

TENNESSEE HOUSING DEVELOPMENT AGENCY
HOME PROGRAM
HOMEOWNER REHABILITATION AGREEMENT
RECONSTRUCTION

This Agreement is entered into this ____ day of _____, 2020 between _____ (“Grant Recipient”) and _____ (individually or collectively, “Homeowner”).

Whereas, Grant Recipient received HOME Program funds from the Tennessee Housing Development Agency (“THDA”) through the HOME Investment Partnership Program (the “HOME Program”) subject to the requirements of 24 C.F.R. Part 92, as amended (the “HOME Regulations”), the THDA HOME Program Description and Program Manual, and that certain working agreement between Grant Recipient and THDA dated _____ (the “Working Agreement” and together with the THDA HOME Program Description and Program Manual and the HOME Regulations, the “HOME Program Requirements”); and

Whereas, Grant Recipient has agreed to make \$ _____ in HOME Program funds (the “HOME Investment”) available to rehabilitate Homeowner’s single family housing unit located at _____, Tennessee, as more fully described in Exhibit A, which is attached hereto and incorporated herein by this reference (the “Property”); and

Whereas, the HOME Program Requirements require that Grant Recipient and Homeowner enter into a written agreement outlining provisions required under 24 C.F.R. 92.504(b); and

Now Therefore, Grant Recipient and Homeowner agree as follows:

1. Homeowner shall execute an agreement with a contractor selected by Grant Recipient and Homeowner through the procurement process established by Grant Recipient for (“Contractor”) to perform certain rehabilitation tasks as outlined in Exhibit B, which is attached hereto and incorporated by this reference. Exhibit B defines all tasks to be completed, the detailed budget for the project, including any match sources, the property standards to be met, and the timeline for completion and close out of all of the HOME activities and expenditures (the “HOME Project”). Any changes must be requested via a change order and such change would require an amendment to Exhibit B.
 - a. Homeowner shall cooperate with and provide Contractor reasonable access to the Property to such extent as is necessary for Contractor to complete the rehabilitation.
 - b. If Contractor is unable to complete the rehabilitation due to a failure of Homeowner to cooperate or provide access, Homeowner is responsible for and shall repay all costs invested in the Property.
2. Homeowner shall maintain the Property as Homeowner’s principal residence for fifteen (15) years from the date of Project Completion as defined at 24 CFR 92.2 (“Compliance Period”). This Agreement terminates at the expiration of the Compliance Period.
3. If Homeowner complies with all HOME Program Requirements, the Note, the Deed of Trust, and this Agreement, then the amount due under the Note will be forgiven by 6.67% each year starting on the date that is one (1) year from the date of Project Completion, as outlined in the Note.
4. During the Compliance Period, Homeowner may not lease, sell, transfer, convey, or allow the property to be encumbered by any lien other than a lien associated with the HOME Investment.
 - a. If the Property is inherited by an heir or heirs of Homeowner, any such heir(s) may occupy the Property as their principal residence or lease the Property for the remainder of the Compliance Period without having to repay any unforgiven HOME Investment due under the Note.
 - b. If Homeowner, or an heir or heirs of Homeowner, sells the Property during the Compliance Period or otherwise fails to occupy the Property as Homeowner’s principal residence at any time during the Compliance Period, except as allowed under 4.a. above, then the remaining unforgiven HOME Investment due under the Note must be repaid to THDA at closing.

5. Homeowner shall execute a Note and Deed of Trust in favor of Grant Recipient at Grant Recipient's request.
6. The Property must be insured under Homeowner's homeowner insurance policy, with Grant Recipient listed as a loss payee, or under a builder's risk policy, commencing during project set up and lasting throughout Project Completion. If Property is insured under Homeowner's homeowner insurance policy and Homeowner fails to list Grant Recipient as a loss payee or coverage otherwise lapses, the Project may be suspended until a builder's risk policy is obtained.
7. Any HOME Investment repaid to the Grant Recipient will be returned to THDA.

GRANT RECIPIENT:

HOMEOWNER:

BY: _____

TENNESSEE HOUSING DEVELOPMENT AGENCY

HOME PROGRAM

HOMEOWNER REHABILITATION AGREEMENT - EXHIBIT B

BENEFICIARY FULL NAME(S): _____

PROJECT ADDRESS: _____

TYPE OF PROJECT:

1. Rehabilitation of existing structure: _____

2. Rehabilitation by reconstruction: _____

NAME OF GENERAL CONTRACTOR: _____

PROJECT TIMELINE:

1. Project Start Date: _____

2. Estimated Project Completion Date: _____

SCOPE OF WORK: (See Attached final work write-up and accepted bid document)

PROJECT BUDGET:

Soft Costs:

1. Work Write Up and Rehab Coordinator Progress Reviews: _____

2. Lead Based Paint Inspection and Clearance: _____

3. Termite Letter/Treatment: _____

4. Relocation/Storage Costs: _____

5. Builders Risk Policy: _____

6. A&E Costs: _____

7. Permits and Fees: _____

8. Other _____:

Project Costs:

1. Demolition Costs (if separate contract): _____

2. Construction Costs (From Attached Bid Document): _____

3. Other _____:

TOTAL PROJECT BUDGET: _____

The above referenced HOME project will be completed in compliance with THDA's [HOME Operating Manual](#) and all work will be performed in compliance with THDA's [Design Standards](#) for the type of project identified above. HOME Operating Manual and Design Standards can be found online at: <https://thda.org/government-nonprofit-partners/home-program/home-program-forms>