

## Tier 4

### Program Availability

—*Depends on availability of funding*

**Purpose:** Tier 4 repairs include reconstruction of the home. The existing structure or mobile home will be demolished and re-built.

**Program Description:** When repairs needed are estimated to be over \$10,000.01, the home owner may qualify for a zero interest loan to pay for part of the reconstruction costs. The home will be rebuilt to Energy Star specifications.

### Eligibility:

- Owner Occupied site-built or mobile homes residing in Knox County outside of the City Limits of Knoxville. The home must be the primary residence of the owner. The lot must be owned by the applicant.
- Mobile homes may be eligible if situated on permanent foundation and applicant owned lot.
- County land taxes must be paid current.
- The owner must not have an existing mortgage or lien on the property.
- The applicant must have home owners insurance.
- Debt to Income Ratio must be less than 43%.
- A financial fitness test may be required.
- Life Estates are ineligible.

**Future Responsibilities:** The applicant will agree to keep the land taxes current, keep the property maintained, remain current on the loan, keep homeowners insurance current, and remain in the home for the full affordability period.

## About

The Owner-Occupied Rehabilitation Program is designed to improve the availability of decent housing for low to moderate income people in Knox County.

The Knoxville-Knox County Community Action Committee's Housing & Energy Services provides Owner-Occupied Rehabilitation services to homeowners through an agreement with Knox County's Community Development Department.

Funding is provided for the Owner Occupied Rehabilitation Program through a Federally funded Community Development Block Grant (CDBG). Rehabilitation Services are performed by CAC staff and/or licensed contractors.

Knox County Community Development has developed the Housing Rehabilitation Program for the purpose of:

1. Improving the lives of the citizens of Knox County.
2. Improving the condition of housing in the County .
3. Adding affordable housing to the existing housing stock.
4. Promote continued ownership.
5. Building and strengthening neighborhoods in Knox County.
6. Building and having Certified Energy Star Homes.

### Housing and Energy Services Mission Statement

*‘To strengthen neighborhoods by using energy efficient and cost-saving measures to provide weatherization services, build high-quality affordable housing, repair existing housing and improve quality of life for low to moderate income residents of Knoxville and Knox County’*

# Knox County—CAC Owner—Occupied Rehabilitation Program



CAC Housing &  
Energy Services

LT Ross Building (Lower Level)  
2247 Western Avenue Knoxville, TN 37921

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Knoxville, TN 37950-1650

Phone: 865-244-3080 Fax 865-544-3647  
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## Program Income Guidelines

<u>Household</u>	<u>Income Limit</u> 80% of HUD Guidelines
1 Person	\$34,650
2 People	\$39,600
3 People	\$44,550
4 People	\$49,500
5 People	\$53,500
6 People	\$57,450
7 People	\$61,400
8 People	\$65,350

### Tier 1

**Purpose:** To provide emergency repairs to safeguard against immediate risk to health and/or safety.

**Estimate of Repairs:** Work estimate up to \$5,000.00.

#### Eligibility:

- Single family, Owner occupied site-built house or mobile home residing in Knox County outside the City Limits of Knoxville.
- A mobile home lot may be leased or owned by the applicant.
- The dwelling must be the primary residence of the applicant.
- Recognizes Life Estate as owner.
- County Taxes may not be more than 1 year in Arrears. If in Arrears, the home owner must be on a payment plan to pay off the county taxes.
- The applicant can only receive a grant once every three years.

### Tier 2

**Purpose:** Tier 2 repairs will bring the home up to standard housing codes.

**Estimate of Repairs:** \$5,000.01—\$10,000.00

**Program Description:** When repairs needed are estimated between \$5,000.01—\$10,000.00, the home owner may first use the \$5,000 grant from Tier 1. After the \$5,000 grant is used, the home owner must qualify for a zero interest loan to cover part of the cost of the additional repairs ranging from \$5,000.01—\$10,000.00

#### Eligibility:

- Single family owner occupied site-built house or mobile home residing in Knox County outside of the City Limits of Knoxville. The home must be the primary residence of the applicant.
- Mobile homes may be eligible if situated on permanent foundation and applicant owned lot.
- County land taxes must be paid current.
- The existing mortgage on the home must be current.
- 20% of equity paid into existing mortgage required.
- The applicant must submit to credit check. Any outstanding collections and/or judgments must be paid off.
- The applicant must have home owners insurance.
- Debt to Income Ratio must be less than 43%.
- A financial fitness class may be required.
- Life estates are ineligible.
- Funding source approval.

**Future Responsibilities:** The applicant will agree to keep the land taxes current, keep the property maintained, remain current on the loan, keep homeowners insurance current, and remain in the home for the full affordability period.

### Tier 3

#### Program Availability —Depends on availability of funding

**Purpose:** Tier 3 repairs will bring the home up to standard housing codes.

**Estimate of Repairs:** \$10,000.00 to Value of Home but not requiring home reconstruction.

**Program Description:** When repairs needed are estimated to be over \$10,000.01, the home owner must qualify for a zero interest loan to cover part of the cost of the repairs under Tier 3. Tier 3 repairs correct multiple violations of County housing standards and/or existing building codes.

#### Eligibility:

- Single family owner occupied site-built house or mobile home residing in Knox County outside of the City Limits of Knoxville. The home must be the primary residence of the applicant.
- Mobile homes may be eligible if situated on permanent foundation and applicant owned lot.
- County land taxes must be paid current.
- The existing mortgage on the home must be current.
- Owner must have at least 85% of tax appraised value as home equity.
- The applicant must submit to credit check. Any outstanding collections and/or judgments must be paid off.
- The applicant must have home owners insurance.
- Debt to Income Ratio must be less than 43%.
- A financial fitness class may be required.

**Future Responsibilities:** The applicant will agree to keep the land taxes current, keep the property maintained, remain current on the loan, keep homeowners insurance current, and remain in the home for the full affordability period.