



901 HELP

Memphis Homeowner Empowerment Loan Program

Frequently Asked Questions

The Memphis Homeowner Empowerment Loan Program (901 HELP) provides low-interest home repair loans between \$5,000 and \$25,000 to low and moderate-income homeowners in the City of Memphis who meet eligibility requirements. 901 HELP equips Memphis homeowners to invest in their homes by providing 10-year, low-interest home repair loans.

901 HELP is a partnership with the City of Memphis, Division of Housing and Community Development communities, Local Initiatives Support Corporation (LISC), a national nonprofit that helps revitalize low-income communities; and Regions Bank. It is designed to help homeowners address health and safety issues, while preserving wealth and revitalizing Memphis neighborhoods.

Who can apply for the program?

- Homeowners must own and occupy their single family or duplex home located in the City of Memphis for at least twelve months prior to applying.
- Homeowner's insurance must be current, or a quote is required.
- Homeowner's property taxes must be current, or homeowner must have an approved payment plan with the Shelby County Trustee and/or City of Memphis Treasurer.
- Homeowners may not currently be in bankruptcy. **Bankruptcy must be discharged for at least one year to apply.**
- Homeowners with a reverse mortgage are not eligible to apply.
- *Total income for all residents living in the home cannot exceed the limits listed below:*

901 HELP Income Eligibility Guidelines	
Household Size	Annual Income Limit
1	\$47,750
2	\$54,550
3	\$61,350
4	\$68,150
5	\$73,650
6	\$79,100
7	\$84,550
8 or more people	\$90,000

Why is this program needed?

901 HELP is designed to fill a market gap by investing public and private funds in Memphis neighborhoods. Many low and moderate-income homeowners are unable to secure traditional financing for critical home repairs.

What kinds of home repairs are eligible for this loan program?

If the home has health and safety hazards, those issues must be addressed first before other repairs can be made. The following are sample projects:

- Correcting health and safety hazards including removal of lead (required)
- Electrical repairs
- Furnace replacement
- Roof replacement
- Plumbing
- Energy efficiency upgrades
- Door and window replacements
- Porches and structural support

How much can I borrow?

Loans are available between \$5,000 and \$25,000 for Memphis homeowners who own and occupy their single-family homes. Homeowners who own duplexes are eligible if they live in one of the units.

How soon must the loans be repaid?

Loans are paid back over ten years. There is no prepayment penalty fee for paying back a loan early. Borrower repayments begin 75 days after the loan closing.

Who is funding this program?

Funding comes from a variety of sources, including the U.S. Department of Housing and Urban Development Community Development Block Grant funds awarded from the City of Memphis, Regions Bank loan, and the Local Initiatives Support Corporation.

What do borrowers have to pay back?

Borrowers are required to pay back the principal on all loans and 3.0% interest.

How can I apply?

For an application and additional information, please visit: www.uhinc.org. You can also find printed copies at UHI (2750 Colony Park Dr., Memphis, TN 38118). Once you have completed the application, and gathered the required documentation as described on the website, submit to UHI. You can reach UHI at 901-272-1122 or LISC@uhinc.org. If necessary, UHI will assist you with filling out the forms.

Is there a minimum credit score for this program?

The minimum FICO credit score for this program is 560, which is below the average credit score of most U.S. consumers.

What if my credit does not meet the minimum?

There are resources available to help you improve your credit and financial standing. Visit www.home901.org for local housing counseling resources.

Are there any closing fees?

Yes, the homeowner is responsible for paying title search and recording fees not to exceed \$150. From time to time, there may be grant funds available to assist with these costs.

Can I hire anyone to work on my home as part of this program?

Contractors performing work must be on the approved United Housing, Inc. contractor list. Contractors will be paid directly by UHI as the Construction Management for the 901 HELP program. Borrowers will not receive a check.

Will I get the chance to sign off on work on my home before contractors are paid?

Yes. Contractors will not be paid for work until both the City of Memphis, and you sign off that the work has been performed in a satisfactory manner.

I just purchased a home in Memphis. Can I apply for this loan?

This program is for Memphis homeowners who have owned and occupied a Memphis home for at least 12 months.

Are land contracts acceptable forms of ownership?

Yes, if the selling homeowner provides written authorization for your participation in the program and signs off on the security documents. Also, the land contract should be recorded with the Shelby County Register of Deeds.

Will these repairs raise my property taxes?

Most home repairs eligible for this program are part of normal home maintenance, so they will not increase the taxable value of a home. If an eligible repair changes the physical structure or livable space of a home, its taxable value may change.

What services will the program provide to borrowers?

The program will provide loan origination and servicing, construction oversight, home inspections, and mortgage and debt counseling. Counseling services are available to all applicants at no additional cost.

Why not use just a grant-only program?

Through a low- interest loan program, the City of Memphis is able to help more homeowners with limited funds than it can with a grant-only program. 901 HELP will allow the City to make the greatest possible impact with limited funds on neighborhoods across Memphis.

If a homeowner has previously received a grant from the City of Memphis, are they eligible for the loan program?

Yes.

If I have a current mortgage on my house, am I eligible for a loan?

If you already have a mortgage, you are still eligible for a loan if the ratio of loan to home value is less than 150%. That means a homeowner with a house valued at \$100,000 who owes \$140,000 can still borrow up to \$10,000 through 901 HELP.

Is a lien placed on my home if I receive a home repair loan through 901HELP?

Yes, a 10-year lien is placed on your home after the mortgage and note are executed during the loan closing. The lien is discharged once your loan is fully paid off.

