

**VI. HOUSING PROGRAMS
& FUNDING SOURCES**

assistance, and youth shelters. To qualify for these funds, the activities must additionally demonstrate 100% benefit toward low-income persons.

2. Foundations

IHFA accepts applications monthly from local units of governments, CHDOs, and other not-for-profit organizations for HOME and CDBG funded “Foundations” programs. These programs fund pre-development activities such as housing needs assessments, planning activities, feasibility studies, and projects incorporating both homeownership counseling and down payment assistance.

3. CHDO Works

During competitive funding rounds, IHFA awards HOME funds to CHDOs for activities to expand the capacity to development and implement affordable housing projects. This program allows for additional operating funds for expenses such as staffing costs, office expenses, equipment, hardware and software, strategic planning, organizational development, and expansion of existing programs.

4. Low Income Housing Trust Fund

IHFA accepts monthly applications from not-for-profit organizations for the development of safe, decent, and affordable housing. All activities of this program must have a 100% benefit to low-income persons. Additionally, the state has targeted 50% of the beneficiaries to be at or below 50% of the area median income.

5. Low Income Tax Credits

Through competitive funding rounds, IHFA awards federal tax credits to for-profit and not-for-profit developers of rental housing. The tax credits are to be used to raise funds for projects involving the rehabilitation or new construction of rental units. The beneficiaries of this program

must be low-income households at or below 60% of the area's median income.

6. First Home/One Down

IHFA has partnered with Fannie Mae to provide this program to first-time home buyers. The program allows these first-time home buyers to obtain mortgages with a down payment of as little as one percent. The loans are offered through IHFA and its network of participating lenders. Participants can receive five or ten percent down payment assistance in the form of a zero-interest forgivable loan, with the balance of the home purchase price being secured through the IHFA First Home program. All applicants must meet income guidelines established by the U.S. Department of Housing and Urban Development.

7. First Home

The IHFA offers first-time home buyers a below market interest rate loan through a participating lender. The rate varies but is usually ½ point below the current market rate. This loan may be used in conjunction with FHA/VA, Rural Development, or conventional financing.

8. First Home/PLUS

This program offers first-time home buyers a below market interest rate first mortgage through a participating lender. Additionally, five or ten percent down payment assistance is offered as a zero-interest no payment second mortgage.

9. Mortgage Credit Certificate Program

This program offers first-time home buyer a Federal tax credit. The tax credit will amount to 20% to 35% of the interest a buyer pays on their mortgage each year, with a maximum credit of \$2,000 per year. This program is offered annually, beginning each June.

USDA: **United State Department of Agriculture**
 Rural Development, Rural Housing Services
 801 West Pearl Street
 Lebanon, IN 46052
 (765) 482-6355

“The Rural Housing Service (RHS) of USDA Rural Development works to improve the quality of life for rural Americans by ensuring that they have access to safe, well-built, affordable homes.” (USDA, 1) The Lebanon office manages the USDA programs for a multi-county area which includes Clinton County. Listed below are the programs and funding sources available through the RHS.

1. Home Ownership Loans

RHS offers two types of home ownership loans – guaranteed and direct. This program requires no down payment and provides favorable rate mortgages through a direct loan from RHS or a loan from a private lending institution that is guaranteed by RHS. These loans are available to low- or moderate-income individuals and families for the purchase, construction, rehabilitation, or relocation of a dwelling located in rural areas. Based on the USDA’s definition, all towns, cities, and rural areas located in Clinton County are eligible for participation in the program.

2. Self-Help Housing

This program provides loans to a group of six to ten low-income families, helping them build their own homes by supplying materials and skilled labor they would be unable to furnish themselves. The families must agree to provide “sweat equity,” working in tandem with the skilled laborers and other families until all homes are finished.

3. Rural Rental Housing Loans

These loans are made to finance building construction and site development of multi-family

units for people with low, very low, and moderate incomes. Along with this development, a portion of the units should be set aside for seniors (62 and over). Loans can be made to construct homes that will be operated in cooperative form but may not be used to finance individual units.

4. Home Improvement and Repair Loans and Grants

A rural homeowner with a house in need of repair or renovation may be eligible for a loan or grant. Home Improvement Loans are available for those who may not need or cannot afford new housing, but need assistance to meet minimum housing standards and to remove health and safety concerns. Home Improvement Grants are given to eligible senior homeowners (62 and over). Repair Loans and Grants assist in the completion of general repairs, while Home Improvement Loans and Grants take an additional step by bringing a house up to minimum standards and codes.

5. Site Loans

Rural Housing Site Loans allow the purchase of adequate building sites for development of a desirable community. These loans are given to private and non-profit organizations.

6. Farm Labor Housing

Farm Labor Housing Loans and Grants enable farmers, non-profit organizations, and units of government to build, buy, or repair farm labor housing for either dormitory or multi-family apartment uses.

7. Housing Preservation Grants

The Housing Preservation Grant allows low-income homeowners the funds necessary to repair and rehabilitate their homes. Funds are also available to rental property owners for rehabilitation of their units. The rental rehabilitation program requires landlords to make their properties available to low-income tenants.

economic sectors.

HUD: **U.S. Department of Housing and Urban Development**
 Indianapolis Office, Region V
 151 North Delaware Street
 Indianapolis, IN 46204-2526
 (317) 226-6303

The U.S. Department of Housing and Urban Development operates under a multitude of housing programs geared toward low- and moderate- income persons and promotes affordable housing. Though HUD’s programs are federal programs, these funds filter down to the state and local level to assist various housing activities. Below are the programs offered by the Department of Housing and Urban Development.

HUD Programs:

- **Public and Indian Housing and Operation**
- **Public Housing Comprehensive Improvement Assistance Program**
- **Section 8 Housing Assistance Program**
- **Family Self-Sufficiency Program**
- **Section 8 Foster Care Demonstration**
- **Section 8 Gautreaux Demonstration**
- **Public and Assisted Housing Drug Elimination**
- **Public Housing Youth Sports Program**
- **Section 202 Supportive Housing for Elderly**
- **Section 811 Supportive Housing for Disabled**
- **Congregate Housing Services Program (CHSP)**
- **Mortgage Insurance for Rental Housing and Low- and Moderate- Income Families**
- **Preservation of Low-Income Housing**
- **Flexible Subsidy Program**
- **HOPE I - Public and Indian Housing Homeownership**
- **HOPE II - Homeownership for Multi-Family Housing**
- **HOPE III - Homeownership for Single Family Housing**
- **HOPE for Elderly Independence**
- **Housing Counseling Assistance**
- **Fair Housing Initiatives Program (FHIP)**
- **Fair Housing Assistance Program (FHAP)**
- **Community Housing Resource Board Program**
- **Housing Opportunities for People with AIDS**

LOCAL BANKS:

Banking Institutions provide a valuable resource of funding for many housing initiatives. They are vital partners in many of the abovementioned housing programs. Utilization of these institutions is necessary to adequately meet the housing needs facing Clinton County. Listed below are the banking institutions located in the county.

Citizens Savings Bank

60 South Main Street
Frankfort, IN 46041
(765) 654-8533

The Farmers Bank

9 East Clinton Street
Frankfort, IN 46041
(765) 654-8731

Lincoln Federal Savings Bank

1900 East Wabash Street
Frankfort, IN 46041
(765) 654-8742

Union Planters Bank

2 East Washington Street
Frankfort, IN 46041
(765) 659-6880

Nickel Plate Industrial Credit Union

10 Nickel Plate Road
Frankfort, IN 46041
(765) 654-8114