

# Arkansas Disaster Recovery Housing Assistance Loan Program Information Sheet

## Eligible Applicants

Arkansas Development Finance Authority (ADFA) will provide financial assistance to homeowners whose primary home is located in a presidentially-declared, or, in a gubernatorial-declared disaster area that are eligible for individual assistance and have been damaged by the natural disasters of 2019-2020.

**Income limits do not apply.**

The State financial assistance under this program includes:

### **Housing Repair/Rehabilitation Assistance**

Individuals whose primary home was damaged by the 2019-2020 natural disasters may receive financial assistance not to exceed \$30,000 for the necessary and reasonable cost of eligible repair expenses for a disaster-affected home determined feasible for rehabilitation.

## Type of Assistance

Assistance under this program will be provided as a repayable loan, amortized over a 10-year period with a 0% interest rate. The first year of loan repayments can be deferred upon request by the borrower and ADFA approval.

**Interest Rate: 0 percent (0%) Term: 10 Years / 120 Months (First year can be deferred)**

## Eligibility

If the home is located in a presidentially declared disaster area, the homeowner must register with FEMA and provide ADFA with the FEMA award/denial letter to be considered for eligibility under this program. Other criteria include: Owner-occupied at the time of the natural disaster; residency at the time of the natural disaster; and, damage to the home caused by the natural disaster.

## Application Process

1. Complete and submit the Disaster Recovery Application and provide all support documentation. Application and checklist for support documentation can be found online at: <https://adfa.arkansas.gov/files/>
2. ADFA completes income verification process, except for social security benefits and/or federal retirement income, which the applicant should request and forward to ADFA. If the homeowner's employer utilizes an income verification service such as *The Work Number* or *InVerify*, the homeowner should request their information be provided to ADFA.
3. ADFA arranges with the homeowners to inspect damage to the home and take pictures to verify natural disaster damage. Homes deemed infeasible for rehabilitation will not be considered for the loan program. Residency will be confirmed and the first photo will be of the mailbox.

4. ADFA approves or denies acceptance into the program. If homeowner is approved, ADFA will issue the notification and lien documents for homeowner signature(s)
5. Homeowner must give ADFA two detailed, line-item estimates for projects that need to be undertaken. ADFA will provide reimbursement funds after verification that the work is complete (by means of a final inspection), and upon execution and recording of loan documents. Homeowner must provide detailed receipts for payment. ADFA will then authorize payment to the homeowner.
6. Homeowner must use licensed contractors; and, since contractor and trade licenses are issued by different Boards and Departments, checking the status of licenses is a bit more complicated. You will need to validate them with the respective issuing authority. Here's a list where you can validate the different licenses issued by the state:

Residential and Commercial Contractors – <http://aclb2.arkansas.gov/clbsearch.php>

Plumbing and HVAC Trade License – <https://www.healthy.arkansas.gov/programs-services/topics/hvac-plumbing-publications>

Electrical Trade License – <https://www.ark.org/labor/electrician/search.php>

Asbestos Abatement Certificates and Licenses –

<https://www.adeg.state.ar.us/air/program/asbestos/contractor.aspx> for contractors and consultants, and <https://www.adeg.state.ar.us/air/program/asbestos/licenses.aspx> for those with certificates

You may also contact the respective Boards and Departments to check the status of a contractor or trade license. If you are looking for alarm systems license, you can only check the status by getting in touch with the State Police.

7. Homeowner will be required to provide proof of homeowner's insurance and flood insurance (where required) showing ADFA as mortgagee / loss payee
8. Contractor must warranty workmanship and materials for 1 year from completion date\*
9. All work needs to be building permitted with copies of permits provided prior to final payment\*
10. A lien will be filed against the property – homeowner will need to provide a copy of the recorded deed proving they hold fee-simple title to the property
11. Proof of occupancy required at completion of rehabilitation

\*homeowner's responsibility to obtain and provide copies of warranty and necessary permits