

WHAT IS A 5 YEAR FORGIVEABLE LOAN?

-A 5 year forgivable loan is a loan that you do not have to pay back, provided you do not sell or move out of your home for a period of 5 years.

-There are NO payments and NO interest during the loan period, regardless of how much is spent.

-Yes, it is a lien on the property, BUT, this is only done to let us know if you sell the house within the 5 year period.

-The 5 year loan is also done to discourage someone from using the lead funds to improve their house and immediately “flip” it for a profit.

-The Lead Hazard Control Program does NOT want to take your house. Our focus is to help the homeowner make the home lead safe for children. In 25 years, we have never tried to take a home away from a homeowner, and we never will.

-If you do sell your house within the 5 years, we calculate how much has been forgiven (to the month), and let the title company know the balance due to us. They will send us a check after the sale, and we will provide a Deed of Release. You do not have to pay us back out of your pocket.

-Yes, you can refinance your mortgage loan during the 5 year loan period. However, the lender must meet our guidelines to refinance. There are predatory lenders who will take advantage of owners. Our requirements are only meant to protect you from these predatory lenders.