



# PROJECT HOME AGAIN

## GUIDELINES AND ELIGIBILITY REQUIREMENTS FOR PROJECT HOME AGAIN

### WHO QUALIFIES

The new homes that will be built by Project Home Again (PHA) are for low-and-moderate income families who own homes in Gentilly (Planning District 6) in Orleans Parish that are uninhabitable due to Hurricane Katrina. To qualify for a Project Home Again house, an applicant must have owned a home in Gentilly prior to Hurricane Katrina and be unable to amass the resources needed to repair and reoccupy that home. The applicant family must have been full-time residents in the home prior to the hurricane and must demonstrate financial need. And, the applicant must be willing and able to swap their damaged home for a new Project Home Again house.

### PROGRAM REQUIREMENTS

The family applying for a new home must:

- Own a home or vacant lot in Gentilly and be willing to “swap” their current property for a PHA home.
- Agree to reside, personally, in their new PHA home for a minimum of 5 years.
- Be able to pay property tax, insurance, fuel and general maintenance on their new home.
- Be employed in the New Orleans area and meet income criteria as outline in the table below:

Family Size	2	3	4	5	6	7	8
Income Maximum	\$38,300	\$43,050	\$47,850	\$51,700	\$55,500	\$59,350	\$63,150
Income Minimum	\$26,222	\$29,136	\$32,050	\$32,255	\$38,780	\$42,658	\$46,924

Although applicants will not be required to turn over any Road Home or insurance proceeds received as a direct result of the hurricane, applicants will go through an extensive financial review process and will be required to list any Road Home or insurance dollars that they received and document how they were used.

### HOW IT WORKS IF YOU ARE ELIGIBLE

An eligible family swaps his or her home or property for a new PHA home. PHA in turn will provide a forgivable mortgage (no monthly payments) for the family in the amount of the difference between the value of the family's current home or property and the PHA home. PHA will hold the mortgage for a period of five years. PHA will forgive a portion of the mortgage every year for five years until the mortgage is fully forgiven. The annual note forgiveness will equal 20 percent of the value of the difference between the PHA home and the home they swapped. The homeowner will receive title at the time of closing.

In the event that the swap of a home generates a capital gain, PHA agrees to fund the capital gains tax at no expense to the owner. If the homeowner should want to sell the home prior to the term of the mortgage, the homeowner will be responsible for paying off the remaining amount of the mortgage to PHA. PHA will use the returned portion of the mortgage for future housing developments.



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### **IF YOU ARE SELECTED**

At the completion of the review process, 20 families will be selected for this first round of Project Home Again houses. At the closing, each family will receive title to their new home in exchange for title to their old home plus a forgivable mortgage (no monthly payments) in the amount of the difference between the value of the family's old home/property and their new Project Home Again house. For example, if the current appraised value of your damaged house is \$45,000 and the appraised value of the new Project Home Again house is \$180,000, the forgivable mortgage on the new house will be \$135,000. The new homeowner will not be required to make monthly payments. However, the new homeowner will be required to live in the new home for a minimum of 5 years. Project Home Again will forgive 20% of the mortgage amount each year. At end of the 5th year of occupancy, the mortgage will be fully forgiven.

In the event that the swap of a home generates a capital gain, PHA agrees to fund the capital gains tax at no expense to the owner. If the homeowner should want to sell the home prior to the term of the mortgage, the homeowner will be responsible for paying off the remaining amount of the mortgage to PHA. PHA will use the returned portion of the mortgage for future housing developments.

### **TO APPLY**

Applications will be available at the Project Home Again offices at 4299 St. Bernard Avenue (corner of Mandolin Street) in New Orleans or by calling 1-866-550-4PHA (4742). Applications can also be downloaded at [www.projecthomeagain.net](http://www.projecthomeagain.net). All applications must be **postmarked by August 21st** and mailed to **Project Home Again, P.O. Box 851008, New Orleans, LA 70185-1008**.

Applicants who pass the initial review will be contacted by Project Home Again and asked to send copies of their deed, income tax returns, proof of income and award letters from the Road Home and/or their insurance providers. The due diligence process is expected to take 60-90 days. To prove ownership of the applicant's damaged property, Project Home Again will perform a title search on the applicant's property at no cost to the applicant. Final selection of applicants is at the sole discretion of the project sponsor.

Construction on the PHA homes is scheduled to begin in summer 2008 with an expected 12-month construction process.