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## Repair Grant Agreement FAQ

### What is the Repair Grant Agreement?

The Repair Grant Agreement contains the terms of the Build it Back grant for the repair of your home that was damaged by Hurricane Sandy. The Grant Agreement is between the owner(s) (applicants and co-applicants) and the New York City Mayor's Office of Housing Recovery. The Grant Agreement includes the grant amount from the City for the repair of your home. The Build it Back Repair Program is referred to as "Rehabilitation" in the Grant Agreement

### Who signs the Repair Grant Agreement?

All owners named on the deed to your property (applicants and co-applicants) must sign the Repair Grant Agreement before a notary public. Please remember to bring proper identification to present to the notary public.

### When is the Repair Grant Agreement signed?

The Repair Grant Agreement is signed after the Tri-Party Agreement if a City Contractor is being used. For the Choose Your Own Contractor Program, the Grant Agreement is signed after the Home Improvement Contract following the Design Consultation.

### What is the term of the Repair Grant Agreement?

The term of the Repair Grant Agreement begins the date that it is signed by the owner(s) and ends one year from the completion of the construction work performed.

### What are the basic requirements of the Repair Grant Agreement?

The basic Repair Grant Agreement includes, but is not limited to, the following requirements:

- The repair will be undertaken according to either the terms of the Tri-Party Agreement or the Home Improvement Contract.
- If the property is insured, the owner will notify their home insurance company about the rehabilitation work covered by the Grant Agreement.
- If the property is located within a Special Flood Hazard Area, the homeowner must obtain flood insurance for the property upon project completion, as required by the Flood Disaster Act of 1973.
- Sale or transfer of the home during the one year term of the Grant Agreement requires approval by the Build it Back Program.

### **What is the restriction on the sale of the property during the term of the Repair Grant Agreement?**

The owner may not sell or convey ownership of the property during the term of the Repair Grant Agreement without written permission of the City. If the property is sold or conveyed during the term of the Grant Agreement without permission of the City, the owner will be liable to repay the City a portion of the grant amount. The Owner may transfer the property to another owner or a family member, but they will be bound by the terms of the Grant Agreement.

### **Where does the dollar figure on the Repair Grant Agreement come from?**

The dollar figure for the total grant amount in the Agreement is based on the Total Development Costs identified in your Tri-Party Agreement with a City Contractor or in your Home Improvement Contract for the Choose Your Own Contractor Program. We then subtract the required Homeowner Contribution (“transfer amount”) from the Coordination of Benefits Worksheet. For example, if the total Development Costs are \$20,000 and you have a \$5,000 transfer amount, then the total grant amount would be \$15,000.

### **Is the assistance from the Build it Back Program in the form of a grant or a mortgage? Is there a lien?**

This is a grant and not a mortgage or lien. The terms of the Repair Grant Agreement are contractually binding to both parties. There is not an expectation that this grant will be paid back by the recipient if all terms of the grant agreement are fulfilled.

### **Can my home be foreclosed by the City if I default on the terms of the Repair Grant Agreement?**

No. The Repair Grant Agreement is not a lien or a mortgage so there is no ability for the Build it Back Program to foreclose on your property.

### **Do I have to make any payments on the Repair Grant Agreement?**

No. The Repair Grant Agreement is not a lien or a mortgage and there are no payments required. Grants are forgivable once all terms of the Grant Agreement are fulfilled. You will only be required to repay grant funds if you do not fulfill the terms of the Grant Agreement. An example of this would be if you sold your home during the one-year homeownership requirement without permission from the Build it Back Program.

### **Are there other insurance requirements and when do they apply?**

The Repair Grant Agreement only requires the purchase of flood insurance if the structure is located in a Special Flood Hazard Area or floodplain upon completion of construction. If you have a mortgage, your lender may require additional insurance such as fire or liability.

### **Who can I contact if I have other legal questions?**

The Build it Back Program cannot provide you with legal advice. You should consult an attorney on your own.

## **How do I know if I qualify for ICC (Increased Cost of Compliance)?**

Substantially damaged homes that were covered by a flood insurance policy at the time of Sandy could qualify to have additional federal funds applied to the Repair or Rebuild of the home. Up to \$30,000 could be received to elevate the home or implement other resiliency improvements to protect the home from damage in future severe weather events. If a Repair or Rebuild applicant is eligible to make an ICC Category D claim, any disaster recovery funds received must be applied toward the cost of elevation. Applicants must assign any potential Coverage D Claim to the City at Grant Agreement and the City will make the ICC claim on behalf of the applicant and apply the funds towards the elevation. ICC Coverage D funds already received by the applicant, but not yet spent on eligible activities, are considered to be a duplication of benefits pursuant to the federal Stafford Act and will be included in the calculation of the Build It Back CDBG transfer amount.