Township of Middletown, NJ
Port Monmouth Neighborhood
Middletown, NJ
• The Federal Housing Administration (FHA) administers the FHA 203(k) loan program, which makes it possible for buyers to purchase a property with the cost of repairs and improvements included in the loan. Since the program was designed to finance renovations and help revitalize neighborhoods, the required down payment may be as low as 3.5 percent of the total cost.

• In general to be eligible for an FHA 203(k) loan, you must have a credit score of at least 620. Unlike other loans, you do not need to be a first-time homebuyer in order to be eligible.

• If the renovation is extensive and you cannot live in the home during construction, up to six months of mortgage payments may be included in the FHA 203(k) loan, so you can avoid making double housing payments while living outside of the home.

• Although some restrictions and special rules apply, 203(k) loans can be used to purchase and refurbish condos, two-to-four unit properties, and mixed-use properties, in addition to single-family residences and homes in planned unit developments.

• Many lenders in the market, can lend you the maximum amount under a 203(k) loan, which is 96.5 percent of the after-improved value.

• For refinancing, the maximum loan amount is 97.75 percent of the after-improved value.

• To check the current loan limits by county, visit http://entp.hud.gov.
203(k) Rehab Mortgage Program

Eligible Activities:

- structural alterations and reconstruction
- modernization and improvements to the home's function
- elimination of health and safety hazards
- changes that improve appearance and eliminate obsolescence
- reconditioning or replacing plumbing; installing a well and/or septic system
- adding or replacing roofing, gutters, and downspouts
- adding or replacing floors and/or floor treatments
- major landscape work and site improvements
- enhancing accessibility for a disabled person
- making energy conservation improvements
- elevation of structures in flood hazard areas
203K Loan Program Limitations

- Complicated and paperwork Heavy
- Requires the involvement of a Project Manager selected by HUD/Mortgage Company
- Project Manager distributes payments to contractor(s)
- Program rules might not mesh with rules of other programs
Rebuilding From Disaster

Funding Sources for Rebuilding

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flood Insurance</td>
<td>?</td>
<td>Keep depreciation in mind</td>
</tr>
<tr>
<td>ICC</td>
<td>$30,000.00</td>
<td>$42,500 Avg. $110,000</td>
</tr>
<tr>
<td>Relief Program*</td>
<td>?</td>
<td>$150,000 Max. $200,000</td>
</tr>
<tr>
<td>Donations</td>
<td>0</td>
<td>Plenty should be available</td>
</tr>
<tr>
<td>203K</td>
<td>?</td>
<td>The balance</td>
</tr>
</tbody>
</table>

- Will vary from State to State and by Disaster

- Unanticipated Consequences and Effects
Port Monmouth Neighborhood
Middletown, NJ
Leonardo Neighborhood
Middletown, NJ