



Department of
Housing Preservation
& Development

nyc.gov/hpd

HPD's Home Improvement Program

Loan Application

HIP

*The Affordable 2.5% and 5% Loan
for One- to Four-Family Homes*

- | | |
|--|---------------------------------------|
| Masonry Repairs | Defective Roofing |
| Plumbing Repairs | New Windows |
| Electric Wiring | Vinyl Siding |
| Boiler/Furnace Replacements | Replacing Kitchen Cabinets |

Bill de Blasio
Mayor

Alicia Glen
Deputy Mayor for Housing and
Economic Development

Vicki Been
Commissioner

nyc.gov/hpd

| | |
|---------------------|---|
| DIAL 311 | Housing Information & Other Government Services |
|---------------------|---|



WHO IS ELIGIBLE?

To qualify for a HIP loan, an applicant must be:

- A homeowner of a 1-4 unit home in one of the five boroughs of New York City
- Owner-occupant of the home

Applicants must meet bank or credit union underwriting standards and the following income eligibility guidelines:

MAXIMUM ANNUAL ELIGIBLE INCOME*

Household Size 2.5% Loan 5% Loan

| Household Size | 2.5% Loan** | 5% Loan** |
|----------------|-------------|-----------|
| 1 | \$48,350 | \$84,700 |
| 2 | \$55,250 | \$96,740 |
| 3 | \$62,150 | \$108,780 |
| 4 | \$69,050 | \$120,820 |
| 5 | \$74,600 | \$130,620 |
| 6 | \$80,100 | \$140,280 |
| 7 | \$85,650 | \$149,940 |
| 8 | \$91,150 | \$159,600 |

* SOURCE: US HUD EFFECT 6/1/2015

**Effective interest rate when the bank loan and City's loan are combined (Actual interest rate paid by borrower).

WHAT TYPE OF HOME IMPROVEMENTS QUALIFY?

HIP loans must be used to correct substandard conditions such as masonry repairs, roofing, plumbing repairs, boiler/furnace replacements, and electrical rewiring. However, depending on the size of the loan, you may also be able to make other improvements, such as painting, replacing kitchen cabinets, and installing storm windows.

HOW MUCH CAN I BORROW?

You can borrow up to **\$30,000**, payable over a maximum term of 10 years.

HOW DO I APPLY?

Before submitting your application, you should do the following:

- Select your own contractor.
- Decide which of the designated improvements you need to make.
- Submit a completed application to the bank .

CAN I PERFORM THE WORK MYSELF?

Yes, as long as you first submit a cost estimate prepared by a licensed contractor, perform all construction work in accordance with NYC laws/codes and have the proper license(s). HIP will reimburse all costs for materials and supplies. Please note that **HIP will not reimburse you for your labor.**

HOW DO I SELECT A CONTRACTOR?

The NYC Department of Consumer Affairs distributes a booklet entitled "**Guide to Home Improvements**," which provides information on how to select a contractor. To request a free copy, you should write to: NYC Dept. of Consumer Affairs, 42 Broadway, New York, NY 10004. Your contractor(s) must be licensed and insured. **HPD will not approve cost estimates submitted by unlicensed contractors.** To find out if a contractor is licensed, visit the NYC Dept. of Consumer Affairs on line at nyc.gov/consumers.

WHAT DOES HPD PROVIDE?

In order to keep your monthly payments low, HPD provides part of the money needed to rehabilitate your property. You borrow this money at a 0% interest rate and may never have to repay it if you comply with all program requirements.

WHAT RESTRICTIONS APPLY TO HIP?

You must return 100% of the HPD HIP loan* to HPD, if within three (3) years of receiving a HIP loan you:

1. Sell your home.
2. Refinance for an amount in excess of your existing mortgages plus closing costs.
3. Pre-pay the loan.
4. Fail to complete repairs as verified by HPD inspection and/or provide checks or money orders documenting the cost of the construction work completed.**

** Portion of loan subsidized by HPD; 10% of subsidy subject to recapture after 36th month.
Amount subject to recapture further reduces at rate of 8.33% per year.*

*** 100% of HPD Loan subject to recapture over 10 years, if loan applicant violates these program guidelines*

HOW DO I RECEIVE MORE INFORMATION?

- You can download a complete HIP application by visiting HPD's Web site (nyc.gov/hpd), or you can contact HPD at (212) 863-6429
- Or complete the HIP application, attach the required documentation, and mail it directly to the bank.

PLEASE SELECT ONE (1) LENDER BELOW AND MAIL YOUR APPLICATION PACKAGE TO THE FOLLOWING ADDRESSES:

ASTORIA BANK

Mail completed application to:

Astoria Bank*
211 Station Road
Consumer Lending, Mineola, NY 11501-0510
(516) 535-9000

***Local Astoria Bank Branches will not accept HIP applications.**

IF YOU ARE A MEMBER OF BROOKLYN COOPERATIVE FEDERAL CREDIT UNION, YOU CAN MAIL YOUR APPLICATION TO:

BROOKLYN COOPERATIVE FEDERAL CREDIT UNION

1474 Myrtle Avenue (Between Menahan & Grove Sts.)

Brooklyn, NY 11237

(718) 418-8252/53

OR

834 DeKalb Avenue

Brooklyn, NY 11221

Please contact Brooklyn Cooperative Federal Credit Union for information on membership eligibility/credit services

A COMPLETE HIP APPLICATION CONSISTS OF THE FOLLOWING DOCUMENTS:

- | | | |
|----|---|--------------------------|
| 1 | Astoria Bank (2 Pages) OR Brooklyn Cooperative Credit Union Application (1 Page) | <input type="checkbox"/> |
| 2 | Original Contractor's Cost Estimate(s) (SEE ATTACHED CONTRACTOR'S PAGE) | <input type="checkbox"/> |
| 3 | Original Page from Utility Bill mailed to your home (to verify owner-occupancy) | <input type="checkbox"/> |
| 4 | Copy of Property Deed | <input type="checkbox"/> |
| 5 | Copy of latest IRS 1040 Tax Returns | <input type="checkbox"/> |
| 6 | Copy of W-2 | <input type="checkbox"/> |
| 7 | Copy of 2 Pay Stubs | <input type="checkbox"/> |
| 8 | Certificate of Housing Deficiencies (This document is enclosed) <i>Check off needed repairs and Sign</i> | <input type="checkbox"/> |
| 9 | Financial & Credit Information Release Form (This document is enclosed) <i>Fill in and sign</i> | <input type="checkbox"/> |
| 10 | <u>Contractor Information Page</u> (This document is enclosed) | <input type="checkbox"/> |

PLEASE FILL IN AND SUBMIT WITH YOUR LOAN APPLICATION

**YOUR HIP APPLICATION WILL NOT BE CONSIDERED COMPLETE
WITHOUT THIS DOCUMENT.**

**IF YOU ARE HIRING MORE THAN ONE CONTRACTOR, PLEASE FILL OUT
ONE CONTRACTOR INFORMATION PAGE FOR EACH CONTRACTOR**

HIP Loan Interest Rates

2.5% or 5% depending on household income

HIP Loan Explained

When a borrower receives a HIP loan, the bank first calculates the monthly payment based on a loan-amortization formula (loan principal + loan interest). A **\$30,000** HIP loan with a monthly interest rate of **2.5 %** will require a monthly payment of **\$283.00*** over a period of **10 years**.

Because the bank is a private lender, and as such cannot lend funds below its commercial lending rate, the monthly payment of \$283 is treated as a payment at the bank's commercial rate, say **12%****.

At 12%, \$283 will only amortize (pay off) \$19,712 of the \$30,000 loan. HPD then provides the additional \$10,288 to enable the borrower to receive the full \$30,000.

$$\mathbf{\$19,712.00 + \$10,288.00 = \$30,000}$$

(12%) (0%)

The borrower receives **one** loan from **two** sources: a bank loan at the bank's interest rate and a City subsidy at **0%** interest rate. While the borrower is actually making payments to the bank at the **commercial** rate, say 12%, the monthly payment represents a monthly payment at 2.5% on the full \$30,000 loan

The monthly payment on a **\$19,712** loan at 12%, **\$283**, is the **SAME** amount required to pay off a **\$30,000** loan at 2.5%.

$$\mathbf{\$19,712 @ 12\% = \$283 \text{ (Monthly Payment)}}$$

$$\mathbf{\$30,000 @ 2.5\% = \$283 \text{ (Monthly Payment)}}$$

$$\mathbf{\$22,178 @ 5\% = \$318 \text{ (Monthly Payment)}}$$

$$\mathbf{\$30,000 @ 12\% = \$318 \text{ (Monthly Payment)}}$$

Note: By providing a public subsidy, HPD is able to reduce the interest rate of the **total** loan from market rate to the **HIP effective** rate of either 2.5% or 5%, depending on the applicant's income.

*\$282.81

** 12% used in example. Current rates vary between 11% and 14%

NYC DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

HOME IMPROVEMENT PROGRAM

CERTIFICATE OF HOUSING DEFICIENCIES

(Please read this form carefully)

Dear Homeowner:

Please be informed that you must use the proceeds from your Home Improvement Program ("HIP") loan to correct housing deficiencies listed in Category A. If you receive a HIP loan which exceeds the cost of correcting the deficiencies you have checked in **Category A**, you may include items from **Category B** in your scope of work.

If none of the housing deficiencies listed in Category A exist in your home, you are NOT eligible to apply for a HIP loan.

Please check that the items you will be correcting using the proceeds of the HIP loan. Your contractor's scope of work/cost estimate must reflect the items you check, as well as any additional eligible improvements (see Category B) you intend to make on your home. When applying for a HIP loan, you must include this **SIGNED** and **DATED Certificate of Housing Deficiencies** and your contractor's scope of work.

CATEGORY A - SEVERE HOUSING DEFICIENCIES *(Please check the items below which are in need of repair in your home)*

Electrical

- Broken or frayed electrical wires
- Un-insulated wiring

- Loose/improper wire connections
- Exposed fuse box connections
- Overloaded circuits
- Insufficient room outlets (less than 2)

Exterior

- Seriously deteriorating foundation
- Broken, rotted stairs, porches, balconies
- Deteriorating stoop (loose or missing bricks)
- Defective chimneys (leaning, deterioration of parts)
- Serious chipping, loose paint

- Rotting corroded gutters, leaders, soffits
- Buckling, sagging or leaking roof

Exterior (cont'd)

- Exterior surfaces characterized by severe buckling, sagging, leaking or holes

Plumbing

- Major Leaks
- Serious Pipe Corrosion
- Improperly connected/inoperative drains
- Inoperative bathroom toilet(s)
- Broken sewer/rain/sewer back-up
- Missing or non-working sink(s) (Kitchen/Bathroom)

Ceilings/Walls/Floors

- Severe buckling
- Large holes or cracks; falling material
- Major floor movement
- Air infiltration
- Chipping, peeling or cracking paint
- Water stains caused by leaks
- Asbestos

Lead Paint

-

Heating

- Inoperative heating system
- Inoperable/defective hot- water heater
- Inoperative/defective heat source (radiator, hot- air register, baseboard heaters)

Doors/Windows

- Severe deterioration of window frame
- Missing or broken, dangerously loose window panes
- Windows/doors that do not close
- Windows/doors lacking reasonably tight seal/inadequate window(s) door lock
- Inadequate ventilation (bathroom)

CERTIFICATE OF HOUSING DEFICIENCIES CONT'D)

CATEGORY B - OTHER ELIGIBLE ITEMS

The following items may be financed with the proceeds of your HIP loan provided that (1) the deficiencies checked off under **Category A** above will be corrected and (2) part of the proceeds of your HIP loan remain unspent.

- Items listed in Category A which require upgrading but are not severely deteriorated.
- Building-wide systems, fifteen years old or older, in need of repair.
- Repairs or improvements which correct violations of the New York City Housing Maintenance and New York City Building Code (e.g., sidewalk repair or installation of smoke detectors where none previously existed.)
- Repairs or improvements which contribute to energy conservation (e.g., insulation, storm windows and doors, weather-stripping and caulking).
- Repairs or improvements necessitated by other eligible work undertaken (e.g., installation of ceramic tiles around a new bathtub or kitchen cabinets where walls have been repaired or storage was inadequate).

CATEGORY C - INELIGIBLE ITEMS

Only the items listed in Categories A and B can be paid for with the proceeds of the HIP loan. The items which **MAY NOT** be repaired, replaced, installed, constructed, or improved using the HIP loan include, but are not limited to: patios, garages, home additions, additional apartments, electronic security systems, refrigerators, stoves, washing machines and/or dryers, dishwashers, jacuzzis, carpeting and landscaping.

I (We) hereby certify that if I (we) receive a Home Improvement Program (HIP) loan, the proceeds will, in the first instance, be devoted to the repair or replacement of the housing deficiencies I (we) have indicated on the checklist in Category A above.

I (We) further promise to permit the Department of Housing Preservation and Development ("HPD") and its authorized agents and designees (including but not limited to HPD personnel) to enter upon the premises at any reasonable time for the purpose of verifying any and all of the representations, warranties, and promises made in this Certification. I (We) promise to retain for a period of **Six (6) years** after the date of the signing of the Subsidy Agreement all cancelled checks and/or money orders used in connection with the work and produce them at the request of HPD for the purpose of verifying the cost thereof.

Address of Property Borough # of Bedrooms **MULTIPLE DWELLING***
 Yes No
Handicap Accessible

Applicant's Name *(Please Print)*

Co-Applicant's Name *(Please Print)*

Applicant's Signature

Co-Applicant's Signature

Date

*If property is a multiple dwelling _____

Financial and Credit Information Release Form

Loan Application No. (if known) _____

Bank Name (Name of Bank/Credit Union Selected)

Address of Property

In view of the Loan Amount that may be provided by the Department of Housing Preservation and Development of the City of New York ("HPD") for the above-referenced loan, I hereby authorize the release to HPD, or its designated agent(s), such financial and credit information, as may be requested by HPD, or its designated agent(s), which has been obtained by the Lender in order to evaluate my application for a loan.

Name(s) of Owner(s) *(Please Print)*

Signature

NYC Dept of Housing Preservation and Development

HOME IMPROVEMENT PROGRAM
(HIP)

CONTRACTOR INFORMATION PAGE

(This document must be submitted with your HIP application and can be filled out by you, the homeowner, or by your contractor(s). If you have any questions, please contact HPD. Thank you.)

Name of Organization: _____

Address: _____

Name(s) of Owner(s): _____

(Enter where applicable)

NYC Dept of Buildings License # _____

NYC Dept of Consumer Affairs HIC # _____

NYC County/Other State License # (Please specify County/State) _____

EIN # _____

Tel. Contact _____ Fax _____ E-Mail _____

THIS INFORMATION WILL NOT BE MADE AVAILABLE FOR PUBLIC USE



Consumer Loan Application

Loan Request

Loan Amount Requested: \$ _____ Term Requested: _____ years

Yes, I would like to apply for credit life/disability insurance on my loan (maximum insurable loan is \$30,000).

Yes, I would like to take advantage of Astoria Bank's Automatic Payment Deduction option. Please have my monthly payments deducted from my Astoria Bank Checking or Savings Account.

Account # _____
(Not available for Overdraft Credit Line)

Borrower Co-Borrower

Last Name First M Social Security Number

Last Name First M Social Security Number

Date of Birth / / Home Phone

Date of Birth / / Home Phone

Dependents (if any) _____ Citizenship: USA Other _____

Dependents (if any) _____ Citizenship: USA Other _____

Present Address: No. Years & Mos. _____ Own Rent \$ _____ Mo. Live With Parents

Present Address: No. Years & Mos. _____ Own Rent \$ _____ Mo. Live With Parents

Street _____

Street _____

City / State / Zip _____

City / State / Zip _____

Provide former address if less than 3 years at present address: _____

Provide former address if less than 3 years at present address: _____

Mailing Address _____

Mailing Address _____

Name of nearest relative not living with you: _____

Name of nearest relative not living with you: _____

Address _____

Address _____

Phone Relationship

Phone Relationship

Name and Address of Employer Self-Employed Years & Months employed: _____

Name and Address of Employer Self-Employed Years & Months employed: _____

Annual Salary Business Phone

Annual Salary Business Phone

Position/Title Type of Business

Position/Title Type of Business

Name and Address of Previous Employer (if less than 2 years at present job) Years & Months employed: Self-Employed

Name and Address of Previous Employer (if less than 2 years at present job) Years & Months employed: Self-Employed

Other Annual Income (Income from alimony, child support or maintenance payments need not be revealed if you choose not to rely on such income)

Other Annual Income (Income from alimony, child support or maintenance payments need not be revealed if you choose not to rely on such income)

Source of Other Income _____

Source of Other Income _____

Please provide your financial information (if more space is needed attach an additional sheet)

Please provide your financial information (if more space is needed attach an additional sheet)

Checking Account No. _____ Bank _____

Checking Account No. _____ Bank _____

Savings Account No. _____ Bank _____

Savings Account No. _____ Bank _____

Did you ever file for bankruptcy? Yes No If "Yes" where? _____ Year? _____

Did you ever file for bankruptcy? Yes No If "Yes" where? _____ Year? _____

Mortgage Holder's / Landlord's Name Account Number Unpaid Balance \$

Mortgage Holder's / Landlord's Name Account Number Unpaid Balance \$

Address _____

Address _____

City State Zip Monthly Payment: \$

City State Zip Monthly Payment: \$

**Debts Monthly Payment: \$ Present Balance: \$

** (Please list all debts including those on which you are co-maker, guarantor, or endorser)

** (Please list all debts including those on which you are co-maker, guarantor, or endorser)



Consumer Loan Application

(Continued from previous page)

FOR HOME IMPROVEMENT LOANS ONLY: Tell us about the home you are improving (Complete this section **only** if you are applying for a home improvement loan.)

| | | | | | | |
|---|---------------------|----------------|---|---|--|--|
| Address of Property to be improved | | Street | City | County | State | Zip |
| Name of Titleholder | Mortgage Held By | Date Purchased | Purchase Price: \$ | Present Mortgage Balance: \$ | Present Value \$ | Year Built |
| Type of Improvement | Style (Ranch, Cape) | No. Rooms | Property Type <input type="checkbox"/> Single Family <input type="checkbox"/> 2 Family | <input type="checkbox"/> Condominium <input type="checkbox"/> Co-op <input type="checkbox"/> 3 Family | <input type="checkbox"/> Apartment <input type="checkbox"/> 4 Family | Owner-Occupied? Primary Residence? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Description of Improvements Planned (Contractors Estimates/Invoices Must be Supplied Upon Approval) | | | | | | Estimated Cost: \$ |

Notice to borrower(s) for a Home Improvement Loan. The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made it application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type loan applied for.)

Borrower: I decline to furnish all or part of this information

- *Ethnicity Hispanic or Latino Not Hispanic or Latino
 *Race/National Origin
 1. American Indian or Alaska Native 2. Asian 3. Black or African American
 4. Native Hawaiian or Other Pacific Islander 5. White
 *Sex Female Male

Co-Borrower: I decline to furnish all or part of this information

- *Ethnicity Hispanic or Latino Not Hispanic or Latino
 *Race/National Origin
 1. American Indian or Alaska Native 2. Asian 3. Black or African American
 4. Native Hawaiian or Other Pacific Islander 5. White
 *Sex Female Male

*Lender: If either borrower or co-borrower chooses not to designate either race or sex information, you must do so, to the extent possible, based on sight and/or surname. To designate any information that you have provided, please enclose it with parenthesis ()
 Notice to New York Residents: Consumer reports may be requested in connection with the processing of your application, and any resulting account. Upon your request, we will inform you of the names and addresses of any consumer reporting agency which have provided us with such reports.

You may obtain and (while I am indebted to you) update information bearing on my creditworthiness from any source you think may have such information, including any consumer reporting agency. I understand you must retain this application, knowing you will rely on this in making our credit decision. I certify that all statements made in this application are true, that I have listed all my current debts and obligations and that no one has suggested that any information be omitted. I understand that if I so request, I will be told whether any consumer report was obtained by you in connection with this application. If so, you will also furnish the names and address of the reporting agency.

| | | | |
|-----------------------------------|------|--------------------------------------|------|
| <u>X</u> Signature of Borrower | Date | <u>X</u> Signature of Co-Borrower | Date |
|-----------------------------------|------|--------------------------------------|------|

For internal use only. This application was received by: _____ Mail _____ Fax _____ Branch _____ Phone _____ Other (please specify) _____

NYC HOUSING PRES. & DEV.
 100 Gold St. **HIP**
 New York, NY 10028

LOAN AMOUNT _____ PURPOSE **HOME IMPROVEMENT PROGRAM (HIP)**

1. Personal Information

Name _____ Member # _____
 Home telephone _____ Cellular telephone _____
 Social security # _____ Date of birth _____
 Current address _____
 Name of a relative not living with you _____ Telephone _____
 Address _____
 How many dependents do you have? _____
 Have you had any judgement, garnishment, or legal proceedings filed against you? _____
 Have you ever been through bankruptcy? _____ Are you a co-maker or co-signer in other loans? _____

2. Personal References

Name _____ Telephone _____
 Name _____ Telephone _____
 Do you know a current credit union member who can provide a reference? _____

3. Employment and Income Information

Employer _____
 Address _____
 How long have you worked there? _____ Telephone _____
 Please estimate your monthly salary \$ _____
 Public assistance \$ _____
 Other source of income (_____) \$ _____
Total monthly income \$ _____

4. Expenses and Debt

Rent or mortgage \$ _____
 Alimony / child support \$ _____
 Credit cards and other loans (_____) \$ _____
Total monthly expenses and debt \$ _____

5. Applicant's Signature

All statements made above are true and complete and submitted for the purpose of obtaining credit. In considering this application Brooklyn Cooperative FCU may contact my personal references, employer and evaluate reports from outside credit reporting agencies. I may request to know whether the credit union obtained such reports, and if so, from whom.

Signature _____ Date _____

Record of action (for internal use)

Date of Action _____ Approved Not Approved Counteroffer
 Amount Approved \$ _____ Security _____ Type _____
 Notes _____
 Signatures of Loan Officers _____

12 12