



Q&A: Home Repair Loan Program





Q. What is Olycap's Low-Income Home Repair Loan Program (HRLP)?

A. HRLP is a deferred loan program designed to give low-income homeowners in Clallam and Jefferson County the resources they need to perform critical home repairs. HRLP works best alongside OlyCAP's Weatherization Assistance Program: since OlyCAP is unable to perform weatherization work on homes in need of major repairs, HRLP will help repair your home as well as help qualify your home for free weatherization services such as insulation, draft sealing and home heating upgrades.

Even if you don't need weatherization, HRLP may be able to help with your home repair and maintenance needs.

Q. What's a deferred loan program?

A. A deferred loan means that no payments are required until the home is sold, the title changes hands, or the home is no longer owner-occupied. When this happens, repayment is triggered and the loan must then be repaid in full. However you are free to make payments on the loan at any time, and there are no penalties for early repayment.

Q. What are the loan requirements?

A. Requirements for eligibility include:

- Must be a single-family, owner-occupied home in either Clallam or Jefferson County.
- Must own both the home and the land that the home sits on.
- Must meet income eligibility guidelines at the time of the loan.
- Must be current on property taxes.
- Must have equity in the home (you must currently own less on the mortgage than the assessed value).



Q. Can I use the loan to pay off property taxes, or an existing loan or lien?

A. No, HRLP is only intended to fund residential repairs and improvements that address health, safety, and durability issues.

Q. Can I do the work myself or hire my own contractor?

A. All Contractors must be licensed and bonded, and under agreement with Olycap to perform to both local code and state specifications. Olycap must perform as the general contractor during the repairs. This ensures that work is done to our high standards, and will be ready for the installation of energy efficiency measures when the repairs are completed.

Q. What is the maximum amount of the loan?

A. The maximum loan amount is eighty percent of the equity of the property, (eighty percent of the assessed market value of an entirely owned property), or forty thousand dollars, whichever is less.

Q. What is the interest rate?

A. The simple interest rate of the loan will be equal to the previous calendar year's annual average Consumer Price Index compiled by the Bureau of Labor Statistics, United States Department of Labor. Currently this is 1.9%.



Q. Will a lien be placed on my home?

A. Yes, a loan issued using HRLP funds become a lien in favor of the State of Washington. The lien will only be subordinate to liens for general taxes, to the first deed of trust, or the first mortgage on the real property. The state lien will have priority over all other liens and privileges.

Q. What if I need to take out another loan or refinance my home in the future?

A. When a HRLP homeowner wishes to refinance their property mortgage, they may submit a subordination request for consideration. The Washington State Department of Commerce will review the request to insure that the lien position of the State remains the same or is advanced. That there is no “cash out” as part of the refinance. There can be no third-party debt payoffs or additional encumbrance on the property above traditional refinance transaction costs. Consideration will be given for additional financing of needed home repairs. The proposed new loan must be a fixed rate conventional term loan - therefore cannot be an adjustable rate, negative amortization or balloon payment loan structure. The refinance ideally should lower the housing cost of the household with a lower interest rate and the total indebtedness on the property must not exceed 80% of the current market value.

Q. How do I apply?

A. Just contact us, we will walk you through the steps.

OlyCAP Weatherization

Website- <https://olycap.org/home-repair-loan-program/>

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