\$19,350	\$21,500	\$23,250	\$24,950	\$26,700	\$28,400	\$247,000
		50%	\$25,100	\$28,650	\$32,250	\$35,800	\$38,700	\$41,550	\$44,400	\$47,300	
		60%	\$30,120	\$34,380	\$38,700	\$42,960	\$46,440	\$49,860	\$53,280	\$56,760	
		80%	\$40,150	\$45,850	\$51,600	\$57,300	\$61,900	\$66,500	\$71,100	\$75,650	
Martin	\$46,500	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Mecklenburg	\$83,500	30%	\$17,550	\$20,050	\$22,550	\$25,050	\$27,100	\$29,100	\$31,100	\$33,100	\$225,000
		50%	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,800	\$55,150	
		60%	\$35,100	\$40,080	\$45,120	\$50,100	\$54,120	\$58,140	\$62,160	\$66,180	
		80%	\$46,800	\$53,450	\$60,150	\$66,800	\$72,150	\$77,500	\$82,850	\$88,200	
Mitchell	\$56,400	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Montgomery	\$53,900	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$209,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Moore	\$88,200	30%	\$16,550	\$18,900	\$21,250	\$23,600	\$25,500	\$27,400	\$29,300	\$31,200	\$228,000
		50%	\$27,550	\$31,450	\$35,400	\$39,300	\$42,450	\$45,600	\$48,750	\$51,900	
		60%	\$33,060	\$37,740	\$42,480	\$47,160	\$50,940	\$54,720	\$58,500	\$62,280	
		80%	\$44,050	\$50,350	\$56,650	\$62,900	\$67,950	\$73,000	\$78,000	\$83,050	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Nash	\$57,700	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
New Hanover	\$81,000	30%	\$16,500	\$18,850	\$21,200	\$23,550	\$25,450	\$27,350	\$29,250	\$31,100	\$215,000
		50%	\$27,500	\$31,400	\$35,350	\$39,250	\$42,400	\$45,550	\$48,700	\$51,850	
		60%	\$33,000	\$37,680	\$42,420	\$47,100	\$50,880	\$54,660	\$58,440	\$62,220	
		80%	\$44,000	\$50,250	\$56,550	\$62,800	\$67,850	\$72,850	\$77,900	\$82,900	
Northampton	\$43,700	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Onslow	\$57,700	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Orange	\$90,900	30%	\$19,100	\$21,800	\$24,550	\$27,250	\$29,450	\$31,650	\$33,800	\$36,000	\$299,000
		50%	\$31,850	\$36,400	\$40,950	\$45,450	\$49,100	\$52,750	\$56,400	\$60,000	
		60%	\$38,220	\$43,680	\$49,140	\$54,540	\$58,920	\$63,300	\$67,680	\$72,000	
		80%	\$50,900	\$58,200	\$65,450	\$72,700	\$78,550	\$84,350	\$90,150	\$96,000	
Pamlico	\$60,400	30%	\$12,700	\$14,500	\$16,300	\$18,100	\$19,550	\$21,000	\$22,450	\$23,900	\$170,000
		50%	\$21,150	\$24,200	\$27,200	\$30,200	\$32,650	\$35,050	\$37,450	\$39,900	
		60%	\$25,380	\$29,040	\$32,640	\$36,240	\$39,180	\$42,060	\$44,940	\$47,880	
		80%	\$33,850	\$38,650	\$43,500	\$48,300	\$52,200	\$56,050	\$59,900	\$63,800	
Pasquotank	\$66,200	30%	\$13,300	\$15,200	\$17,100	\$19,000	\$20,550	\$22,050	\$23,600	\$25,100	\$157,000
		50%	\$22,200	\$25,350	\$28,500	\$31,650	\$34,200	\$36,750	\$39,250	\$41,800	
		60%	\$26,640	\$30,420	\$34,200	\$37,980	\$41,040	\$44,100	\$47,100	\$50,160	
		80%	\$35,500	\$40,550	\$45,600	\$50,650	\$54,750	\$58,800	\$62,850	\$66,900	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Pender	\$67,900	30%	\$14,050	\$16,050	\$18,050	\$20,050	\$21,700	\$23,300	\$24,900	\$26,500	\$219,000
		50%	\$23,400	\$26,750	\$30,100	\$33,400	\$36,100	\$38,750	\$41,450	\$44,100	
		60%	\$28,080	\$32,100	\$36,120	\$40,080	\$43,320	\$46,500	\$49,740	\$52,920	
		80%	\$37,400	\$42,750	\$48,100	\$53,400	\$57,700	\$61,950	\$66,250	\$70,500	
Perquimans	\$53,300	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Person	\$61,800	30%	\$12,700	\$14,500	\$16,300	\$18,100	\$19,550	\$21,000	\$22,450	\$23,900	\$157,000
		50%	\$21,150	\$24,200	\$27,200	\$30,200	\$32,650	\$35,050	\$37,450	\$39,900	
		60%	\$25,380	\$29,040	\$32,640	\$36,240	\$39,180	\$42,060	\$44,940	\$47,880	
		80%	\$33,850	\$38,650	\$43,500	\$48,300	\$52,200	\$56,050	\$59,900	\$63,800	
Pitt	\$66,700	30%	\$14,000	\$16,000	\$18,000	\$20,000	\$21,600	\$23,200	\$24,800	\$26,400	\$162,000
		50%	\$23,350	\$26,700	\$30,050	\$33,350	\$36,050	\$38,700	\$41,400	\$44,050	
		60%	\$28,020	\$32,040	\$36,060	\$40,020	\$43,260	\$46,440	\$49,680	\$52,860	
		80%	\$37,350	\$42,700	\$48,050	\$53,350	\$57,650	\$61,900	\$66,200	\$70,450	
Polk	\$60,600	30%	\$12,750	\$14,600	\$16,400	\$18,200	\$19,700	\$21,150	\$22,600	\$24,050	\$205,000
		50%	\$21,250	\$24,250	\$27,300	\$30,300	\$32,750	\$35,150	\$37,600	\$40,000	
		60%	\$25,500	\$29,100	\$32,760	\$36,360	\$39,300	\$42,180	\$45,120	\$48,000	
		80%	\$33,950	\$38,800	\$43,650	\$48,500	\$52,400	\$56,300	\$60,150	\$64,050	
Randolph	\$66,600	30%	\$13,900	\$15,900	\$17,900	\$19,850	\$21,450	\$23,050	\$24,650	\$26,250	\$158,000
		50%	\$23,150	\$26,450	\$29,750	\$33,050	\$35,700	\$38,350	\$41,000	\$43,650	
		60%	\$27,780	\$31,740	\$35,700	\$39,660	\$42,840	\$46,020	\$49,200	\$52,380	
		80%	\$37,050	\$42,350	\$47,650	\$52,900	\$57,150	\$61,400	\$65,600	\$69,850	
Richmond	\$43,300	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	



## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Robeson	\$46,200	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Rockingham	\$61,700	30%	\$12,500	\$14,300	\$16,100	\$17,850	\$19,300	\$20,750	\$22,150	\$23,600	\$157,000
		50%	\$20,850	\$23,800	\$26,800	\$29,750	\$32,150	\$34,550	\$36,900	\$39,300	
		60%	\$25,020	\$28,560	\$32,160	\$35,700	\$38,580	\$41,460	\$44,280	\$47,160	
		80%	\$33,350	\$38,100	\$42,850	\$47,600	\$51,450	\$55,250	\$59,050	\$62,850	
Rowan	\$64,400	30%	\$13,550	\$15,450	\$17,400	\$19,300	\$20,850	\$22,400	\$23,950	\$25,500	\$157,000
		50%	\$22,550	\$25,800	\$29,000	\$32,200	\$34,800	\$37,400	\$39,950	\$42,550	
		60%	\$27,060	\$30,960	\$34,800	\$38,640	\$41,760	\$44,880	\$47,940	\$51,060	
		80%	\$36,050	\$41,200	\$46,350	\$51,500	\$55,650	\$59,750	\$63,900	\$68,000	
Rutherford	\$55,800	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Sampson	\$49,300	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Scotland	\$44,000	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Stanly	\$60,700	30%	\$12,750	\$14,600	\$16,400	\$18,200	\$19,700	\$21,150	\$22,600	\$24,050	\$166,000
		50%	\$21,250	\$24,300	\$27,350	\$30,350	\$32,800	\$35,250	\$37,650	\$40,100	
		60%	\$25,500	\$29,160	\$32,820	\$36,420	\$39,360	\$42,300	\$45,180	\$48,120	
		80%	\$34,000	\$38,850	\$43,700	\$48,550	\$52,450	\$56,350	\$60,250	\$64,100	



## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Stokes	\$68,600	30%	\$14,050	\$16,050	\$18,050	\$20,050	\$21,700	\$23,300	\$24,900	\$26,500	\$159,000
		50%	\$23,400	\$26,750	\$30,100	\$33,400	\$36,100	\$38,750	\$41,450	\$44,100	
		60%	\$28,080	\$32,100	\$36,120	\$40,080	\$43,320	\$46,500	\$49,740	\$52,920	
		80%	\$37,400	\$42,750	\$48,100	\$53,400	\$57,700	\$61,950	\$66,250	\$70,500	
Surry	\$59,800	30%	\$12,500	\$14,300	\$16,100	\$17,850	\$19,300	\$20,750	\$22,150	\$23,600	\$157,000
		50%	\$20,850	\$23,800	\$26,800	\$29,750	\$32,150	\$34,550	\$36,900	\$39,300	
		60%	\$25,020	\$28,560	\$32,160	\$35,700	\$38,580	\$41,460	\$44,280	\$47,160	
		80%	\$33,350	\$38,100	\$42,850	\$47,600	\$51,450	\$55,250	\$59,050	\$62,850	
Swain	\$47,700	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$165,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Transylvania	\$56,700	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$195,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Tyrrell	\$42,900	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Union	\$83,500	30%	\$17,550	\$20,050	\$22,550	\$25,050	\$27,100	\$29,100	\$31,100	\$33,100	\$219,000
		50%	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,800	\$55,150	
		60%	\$35,100	\$40,080	\$45,120	\$50,100	\$54,120	\$58,140	\$62,160	\$66,180	
		80%	\$46,800	\$53,450	\$60,150	\$66,800	\$72,150	\$77,500	\$82,850	\$88,200	
Vance	\$48,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Wake	\$94,100	30%	\$19,800	\$22,600	\$25,450	\$28,250	\$30,550	\$32,800	\$35,050	\$37,300	\$256,000
		50%	\$32,950	\$37,650	\$42,350	\$47,050	\$50,850	\$54,600	\$58,350	\$62,150	
		60%	\$39,540	\$45,180	\$50,820	\$56,460	\$61,020	\$65,520	\$70,020	\$74,580	
		80%	\$52,750	\$60,250	\$67,800	\$75,300	\$81,350	\$87,350	\$93,400	\$99,400	
Warren	\$51,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$200,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Washington	\$50,800	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Watauga	\$69,400	30%	\$14,600	\$16,650	\$18,750	\$20,800	\$22,500	\$24,150	\$25,800	\$27,500	\$232,000
		50%	\$24,300	\$27,800	\$31,250	\$34,700	\$37,500	\$40,300	\$43,050	\$45,850	
		60%	\$29,160	\$33,360	\$37,500	\$41,640	\$45,000	\$48,360	\$51,660	\$55,020	
		80%	\$38,850	\$44,400	\$49,950	\$55,500	\$59,950	\$64,400	\$68,850	\$73,300	
Wayne	\$54,100	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Wilkes	\$53,700	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	
Wilson	\$61,000	30%	\$12,850	\$14,650	\$16,500	\$18,300	\$19,800	\$21,250	\$22,700	\$24,200	\$157,000
		50%	\$21,350	\$24,400	\$27,450	\$30,500	\$32,950	\$35,400	\$37,850	\$40,300	
		60%	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480	\$45,420	\$48,360	
		80%	\$34,200	\$39,050	\$43,950	\$48,800	\$52,750	\$56,650	\$60,550	\$64,450	

## 2020 HOME Income Limits by County, by Household Size with Post-Rehab Values

Effective July 1, 2020

Effective April 1, 2020

County	Median Income	Percent Median Income	Household Size (Number of Household Members)								Post-Rehab Value
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	
Yadkin	\$68,600	30%	\$14,050	\$16,050	\$18,050	\$20,050	\$21,700	\$23,300	\$24,900	\$26,500	\$159,000
		50%	\$23,400	\$26,750	\$30,100	\$33,400	\$36,100	\$38,750	\$41,450	\$44,100	
		60%	\$28,080	\$32,100	\$36,120	\$40,080	\$43,320	\$46,500	\$49,740	\$52,920	
		80%	\$37,400	\$42,750	\$48,100	\$53,400	\$57,700	\$61,950	\$66,250	\$70,500	
Yancey	\$53,400	30%	\$12,250	\$14,000	\$15,750	\$17,450	\$18,850	\$20,250	\$21,650	\$23,050	\$157,000
		50%	\$20,350	\$23,250	\$26,150	\$29,050	\$31,400	\$33,700	\$36,050	\$38,350	
		60%	\$24,420	\$27,900	\$31,380	\$34,860	\$37,680	\$40,440	\$43,260	\$46,020	
		80%	\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700	\$61,400	

Family sizes in excess of 8 persons are calculated by adding 8% of the four-person income limit for each additional family member. That is, a 9-person limit should be 140% of the 4-person limit, the 10-person limit should be 148%.

The HOME income limit values for large households (9-12 persons) must be rounded to the nearest \$50. Therefore, all values from 1 to 24 are rounded down to 0, and all values from 25 to 49 are rounded up to 50.

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# Appendix C

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## PROGRAM FORMS & DOCUMENTS

### **REQUIRED FORMS**

- ESFRLP Partner Portal
  1. Instructions
  2. Project Data
  3. Loan Application & Reservation Request
  4. Environmental Screening and Instructions
  5. SHPO – Historical Evaluation
  6. Post Rehabilitation Value Certification
  7. HOME Owner Agreement
  8. Settlement Data Sheet
  9. Requisition for HOME Funds and Invoice Log
  10. Unit Completion Report (UCR)
- Lead-Based Paint Requirement Worksheet and Exhibits
- ESFRLP Essential Property Standard Certification of Compliance
- Certification of Completion and Final Cost (CCFC)
- Request for Project Amendment
- Section 3 Guidance for ESFRLP with Summary Report

### **MODEL FORMS**

- Case File Log
  - Pre-Application and Eligibility Form
  - Written Agreement (Member/Contractor)
  - Bid Opening Tabulation/Record
  - Contract for Rehabilitation
  - Essential Property Standards Certification Checklist (2016-2018)
  - ESFRLP Field List
  - Pre-construction Conference
  - Post-Construction Conference
  - Certification of Final Inspection
  - Owner Certificate of Satisfaction
  - Release of Liens
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# ESFRLP Partner Portal

## 1. Instructions

1. Overview and Functions Available: The ESFRLP Partner Portal was developed in 2016 to replace the Unit Management Workbook. As of early 2017, all functions of the unit workbook are available, including pay requisitions and Unit Completion Reports (UCRs) and all unit reservations for ESFRLP projects must be submitted via the Partner Portal.
2. Functions Not Available: The future vision for the Partner Portal includes increasing its' functionality to: receive and review applications for NOFAs; manage funding agreements; receipt and review of Post Approval Documentation (PAD) packets and to manage monitoring of projects. Generally, these functions are not currently available in the Partner Portal.
  - a. Update in 2019: Members are now able to view a unit or any submitted documents once the Final Requisition and UCR have been submitted for up to 5 years from the closeout of the project. After five years, follow federal HUD guidelines as to what documentation you may retain in any electronic or hard copy files.
3. Initial Portal Use: Members must use a Log-In to access the Partner Portal. Here are the steps to receive a Log-In and begin your first reservation.
  - a. Member must complete PAD submission and approval by their NCHFA case manager. The PAD will include a document for designating personnel of the Member who will receive Log-In access.
  - b. After approval by their NCHFA case manager, the designated Members submitted during the PAD process will receive Log-In(s) commensurate with the level of access requested during the PAD process.
  - c. The Partner Portal Log-In address is:  
<http://www.nchfa.org/Portal/Account/login.aspx>
  - d. Protect your Log-Ins and do not share them with your colleagues.
  - e. Test your Log-In(s) immediately. Additionally, it is highly desirable that those with Log-Ins attend the Administrative portion of the ESFRLP Workshop or Webinar (format and dates vary annually but are often in early to mid-June). An online ESFR Portal Training Guide is available at [www.nchfa.com](http://www.nchfa.com) for the initial log-in effort.
4. If you have any questions about how to use the Partner Portal, contact your assigned Case Manager or Mark Lindquist [mwlindquist@nchfa.com](mailto:mwlindquist@nchfa.com) or Laura Altimare [lmaltimare@nchfa.com](mailto:lmaltimare@nchfa.com).

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## **Information Collected in the ESFRLP Partner Portal**

1. Project Data
  2. Loan Application & Reservation Request
  3. Environmental Screening and Instructions
  4. SHPO – Historical Evaluation
  5. Post Rehabilitation Value Certification
  6. HOME Owner Agreement
  7. Settlement Data Sheet
  8. Requisition for HOME Funds and Invoice Log
  9. Unit Completion Screen (UCS)
-



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**Lead-Based Paint Requirement  
Worksheet and Exhibits**  
(Required, see Program Guidelines)

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# Lead Requirements Worksheet

## North Carolina Housing Finance Agency Essential Single-Family Rehabilitation Program (ESFR)

*DIRECTIONS: This worksheet must be completed and placed in all unit files assisted with ESFR funds.*

Street Address: \_\_\_\_\_ DU# \_\_\_\_\_  
City: \_\_\_\_\_ State: NC Zip: \_\_\_\_\_

### **Part 1: Regulation Eligibility Statements**

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**Check all that apply:**

- ☒ Property is receiving Federal funds.  
☐ Unit was built prior to 1978.

Note: Continue with the Exemption Statements below. If the home was built after January 1, 1978, check the first exemption and file form in the case file.

### **Part 2: Full Exemptions from All Requirements of 24 CFR Part 35 (The Lead Regulation)**

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If any of the exemptions are applicable, the property is exempt from the requirements of 24 CFR Part 35 per the regulatory citation. Note: ONLY eligible exemptions for ESFR are listed.

**Check all that apply:**

- ☐ The property was constructed after January 1, 1978. [35.115(a)(1)]
- ☐ A paint inspection conducted in accordance with 35.1320(a) established that the property is free of lead-based paint. [35.115(a)(4)]
- The date of the original paint inspection was \_\_\_\_\_. An optional paint inspection conducted on \_\_\_\_\_ confirmed this prior finding.
- ☐ **ALL** lead-based paint in the property been identified and removed, and has clearance been achieved. [35.115(a)(5)]
- ☐ **ALL** rehab **excludes** disturbing painted surfaces. [35.115(a)(8)]
- ☐ Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency. [35.115(a)(9)]

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# Lead Requirements Worksheet

## North Carolina Housing Finance Agency Essential Single-Family Rehabilitation Program (ESFR)

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### Part 3: Hazard Reduction Requirements - Partial Waivers

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If any of the partial waivers are applicable, the grantee and/or homeowner may waive certain requirements as described below.

**A) De minimis [35.1350(d)(1) & (2)]**

The amount of painted surface that is being disturbed during construction is below "de minimis" levels. Safe work practices and clearance are not required in that work area.

\_\_\_\_\_ Less than 9 SF of bare soil?

\_\_\_\_\_ Less than 20 square feet on an exterior surface

\_\_\_\_\_ Less than 2 square feet in the following rooms:

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,

**B) Elderly Relocation Waiver [Interpretive Guidance Question J-24]**

\_\_\_\_\_ The home is only occupied by an elderly person(s). Relocation of elderly homeowners is not required if complete disclosure of the nature of the work is provided and informed consent is obtained prior to rehabilitation.

**C) Historic Abatement Waiver [35.115(13)]**

\_\_\_\_\_ The home that is subject to abatement requirements is listed or eligible for listing on the National Register of Historic Places or contributes to a National Register Historic District. The State Historic Preservation Office may request that interim controls be implemented rather than abatement.

**D) No Exterior Work [35.930(d)(3)]**

\_\_\_\_\_ No exterior paint is to be disturbed during renovation. (Only exterior stabilization required even in abatement jobs.)

**E) No Children [35.1330(d)(1)]**

\_\_\_\_\_ All of the residents are over the age of 6. (No chewable or play area treatments required.)

**F) No Bite Marks [35.1330(d)(1)]**

\_\_\_\_\_ All chewable surfaces are free of bite marks made by children under 6. (No chewable surface treatment required)

**G) No Dust Hazards [35.1330(c)(1)(i)]**

\_\_\_\_\_ The closest horizontal surface dust wipe is below the clearance threshold. (No friction and impact surface treatments required in the following work areas:

---

### Part 4: Level of Rehabilitation Assistance [35.915]

---

A. Amount of federal funding for home \$ \_\_\_\_\_

B. Amount of rehabilitation **Hard Costs** (not including any soft costs or costs of lead hazard evaluation, reduction, clearance and training) \$ \_\_\_\_\_

C. Level of Assistance (lower of A or B) \$ \_\_\_\_\_

Approach Required (Based on answer to C, above)

\_\_\_\_\_ \$5,000 - \$25,000 Risk Assessment and Interim Control of Lead Hazards  
Note - If abatement work was subtracted from the hard cost to get the unit below \$25,000. The subtracted abatement items must be performed by a NC licensed abatement contractor and crew.

\_\_\_\_\_ \$25,001 and above Risk Assessment and Abate Lead Hazards

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**LEAD-SAFE HOUSING RULE CHECKLIST**  
***For***  
**GENERAL COMPLIANCE DOCUMENTATION**

(Program participants can use this checklist as a guide for determining whether or not they are proceeding in a manner required by the LSHR, and that they are maintaining documentation for each CPD-assisted project. Field Office staff can use the checklist as a means for familiarizing themselves with the kinds of documentation that should be maintained in order to demonstrate LSHR compliance. Compliance with the program-specific requirements may not be substantiated solely by the documents included on this general checklist. Additional guidance is provided as referenced in the checklist.)

As appropriate, the following documents should be maintained in CPD-assisted project files for properties constructed before January 1, 1978, in order to demonstrate general knowledge and compliance with basic LSHR requirements. Standard forms are available in the Federal Register (FR), as indicated by the sources noted below. Citations from 24 CFR part 35 are also provided as additional references.

- \_\_\_\_\_ **Applicability Form** [§35.115] – A copy of a statement indicating that the property is *covered by or exempt from* Lead Safe Housing Rule. <sup>1</sup>  
(Note: (A) If the property is exempt, the file should include the reason for the exemption and no further documentation is required; (B) if the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below.)
- \_\_\_\_\_ **Summary Paint Testing Report or Presumption Notice** [§35.930(a)] – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to \$5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces. <sup>2</sup>
- \_\_\_\_\_ **Risk Assessment Report** [§35.930(c)(2)] – A copy of a report (in addition to the requirements of §35.930(a)) to indicate any presence of lead-based paint hazards for projects receiving more than \$5,000 per unit in rehabilitation assistance. <sup>4</sup>  
(Note: If the property receives more than \$25,000 in assistance, more stringent requirements apply, including compliance with applicable state requirements, as appropriate. [See §35.930(d)].
- \_\_\_\_\_ **Notice of Evaluation** [§35.125(a)] – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing. <sup>3, 4</sup>
- \_\_\_\_\_ **Clearance Report** [§35.930(b)(3)]– A report indicating a “clearance examination” was performed of the work-site upon completion.
- \_\_\_\_\_ **Notice of Hazard Reduction Completion** [§35.125(b)] – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents. <sup>5</sup>

Source: Federal Register (FR), 64 FR 50139-50231, published September 15, 1999 -- Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance. The appendices are on pages 50230-50231.

<sup>1</sup> LSHR Regulation Applicability Form (See Attachment B to this memorandum.)

<sup>2</sup> Appendix C--Sample Summary Presumption Notice Format

<sup>3</sup> Appendix A--Sample Summary Inspection Notice Format

<sup>4</sup> Appendix B--Sample Summary Risk Assessment Notice Format

<sup>5</sup> Appendix D--Sample Hazard Reduction Completion Notice Format

**LEAD-SAFE HOUSING RULE -- APPLICABILITY FORM**

**Address/location of subject property:**

---

**Regulation Eligibility Statements (check all that apply):**

- ☐ Property is receiving Federal funds.  
☐ Unit was built prior to 1978.

Note: If both Eligibility Statements above have been checked, continue with the Exemption Statements below. Otherwise, the regulation does not apply, sign and date the form.

**Regulation Exemption Statements [24 CFR 35.115] (check all that apply):**

- ☐ Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.
- ☐ The property will not be used for human residential habitation. This *does not* apply to common areas such as hallways and stairways of residential and mixed-use properties.
- ☐ Housing “exclusively” for the elderly or persons with disabilities, with the provision that children less than six years of age *will not* reside in the dwelling unit.
- ☐ An inspection performed according to HUD standards found the property contained no lead-based paint.
- ☐ According to documented methodologies, lead-based paint has been identified and removed; and the property has achieved clearance.
- ☐ The rehabilitation will not disturb any painted surface.
- ☐ The property has no bedrooms.
- ☐ The property is currently vacant and will remain vacant until demolition.

If any of the above Exemption Statements have been checked, the Regulation does not apply. In all cases, sign and date the form.

I, \_\_\_\_\_, certify that the information listed above is true  
(Printed Name) and accurate to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Organization

This form is downloadable from: <http://www.hudexchange.info/resources/documents/LSHRApPLICABILITYForm.pdf>  
NCHFA recommends using this form for ESFRLP.

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**ESFRLP Essential Property Standard  
Certification of Compliance  
(Required)**

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## ESFRLP Essential Property Standard Certification of Compliance\*

This certifies that \_\_\_\_\_ [project address]  
in \_\_\_\_\_ [city] was inspected on the dates named below and found to be in  
compliance with at least one of the following during the **Post-Rehabilitation Inspection**:

☐ Local **Minimum Housing Code** for \_\_\_\_\_ [local jurisdiction]

☐ **Essential Property Standard** [ESFRLP Program Guidelines Appendix A, Section C.]

---

**Pre-Rehabilitation Inspection by** [print name of inspector]: \_\_\_\_\_

Inspected by \_\_\_\_\_ [Signature of Rehabilitation specialist]  
on \_\_\_\_\_ [month/day/year] to create a scope of work to meet the selected standard.

**Post-Rehabilitation Inspection by** [print name of inspector]: \_\_\_\_\_

Inspected by \_\_\_\_\_ [Signature of Rehabilitation specialist]  
on \_\_\_\_\_ [month/day/year] to confirm completion of a scope of work  
to meet the selected standard. On this date, all work is complete and there are no 'punch-list' items.

A one-year warranty begins on the Post-Rehabilitation Inspection date above; the homeowner must  
notify in writing the contractor and/or partner of any defects within one-year of this date. All corrective  
work performed extends the warranty on the corrected work to one-year from the date corrected.

**Contractor:** \_\_\_\_\_  
\_\_\_\_\_ [name of organization and contact with address]

**Partner:** \_\_\_\_\_  
\_\_\_\_\_ [name of organization and contact with address]

---

The following corrective work was performed (include item and date of the correction):

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**Homeowner Receipt of completed document:**

Homeowner signature: \_\_\_\_\_

Homeowner Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

---

\* The project case file should continue to include a consistent pre-rehab inspection list. Examples include: ESFRLP Certification Checklist, ESFRLP Field List, local minimum housing code with additional required ESFRLP Essential Property Standards added or other pre-rehab list that suits the needs of the Member's organization and location to meet the Essential Rehabilitation Criteria.

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**Certification of Completion and  
Final Cost (CCFC)  
(Required)**

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NORTH CAROLINA HOUSING FINANCE AGENCY  
**ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL PROGRAM**  
**CERTIFICATION OF COMPLETION AND FINAL COST**

(Please Type or Print Legibly in Ink AND Please round to the nearest dollar)

Member Organization:		Date of Report:	
Funding Agreement #:		Program Completion Date:	
Report Prepared by:		Phone Number:	

**A. ACCOUNT BALANCES**

**1. Receipts:**

a. Amount of total ESFRLP Program funding allocation. . . . .	_____
b. Sum of HOME-funded ESFRLP Program monies drawn from IDIS. . . . .	_____
c. Sum of other Program income (recapture/loan defaults, etc.). . . . . (+) . . . . .	_____
d. Total receipts (b. plus c.) . . . . . (=) . . . . .	_____

**2. Disbursements by Member of HOME-funded ESFRLP Program monies:**

a. Rehabilitation hard costs . . . . .	_____
b. Rehabilitation soft costs . . . . . (+) . . . . .	_____
c. Total of disbursements (a. plus b. plus c.) . . . . . (=) . . . . .	_____

**3. Balance of ESFRLP funds in local ESFRLP Account (1.d. minus 2.c.) (Return to NCHFA). . . . .** \_\_\_\_\_

**B. CUMULATIVE PRODUCTION**

**1. Dwelling units rehabilitated:**

	County Served _____		Total Funds (ESFRLP + Other Leveraged) _____
	Number of Completed Units _____		Avg. Funds (ESFRLP + Other Leveraged) _____
	<b>ESFRLP Funds Disbursed</b>		<b>Other Leveraged Funds Disbursed</b>
	Hard	Soft	Total
<b>Total</b>			
<b>Average</b>			

**2. Total other funds leveraged for Hard Costs (only Hard Costs) , by source:**

Other Leveraged Funds Disbursed for Hard Costs							
CDBG	USDA HPG	USDA 504	W.A.P	HOME	Owner Cont.	Local govt.	Total

**WARNING - Total Other Leveraged Hard Costs in Table B.1. and B.2. are not equal**

For NC Housing Finance Agency Use Only						
Assigned Case Manager	Date Received?	CCFC signed?	Human Interest Story Rec'd?	Monitoring Status?	Okay to Closeout	Date checked by Case Manager

NORTH CAROLINA HOUSING FINANCE AGENCY  
**ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL PROGRAM**  
**CERTIFICATION OF COMPLETION AND FINAL COST**

*(Please Type or Print Legibly in Ink)*

Date of Report:  Member:

**C. CERTIFICATIONS** *(Please check the box beside each applicable statement.)*

- ☐ 1. All dwelling units rehabilitated under the direction of the Member with ESFRLP assistance now meet HUD's Housing Quality Standards and the Agency ESFRLP Rehabilitation Criteria and contain no imminent threats to the occupants of the unit or the structural integrity of the unit.
- ☐ 2. All Program-funded rehabilitation work was inspected, as required, by State building code enforcement officers.
- ☐ 3. All required security documents have been properly executed, recorded and submitted to the Agency pursuant to the Program regulations.
- ☐ 4. All Agency concerns stemming from its monitoring of the Member's ESFRLP Project (as stated in a letter from the Agency) have been resolved.
- ☐ 5. Unit Completion Reports have been submitted for all activity accounts that were set-up in the HUD Integrated Disbursement & Information System (IDIS), leaving a IDIS balance of zero (0).
6. *(Please check a. or b.)*
- ☐ a. All audit reports or financial statements (as per P.G. 3.8.) have been submitted to the Agency covering each fiscal year in which Program funds were on hand; **or**,
- ☐ b. All required audit reports or financial statements have been submitted except that covering the current fiscal year. Said current-year document will be submitted as soon as it is made available to the Member. (Estimated date: )
- ☐ 7. If the figure entered at line A.3 of this Certification of Completion and Final Cost is greater than zero (0), a check in the amount there shown, made out to the North Carolina Housing Finance Agency, accompanies this document.
- ☐ 8. All dwelling units rehabilitated with program funds have a post rehabilitation value of less than 95 percent of the median purchase price for the type of single-family housing for the jurisdiction as determined by HUD.
9. *(Please check a. or b.)*
- ☐ a. Total program disbursements are less than \$200,000, Section 3 report is **not** required.
- ☐ b. Total program disbursements are greater than \$200,000, Section 3 report **is** required.  
*(Include report with CCFC)*

**As chief operating officer of the Member  
I certify that the information contained  
in this report is complete and accurate.**

Authorized signature

Date

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**Request for Project Amendment**  
(Required, as necessary)

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North Carolina Housing Finance Agency  
*Essential Single-Family Rehabilitation Loan Pool*  
**Request for Project Amendment**

Member Organization:		Date:	
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*Amount of ESFRLP Award, per Funding Agreement:*

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**1 Dwelling units served:** *(Please check either A or B.)*


- A.** No change in number of dwelling units to be served is requested.
- B.** The Member requests that the number of dwelling units to be served be amended in accordance with the following matrix.

	Approved	Proposed
<b>Number of Dwelling units</b>	<b>Dwelling Units:</b>	<b>Dwelling Units:</b>

Reason for requested change:

--

*(Attach additional page if needed)*

**2. Other Funds:** *(Please check either A or B)*


- A.** No change in other funds to be leveraged is requested.
- B.** The Member requests that the other funds target be amended in accordance with the following:

<i>Total number of approved dwelling units:</i>			
	Approved	Actual to date	Proposed
Source 1:			
Source 2:			
Total amount of other funds:			
Other funds per dwelling unit:			

Reason for requested change:

--

*(Attach additional page if needed)*

North Carolina Housing Finance Agency  
*Essential Single-Family Rehabilitation Loan Pool*  
**Request for Project Amendment**

**3. Project Role:**

(Please check either A or B.)

- A. ☐ No change of personnel is requested.
- B. ☐ The Member requests approval of changes in key personnel as indicated below. A current resume is attached for each officer who was not named in our approved application.

Project Role	As Approved		Proposed Changes	
a. Project Administration	Name:		Name:	
Contact email/phone:	Title:		Title:	
b. Financial management/loan administration	Name:		Name:	
Insert proposed email/phone:	Title:		Title:	
c. Attorney-legal services, recording, etc.	Name:		Name:	
Insert proposed email/phone:	Title:		Title:	
d. Rehabilitation Management	Name:		Name:	
Contact email/phone:	Title:		Title:	
e. Work write-ups/cost estimates	Name:		Name:	
Insert proposed email/phone:	Title:		Title:	
f. Interim inspections of work	Name:		Name:	
Insert proposed email/phone:	Title:		Title:	
g. Final inspections of work	Name:		Name:	
Insert proposed email/phone:	Title:		Title:	
h. Applicant intake/qualification	Name:		Name:	
Insert proposed email/phone:	Title:		Title:	
i. Client Counseling	Name:		Name:	
Insert proposed email/phone:	Title:		Title:	
j. Other: <i>(Identify below.)</i>	Name:		Name:	
Insert proposed email/phone:	Title:		Title:	

**4. Budget for Soft Costs:**

(Please check either A or B.)

- A. ☐ No change is requested.
- B. ☐ The Member requests approval of changes in the Budget for Soft Costs.

ESFRLP Soft Costs/unit		As Approved	Proposed Changes
1	Outreach & Advertising		
2	Environmental Review preparation		
3	Asbestos testing/clearance		
4	Radon testing		
5	LBP inspection/risk assessment		
6	LBP clearance		
7	Loan document execution, recording & legal fees		
8	Pre-rehab Inspection including scope of work		
9	Work write-ups		
10	Cost estimate		
11	Project & construction management		
12	Flood Insurance (units in Flood Hazard Zones)		
13	Post-rehab value certification		
<b>Total ESFRLP Soft Costs/unit</b>			

## 5. Member Certifications:

The above-named Member organization hereby requests that its NCHFA Essential Single-Family Rehabilitation Loan Pool project, (Funding Agreement # ) be amended as indicated above. I certify that all supporting information provided herein is accurate and the proposed changes are feasible and necessary to the success of the project.

*Authorized Officer*

*Title*

*Date*

## 6. NCHFA Approval:

The North Carolina Housing Finance Agency hereby approves the above Funding Agreement changes

as proposed,     **or**

as revised by Agency staff (in blue ink). Said changes are hereby made a part of the Funding Agreement by mutual consent.

*Recommending Officer*

*Title*

*Date*

*Authorized Officer*

*Title*

*Date*

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**Section 3 Guidance for ESFRLP  
with Summary Report**  
(Required, as necessary)

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## **Section 3 Information and Terminology**

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u)

Section 3 and regulations at 24 CFR part 135, ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be directed to low-and very-low income individuals, especially recipients of government assistance for housing, and to business concerns they own or that employ them.

### **Who Must Comply with Section 3 Requirements?**

For NCHFA ESFRLP awards, it has been determined by HUD Greensboro that Section 3 will apply just to the subrecipient once the funding agreement has been amended and exceeds \$200,000.

Section 3 applies to employment opportunities for the Essential Single-Family Rehabilitation Loan Pool Members that are generated (jobs created) as a result of projects receiving federal HUD HOME Investment Partnership Program (HOME) funding through NCHFA.

### **Section 3 Service Area**

The Section 3 service area is the metropolitan area (MSA) or non-metropolitan county where a HUD-assisted project for housing is located.

### **Section 3 Resident** (this would apply to new hires of the subrecipient)

Section 3 residents are new hires that are:

- Residents of public housing
- Persons who live in the MSA or non-metropolitan county where a HUD-assisted project is located and have a gross household income less than 80% of the area median. Use the current county income table located at [www.nchfa.com](http://www.nchfa.com)

### **Section 3 Business Concern** (this would apply to professional services hired by the subrecipient)

A business can be classified as a Section 3 business if:

- At least 51% or more of the business is owned by Section 3 residents,
- The businesses' permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or
- The business provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to a Section 3 business concern as defined in the first two bullets.

### **Section 3 Numerical Goals and Compliance**

The measurement of compliance with Section 3 regulations is the percentage of contracts awarded to Section 3 businesses, and the employment of Section 3 residents. The Section 3 goals apply to contract

awards and hiring in excess of \$200,000 in connection with Section 3 HOME funded Essential Single-Family Rehabilitation Loan Pool funding agreements.

If it is not feasible to meet the minimum goals, the Covered Parties must be prepared to provide an explanation and documentation as to why the goals were not met.

**Goals:**

- At least 3% of the total dollar amount of all other Section 3 covered non-construction contracts (i.e. professional services) to Section 3 businesses; and
- At least 30% of the aggregate number of new hires and provide training to those new hires. Employment goals are based on “new hires” which is defined as full-time employees for permanent, temporary, or seasonal employment opportunities.

**What is a Good Faith Effort?**

Good faith effort means that a subrecipient must take concrete steps to expand training and employment opportunities *when a vacancy exists*.

With respect to business participation, a good faith effort means identifying businesses located within the boundaries of the Section 3 covered project area, making them aware of contracting opportunities, encouraging the participation of affected businesses in the procurement process, and awarding contracts to these Section 3 business concerns if qualified.

**Section 3 Implementation**

Section 3 must be implemented in a manner consistent with existing Federal, State, and local laws. Section 3 does not supersede these laws, nor do these laws cancel or override the Section 3 obligation.

- Employment – Section 3 is race neutral, directed at low income and very-low income persons.

**Forms and Reporting Requirements**

- Prior to the end of the grant period or closing, the **subrecipient** is required to submit to NCHFA the Section 3 Summary Report for ESFRLP. This is an Excel form and must be submitted with the Certification for Completion and Final Cost (CCFC) form.



## Section 3 Local Jobs Initiative Resident Certification

To be signed by the Section 3 Resident and retained in the project files. Do not return to NCFHA.

All employees working on Section 3 covered projects must be reported in aggregate on the Section 3 Summary Report with their Section 3 resident status. For all employees reported as being Section 3 residents, documentation of their status must be retained in the project files. NCHFA considers this form adequate documentation of Section 3 status.

“Low income” resident means they earn below 80% of the median income for a household of their size in their area. To identify the income limit for your area, use the county income limit table located at [www.nchfa.com](http://www.nchfa.com)

*Instructions to employer (subrecipient)* Complete this form for every employee that is a Section 3 resident, with resident signature. **Retain this form in project files.**

Employee Name: \_\_\_\_\_

Employee Address: \_\_\_\_\_

Employee Telephone Number: \_\_\_\_\_

- Is the Employee a public housing resident? Y ( ) N ( ) If yes, name of development

\_\_\_\_\_

*(public housing is owned by a Public Housing Authority – PHA)*

- Is the employee a Section 3 resident because they are a low-income individual in the county/MSA of the project? Y ( ) N ( )

Annual family income last year: \_\_\_\_\_

Number of people in household: \_\_\_\_\_

County Median Income: \_\_\_\_\_ (Locate the county and use the 80% chart for the household size. Use your current county income table located at [www.nchfa.com](http://www.nchfa.com))

### To be signed by the Section 3 Resident

I certify that the above statements are true, complete, and correct to the best of my knowledge and belief.

Name (signature) \_\_\_\_\_

Name (printed) \_\_\_\_\_

Employer (printed) \_\_\_\_\_

Project Name: \_\_\_\_\_

## Section 3 Business Certification

To be completed by the business claiming Section 3 business status. Do not return to NCHFA.

For all businesses reported as being Section 3 businesses, documentation of their status must be retained in the project files. NCHFA considers this form adequate documentation of Section 3 status. Subrecipients funded with HUD (HOME) funding, with awards greater than \$200,000, are required to report on hiring and professional services contracts they make both with Section 3 business concerns and with businesses that are not Section 3 business concerns.

This form is a tool to determine and document the Section 3 business status (professional services). **Documentation of the status of Section 3 Businesses should be retained in the project files.**

### Business being certified

Company: \_\_\_\_\_

Address: \_\_\_\_\_

### Project information

Project Name: \_\_\_\_\_

### Section 3 determination

- Is your business owned (51% or more) by individuals whose household incomes are NO GREATER THAN 80% of Area Median Income (AMI)? Use your current county income table located at [www.nchfa.com](http://www.nchfa.com)  
( ) Yes      ( ) No
- Do 30% (or more) of your full time, permanent employees have household incomes that are NO GREATER THAN 80% of Area Median Income (AMI), or within three years of the date of first employment with the business concern were Section 3 residents? Use your current county income table located at [www.nchfa.com](http://www.nchfa.com)  
( ) Yes      ( ) No
- Will you subcontract more than 25% of this contract with a qualified business that is either 51% owned by Section 3 residents or 30% or more of its employees are Section 3 residents?  
( ) Yes      ( ) No

If any of the questions above are marked “yes”, the business qualifies as a Section 3 business.

I certify that the above statements are true, complete, and correct to the best of my knowledge and belief.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

## **Section 3 Reporting Instructions for the Summary Report**

### **Essential Single-Family Rehabilitation Loan Pool (ESFRLP)**

This reporting requirement applies only to ESFRLP subrecipients that receive HOME funds in excess of \$200,000 and is only applicable to the subrecipient. The subrecipient must submit to NCHFA one HUD-60002 report that contains their own activities.

#### **General Instructions**

Form HUD-60002 has three parts. Part I relates to **Employment and Training**. The subrecipient must complete Part I for the number of new hires for each job category (B, C, and F). Part II of the form relates to **Contracting**, which is only applicable for ESFRLP in relation to non-construction contracts over \$100,000 (maintenance contracts, professional service contracts associated with construction – ex. architectural, engineering, legal services, accounting, marketing), and Part III summarizes recipients' **Efforts** to comply with Section 3.

For NCHFA ESFRLP projects, the Summary Report must be submitted prior to award close-out.

The terms “low-income persons” and “very low-income persons” have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 % of the median for the area on the basis of the Secretary's findings such that variations are necessary because of prevailing levels of construction costs or unusually high- or low- income families. Very low-income persons mean low-income families (including single persons) whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

#### **Fill out all cells in Blue**

#### **For the heading of Section 3 Summary Report:**

Fill out:

- Subrecipient Name and Address: This should contain the complete name of the subrecipient of the NCHFA award, not the name of the homeowners. The address field should be the address of the subrecipient organization.
- Contact person: The person at the recipient organization whom NCHFA staff should contact with questions about this form.
- Date Submitted to NCHFA: Enter date
- Phone/Fax/Email: For the contact person
- Total Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received from NCHFA. The next field will self-calculate and is the amount that exceeds \$200,000.

## **For Part I: Employment and Training**

Section 3 residents hired will be reported on Form HUD-60002.

### **Column A:**

Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e., supervisors, architects, surveyors, planners, and computer programmers. The category of "other" includes occupations such as service workers.

### **Column B:**

Enter the number of new hires for each category of workers identified in Column A in connection with this award. New Hire refers to a person who was not on the subrecipient's payroll for employment prior to the subrecipient ESFRLP contract amendment notification.

### **Column C:**

Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award. Section 3 new hire refers to a Section 3 resident who was not on the subrecipient's payroll for employment prior to the subrecipient ESFRLP contract amendment notification.

### **Column F:**

Enter the number of Section 3 trainees in connection with this award post contract amendment notification.

## **For Part II: Contracts Awarded**

1. "Construction Contracts" is not applicable due to the Section 3 covered assistance applying to the subrecipient organization after the contract amendment notification date.
2. "Non-Construction Contracts" – only report contracts in excess of \$100,000 post contract amendment notification date.

Item A: Enter the total dollar amount of all non-construction contracts awarded.

Item B: Enter the total dollar amount of non-construction contracts awarded in relation to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving non-construction contracts

## **For Part III: Summary of Efforts**

Enter **Yes** or **No** to the first four statements. Use the first narrative space to detail any actions that were undertaken by the subrecipient to comply with Section 3 (where you posted job listings etc. if there was hiring). In the second narrative space detail why you were unable to attract Section 3 applicants or why you did not hire or contract.

## Section 3 Summary Report ESFRLP

Subrecipients use this form to provide NCHFA the information necessary to complete the HUD-60002 report.

Subrecipient Name:	
Project Number:	ESFRLP
Contact Person:	
Length of Grant:	NA
Date Report Submitted to NCHFA:	
Subrecipient Address (city, state, zip):	
Phone:	
Fax:	
Email:	
Reporting Period:	NA
Program Code-Name:	6-HOME-State Administered
Total Amount of Award	
Calculated amount over \$200,000	

### Part I. Employment and Training (Columns B, C, and F are mandatory fields.) Hiring by Subrecipient

A. Job Category	B. Number of New Hires	C. Number of New Hires that are Sec.3 Residents	D. % of Section 3 New Hires	E. % of Total Staff Hours for Section 3	F. Number of Section 3 Trainees
Professionals				NA	
Technicians				NA	
Office/Clerical				NA	
Officials/Managers				NA	
Sales				NA	
Craft Workers (skilled)				NA	
Operatives (semiskilled)				NA	
Laborers (unskilled)				NA	
Service Workers				NA	
Other				NA	
<b>Total</b>				<b>NA</b>	
If "Other", list the type(s) of jobs:					

Is there anything you want to write as explanation for your responses in Part I, or any supplemental information you'd like to provide? If you anticipate HUD or a state reviewer may be dissatisfied with your efforts, or with the results of those efforts, then include an explanation of everything you did to encourage there to be new positions filled by Section 3 residents, so that your organization can be defended against claims that you are not complying with the spirit of Section 3.

### Part II. Contracts Awarded

#### 1. Construction Contracts:

NA	A. Total dollar amount of all construction contracts awarded on the project
NA	B. Total dollar amount of construction contracts awarded to section 3 businesses
NA	C. Percentage of the total dollar amounts that was awarded to Section 3 businesses
NA	D. Total number of Section 3 businesses receiving construction contracts.

## 2. Non-Construction Contracts: Professional Services

- |  |  |
|--|--|
|  | A. Total dollar amount of all non-construction contracts awarded on the project      |
|  | B. Total dollar amount of non-construction contracts awarded to section 3 businesses |
|  | C. Percentage of the total dollar amounts that was awarded to Section 3 businesses   |
|  | D. Total number of Section 3 businesses receiving non-construction contracts.        |

Is there anything you want to write as explanation for your responses in Part II, or any supplemental information you'd like to provide? If you anticipate HUD or a state reviewer may be dissatisfied with your efforts, or with the results of those efforts, then include an explanation of everything you did to encourage there to be new positions filled by Section 3 residents, so that your organization can be defended against claims that you are not complying with the spirit of Section 3.

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## Part III. Summary of Efforts

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Enter YES for all that apply. Enter NO, if it does not apply.)

	Recruited low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
	Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
	Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
	Coordinated with Youthbuild Programs and administered in the metropolitan area in which the Section 3 covered project is located.

Is there anything you want to write as explanation for your responses in Part III, or any supplemental information you'd like to provide? If you anticipate HUD or a state reviewer may be dissatisfied with your efforts, or with the results of those efforts, then include an explanation of everything you did to encourage there to be new positions filled by Section 3 residents, so that your organization can be defended against claims that you are not complying with the spirit of Section 3.

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In the space below, please provide a detailed narrative describing the specific actions that were taken by you to comply with the requirements of Section 3 and meet the minimum numerical goals for employment and contracting opportunities. You may submit additional information outside this form, if useful.

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**Case File Log**  
(Model)

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## Case File Checklist Log - 2019

See Section 4.3.1

Case File Start Date: \_\_\_\_\_

Case File Created By: \_\_\_\_\_

Case File Reviewed By: \_\_\_\_\_

Date of Case File Review: \_\_\_\_\_

Required Documentation	Date of Document	Other Info	Filed By (initials)
Application for Assistance (4.3.1.1) - dated, signed by homeowner and intake personnel			
Verification of occupant income eligibility worksheet* (4.3.1.2) - dated and signed within 6 months			
Verification of ownership (4.3.1.3) - source document, highlight year built			
ESFRLP Essential Property Standard Certification of Compliance (2019)* <b>OR</b> Essential Property Standards Certification Checklist (2016-2018)* (4.3.1.15) - dated, signed, notes			
Work write-up, detailing necessary improvements (4.3.1.4)-dated			
Cost estimate of the work write-up (4.3.1.5) - itemized, <b>Funding Source identified (if other than ESFR)</b> , dated, signed by estimator			
Rehabilitation proposals (bids received) (4.3.1.6) <b>OR</b> (4.2.3.4) itemized summary account of all costs [labor, materials, etc.] paid with ESFRLP funds (work performed by recipient) with documentation-dated, signed by proposer/partner.			
Copy of Invitation to Bid with log of contractors invited (4.3.1.20)			
Bid Opening record/tally (4.3.1.21) - dated, signed by opener/recorder/observer			
Pre- construction Conference Record (4.3.1.7) - dated, signed by all attendees			
Contract for Rehabilitation, executed (4.3.1.8) - dated, signed by parties with date of signature			
Notice To Proceed <i>if required by your Assistance Policy</i>			
CHANGE ORDERS or Waivers* (if needed) (3.7.10/Appendix 2, Section C2) - dated, signed by all parties, min. 2 Member signers			
Certification of Final Inspection (4.3.1.16) - dated, signed by inspector			
Owner's Certificate of Satisfaction (4.3.1.22 and 4.8.1) - dated, signed by homeowner			

Required Documentation, continued	Date of Document	Other Info	Filed By (initials)
Post- construction Conference Record (4.3.1.7) - dated, signed by all attendees			
Contractor's Release of Liens (4.3.1.9) - dated signed by contractor, subcontractors			
Lead Based Paint Requirements Worksheet* (4.3.1.25)			
Renovation, Repair and Painting (RRP) Certificate if built prior to 1978 or other required documentation (4.3.1.17) - current Certificate [may be separate file]			
Any Lead/Asbestos Reports or supporting documents, required for project (4.3.1.17)			
Radon Report (4.3.1.17)			
Before and after photos at least 5 each (4.3.1.18)			
Required Documentation, Portal	Date of Document	Other Info	Filed By (initials)
Settlement Data Sheet* - Portal - keep copy (4.3.1.10)			
Post Rehabilitation Property Value Certification* - Portal - keep copy (4.3.1.11)			
HOME Owner Agreement* (4.3.1.12) - dated, signed			
Promissory Note* (4.3.1.13) - dated, signed by all parties			
Deed of Trust* (4.3.1.14) - dated, signed			
Request for Notice of Sale* if applicable (4.3.1.23 and 4.4.5)			
Privacy Notice* (4.3.1.24)			
Legal Advice Disclosure* (4.3.1.26)			
Unit financial log detailing all ESFRLP transactions (4.3.1.19)			
Written Agreements Member / Contractor with service providers (4.3.1.8) [may be separate file]			
Promissory Note Modification or Estoppel (if needed) (4.8.1.4) - dated, signed by homeowner/partner			

\* Document **must** be used in the form provided by NCHFA

Preferred Documentation			
Additional photographs to explain specific issues			
Record of contacts and correspondence			
Construction drawings/floor plans			
Record of interim inspections, as applicable			
Certification of compliance from Building inspector or explanation note to the file			
Contractor's invoices and receipts			
Other (describe)			

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**Pre-Application and Eligibility Form**  
(Model)

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**AGENCY MODIFY**  
**Essential Single-Family Rehabilitation Loan Pool**  
**Pre-Application & Eligibility Certification**

(page 1 of 2)

**Applicant Data**

Name of Homeowner(s) (First, MI, Last): \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

**If the Applicant was referred by someone other than self, complete the following:**

Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Relationship to Owner: \_\_\_\_\_

Notes: \_\_\_\_\_

**Household Membership**

Name (First, MI, Last)	Sex	Birth Date	SS# (9 digits required)	Race Code*	Hispanic**	Relation to Homeowner
a.						
b.						
c.						
d.						
e.						
f.						
g.						

**Gross Income Work Table**

**Dollars / Household Member / MONTH**

Source	a	b	c	d	e	f	g	Total
1) Wages								
2) Retirement/Pension								
3) Social Security								
4) Supplemental Security Income								
5) Public Assistance								
6) Child Support								
7) Interest								
8)								
9)								
10)								
Monthly Sub-Total (sum rows 1-10)								
Annual Sub-Total (12 x row above)								

Annual Gross Household Income (sum Annual Sub-Total for columns a-g): \_\_\_\_\_

**Applicant Certifications**

**I hereby certify that:**

- 1) I own and occupy the home described above as my primary residence;
- 2) The household and income information listed above is complete and true to the best of my knowledge;
- 3) This information is provided to qualify me for the Essential Single-Family Rehabilitation Loan Pool (ESFRLP). The Program is intended to assist low- and very low-income homeowners with special needs in correcting substandard housing conditions which pose a threat to life, health or safety or in performing accessibility modifications or other repairs necessary to meet the Essential Rehabilitation Criteria of ESFRLP.
- 4) I give permission for \_\_\_\_\_ and NC Housing Finance Agency to access information to verify the contents of this pre-application and to facilitate the rehabilitation of my home to meet Essential Property Standards or the Minimum Housing Code.
- 5) I understand that the secured, 0% interest, forgiven at the rate of \$5000/year loan provided via the ESFRLP is secured with a Deed of Trust.
- 6) I have been advised that my gender, race and ethnicity will be determined based upon observation and/or surname if I do not self-disclose the information.

Applicant Signature \_\_\_\_\_

Date \_\_\_\_\_

Co-Applicant Signature \_\_\_\_\_

Date \_\_\_\_\_

**AGENCY MODIFY****ESFRLP PROGRAM****Pre-Application & Eligibility Certification**

(page 2 of 2)

**Applicant Data**

Name of Homeowner(s) (First, MI, Last): \_\_\_\_\_

Street Address: \_\_\_\_\_

**Qualifying Income Table (for reference) Maximum Gross Household Income**

Household Size	1	2	3	4	5	6	7	8
a) County: 30%								
b) County: 50%								
c) County: 80%								

Note: \_\_\_\_\_

**Qualifying Questions**Does the applicant own this home? **YES** ☐ **NO** ☐Does the applicant's household qualify based on the income criteria? **YES** ☐ **NO** ☐

Mark all Special Need(s) by which the Applicant qualifies:

☐ Owner 62+ ☐ Member Disabled ☐ Veteran\*\*\* ☐ EBLI threat to child under 6**Eligibility Certifications**

I hereby certify that:

- 1) All of the above information has been reviewed or documented in accordance with the ESFRLP Program Guidelines and the ESFRLP Assistance Policy.
- 2) The Applicant is eligible for assistance under the ESFRLP Program;
- 3) There is no other state or federal source of funds available now, or likely to be available within the next six months, which could pay for the proposed repairs.

Authorized Officer

Organization

Date

**Eligible ESFRLP Rehabilitation Needs:**

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**Case Notes (for office use only)** Name of interviewer: \_\_\_\_\_

Non-housing problems:

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Action taken for referrals? **YES** ☐ **NO** ☐ If yes, specify:

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Other:

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\*Race Code: White (11); Black/African American (12); Asian (13); American Indian/Alaska Native (14); Native Hawaiian/Other Pacific Islander (15); American Indian/Alaskan Native & White (16); Asian & White (17); Black/African American & White (18); American Indian/Alaska Native & Black/African American (19); Other Multi-Racial (20); and, Asian/Pacific Islander (21).

\*\*Hispanic: Yes or No.

\*\*\*Veteran: A person who served in the active military as evidenced by a DD-214 form.

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**Written Agreement (Member/Contractor)**  
**(Model)**

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**ORGANIZATION NAME**

**WRITTEN AGREEMENT**

**IMPORTANT NOTICE:** Any change which occurs after the execution of this written agreement and not agreed to by the Organization in writing, including the terms of any funding source, may result in a Reduction of the loan amount or the cancellation of this commitment.

Contractor:

# SINGLE-FAMILY REHABILITATION PROGRAM

## Written Agreement (Contractor)

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_ (herein after referred to as the "SFR Project Administrator", "Project Administrator" or "Member") and \_\_\_\_\_ (herein after referred to as "the Contractor"), for the purpose of \_\_\_\_\_

\_\_\_\_\_  
*(provide description of work to be performed e.g. conducting a Lead-Based Paint Inspection/Risk Assessment, Energy Assessment, or Blower Door test; or if Member is acting as GC, then for plumbing, electrical or installation of HVAC system)*

Funds from the HOME Investment Partnerships Program shall be provided by the North Carolina Housing Finance Agency (NCHFA) to the Project Administrator to pay the Contractor for completing the scope of work outlined above.

### 1. Amount of HOME Funds Budgeted

The total amount of HOME funds budgeted for this work is \_\_\_\_\_. See attached budget, included as part of the written agreement.

### 2. The Use of the Funds

HOME funds, received by the Project Administrator from NCHFA shall be used to pay the Contractor for completing the work described above.

### 3. Performance Measures

The Contractor shall begin performance of this Agreement on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_ and shall complete performance no later than one year from this date. This Agreement will expire in 12 months from this date.

The Project Administrator's shall disburse funds to the Contractor only for completed work or services. Failure to meet the approved construction schedule or scope of work may result, at the discretion of the Project Administrator, in a reduction of the amount of funds available under this Agreement.

#### 4. Other Requirements

At all times during the term of participation in the project, the Contractor shall comply with all the regulations pursuant to HOME Program Regulations, as the same may be amended from time to time, including but not limited to the following:

- a. The Project shall qualify as and shall be maintained as "affordable housing" as prescribed in the applicable Program Regulations (24 CFR 92.254) and shall be suitable for occupancy.
- b. The Project shall meet the "Property Standards" as prescribed in the Program Regulations (24 CFR 92.251).
- c. The Borrower shall comply with the limitations on the uses of HOME funds as prescribed in the Program Regulations (for example, 24 CFR 92.257).

#### 5. Entire Agreement

This Agreement consists of 3 pages, including the cover page, and is the entire Written Agreement between the Project Administrator and the Contractor. In witness whereof, the parties below have executed this Agreement on the date first written above and is evidence of the commitment of HOME funds to this Agreement. It will expire upon work completion or one year from today, the \_\_\_\_\_ of \_\_\_\_\_, 201\_\_\_\_, whichever is sooner.

#### Contractor

\_\_\_\_\_  
Attest

By: \_\_\_\_\_  
Its: (Title)

#### Project Administrator

\_\_\_\_\_  
Attest

By: \_\_\_\_\_  
Its: (Title)

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**Bid Opening Tabulation/Record**  
(Model)

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# Bid Tabulation Sheet

NORTH CAROLINA HOUSING FINANCE

Funding Source: HUD HOME Investment Partnerships Program  
Essential Single-Family Rehabilitation Loan Pool (ESFRLP)

Organization Name: \_\_\_\_\_ Address: \_\_\_\_\_

Date Bids Advertised: \_\_\_\_\_ Date of Expected Award: \_\_\_\_\_ Low Bid Minimum Range: \_\_\_\_\_ %

Date Bids Received \_\_\_\_\_ Rebid Date (if applicable): \_\_\_\_\_ High Bid Maximum Range: \_\_\_\_\_ %

Project 1 Bid (Property Owner Name)	Contractors Responding to Bid Invitation (Name, Address, City)	Bid Amount	Pre-Bid Cost Estimate	Expected Awardee
(Project Street) _____ (Project City, State and Zip)	1		Low Bid Min	
	2			
	3		Cost Estimate	
Comments:	4			
	5			High Bid Max
	6			
Project 2 Bid (Property Owner Name)	Contractors Responding to Bid Invitation (Name, Address, City)	Bid Amount	Pre-Bid Cost Estimate	Expected Awardee
(Project Street) _____ (Project City, State and Zip)	1		Low Bid Min	
	2			
	3		Cost Estimate	
Comments:	4			
	5			High Bid Max
	6			
Project 3 Bid (Property Owner Name)	Contractors Responding to Bid Invitation (Name, Address, City)	Bid Amount	Pre-Bid Cost Estimate	Expected Awardee
(Project Street) _____ (Project City, State and Zip)	1		Low Bid Min	
	2			
	3		Cost Estimate	
Comments:	4			
	5			High Bid Max
	6			
Project 4 Bid (Property Owner Name)	Contractors Responding to Bid Invitation (Name, Address, City)	Bid Amount	Pre-Bid Cost Estimate	Expected Awardee
(Project Street) _____ (Project City, State and Zip)	1		Low Bid Min	
	2			
	3		Cost Estimate	
Comments:	4			
	5			High Bid Max
	6			

Signature of Person Opening Bids: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Person Observing Bid Opening: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Person Observing Bid Opening: \_\_\_\_\_ Date: \_\_\_\_\_

Bid Tabulation Sheet

Organization Name: \_\_\_\_\_

Organization Address: \_\_\_\_\_

Date Bids Advertised: \_\_\_\_\_

Date Bids Received: \_\_\_\_\_

Rebid Date (if applicable): \_\_\_\_\_

*BMinR = Bid Minimum Range* *BMaxR = Bid Maximum Range* *Expected Awardee is circled and/or highlighted*

NORTH CAROLINA HOUSING FINANCE AGENCY  
Funding Source: HUD HOME Investment Partnerships Program  
Essential Single-Family Rehabilitation Loan Pool (ESFRLP)

Date of Expected Award: \_\_\_\_\_

Low Bid Minimum Range: \_\_\_\_\_

High Bid Maximum Range: \_\_\_\_\_

Contractor Responding to Bid Invitation (include contact information: Address, phone, email)	Project 1 Bid	Project 2 Bid	Project 3 Bid	Project 4 Bid	Project 5 Bid
	<div>(client name and address)</div> <div>Cost Estimate: Low BMinR: High BMaxR:</div>	<div>(client name and address)</div> <div>Cost Estimate: Low BMinR: High BMaxR:</div>	<div>(client name and address)</div> <div>Cost Estimate: Low BMinR: High BMaxR:</div>	<div>(client name and address)</div> <div>Cost Estimate: Low BMinR: High BMaxR:</div>	<div>(client name and address)</div> <div>Cost Estimate: Low BMinR: High BMaxR:</div>
Pre-Bid Cost Estimate					Insurance? (Y/N) Other Note?
1					
2					
3					
4					
5					
6					
7					
8					

Signature of Person Opening Bids: \_\_\_\_\_

Signature of Person Observing Bid Opening: \_\_\_\_\_

Signature of Person Observing Bid Opening: \_\_\_\_\_

Signature of Person Observing Bid Opening: \_\_\_\_\_



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# **Contract for Rehabilitation**

## **(Model)**

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**E X A M P L E**  
**TOWN OF MCGILICUDDY**  
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

**CONTRACT FOR REHABILITATION**

STATE OF NORTH CAROLINA

COUNTY OF \_\_\_\_\_

\_\_\_\_\_, 20\_\_

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ (hereinafter referred to as "the Contractor") and \_\_\_\_\_ (hereinafter referred to as "the Owner"); with the Town of McGillicuddy (hereinafter referred to as "the Town") acting as an interested third party.

**WITNESSETH:**

THAT wherein the Contractor and the Owner by mutual agreement for the consideration hereinafter set forth, do hereby agree as follows:

1. **Scope of Work.** That the contractor shall furnish all labor, materials, equipment, supervision and services required to perform all the work described in the Work Write-up dated \_\_\_\_\_, 20\_\_, and consisting of \_\_\_\_\_ pages.

THAT the parties agree that there shall be no change in the Contract or in the Work Write-up/Specifications unless reduced to writing as a Change Order and duly executed as an Addendum to this Contract by the parties hereto.

2. **Contract Documents.** THAT the Contract consists of the "General Conditions of Rehabilitation Contract," the "Non-Collusive Affidavit of Prime Bidder," the "Work Write-up" and attendant drawings, the "Notice to Proceed," and the "Rehabilitation Specifications" of the Town, which, together with this Agreement, form the entire contract between the parties hereto, and are hereby incorporated into this Agreement by reference.

3. **Contract Sum.** THAT for the services rendered under the terms and conditions of this Contract by the Contractor, the Owner or its representative shall pay the Contractor, subject to any additions and deductions, as provided in Article I of this Contract, the sum of \_\_\_\_\_ DOLLARS AND \_\_\_\_\_ CENTS (\$ \_\_\_\_\_) upon the completion of the work described in this Contract.

4. **Payment Schedule.** THAT the Contractor shall not be entitled to any progress (partial) payment on contracts of less than \$5,000.

THAT for contracts exceeding \$5,000 but less than \$12,000, the Contractor shall be entitled to one (1) progress payment after a minimum of fifty percent (50%) of the total contract work is completed.

EXAMPLE  
THAT for contracts exceeding \$12,000, but less than \$22,000, the Contractor shall be entitled to two (2) progress payments, the first after a minimum of forty percent (40%) of the total contract work is completed and the second after an additional forty percent (40%) of the work is done.

And, THAT for contracts of \$22,000 or more, the Contractor shall be entitled to three (3) progress payments, the first after thirty percent (30%) of the work, the second after an additional thirty percent (30%) and a third after an additional thirty percent (30%) of the total contract work is completed.

THAT said progress payments shall be based upon eighty percent (80%) of the contract price (from the Contractor's cost breakdown as approved by the Town) of the work completed on each line item which is one-hundred percent (100%) complete. The contractor shall furnish release of liens or claims for liens by subcontractors, laborers and material suppliers for completed work or installed materials before payment will be made.

THAT upon completion of all (100%) of the contracted work and the execution of the Town's "Certificate of Satisfaction," a final payment will be issued on the Owner's behalf. Prior to final payment the Contractor shall execute, and cause to be executed by all subcontractors, laborers and suppliers which contributed labor and/or materials furnished or used in the performance of the work covered by this Agreement, a "Release of Liens" on a form provided by the Town on behalf of the Owner.

5. **Time of Commencement and Completion of Work.** THAT the Contractor agrees to begin work under this contract within five calendar days of the day stipulated in the written "Notice of Proceed" which shall be issued by the Town on the Owner's behalf after all project funding has been encumbered and/or the pre-audit statement signed by the Finance Director of the Town.

THAT work shall be satisfactorily completed by the Contractor within \_\_\_\_\_ ( ) working days of the stipulated date of commencement. Time is of the essence.

6. **Contract Time Extensions.** THAT it is expressly understood and agreed that the time for completion of the work described herein is a reasonable time, taking into consideration the prevailing climatic and economic conditions. Time extensions shall be granted to the Contractor only for the following reasons:
- A. Unforeseeable causes beyond the control and without fault or negligence of the Contractor, including but not limited to, acts of God, acts of the Owner or the Town, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and abnormal and unforeseeable weather;
  - B. Any delays of Subcontractors occasioned by any of the causes specified in paragraph A, above; and/or,
  - C. Delays caused by the addition of work to the contract through Change Orders.

THAT the Town shall determine a reasonable length for the contract extension time.

7. **Liquidated Damages.** THAT if the Contractor shall fail to complete the work within the contract time, or an extension of the time granted per Article IV, above, then the Contract price shall be reduced in the amount of \$50.00 per each working day from the stipulated completion date until the work shall be satisfactorily completed. In the event that such reductions in the Contract price should equal or exceed the encumbered balance, the Contractor shall be found in default and the Contract shall be terminated.

8. **Guarantee of Materials and Workmanship.** THAT all work performed under this agreement shall be done in a good and workmanlike manner, using quality materials.

## EXAMPLE

THAT the Contractor does hereby guarantee all materials and workmanship supplied under this contract to be of a quality meeting the standards current in the N.C. Uniform Residential Building Code and shall correct any defect or deficiency that may occur or become evident during the period of twelve (12) months from and after the date of execution of the Certificate of Final Inspection.

THAT any damage to the building, grounds or appurtenances that is the result of the construction work performed by the Contractor will also be corrected by the Contractor at no cost to the Owner or the Town. The Contractor shall furnish the Owner with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment under this contract.

9. **Lead Based Paint.** The Contractor will: 1) use no lead-based paint in connection with this contract; 2) report any suspected existing lead-based paint to \_\_\_\_\_ (Recipient) ; 3) handle any confirmed lead-based paint in accordance with HUD 24CFR35 and OSHA regulations.

10. **Protection of Persons and Property.** THAT the Contractor shall exercise proper precaution at all times for the protection of persons and property, on or off the site, which occur as a result of performance of the work.

THAT the Contractor shall keep the premises reasonably clean and orderly during the course of the construction and, if the house is occupied, the Contractor shall make every effort to minimize disruption of the occupants' daily routine.

THAT the Contractor shall remove debris as it is generated so as to reduce the risk of accidents, infestation and/or damage to plants/lawns. All debris shall be removed from the site prior to final payment. (Unless otherwise agreed, all material and equipment that have been removed and/or replaced as a part of the work herein described shall belong to and be the responsibility of the Contractor.)

THAT the Contractor shall take or have taken any and all necessary precautions to prevent undue exposure of workmen and/or occupants to occupational health hazards such as solvents, asbestos, dust, fumigants, etc. No lead-based paint shall be used by the contractor, and no existing lead-based paint shall be disturbed (through sanding or scraping or with heat guns or solvents, etc.) except in full compliance with OSHA regulations.

11. **Owner's Responsibilities.** THAT the Owner shall permit the Contractor to use, at no cost, existing utilities such as light, heat, power and water necessary to carry out and complete the work. If the subject building is vacant it shall be the Owner's responsibility (unless otherwise agreed) to provide electrical service for the Contractor's use prior to the stipulated date of commencement.

THAT the Owner shall cooperate with the Contractor to facilitate the performance of the work, including the removal and replacement of rugs, coverings, pictures, keepsakes, furniture, etc., as necessary.

THAT the Owner shall allow the Contractor to work at the site during the contract period between the hours of 8:00 a.m. and 6:00 p.m., Monday through Friday (excluding legal Holidays).

# EXAMPLE

THAT the Owner shall permit the Town, the U.S. Government or its designee, the North Carolina Housing Finance Agency, or other funding source assisting in the financing of the Contract to examine and inspect the rehabilitation work.

12. **Resolution of Disputes.** THAT in the event that there is any question or dispute with respect to the interpretation or the manner of implementation of this Contract or related documents or relating to the execution, progress and completion of, or payment for, the work, the Owner and the Contractor agree that the Town shall resolve any such dispute in accordance with the General Conditions hereto and such resolution shall be final and binding upon the parties. If formal resolution becomes necessary, the Town shall provide a written Finding to each party within ten (10) calendar days.
13. **Acceptance and Final Payment.** THAT upon receipt of notice that the work is ready for final inspection and acceptance, the Owner and the Town shall promptly make such inspection. When the work is found acceptable under the Contract and the Contract fully performed, the Owner shall sign a Certificate of Satisfaction, the Town shall execute a Certificate of Final Inspection, and payment to the Contractor shall be authorized in an amount sufficient to cover the balance of the Contract amount.

THAT prior to final payment, the Contractor shall submit written certification that all payrolls, materials and other indebtedness connected with the Contract work have been paid and that the Contractor will hold the Owner harmless from all claims of liens for labor or materials furnished or used in the performance of the work, whether by the Contractor or by any Subcontractor.

14. **Insurance and Licensing.** THAT the Contractor shall furnish the Town evidence of comprehensive liability insurance protecting the "Owner for not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000) and THREE HUNDRED THOUSAND DOLLARS (\$300,000) in the event of bodily injury, including death, and FIFTY THOUSAND DOLLARS (\$50,000) in the event of property damage arising out of the work performed under the Contract; and evidence of Workmen's Compensation on all employees of himself and any subcontractor.

THAT the Contractor shall obtain all permits and licenses necessary for the completion and execution of the work and labor performed. The Contractor shall perform all work in conformance with applicable local codes and requirements whether or not so indicated in the Work Write-up.

15. **Federal Statutes and Provisions.** THAT the Contractor agrees to comply and conform with the following provisions of the Town and the U.S. Department of Housing and Urban Development (HUD) which are published in the General Conditions to this Contract and made a part hereto by reference: 1) Conflict of Interest Provision; 2) Legal Remedies; 3) Termination Provision; 4) Nondiscrimination Clauses; 5) Executive Order 11246; 6) Copeland "Anti-Kickback" Act Provision; 7) Access to Records and Records Retainage Clause; and 8) Lead-Based Paint Clause.

16. **Non-Assignment of Contract.** THAT the Contractor shall not assign this Contract without the prior written consent of the Owner and the Town. The request for assignment must be addressed to the North Carolina Housing Finance Agency.

EXAMPLE

IN WITNESS WHEREOF, by signature affixed below, said Contractor and Owner do hereby approve and accept all terms and conditions of this Contract as herein stated.

Owner(s)

Contractor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

TOWN OF MCGILLICUDDY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

By: \_\_\_\_\_

Title: \_\_\_\_\_

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**Essential Property Standards  
Certification Checklist  
(2016-2018)**

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<b>Checklist</b> Essential Property Standards		Date of Initial Inspection:		Print INITIAL INSPECTOR name
ESFRLP Partner and Cycle				
Address, City, Zip of Property:		Date of Final Inspection:		Print FINAL INSPECTOR name
<b>Inspection Key:</b> Y = Yes N = No U = Unsure/not exposed/see Notes AW = Approved Waiver X = Repair XX = Replacement B = Both Repair and Replacement for item		Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)
<b>NOTES</b>				
<b>Section 1: Site Health and Safety</b>		Section 1 Complete? Rehabilitation Specialist Initials: _____		
<b>Site: General</b>				
The site components, such as fencing and retaining walls, grounds, lighting, mailboxes/project signs, parking lots/driveways, play areas and equipment, refuse disposal, roads, storm drainage and walkways must be free of health and safety hazards and be in good repair. The site must not be subject to material adverse conditions, such as abandoned vehicles, dangerous walks or steps, poor drainage, septic tank back-ups, sewer hazards, excess accumulations of trash, vermin or rodent infestation or fire hazards.				
<b>A. Property Access and Egress</b>				
1. Exterior platforms and/or steps shall be provided to serve exits and shall be maintained in a safe condition.				
1.a. Every porch, terrace or entrance platform located at more than thirty (30) inches above the adjacent finished grade shall be equipped with guardrails not less than thirty-six (36) inches high.				
1.b. Exterior stairs, handrails and railings shall be constructed with moisture resistant materials or protected with paint or other approved covering or material to prevent moisture penetration.				
<b>B. Infrastructure: Utilities &amp; Storm/Site Drainage</b>				
1. Water Supply. Every dwelling unit shall be connected to an approved public or private water supply and sewage disposal system that is sanitary and free from contamination.				

Section 1, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
B. Infrastructure: Utilities & Storm/Site Drainage, cont'd				
2. Drainage. Every yard shall be properly graded so as to obtain positive drainage and so as to prevent the accumulation of stagnant water in the yard or under the structure. Gutter and downspouts, if installed, shall be provided to properly collect, conduct and discharge the water from the roof and away from the structure.				
C. Fire Safety				
1. Site Address: Address numbers. Buildings shall have approved address numbers, building numbers or approved building identification placed in a position that it is plainly legible and visible from the street or road fronting the property.				
D. Sanitary Conditions				
1. Infestations: The dwelling unit and its equipment must be in sanitary condition: free of vermin and rodent infestation(s).				
E. Hazardous Site Conditions				
1. Site Hazards. The site may not be subject to serious adverse natural or manmade environmental conditions, such as dangerous walks or steps, soil/geologic instability, flooding, poor drainage, septic tank back-ups or sewer hazards, mudslides, excessive accumulations of trash, or fire hazards.				
Additional Notes:				

<b>Checklist</b> Essential Property Standards		Date of Initial Inspection:		Print INITIAL INSPECTOR name
ESFRLP Partner and Cycle				
Address, City, Zip of Property:		Date of Final Inspection:		Print FINAL INSPECTOR name
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<b>Section 2: Building Health and Safety</b>				
<b>Section 2 Complete?</b> Rehabilitation Specialist Initials: _____				
<b>Dwelling: General</b>				
All areas and components of the housing must be free of health and safety hazards. These include, but are not limited to, air quality, electrical hazards, emergency/ fire exits, flammable materials, garbage and debris, handrail hazards, infestation, and lead-based paint. For example, the buildings must have fire exits that are not blocked and have hand rails that are undamaged and have no other observable deficiencies. The housing must have no evidence of infestation by rats, mice, or other vermin, or of garbage and debris. The housing must have no evidence of electrical hazards, natural hazards, or fire hazards. The dwelling must have proper ventilation and be free of mold, odor (e.g., propane, natural gas, methane gas), or other observable deficiencies. The housing must comply with all requirements related to the evaluation and reduction of lead-based paint hazards and have available proper certifications of such (see 24 CFR part 35).				
<b>A. Dwelling Access, Egress and Security</b>				
1. Access. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows). Access shall be provided to all rooms within a dwelling unit without passing through a public space. Access to toilet and bathing facilities shall be through a weather-tight area without going outside the building.				
Additional Notes:				

Section 2, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
A. Dwelling Access, Egress & Security, contd				
2. Egress. Each dwelling unit must provide two (2) remote exits or if only one (1) exit door is provided, every sleeping room must have at least one (1) operable window approved for emergency egress. The window must be operable from the inside without use of a key or tool. It is preferable that the window sill height does not exceed forty-four (44) inches above the floor and provides a minimum clear opening width of twenty (20) inches and a minimum clear opening height of twenty-two (22) inches. The total net clear opening shall not be less than four (4) square feet. Bars, grills or other obstructions placed over these windows must be releasable or removed from the inside with the use of reasonable force/dexterity and without the use of a key or tool.				
2.a. Each sleeping room must have at least one operable window in proper working order.				
2.b. Stairwells and flights of stairs, attached to or within a dwelling unit, that contain four (4) or more risers shall have handrails. Every rail shall be firmly fastened and maintained in good condition				
2.c. Every stair riser on the path of egress from the home's sleeping rooms shall be reasonably uniform and shall not exceed eight and one-fourth (8 ¼) inches in height and shall be securely fastened in position.				
3. Security. The dwelling unit must provide adequate security for the family.				
3.a. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.				

Section 2, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
A. Dwelling Access, Egress & Security, contd				
3.b. Unit windows located on the first floor, at the basement level, on a fire escape, porch, or other outside space that can be reached from the ground and that are designed to be opened must have a locking device. (Windows with sills less than six feet off the ground are considered accessible.) Traditional window locks, those provided by storm/screen combination windows, window pins, and nails are acceptable. Windows leading to a fire escape or required to meet egress or ventilation requirements may not be permanently nailed shut.				
B. Hazardous Interior Conditions				
1. Egress. Safe, continuous and unobstructed exits shall be provided from the interior of the structure to the exterior at street or grade level.				
1.a. There shall be no loose flooring or floor covering.				5
1.b. There shall be no dirt floors or wood floors on the ground.				
1.c. No flight of stairs settled more than one (1) inch out of its intended position or pulled away from supporting or adjacent structures shall be allowed.				
2. Interior Air Health Threats. The dwelling unit must be free of air pollutant levels that threaten the occupants' health, including carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.				
C. Fire Safety				
1. Alarms and Detectors: The dwelling unit must include at least one battery-operated or hard-wired smoke detector, in proper operating condition and less than 10 years old, on each level of the unit, including basements, but excluding crawl spaces and unfinished attics.				

Section 2, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
C. Fire Safety, cont'd				
2. Combustibles and Combustible Materials. The dwelling units must have proper ventilation and be free of odor (e.g., propane, natural gas, methane gas), or other observable combustion deficiencies.				
2.a. Liquid fuel stored on the premises shall be stored in accordance with the provisions of the North Carolina State Building Code and any other applicable codes.				
2.b. Hearths shall be of noncombustible material and shall extend at least twelve (12) inches beyond the face and six (6) inches beyond each side of the fireplace opening. No combustible materials shall be permitted within seven (7) inches of the top and seven (7) inches on either side of the fireplace opening.				
2.c. No holes shall be permitted in the flue/vent of any fuel-burning equipment or waste pipe except for necessary vent connections and clean-out doors.				
2.d. Existing chimneys shall be tight, safe and capable of maintaining proper draft of combustion by-products to outside air. Thimbles shall be grouted tightly and shall be located high enough to provide proper draft for the heating appliance served thereby.				
2.e. No combustible material shall be located within six (6) inches of the thimble.				
2.f. There shall be no cardboard, newspaper, or other similar highly combustible wall finish.				
D. Sanitary Facilities				
1. General: The dwelling unit must have hot and cold running water, including an adequate source of potable water.				
1.a. Every dwelling unit shall be connected to an approved water supply and sewage disposal system.				



Section 2, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
D. Sanitary Facilities, cont'd				
1.b. Every dwelling unit used or intended for use as human habitation shall have an enclosed bathroom and toilet facilities complete with water closet, tub or shower and lavatory; and shall also have a kitchen sink, all of which shall be connected to approved water and sewer systems with unimpeded flow to each inlet or outlet.				
1.c. Water-heating facilities shall be provided which are properly installed, are maintained in safe and good working condition, are properly connected with the hot water line to each tub, shower, lavatory, kitchen sink, washing machine, and/or any other supplied plumbing fixture and are capable of supplying water at a temperature of not less than one hundred twenty (120) degrees Fahrenheit. Such supplied water-heated facilities shall be capable of operating independently of the space-heating equipment.				5
2. Human Hygiene. The dwelling unit's sanitary facility must be in proper operating condition, usable in privacy, and adequate for personal hygiene and the disposal of human waste.				
3. Food Preparation. The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner. All required equipment must be in proper operating condition.				
E. Light, Heat and Ventilation				
1. Light. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. Every habitable room in a dwelling or dwelling unit shall contain a window or windows facing outside.				
2. Heat. The dwelling unit must be able to provide a thermal environment that is healthy for the human body.				

Section 2, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
E. Light, Heat and Ventilation, cont'd				
3. Ventilation. There must be adequate air circulation in the dwelling unit.				
3.a. Bathroom areas must have one openable window or other adequate passive or mechanical ventilation.				
3.b. Attics shall be properly ventilated.				
3.c. Clothes dryers shall be exhausted in accordance with the manufacturer's instructions. Dryer exhaust systems shall be independent of all other systems and shall convey the moisture and any products of combustion to the outside of the building.				
3.d. The home must have at least one exhaust fan in any bedroom, living room, bathroom or kitchen vented to the outside for every 1800 SF. The exhaust fan must be capable of continuous operation to provide fresh air from a clean source. Additionally, the home shall have an exhaust fan vented to the outside in at least one of the following locations: bathroom or kitchen. If this fan meets the minimum criteria for an exhaust fan (see Section 4) and the home is less than 1800 SF, then a single exhaust fan in the home is acceptable.				
3.e. A filtered and protected passive or mechanical fresh air intake system is required if the home or occupants meet any of the following criteria: inoperable or no windows in any habitable room; an open fireplace is present; known indoor contaminants are present (for example: lead, asbestos, radon, carbon monoxide, mold, cigarette smoke) and/or a home occupant has a respiratory illness.				
F. Lead, Asbestos, Radon and Other Toxins				
The dwelling unit must be free of lead, asbestos, radon and other toxin hazards that threaten occupants' health.				
Additional Notes:				

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<b>Section 3: Building Space &amp; Structure</b>				
<b>Section 3 Complete?</b> Rehabilitation Specialist Initials: _____				
<b>Dwelling Unit: General</b>				
Dwelling Unit. The dwelling unit must be structurally sound, habitable, and in good repair. All areas and aspects of the dwelling unit (for example, the unit's bathroom, ceiling, doors, floors, kitchen, patio/porch/balcony, stairs, walls, and windows) must be free of health and safety hazards, functionally adequate, operable, and in good repair.				
<b>A. Minimum Space Requirements</b>				
1. General. The dwelling unit must provide adequate space for the family.				
2. Habitable Rooms. At a minimum, the dwelling unit must have a living room, a kitchen and a bathroom and at least one sleeping area.				
2.a. No cellar shall be considered a habitable area.				
2.b. No basement shall be used as a habitable room or housing unit unless: the floors and walls are impervious to leakage of underground and surface runoff water and insulated against dampness and condensation and there is at least one means of egress that meets building exit standards.				
3. Sanitary Facilities. The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and disposal of human waste. The sanitary facilities must be usable in privacy.				
3.a. The bathroom must be located in a separate room and have a flush toilet in proper operating condition.				

Section 3, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
A. Minimum Space Requirements, cont'd				
3.b. The unit must have a fixed basin (lavatory) with a sink trap as well as a shower or tub both with hot and cold running water in proper operating condition.				
3.c. All sanitary facilities must utilize an approved public or private sanitary waste disposal system.				
4. Food Preparation. The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner.				
4.a The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approved public or private system.				
5. Sleeping Areas. The dwelling unit must have at least one sleeping area (bedroom or living/sleeping room) for every two persons.				
B. Exterior Surfaces				
1. General. Each building on the site must be structurally sound, secure, habitable, and in good repair. Each building's doors, fire escapes, foundations, lighting, roofs, walls, and windows, where applicable, must be free of health and safety hazards, operable, and in good repair. All exterior surfaces shall be structurally sound.				5
1.a. All exterior surface shall be protected with paint or other approved protective covering to prevent deterioration and the entrance or penetration of moisture.				5
2.a. Foundation - The foundation shall be on firm, reasonably dry ground, and there shall be no water standing or running under the building.				5
2.b. Foundation - Homes with a crawl space have unobstructed foundation vents.				

Section 3, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
B. Exterior Surfaces, cont'd				
3.a. Walls - The exterior wall surface must not have any serious defects such as leaning, buckling, sagging, large holes, or defects that may result in water infiltration or vermin infestation.				5
3.b. Walls - There shall be proper flashing at walls and chimney, windows, doors or any other wall penetration. For hidden/non-visible flashing, the presence of no damage assumes proper flashing.				5
4. Roof - Roofing shall prevent the entrance of moisture into the dwelling unit.				5
4.a. There shall be a minimum of Class C roof covering.				
4.b. There shall be no roof with more than two (2) roof coverings.				
C. Interior Surfaces				
1. General: Interior finish materials/finish substrates shall be free of serious defects.				
2. Floors: Floors shall be in sound condition and good repair and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon.				5
2.a. After removal of any non-affixed treatment or object including all furniture, floors shall be reasonably smooth, not rotten or worn through, and without visible or excessive cracks/deterioration which permit rodents to penetrate rooms.				
2.b. Floors shall be reasonably level.				
2.c. All bathroom, toilet room, laundry and kitchen floors shall be constructed reasonably impervious to water so as to permit such floor to be readily kept in a clean and sanitary condition				
3. Walls: Walls shall be in sound condition, not seriously out of plumb and structurally sound.				

Section 3, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
C. Interior Surfaces, cont'd				
3.a. After removal of any non-affixed treatment or object including all furniture, there shall be no visible loose plaster, loose boards or other loose wall materials susceptible to falling.				
3.b. There shall be no exposed/evident/visible seriously rotted, termite-damaged, fire-damaged or broken studs.				
4.a. Ceiling: The ceiling shall be substantially vermin and rodent-proof. After removal of any non-affixed treatment(s) or object(s), there shall be no visible loose plaster, boards, sheetrock or other ceiling finish susceptible to falling.				
D. Doors				
a. General: Doors shall be provided at all doorways leading to bedrooms, toilet rooms, and bathrooms and all rooms adjoining a public space. Toilet and bath doors shall have an operable privacy lock.				
b. Exterior doors shall be water and rodent-proof and lockable from inside and outside.				
c. Doors shall be in sound working condition and good repair.				
E. Windows				
1. General. There must be at least one window in both the living room and each sleeping room.				
2. Function. Window frames and glass shall have no missing, cracked or broken glass.				
2. a. All operable windows shall be provided with suitable hardware to include operable locks and shall be made to open freely.				

Section 3, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
E. Windows, cont'd				
2.b. All operable and openable windows shall be adequately screened. Screens shall not be permanently fixed to the window frame or sash. The screens on windows and doors may be omitted for dwelling units containing a permanently installed heating and air conditioning system providing the dwelling unit with year round mechanical ventilation. Screens shall be installed in dwellings with window air conditioning units which are not permanently installed.				
F. Structural Support				
1. General. The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment. Any structural issue uncovered during the execution of the scope of work must be addressed for the health, safety and protection from the environment of the occupants.				5
2. Foundation. The foundation and exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.				5
2.a. The foundation shall be on firm, reasonably dry ground, and there shall be no water standing or running under the building.				
2.b. Broken, overloaded, decayed or excessively sagging sills, beams, girders and joists shall be prohibited.				5
2.c. All elements of the foundation including piers, underpinning and masonry, shall be in good repair. Piers shall be sound. i. There shall be no wood stiff knees piers or other improper piers. ii. No isolated masonry pier shall exceed (10) times the least dimension.				

Section 3, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
F. Structural Support, cont'd				
2.d. Underpinned units shall use an approved material so as to be substantially weatherproof and rodent-proof.				
2.e. Units with a crawl space will have a crawl space access, with cover. Adequate ventilation shall be provided to the foundation area by approved methods.				
3. Roofs, Ceilings & Floors. Roofs shall be in sound condition and capable of supporting the load intended. Floors, attic floors and ceilings shall be in sound condition and good repair and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon.				
3.a. The roof must be structurally sound and weather-proof.				5
3.b. There shall be no exposed/evident/ visible rotten, broken, sagging, or fire-damaged joists or improperly supported ends.				5
3.c. Joists and supporting members shall provide sufficient support.				5
3.d. Rafters shall be adequately braced.				
3.e. Broken, overloaded, decayed or excessively sagging sills, beams, girders and joists shall be prohibited.				5
3.f. There shall be no loose, or visibly rotted or fire-damaged sheathing or roof covering.				5
3.g. All existing hanging masonry chimneys shall be removed or reattached.				
3.h. There shall be no chimneys or parts thereof which are defective, deteriorated or in danger of falling, or in such condition or locations as to constitute a fire hazard.				5



Section 3, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
F. Structural Support, cont'd				
4. Walls. All load-bearing walls, exterior or interior, shall not be substantially bowed or out-of-plumb and shall be structurally sound.				5
4.a. Walls must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.				5
4.b. The foundation and exterior wall structure must not have any serious defects such as serious leaning, buckling, sagging, or defects that may result in unsafe conditions or vermin infestation.				5
4.c. Studs shall provide sufficient support for sheathing or exterior finish and shall not be visibly rotten or termite damaged.				5
4. d. There shall be no visibly rotted, termite [-damaged], fire-damaged or broken studs.				5
5. Other. 5.a. Porches: Foundation, floor, ceiling and roof shall be equal to standards as set forth above, except sills and joists need not be level if providing drainage of floors; floors need not be weather-tight. Posts and railings shall not be visibly rotten or termite-damaged.				
5.b. Stairs: They shall be safe to use and capable of supporting the load that normal use may cause to be placed thereon. Every rail shall be firmly fastened and maintained in good condition. No rotting, sagging or deteriorated supports shall be allowed.				
Additional Notes:				

<b>Checklist</b> Essential Property Standards		Date of Initial Inspection:		Print INITIAL INSPECTOR name
ESFRLP Partner and Cycle				
Address, City, Zip of Property:		Date of Final Inspection:		Print FINAL INSPECTOR name
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<b>Section 4: Building System Standards</b> <b>Section 4 Complete?</b> Rehabilitation Specialist Initials: _____				
Building Systems: General				
Building Systems. Each dwelling unit's domestic water, electrical system, HVAC, and sanitary system must be free of health and safety hazards, functionally adequate, and operable. Any electrical, plumbing, heating or other utilities furnished to an accessory structure shall be free of health and safety hazards. Major building systems (e.g. structural support, roofing, cladding and weatherproofing, plumbing, electrical & HVAC) must have a remaining useful life of a minimum of five years.				
A. Plumbing				
1. Supply. Hot and cold water must be available at the kitchen sink, tub, shower, and lavatory taps. The definition of hot water (temperature) required at the lavatory, tub, or shower should be determined from local health standards or applicable local code. All water piping shall be protected from freezing by approved methods.				
2. Waste. The kitchen sink, tub/shower, toilet, and basin/lavatory must have a proper sewer trap, drain, and vents to prevent the escape of sewer gases or severe leakage of water. Drains must not be clogged and the toilet must flush.				
2.a. All existing and necessary plumbing vents shall be properly sized and functioning.				
2.b. Sewer and water lines shall be properly supported with no broken or leaking lines.				

Section 4, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
A. Plumbing, cont'd				
3. Fixtures. All fixtures shall be in proper working condition with no leaks existing.				
3.a. The unit must have these minimum fixtures in proper operating condition: a fixed basin (lavatory) with a sink trap and hot and cold running water; a shower or tub with hot and cold running water and a kitchen sink, with a sink trap and hot and cold running water.				
3.b. No fixtures shall be cracked, broken or badly chipped.				
3.c. Water closets shall be properly connected to a cold water line; water closets without traps are prohibited.				
B. Heating, Cooling and Ventilation				
1. General. The dwelling unit must be able to provide a thermal environment that is healthy for the human body.				
1.a. There must be a safe system in proper operating condition for heating (and cooling in US Department of Energy climate zones 3 & 4) the dwelling unit, such as electric baseboard, radiator, or forced air systems. In order to ensure a healthy living environment appropriate for the climate, the system must be able to adequately provide or reduce adequate heat either directly or indirectly to each habitable room.				
1.b. The dwelling unit must not contain unvented room heaters or other non-sealed combustion equipment. Electric heaters are acceptable. Existing wood-burning open fireplaces which are supplemental heating are exempt from this requirement but any combustion equipment installed in an open fireplace is not exempt.				
1.c. One carbon monoxide (CO) detector shall be installed outside each bedroom area and to manufacturer specifications in homes that have a combustion appliance(s) or an attached garage (minimum one per floor).				

Section 4, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
B. Heating, Cooling and Ventilation, cont'd				
2. Heating/Cooling Equipment. Every central or electric heating system including any ductwork, controls, return/delivery grills, etc. shall be properly installed and capable of safely and adequately heating all habitable rooms, bathrooms, and water closet compartments to a temperature of at least sixty-eight (68) degrees Fahrenheit with an outside temperature of 20 degrees Fahrenheit.				
2.a. All gas and oil burning equipment existing on the premises shall be of a type approved and installed in accordance with the provisions of the North Carolina State Building Code and any other applicable codes.				5
2.b. Fireplace(s) shall be used only for supplemental heat and not for primary heating, and shall have no loose mortar or damaged firebrick.				5
3. Ventilation and Fresh Air. There must be adequate air circulation in the dwelling unit.				
3.a. Exhaust fan: A mechanical exhaust fan is one that is rated to exhaust 80 CFM minimum and capable of exhausting at a rate of 50 CFM minimum. Additionally, the fan should be capable of continuous, quiet (by homeowner preference) operation in conjunction with either a passive or mechanical filtered air intake system to provide fresh air. Existing fans in a home meeting this criteria are acceptable.				5
3.b. Vented to the outside: All ventilation/exhaust ducts shall terminate at or beyond the exterior skin of the building. No exhaust air can be delivered to/terminated in the attic, crawl, enclosed/screened porch or other semi-enclosed space.				

Section 4, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
B. Heating, Cooling and Ventilation, cont'd				
3.c. Fresh Air: Mechanical and gravity outdoor air intake openings shall be located not less than 10 feet (3048 mm) horizontally from any hazardous or noxious contaminant source, such as vents, chimneys, plumbing vents, sanitary sewer vent, streets, alleys, parking lots and loading docks, except as specified in the current NC Residential Codes. Intakes shall be located not less than 3 feet (914 mm) below contaminant sources where such sources are allowed by the NC Residential Code to be located within 10 feet of the opening. Intake openings on structures in flood hazard areas shall be at or above the 100 year flood plain. No intake air can be sourced from the attic, crawl, enclosed/screened porch or other semi-enclosed space.				
3.d. Filters: The washable or throwaway filter for passive fresh air intake shall be designed to keep insects, pollens and dust mites out of the home but allow maximum infiltration (this is equivalent to a MERV rating of 3-4).				
3.e. Protection: Fresh air intake openings in residential occupancies shall meet the following minimum and maximum opening sizes in louvers, grilles and screens, measured in any direction: not <1/4" and not >1/2 inch.				
C. Electrical				
1. General: The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The dwelling unit shall be safely wired for existing or required electrical lights, convenience receptacles, central heating (and cooling when present) equipment, the major appliances/equipment and water pumps/septic systems when applicable.				

Section 4, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
C. Electrical, cont'd				
1.a. Electrical fixtures and wiring must not pose a fire hazard. All electric wiring, devices, appliances and fixtures shall be installed in accordance with the North Carolina State Building Code and none shall be dangerous or hazardous.				
1.b. Hanging light fixtures or outlets from electric wiring, missing cover plates on switches and outlets, badly cracked outlets or cover plates, exposed fuse box connections and, overloaded circuits are unacceptable.				
1.c. All receptacles, ceiling fixtures or other fixtures shall be securely attached. No flexible cords shall be used as a substitute for the fixed wiring of a structure, nor run through holes in walls, ceiling or floors; through doorways, windows or similar openings; attached to building surfaces, or concealed behind building walls, ceilings or floors.				
2. Electrical Supply: 2.a. Fuses and branch circuits shall be sized and installed properly.				
2.b. The living room and each sleeping space must have at least two electrical outlets in proper operating condition. The kitchen must have at least one electrical outlet in proper operating condition. This outlet must be GFCI if located within 6' of a water supply outlet/faucet.				
2.c. Outlet(s) that exist in the bathroom must be GFCI.				
3. Electrical Appliances: 3.a. The dwelling unit must have an oven and a stove or range. A microwave oven may be substituted for an oven and stove or range.				

Section 4, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
C. Electrical, cont'd				
3.b. The dwelling unit must have a refrigerator. The refrigerator must be capable of maintaining a temperature low enough to keep food from spoiling. A counter-top or under-counter type refrigerator is not acceptable as the only refrigerator. The freezer space must be present and working, and the equipment must not present an electrical hazard.				
4. Lighting Fixtures: At least one (1) fixed in place ceiling or wall type electric light fixture shall be provided in every bedroom, laundry room, furnace room, hall, basement or any other area in which artificial light is required for the safety and welfare of the occupants. A switched wall receptacle shall be acceptable in a bedroom, living room or den. The kitchen area and the bathroom must have a permanent ceiling or wall-mounted fixture in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets in the living room and sleeping areas.				5
4.a. All switches and fixtures shall be safely operable or sealed off and disconnected.				
4.b. Lights at entrances and exits are required.				

<b>Checklist</b> Essential Property Standards		Date of Initial Inspection:		Print INITIAL INSPECTOR name
ESFRLP Partner and Cycle				
Address, City, Zip of Property:		Date of Final Inspection:		Print FINAL INSPECTOR name
<b>Inspection Key:</b> Y = Yes N = No U = Unsure/not exposed/see Notes AW = Approved Waiver X = Repair XX = Replacement B = Both Repair and Replacement for item	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	<b>NOTES</b>
<b>Section 5: Energy Efficiency Standards</b>				
<b>Section 5 Complete?</b> Rehabilitation Specialist Initials: _____				
A. Air Tightness				
A. Air Tightness. The dwelling unit shall be weatherproof and capable of being adequately heated. Existing insulation, light/fan fixtures, coverplates, HVAC grills/panels, cabinets, plumbing fixtures are all considered affixed.				
1. Attics/Ceilings: After removal of any non-affixed treatment(s) or object(s), there shall be no visible holes, loose plaster, boards, sheetrock or other ceiling finish susceptible to air infiltration.				
2. Floors: After removal of any non-affixed treatment or object including all furniture, floors shall be without visible holes or excessive cracks which permit air to penetrate the dwelling unit.				
3. Walls: After removal of any non-affixed treatment or object from interior walls including all furniture, there shall be no visible holes, loose plaster, visible cracks that would permit air to penetrate the dwelling unit. All exterior wall surfaces and the foundation shall be waterproof, weatherproof and rodent proof with no visible holes, cracks or rotted boards.				
4. Doors and Windows: Exterior doors shall be substantially weather-tight with no visible light at the header, jambs or threshold. Window frames and glass shall be reasonably weather-tight.				



Section 5, contd.	Meets Property Standard? (Y/N/U/AW)	Repair (X) or Replacement (XX) or BOTH (B)?	Work Scope COMPLETE? (Y/AW)	NOTES
B. Insulation				
B. Insulation. Insulation shall be installed in ceilings to the insulation manufacturer's specifications with no gaps, voids, compression or wind intrusion. Insulation and the air barrier shall be installed in physical contact with each other. Accessible attics shall be insulated to R-38 or greater.				
C. Crawlspace:				
C. Crawlspace: All crawlspaces shall have a 100 percent ground cover of 6 mil thickness or greater.				

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**ESFRLP Field List**  
(Model)

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# FieldList

## Essential Property Standards (For Use with ESFRLP Certificaton Checklist)

Notes:		Date of Final Inspection:	Print FINAL INSPECTOR name
<b>Inspection Key:</b> Y = Yes AW = Approved Waiver NA = Not applicable	Work Scope COMPLETE? (Y/AW/NA)	<b>NOTE:</b> A "5" in the WorkScope column indicates this item should have a minimum 5 year life expectancy.	Work Scope COMPLETE? (Y/AW/NA)
<b>Section 1: Site Health and Safety</b>		<b>Section 2: Building Health and Safety, cont'd</b>	
<b>General: Site in good repair, no hazards</b>		<b>C. Fire Safety, cont'd</b>	
A. Property Access and Egress		2.b. Fireplace hearth of noncombustible materials	
A.1. Egress-Safe Platforms and/or steps at all exits		2.c. No unreq. holes in the flue vent/waste pipe	
1.a. Entry area 30"h abv grd w/ 36"h min. rails		2.d. Chimneys are tight, safe and maintain draft	
1.b. Stairs/rails moisture resistant/protected		2.e. No combustibles within 6" of the thimble	
B. Infrastructure: Utilities & Storm/Site Drainage		2.f. No combustible wall finishes	
B.1. Connected to clean water supply and sewage		<b>D. Sanitary Facilities</b>	
B.2. Good yard drainage & discharge, incl. gutters		D.1. Adq. potable hot+cold water functioning	
<b>C. Fire Safety</b>		1.a. Connected to water supply/sewage disposal	
C.1. Site Address numbers/ID visible from street		1.b. Min. fixtures: Toilet, tub/shower, lav., kit. sink	
<b>D. Sanitary Conditions</b>		1.c. Water heater for <b>2.D.1.b</b> and other fixtures	5
D.1. Free of vermin and rodent infestation(s).		D.2. Bathroom is private and adequate for hygiene	
<b>E. Hazardous Site Conditions</b>		D.3. Kitchen: space/equipment operates properly	
E.1. Hazards. Soil instability, trash, or fire hazards		<b>E. Light, Heat and Ventilation</b>	
<b>Section 2: Building Health and Safety</b>		E.1. Adq. light; habitable rms have window to ext.	
<b>General: Home has no Health &amp; Safety issues</b>		E.2. Heat is functional and healthy	
A. Dwelling Access, Egress and Security		E.3. Air circulation/ventilation is adequate	
A.1. Alternate fire exit/interior bath/safe egress		3.a. Bathroom has window or other ventilation	
A.2. 2 exits or window exit sized for emerg. egress		3.b. Attic is properly ventilated.	
2.a. All bedrooms with operable window		3.c. Dryer vent conveys moisture to ext. per manu.	
2.b. 4 or more stair risers: has safe handrails		3.d. Min. one mech. exhaust per 1800sf home	
2.c. Stair risers are max. 8 1/4", uniform, stable		3.e. Fresh air intake req. under specific conditions	
A.3. The home is reasonably secure		<b>F. Lead, Asbestos, Radon and Other Toxins</b>	
3.a. All exterior doors lockable		F. Home is free of toxins that threaten occupants	
3.b. Windows 6' or less above grade are lockable		<b>Section 3: Building Space and Structure</b>	
<b>B. Hazardous Interior Conditions</b>		<b>General: No Space and/or Structural issues</b>	
B.1. Continuous, unobstructed exits to grade		<b>A. Minimum Space Requirements</b>	
1.a. No loose flooring or floor covering		A.1. Provide adequate space for a family.	
1.b. No dirt floors or wood floors on the ground		A.2. Min: 1 ea. of living, kitchen, bath, sleeping area	
1.c. Stairs connected to structure, no gap >1"		2.a. Cellars are not uses as habitable space	
2. No interior air issues: CO2/dust/sewer-fuel gas+		2.b. Basement is habitable (meets spec. conditions)	
<b>C. Fire Safety</b>		A.3. Bathroom is contained in the home	
C.1. Min. 1 smoke detector ea. Level, <10 yrs old		3.a. Bathroom w/toilet separate from other rooms	
C.2. No gas odor w/ proper ventilation		3.b. Bath fixtures operate w/ traps + hot/cold water	

# FieldList

## Essential Property Standards (For Use with ESFRLP Certification Checklist)

Notes:		Date of Final Inspection:	Print FINAL INSPECTOR name
<b>Inspection Key:</b> Y = Yes AW = Approved Waiver NA = Not Applicable	Work Scope COMPLETE? (Y/AW/NA)	<b>Inspection Key:</b> Y = Yes AW = Approved Waiver NA = Not Applicable	Work Scope COMPLETE? (Y/AW/NA)
<b>Section 3: Building Space and Structure, cont'd</b>		<b>Section 3: Building Space and Structure, cont'd</b>	
A. Minimum Space Requirements, cont'd		F. Structural Support	
3.c. All waste disp. is approved public/private system		F.1. Address all Structural issues during work	5
A.4. Adequate/sanitary food storage/prep/serve area		F.2. Sound foundation preventing vermin	5
4.a. Kitchen fixtures operate w/traps + hot/cold water		2.a. Foundation on reasonably dry ground	
A.5. One sleeping area per two household members		2.b. No overloaded/decayed/sagging structure	5
B. Exterior Surfaces		2.c. No improper or isolated piers	
B.1. Ext. bldg components are structurally sound/safe	5	2.d. Underpinning shall be weather/rodent proof	
1.a. Surface coverings prevent moisture/detioration	5	2.e. Crawl space has covered access w/venting	
2.a. Foundation is firm, no standing/running water	5	F.3. Properly loaded roofs/ceilings/floors	
2.b. Crawl spaces have unobstructed vents		3.a. Roof is structurally sound and weatherproof	5
3.a. Wall surface prevents entry of water or vermin	5	3.b. All joists are sound and ends supported	5
3.b. Proper flashing at all wall penetrations (no dmg.)	5	3.c. All joists provide sufficient support	5
B.4. a. Roof prevents entrance of moisture into home	5	3.d. Rafters are adequately braced	5
4.a. Minimum Class C roof covering		3.e. Sound horizontal/sloped structure components	5
4.b. Ea. roof area: no more than two roof coverings		3.f. Roof covering is not loose/rotted/fire damaged	5
C. Interior Surfaces		3.g. No hanging masonry chimneys	
C.1. Interior finish materials free of serious defects		3.h. Chimneys do not pose a fire/fall threat.	5
C.2. Floors are sound, safe and support normal loads	5	F.4. Wall structure is sound and vertical	5
2.a. Floors have no visible penetrations/stop rodents		4.a. Walls free of holes/missing parts/leaning+	5
2.b. Floors are reasonably level		4.b. Foundation structure is safe/prevents vermin	5
2.c. Bath/Toilet/Laundry/Kit. Floors: water impervious		4.c. Studs support exterior finish w/no rot/termites	5
C.3. Wall surface is structurally sound and vertical		4.d. Wall studs not rotted/broken, termite/fire dmg.	5
3.a. Wall surface prevents moist. or vermin (visible)		F.5.a. Porches structurally sound/level	
3.b. Walls are safe, no loose/falling components		5.b. Stairs structurally sound w/railings attached	
B.4.a. Ceilings are safe, no holes/loose/falling comp.		<b>Section 4: Building System Standards</b>	
D. Doors		<b>General: No Building System issues</b>	
D.a. Interior: bath/toilet (w/priv. lock) and bedrooms		A. Plumbing	
D.b. Exterior: lockable doors are water/rodent proof	5	A.1. Supplies hot & cold water, pipes freeze protd.	5
D.c. Doors are sound and in working condition		A.2. Waste lines convey gas to exterior/do not leak	5
E. Windows		2.a. Plumbing vents properly sized and functioning	
E.1. One window in the living and each sleeping room		2.b. Sewer & water lines supported: no leak/break	
E.2. Windows have no missing/broken glass	5	A.3. Fixtures function w/ no leak/break	5
2.a. Operable windows have locks/open freely (int.)		<b>NOTE:</b> A "5" in the WorkScope column indicates this item should have a minimum 5 year life expectancy.	
2.b. Oper. windows=movable screens w/o exemption			

# FieldList

## Essential Property Standards (For Use with ESFRLP Certification Checklist)

Notes:	Date of Final Inspection:	Print FINAL INSPECTOR name

<b>Inspection Key:</b> Y = Yes AW = Approved Waiver NA = Not Applicable	<b>Inspection Key:</b> Y = Yes AW = Approved Waiver NA = Not Applicable
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Section 4: Building System Standards, cont'd		Section 5: Energy Efficiency Standards	
A. Plumbing, cont'd		General: No Energy Efficiency Issues	
3.a. Fixtures function w/ hot & cold water & req. traps	5	A. Air Tightness	
3.b. No cracked/broken/badly chipped fixtures		A. Weatherproof and capable adequate heat	
3.c. Toilets connected to cold water w/traps		A.1. Attic/Ceiling: no air infiltration from holes	
B. Heating, Cooling and Ventilation		A.2. Floors: no air infiltration from holes	
B.1. Thermal environment is healthy for humans	5	A.3. Walls: water-, weather-, rodent proof	
1.a. Heating and cooling (zones 3&4) system functions	5	A.4. Weathertight doors and windows	
1.b. No unvented/non-sealed combuston heaters		B. Insulation	
1.c. CO detector: home w/ garage or combustion appl.		Accessible attics have properly installed, R-38	
B.2. HVAC heats to 68° F interior when 20° F exterior		C. Crawlspace	
2.a. Gas and oil burning equip/install meets code	5	100% 6 mil poly or better ground cover	
2.b. Any fireplace is not the primary heat/no damage		<b>NOTES</b>	
B.3. Adequate fresh air/ventilation/air circulation			
3.a. One mechanical fan: exhausts 50cfm min.	5		
3.b. Terminate all ventilation/exhaust ducts outside			
3.c. Fresh/Intake Air located away from contaminants			
3.d. Passive air intakes filtered for contaminants			
3.e. Intake protection is sized not <1/4" & not >1/2"			
C. Electrical			
C.1. Safe/sufficient electric wiring/equipment/fixtures			
1.a. Wiring/fixtures not a fire hazard & meet code	5		
1.b. No missing/cracked/exposed/overloaded elec.			
1.c. Fixtures secured and no flexible cords substituted			
C.2.a. Fuses and branch circuit	5		
2.b. Functional outlets in living/bedrms (2) and kit. (1)			
2.c. Any outlets in bathroom(s) are GFCI			
C.3.a. Functioning oven & stove or range (microwave)			
3.b. Functioning refrigerator/freezer @ proper temp.			
C.4. Lighting fixtures in rooms when safety requires			
4.a. Non-operable fixtures: safe/disconnected/ sealed			
4.b. Lights at entrances and exits are required.			

**NOTE:** A "5" in the WorkScope column indicates this item should have a minimum 5 year life expectancy. This includes the following major building systems: structural support, roofing, cladding and weatherproofing, plumbing, electrical, and HVAC (see Section 4, General).

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**Preconstruction Conference Record**  
(Model)

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NORTH CAROLINA HOUSING FINANCE AGENCY  
**Essential Single-Family Rehabilitation Loan Pool**

**Preconstruction Conference Record**

Recipient Organization/Coordinating Agency: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_ Place: \_\_\_\_\_

Homeowner: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip code: \_\_\_\_\_

**Representatives present for (list all persons attending and have each sign and date):**

Recipient Organization: \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

Contractor(s): \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

Homeowner: \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Comments:** (Note any special conditions, times, agreements) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Recorded by: \_\_\_\_\_

**Homeowner Acknowledgement**

I have received a written copy of the ESFRLP "Assistance Policy", and a \_\_\_\_\_ representative has described the terms, conditions, limitations, and provisions of the ESFRLP. In addition, a \_\_\_\_\_ representative has described the repair process and reviewed with me the repair Contract, the work write-up, and related documents. Therefore, with full understanding of the assistance being offered, I acknowledge execution of the ESFRLP Homeowner Written Agreement and Construction Contract, and agree that the work will begin on or about \_\_\_\_\_, 20\_\_\_\_.

Homeowner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**Post Construction  
Conference Record  
(Model)**

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NORTH CAROLINA HOUSING FINANCE AGENCY  
**Essential Single-Family Rehabilitation Loan Pool**

**Post-Construction Conference Record**

Recipient Organization/Coordinating Agency: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_ Place: \_\_\_\_\_

Homeowner: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip code: \_\_\_\_\_

**Representatives present for (list all persons attending and have each sign and date):**

Recipient Organization: \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

Contractor(s): \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

Homeowner: \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

Attendee signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Comments:** (Note any topics discussed) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Recorded by: \_\_\_\_\_

**Homeowner Acknowledgement**

I have received all warranty manuals, maintenance schedules and instructions for the scope of work completed on my home. Specifically, I have received the following documents or instructions (**circle all that apply**):

Instructions for use and care of the following: gutters and downspouts; vinyl siding; thermostat for heating and cooling; return air vent and filter; kitchen exhaust fan; bathroom exhaust fan; GFCI outlets in kitchen; GFCI outlets in bathroom; CO detectors, and Smoke detectors. Other: \_\_\_\_\_

Warranties for: roofing-type: \_\_\_\_\_; siding-type: \_\_\_\_\_; insulation-attic; insulation-crawl; insulation-wall; pest treatment application-company: \_\_\_\_\_; Electrical panel; sump pump-crawl; water heater-type: \_\_\_\_\_; HVAC system-type \_\_\_\_\_; exhaust fan-kitchen, exhaust fan-bathroom; refrigerator; stove; kitchen faucet, and bathroom faucet. Other: \_\_\_\_\_

I acknowledge receipt of these instructions and warranties on \_\_\_\_\_, 20\_\_\_\_.

Homeowner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**Final Inspection Form**  
(Model)

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NORTH CAROLINA HOUSING FINANCE AGENCY  
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL PROGRAM

**Certificate of Final Inspection**

Owner: \_\_\_\_\_

Address: \_\_\_\_\_

Prime/General Contractor: \_\_\_\_\_

Date of Contract: \_\_\_\_\_

**CERTIFICATIONS:**

On behalf of the Recipient Organization/Coordinating Agency, I have inspected the work performed on the above-listed property through financial assistance from the North Carolina Housing Finance Agency's Essential Single-Family Rehabilitation Loan Pool. The construction work has been satisfactorily completed in accordance with the contract, including any required Lead Clearance Testing. The contractor named above is eligible for payment of any balance due under the contract.

Lead Hazard Clearance Testing Required: \_\_\_\_\_ Yes \_\_\_\_\_ No

If Yes above, date of Lead Clearance Report: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date of Inspection

\_\_\_\_\_  
Title

\_\_\_\_\_  
Recipient Organization/Coordinating Agency

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**Owner Certificate of Satisfaction**  
(Model)

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NORTH CAROLINA HOUSING FINANCE AGENCY  
**ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL PROGRAM**

**Owner Certificate of Satisfaction**

Owner(s): \_\_\_\_\_

Address: \_\_\_\_\_

Prime/General Contractor: \_\_\_\_\_

Date of Contract: \_\_\_\_\_

**CERTIFICATIONS:**

I hereby certify that I have inspected the repairs or modifications made to my home and that the construction work has been satisfactorily completed in accordance with the construction contract.

I understand that the assistance that I have received under the Essential Single-Family Rehabilitation Loan Pool was intended only to achieve the following goals:

- 1) to alleviate housing conditions which pose an imminent threat to the life or safety of qualifying homeowners; and/or
- 2) to provide accessibility modifications and other repairs necessary to prevent displacement of qualifying homeowners with special housing needs, such as frail elderly and persons with disabilities.
- 3) to rehab the home to meet one or both of the following standards (circle/fill-in blank as appropriate) not including any waivers granted and approved by all parties:
  - a. The ESFRLP Essential Property Standard
  - b. the local Minimum Housing Code in \_\_\_\_\_ (local jurisdiction).

\_\_\_\_\_  
Owner's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-owner's Signature

\_\_\_\_\_  
Date

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**Release of Liens**  
(Model)

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**NORTH CAROLINA HOUSING FINANCE AGENCY  
Essential Single-Family Rehabilitation Program**

**Contractor's Release of Liens**

**A. Sub-contractor's and Supplier's Certification**

WHEREAS we, the undersigned sub-contractor(s) and/or supplier(s), have furnished the materials and work for the repair of the dwelling unit described below:

HOME OWNER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PRIME/GENERAL CONTRACTOR: \_\_\_\_\_

CONTRACT DATE: \_\_\_\_\_

WHEREAS we, the undersigned sub-contractors and suppliers, have agreed to release all liens which we, or any of us, have, or might have on the said buildings for work or materials contracted for or furnished in, for, or about the repairing or modification of the said building.

WITNESSETH, that we, the undersigned sub-contractors and suppliers, do hereby certify that all work required to be done by us in association with the above-referenced contract has been done in good and workmanlike manner in accordance with the terms thereof, and that we have been paid or definite arrangements have been made for us to be paid by the prime/general contractor;

WITNESSETH, that we, the undersigned sub-contractors and suppliers, do hereby release any and all claims for damages, loss or amounts owed or claimed to be owed by either the Contractor or Homeowner as a result of the above contract and work done thereunder.

IN WITNESS WHEREOF, we hereunto set our hands and seals, on the date written opposite our respective signatures:

(1) \_\_\_\_\_  
Date Sub-contractor/Supplier

\_\_\_\_\_  
Witness By: \_\_\_\_\_  
Authorized Signature

(2) \_\_\_\_\_  
Date Sub-contractor/Supplier

\_\_\_\_\_  
Witness By: \_\_\_\_\_  
Authorized Signature

(3) \_\_\_\_\_  
Date Sub-contractor/Supplier

\_\_\_\_\_  
Witness By: \_\_\_\_\_  
Authorized Signature

(4) \_\_\_\_\_  
Date Sub-contractor/Supplier

\_\_\_\_\_  
Witness By: Authorized Signature

(5) \_\_\_\_\_  
Date Sub-contractor/Supplier

\_\_\_\_\_  
Witness By: Authorized Signature

**B. Prime/General Contractor's Certification and Request for Payment:**

I do hereby certify to the Owner of the above property that the signatures signed to this Release of Leins comprise a true and complete list of all corporations and persons who have contracted for or furnished any and all repairs or improvements of the said building(s) or premises, or who are, or have been, sub-contractors upon said building(s) or any part thereof or for any furnishing and any and all fixtures or improvements to said real estate under any contract or agreement with the undersigned.

Upon receipt of payment of the balance due under the contract this document shall become effective to release all liens which I, the undersigned, have or might have on the said buildings for work or materials contracted for or furnished in, for, or about the repairing or modification of the said building. Payment shall be considered received when the related payment check has been properly endorsed and has been paid by the bank upon which it is drawn.

I hereby request payment of the balance due under the contract.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Witness