

MOTEL TO HOUSING LOAN PROGRAM

Purpose: The Motel to Housing Loan Program provides loans to households with school-age children living in motels or other substandard housing to help them move into decent permanent housing.

Funding: The Board shall establish a fund account for the Motel to Housing Loan Program. The Motel to Housing Program receives funding from donations. The Board of Directors may also re-allocate General Fund monies to the Motel to Housing Loan Fund. Loan payments are returned to the Motel to Housing Program Fund to perpetuate the program for the benefit of others.

The Board may establish an application fee to cover program administrative costs. This is a revolving loan program.

Policies and Implementation:

1. SJCLT shall develop suitable application forms and loan documents prior to implementation of the program. The Loan Committee shall review and approve all forms and documents prior to distribution, and shall review and approve all proposed updates.
2. Loans are limited to security deposits and/or one month of rent.
3. Loans are only available to households with school-age children living in motels and other substandard housing.
4. Loans are available to members and non-members.
5. Loans are limited to security deposits and/or one month of rent in the new housing unit.
6. The maximum loan amount is \$1,800.
7. The maximum term of a loan is three years (36 months).
8. Loans shall be interest-free with no requirements for collateral.
9. Loan recipients shall sign a SJCLT promissory note pledging repayment of the loan in accordance with the terms and conditions of the loan.
10. Applicants must demonstrate the following:
 - a. That they have at least eighteen months of continuous residency in the Service Area.
 - b. That they have adequate, steady and reliable household income, and a reasonable household budget that are sufficient for future rent payments and housing expenses, in addition to loan payments. As a guideline, rent should not exceed thirty-five percent

(35%) of total income, and combined household expenses (including rent) should not exceed fifty percent (50%) of household income.

- c. A good rental history with a prior landlord/property owner.
 - d. That at least one school-age child lives in the household with their mother, father, or legal guardian.
11. Loan Committee members may inspect the new housing unit to ensure that it is livable and is superior to the inadequate housing unit that the applicants propose to leave. New housing units must be legally established; have adequate parking; contain appropriate living space such as bedrooms to accommodate all residents; a kitchen with cooking, refrigeration equipment, and a sink; hot and cold running water; indoor bathing and toilet areas; electricity; and natural gas, oil or electric heating. Wood heating alone is not acceptable. The new home must be in a visual state of good repair, free of obvious hazards. Summer residences without sufficient winter insulation are not acceptable. Local building officials' opinions may be requested for questionable units.
 12. Loan checks shall be payable to the property owner or property management company and not loan recipients. The property owner or property management company will be asked to sign a receipt for the check.
 13. Loan recipients are ineligible for subsequent Motel to Housing Loans for three years following approval of a loan request.
 14. The Membership shall review and make necessary adjustments to fees and loan terms at the Annual Meeting.
 15. Except in unusual circumstances, staff shall only accept complete applications as determined by a complete application checklist. If requests for additional information are not satisfied within thirty (30) days, then the application and all application materials shall be returned to applicants and a copy of the application shall be made for SJCLT records with a memorandum explaining the reason the application was returned. Returned applications are not denials, but reapplication shall require a new application fee unless waived by the Executive Director or Board President.
 16. At such time as the loan is paid in full, the amount of the loan application fee shall be applied as a credit to the final payment.
 17. Motel to Housing loans shall not be in addition to, or combined with, other SJCLT loans.