

ILLINOIS AFFORDABLE HOUSING TRUST FUND HOME ACCESSIBILITY PROGRAM (HAP) Round 2 FREQUENTLY ASKED QUESTIONS (FAQ)

Note to reader: This is a partial list of program requirements and is meant to serve as a general guide. For the complete Rules, see the HAP Program Manual and the Illinois Affordable Housing Trust Fund Rules. This FAQ may be updated from time to time. Please check back.

Program Overview and General Rules

1) What is the Trust Fund Home Accessibility Program?

The Home Accessibility Program (HAP) was created in 2016 to provide home accessibility funding to income-eligible seniors and persons with disabilities to prevent premature or unnecessary institutionalization. The funding will allow homeowners or tenants to remain in their home by improving accessibility and safety. Each qualifying household is eligible to receive up to \$25,000. The program is subject to the [Rules](#) of the Affordable Housing Trust Fund, created by state legislation in 1989. See our [program website](#) for more information.

2) Who can apply for funds?

Units of local government and eligible nonprofits may apply for funding. No more than three applications per third party administrator is allowed. Individuals and families may not apply directly to IHDA, they must apply to Grantees for assistance. See our [Grantee Listing](#).

3) Where does the funding come from?

The funds for the Affordable Housing Trust Fund Program are collected from the State's Real Estate Transfer Tax. Funds vary from year to year and are subject to appropriation by the State of Illinois.

4) Can an applicant receive funds from HAP if they received funding previously under a Trust Fund program?

If a previously assisted applicant has a loan that is still active within the affordability period, he/she is not eligible to receive additional funding under our Trust Fund programs. Keep in mind that IHDA wishes to serve as many new households as possible with the limited funding.

5) Is this a grant or loan to each homeowner?

This is a forgivable loan. The loan is forgiven at a rate of 1/60th per month for five years. Funds not used in compliance with the Rules and Grant Agreement are subject to recapture.

6) Will grant funds be disbursed up front or will expenses be reimbursed?

Funds will be paid once the Grantee provides a package documenting work performed through invoiced expenses, a contractor's sworn statement, lien waiver, and other items as requested.

7) Does HAP have rules governing how much work can be done that is not accessibility related?

The requirement for HAP is that the main rehabilitation item (51% of the project) must be for accessibility.

8) Is a Trust, Life Estate or Contract of Deed acceptable?

No, a Trust, Life Estate, Contract of Deed, Agreement of Deed, or a Land Contract are not acceptable forms of ownership under our Trust Fund programs. The home must be held in fee simple title ownership. If the applicant owns the home under either of these products, they must be in possession of the title before they may utilize Trust Fund dollars.

Income Overview and Requirements

9) Who is eligible to receive funds?

Both owner-occupied and renter-occupied properties are allowed under HAP. The Grantee must follow its Participant Selection Plan in selecting participants for the Program. Household income cannot exceed 80% of area median income (AMI) for household size and at least one family member must be disabled or be an elderly person with a physical limitation. Preference must be given to households at or below 50% AMI.

For a renter-occupied residence, the tenant is the qualifying party, however, all documents are signed by the landlord (homeowner). We have revised some of our forms to include the tenant's name; please complete this information when applicable.

10) Are credit checks required during the pre-approval process?

Credit checks are not a requirement of the program. Grantees should use their best judgement during the applicant selection process to ensure that they are selecting the best candidates. Ideally, borrowers should be able to keep up with their current debt obligations during the forgiveness period of the loan.

11) Are third party verifications required for income determination?

Yes. These items should include paystubs, checking and savings account verifications, and the most recently filed tax return. A statement of non-filing should be executed, if appropriate. Employer verifications may be necessary to confirm potential bonuses, pay raises, changes in hours, or other similar circumstances. This documentation should be kept in the applicant's file and should only be submitted to IHDA if requested.

12) How much income verification is required and for how long is it valid?

Income documentation from the last three pay periods is required and it is valid for up to six months. This documentation should be maintained in the homeowner's file and only provided to IHDA upon request. IHDA reserves the right to review income documentation at any time.

13) Do you need third party verification on tax returns directly from the IRS?

No. This step is unnecessary if other income verifications noted above have been substantiated.

Other Administrative Requirements

14) What are the title requirements?

A date-down title search is required to identify owners and confirm that the property is fee simple and not in a trust. If one of the homeowners is deceased, IHDA will require a will, divorce documents, or other relevant material that proves the homeowner that is applying for IHDA funding owns the home. The title search also confirms that there are no outstanding liens on the property that could put the home at risk. The Grantee should be proactive in helping the homeowner resolve any outstanding issues. Taxes and insurance must be current.

15) What are the property insurance requirements for the homeowner?

The homeowner must have insurance for the home, and "Illinois Housing Development Authority" must be indicated on the insurance policy as additional insured. Owners in a floodplain must have flood insurance, and homeowners in a mine proximity area must have mine subsidence insurance.

In a tenant/landlord situation, the landlord must have a Landlord Policy that names Illinois Housing Development Authority as additional insured.

Record Keeping Requirements

16) Does IHDA require or provide a specific project checklist for Grantee files?

IHDA has checklists for documents to be submitted for project approval and disbursement. However, those checklists do not include all items that you should maintain in your files. Please refer to the Sample File Checklist in Appendix B to assist you in organizing, submitting, and retaining your applicant files. IHDA reserves the right to review applicant files at any time, including throughout the five-year record retention period.

17) How long must records be retained for the program?

Applicant files and program records should be held for five years after the expiration date for HAP.

Construction Overview

Rehabilitation is subject to the [ILLINOIS HOUSING DEVELOPMENT AUTHORITY STANDARDS FOR ARCHITECTURAL PLANNING AND CONSTRUCTION](#). Please see the document for further guidance.

- 18) Are well water and septic systems allowed? Alternatively, is city water required for the program?**
New water/sewer services should be from the municipality, if available. If the existing system is a well/septic, we do not require a change. Septic system repairs or replacement is an allowable expense.
- 19) Must we address lead in the entire home or just in areas where work is being performed?**
Homes built after 1978 need only be tested for lead if the grantee considers it necessary. If the home was built before 1978 and you are doing interior work, a lead risk assessment of the entire home will be needed. If you are doing work only on the exterior of the home (e.g., installing a ramp or exterior chair lift), only the areas affected by rehab work will need a lead risk assessment. See the HAP Program Manual for more detailed info on IHDA's lead requirements.
- 20) Do all lead pipes coming into the home from the street and lead pipes within the home need to be replaced?**
On renovation, rehabilitation or preservation projects, replacement of the lead pipe incoming water service shall be required.
- 21) If lead is uncovered in the home and we need to temporarily relocate the applicant to treat lead surfaces, are relocation expenses reimbursable?**
All attempts must be made to provide the least expensive suitable temporary housing available to the applicant. Motel or hotel accommodations may be considered only if there are no other alternatives available. IHDA will contribute up to \$500 (within the project budget) for lodging and food. IHDA uses the State of Illinois' rate for food expenses of \$28/day per household member. Receipts and other appropriate back up documentation will be required in order for IHDA to reimburse the grantee. For more information on eligible expenses, please see IHDA's Relocation Policy.
- 22) Can we rehabilitate garages under the program?**
Detached garages should not be addressed unless they are close enough to the home to present an immediate health and safety issue. The homeowner is responsible for addressing insurance and code requirements regarding freestanding garages on the property. An exception would be a garage that is close to the home and requires improvements to be accessible for a disabled person.
- 23) Can we rehabilitate mobile homes under this program?**
Mobile homes must be on a permanent foundation. The land underneath the home must be owned by the mobile homeowner and we must be able to record the Trust Fund Mortgage against the property.
- 24) Can we purchase a warranty for a ramp or chair lift?**
You may purchase up to a five-year warranty for parts and labor to cover items such as a motor or batteries.
- 25) This grant is used to "address accessibility and safety needs." What are some examples of repairs that address safety needs?**

 - Porch replacement to install a ramp
 - Widening doorways to accommodate a wheelchair
 - Electrical outlets, wiring, or any issues that could present a safety issue
 - Floors in disrepair and causing potential safety hazard
 - Ceilings falling in
 - Old water heater
 - Old furnace

26) What are eligible renovation items under HAP?

- Accessibility related improvements
- Energy Efficiency related improvements
- Environmental related hazards
 - Lead and Radon Mitigation
- Improvements to:

Interior

- Electrical
- Plumbing
- Insulation
- Wall and Ceiling Repair or Painting (if in area where accessibility need is being addressed)
- Flooring (if making other areas handicap-accessible and floor is a current safety hazard (e.g. trip hazard) or to allow ease of using a wheelchair)
- Stairs (may repair or install a chairlift)
- Cabinetry and Countertops (if in disrepair and pose a health risk)
- Bathroom Vanities (if addressing other accessibility needs in bathroom)
- Lavatory (must be ADA compliant)
- Tub and shower (must be replaced with handicap-accessible walk-in shower and fixtures)
- Fire and Smoke Alarm Systems
- Windows and Doors
- HVAC
- Replacement of outdated/inefficient stove or refrigerator, if necessary
- Replacement of other existing major inoperable appliances (dishwasher, washer, dryer, etc.)

Exterior

- Roofing and Drainage (if making other areas handicap-accessible)
- Painting (if in area where accessibility need is being addressed)
- Structural Improvements
- Chimneys
- Fire Escapes
- Windows and Doors
- Porches and Steps (if a ramp or chairlift is being installed or replacement is necessary due to current condition posing a health and safety issue)
- Siding
- Other Improvements as approved by IHDA

27) What are ineligible renovation items under HAP?

- Improvements that are significantly above local market rate
- Replacement of major appliances that are still in working condition (dishwasher, washer, dryer, etc.)
- Luxury Improvements, such as:
 - Swimming pools
 - Jacuzzis
 - Marble/Granite countertops, etc.

Homeowner Documents

28) What is the "Special Notice About Your Forgivable Loan"?

This Notice informs homeowners that they have been awarded up to \$25,000 through HAP for accessibility repairs. The notice informs homeowners that their actual loan amount will be included on the Project Completion Certificate. This document should be completed during the pre-construction conference.

29) What is a Certificate of Occupancy and when will it be necessary to obtain one?

This is a document issued by local government agencies or building departments, indicating a building's compliance with applicable building codes and other laws. If applicable, you will need to include the Certificate of Occupancy with the final payout package after all rehab is complete. Check with your municipality to determine if a Certificate of Occupancy is required.

30) How do I complete the subordination section in paragraph 16 of the Mortgage?

You will need to list any mortgages that precede the Trust Fund Mortgage in this section.

31) Where are the homeowner documents for HAP?

Refer to your Funding Agreement sent to you by IHDA's Legal department for all homeowner documents. The Owner Agreement is Exhibit C to the Funding Agreement and Exhibit D for the Landlord Agreement. The Construction Contract is Exhibit G to the Owner Agreement. The fillable Promissory Note and Mortgage are found on our website in Appendix I. Note: If you do not use the fillable documents, please type onto the forms and do not forget to remove our "Exhibit" language at the beginning of the sample documents.

Floodplain Overview

32) Can we rehabilitate projects in a floodplain as long as there is flood insurance?

Yes you can, however, FEMA requires that projects with rehabilitation equal or greater than 50% of the market value follow the new construction requirements for the floodplain area, which could possibly involve elevation. The costs can easily be prohibitive. Any program allowing work in a floodplain or floodway should check with FEMA for guidance and provide adequate documentation to IHDA showing that all required steps have been taken and that the project is feasible. To find out if your project is in a floodplain, see: <https://msc.fema.gov/portal>.

33) What are the definitions of the map zones shown on a FEMA map?

Flood hazard areas identified on the Flood Insurance Rate Map are a **Special Flood Hazard Area (SFHA)**. SFHA are defined as the area that will be inundated by the flood event having a one percent (1%) chance of being equaled or exceeded in any given year. The one percent (1%) annual chance flood is also referred to as the base flood or 100-year flood. SFHAs are labeled as Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30. **Moderate flood hazard** areas, labeled Zone B or Zone X (shaded) are also shown on the FIRM, and are the areas between the limits of the base flood and the 0.2-percent-annual-chance (or 500-year) flood.

The areas of **minimal flood hazard**, which are the areas outside the SFHA and higher than the elevation of the 0.2-percent-annual-chance flood, are labeled Zone C or Zone X (unshaded). Any project in a Special Flood Hazard Area is subject to the rules discussed in Question 32. Please see <https://msc.fema.gov/portal> to search for further information.