



## CITY OF BANGOR

### **Investment Property Loans** *Residential Rehabilitation Loan Program*

#### **Program Summary**

The Investment Property Loan program assists property owners in the maintenance of properties whose majority occupancy qualifies as low to moderate income tenants.

Common items repaired or replaced include, but are not limited to: roofs, windows and doors, siding, exterior trim, electrical and plumbing, foundations, walls, ceilings, floors, interior and exterior stairways, and energy efficiency upgrades.

#### **Application Process**

Processing of application shall commence upon submittal of all materials requested within the Investor Property application packet. Final loan approval shall be awarded by the Business and Economic Development Committee of the Bangor City Council for loans under \$100,000. Loans over \$100,000 shall require Bangor City Council approval. Typically, the application process last approximately six weeks.

#### **Interest Rate**

Prime rate as of the closing date plus 3 basis Points

#### **Repayment Period and Rates** Example: Current rates as of February 20, 2019

5 years @ 2.91%  
10 years @ 3.24%  
15 years @ 3.49%  
20 years @ 3.67%

#### **Monthly Payment** Example based on \$50k for 20 years

As low as \$295, per month

#### **Terms and Conditions**

Investment Property Loans are available to property owners that rent to at least 50% low to moderate income (LMI) tenants in two-unit buildings, or at least 51% LMI tenants in three- or more unit buildings.

Maximum loans for (2-7) units, with \$25,000 for the first unit and \$20,000 for each additional unit. The match requirement is 75/25 for all investor properties. Example: A five, six or seven unit building or \$100,000 loan amount request would require both Council approval and a 25% matched amount from either an institutional lender, owner financing, owner equity or insurance company.

To receive a loan, the City of Bangor requires that the entire property to be brought up to U.S. Department of Housing and Urban Development (HUD) Housing Quality Standards (HQS).

Improvements should demonstrate a focus on the health and safety of building occupants.

In pre-1978 buildings, lead paint is presumed to exist and treated according to Environmental Protection Agency (EPA)/HUD lead paint regulations.

All items repaired or replaced must be done in accordance with applicable local building codes.

*Additional information about this program is available from the City of Bangor's Department of Community and Economic Development. Please contact Jeff LaBree, Housing Rehabilitation Coordinator, at (207) 992-4233 or [jeff.labree@bangormaine.gov](mailto:jeff.labree@bangormaine.gov).*