

# FACT SHEET

## SINGLE FAMILY HOUSING REPAIR LOAN PROGRAM



### PURPOSE

This program is designed to provide financial assistance to low-income homeowners to perform needed repairs to their property. This program can be used to include substantial interior and exterior repairs, handicap accessibility, delayed maintenance items, and correcting mandatory code violations. In certain circumstances, reconstruction of the house is permitted. The rehabilitation and reconstruction programs will also include requirements for installation of energy efficient and water conservation products.

### ELIGIBILITY

1. Only properties with owner-occupied single-family homes or two units on a lot with one of the units occupied by the eligible owner.
2. Property must be located within the limits of the City of Stockton.
3. Household income cannot exceed 80% of median family income, as amended from time to time. See below:

**Income Eligibility by Household Size  
(Fully-Documented Only – No Stated Income Accepted)**

Household Size (Number of Persons to Reside in Home)	Maximum Allowable Gross Monthly Income (Per Household)	Maximum Allowable Gross Annual Income (Per Household)
1	\$2,854	\$35,700
2	\$3,262	\$40,800
3	\$3,671	\$45,900
4	\$4,075	\$50,950
5	\$4,404	\$55,050
6	\$4,729	\$59,150
7	\$5,054	\$63,200
8	\$5,379	\$67,300

(Effective April 1, 2018)

4. In the case of two units on one lot, the owner must agree that the rental unit will be occupied by a low-income tenant at the affordable rental rate established for the local Section 8 Housing Program. The City will monitor the tenant's income level periodically – sometimes up to a period of 20 years.
5. The loan-to-value ratio must not exceed 105 percent of the total value of the property, as established by a qualified staff or certified appraiser.
6. The owner's total debt to total income ratio may not exceed 55%.

## **LOAN TERMS**

1. Maximum term of loan is 30 years.
2. One percent (1%) simple interest.
3. Loans are deferred for 30 years if owner remains in home; loans are due upon sale, transfer of ownership or breach of loan agreement. A monthly fee may be collected to cover property taxes and insurance.
4. All loans must be secured by a Promissory Note, Loan agreement and Deed of Trust.
5. Loans may not be assumed.
6. Loans are not subordinated to future financing.
7. Taxes and insurance must be collected into an impound account either by the first mortgage holder or the City's appointed loan servicing company.
8. Loan cannot be combined with "reverse" mortgages or equity lines of credit.
9. Use of loan funds:
  - Hard and soft construction costs related to the mandatory correction of building and municipal code violations
  - Construction contingencies
  - Temporary relocation and moving expenses, if necessary
  - Refinancing of existing debt is limited to special hardship circumstances and requires additional evaluation

**Contact:**  
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**Housing Division**

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