

Description

The Article 8A Loan Program provides rehabilitation loans for the replacement of major building systems such as plumbing, heating, electrical, windows, intercoms, masonry, etc. to correct substandard or unsanitary conditions. Loans are available in amounts of up to \$25,000 per dwelling unit with no maximum per building. Loans may not be used to refinance existing debt on the property.

Borrower's Qualifications

- ◆ Must own the property or have contract to purchase
- ◆ Building condition and finances must demonstrate a need for funds, and owners must be unable to obtain financing privately

Borrower's Contribution

- ◆ Non-refundable application fee of \$150
- ◆ Commitment fee equal to one (1%) of the loan amount payable at closing
- ◆ One-half (1/2%) of the loan in legal fee

Contractors

Contractors must be licensed and approved by HPD. All contractors must provide security in the form of a Letter of Credit.

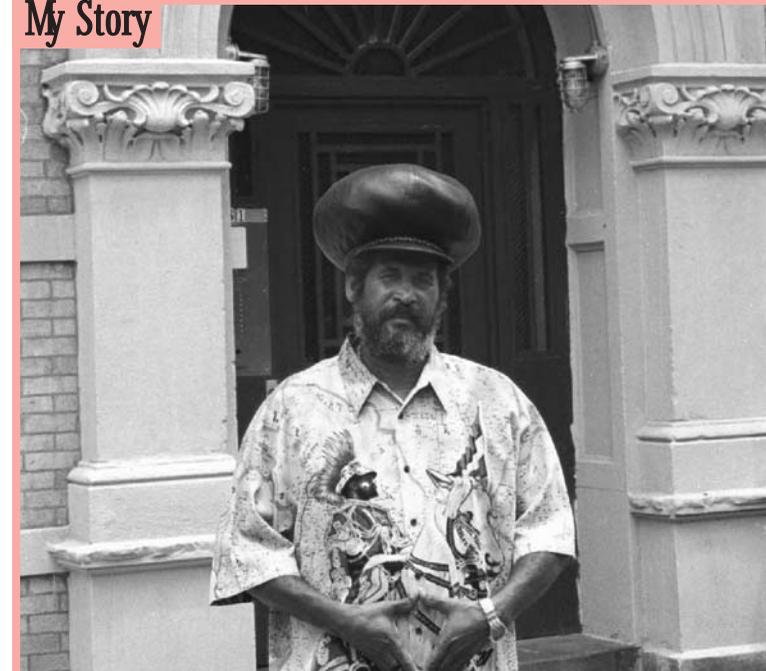
Advantages

- ◆ Below market interest rates.
- ◆ Loan term of up to 30 years.
- ◆ Non-profits are exempted from fees

Benefits & Restrictions

After rehabilitation, real property taxes may be eligible for abatement, and there will be no change in the rent regulation status (controlled, stabilized) of the units in the building. Loans are restricted to buildings occupied by tenants of low income. Where appropriate, rents may be adjusted to ensure repayment of the debt service.

My Story



Bronx landlord Desmond Ellington inherited his Washington Avenue building in the early 1980's. "I dreamt that some day I would be able to fix everything up, but I just couldn't go into a bank; I wasn't qualified." Determined to hang onto his property, he finally cleared up the outstanding real estate taxes and called HPD for help. His 8A loan has financed new kitchens and bathrooms and a steam cleaning for the façade. Mr. Ellington said, "I'm thankful for the opportunity to make my dream come true."

How to Apply

To receive an application, call HPD at (212) 863-6415 or write to:

Housing Preservation and Development
Article 8A Loan Program
100 Gold Street, Room 9-U7
New York, NY 10038

For additional information
please log on to our website
www.nyc.gov/hpd



Please call 311 for all non-emergency
City government services



The Article 8A Loan Program
The City of New York
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
Office of Development, Division of Housing Finance



The Article 8-A Loan Program
 The City of New York
 DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
 Office of Development, Division of Housing Finance

Department of
 Housing Preservation and
 Development
 100 Gold Street
 New York, NY 10038



The Article 8-A Loan Program

www.nyc.gov/hpd



the **new** housing
MARKETPLACE
 CREATING HOUSING FOR THE NEXT GENERATION

The Article 8-A Loan Program

www.nyc.gov/hpd



A message from HPD Commissioner Shaun Donovan

HPD's programs are designed to encourage owners to invest in their properties. Programs include loans for owners, free courses, and other owner services such as counseling on mortgages, government requirements, and tenant relations.

The City of New York
 Michael R. Bloomberg
 Mayor

Daniel L. Doctoroff
 Deputy Mayor of Economic Development & Rebuilding

Department of Housing Preservation and
 Development
 Shaun Donovan,
 Commissioner

(212) 863-8000
nyc.gov/hpd

Produced by HPD Creative Services Department