



## Homeowner Financial Assistance Opportunities for: South Kent Island Sewer Project

Queen Anne's County Department of Community Services – Division of Housing has identified potential funding sources through Local, State and Federal Programs for sewer connection assistance. All programs are subject to eligibility requirements. These programs are currently active; however, they may change qualifications, eligibility requirements, availability of funds or be eliminated in the future.

- ❖ Potential Funding Sources include:
  - **Rural Development 504**, U.S. Department of Agriculture (USDA)
    - Grants. Only Rural Development (RD) 504 has grant funds. Grant funds are limited to \$7,500. per household to assist owner occupied, income qualified senior citizens with acceptable credit. These grants can be combined with other USDA loans and other funding sources.
    - Loans. Rural Development has loans that are available to assist owner occupied, income qualified families with acceptable credit that have repayment ability. These loans are a minimum of 1% interest, financed for up to 20 years.
    - QAC Division of Housing will conduct client intake and process the applications. The grant and loan approval, underwriting and servicing of the loan will be completed by USDA.
    - Properties with a reverse mortgage are not eligible.
  - **Community Development Block Grants (CDBG)**, Maryland Department of Housing and Community Development (DHCD)
    - QAC Division of Housing can submit a grant application to DHCD during the state wide competitive application time frame. The time frame is typically in the spring and decisions are not made until fall. The current maximum amount of the grant is currently \$800,000.00
    - Loans. If the county is awarded a grant for the project, depending on the approval of CDBG, Queen Anne's County can make zero interest, deferred payment loans to Low/Moderate income (80% of median income for Queen Anne's County) qualified owner occupied households, regardless of age.

- No monthly payment would be required and no interest would accrue. Also, there is no prepayment penalty if someone chooses to make payments. It would be a deferred payment loan until the property is sold or otherwise ownership is transferred. A mortgage would be prepared and recorded. There would be no loan forgiveness and properties with a reverse mortgage are not eligible.
  
- **Special Loans Program- Indoor Plumbing Program, Maryland Department of Housing and Community Development**
  - Grants. No grants are offered by the Special Loans Program.
  - Loans. Loans may be made to qualified low/moderate income homeowners with interest from 0% to 6% depending on level of income, affordability and ownership. Some property owners may have deferred mortgage payments but may be required to make monthly tax and insurance escrow payments. Others may have to pay mortgage and escrow payments depending on income and affordability.
  - Rental properties may qualify for assistance but will have low/moderate tenant income requirements, interest and monthly payments.
  - All properties will have a lien and a 20 year mortgage term.
  - There would be no loan forgiveness and properties with a reverse mortgage are not eligible.
  
- **County Revolving Loan Funds, Queen Anne's County**
  - Loans. This program is funded from previous CDBG projects where loan repayment was paid back into a CDBG approved revolving fund to be used for new CDBG eligible projects. The funding guidelines and restrictions are the same as new CDBG funding guidelines and restrictions as listed above.
  - There would be no loan forgiveness and properties with a reverse mortgage are not eligible.
  
- ❖ **Current Queen Anne's County Median Income is: \$84,500**
  - To qualify for state or local loans (Not including USDA 504), income must be at or below 80% of the Queen Anne's County Median Income.
    - For example: 80% for a family of three is: \$64,200
    - For example: 80% for a family of two: \$51,400
    - For example: 80% for a family of one: \$44,950
  - USDA 504 income limits:
    - For a family of four is: \$42,800
    - For a family of two: \$34,250
    - For a family of one: \$30,000

- ❖ Queen Anne's County will work utilize multiple funding sources and may combine the funds to provide the most cost effective and affordable solution.
- ❖ Qualification:
  - In some cases Queen Anne's County will receive the funds directly through grant and administer the funds and assist you with the qualification process.
  - In other cases The United States Department of Agriculture, Rural Development will qualify households and provide funds directly to the county on behalf of the homeowner.
- ❖ These sources will have to be applied for as the project gets closer and are not guaranteed. However, the County has experience working with these funding sources through previous water and sewer projects and had great success.

**Please feel free to contact Mickey Lomax or Mike Clark at 410-758-3977, anytime with any questions or concerns you may have.**