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PROGRAM STRUCTURE

OBJECTIVE

The Senior Home Repair Program enables eligible homeowners to make necessary health and safety related repairs to their existing homes to ensure a safe and healthy residence and to increase the useful economic life of their home.

FORM OF ASSISTANCE

Clients receive assistance in the form of forgivable loans to subsidize the cost of health and safety repairs to their existing home.

Assistance up to \$50,000, excluding freight and contractor accommodations/airfare costs is available for eligible seniors only.

For applicants whose household income is over \$59,999, they will be required to co-pay 10% of the repair costs. The applicant's portion must be paid prior to the start of the repairs.

Household Income	Co-pay amount
\$0 - \$59,999	No co-pay
\$60,000 – CNIT	10% of the repair costs

ENABLING LEGISLATION

Northwest Territorial Financial Administration Act

Housing Northwest Territories must operate within the parameters established under the *Financial Administration Act*.

Housing Northwest Territories (HNWT) Act (R.S.N.W.T. 1988, C.n-1)

Section 10 (d) Housing NWT may "make grants or loans to individuals, municipalities and other corporate bodies for the purpose of acquiring, constructing or improving housing;"

Section 10 (j) Housing NWT may "prescribe forms of mortgages, agreements and other documents and execute and deliver deeds, grants, conveyances, transfers, releases, discharges or other documents as may be necessary in the conduct of its business."

POLICY ADHERENCE

The policies developed for the Senior Home Repair Program are the governing rules that must be adhered to when providing assistance to existing homeowners. Policy will override a procedural directive if there is a conflict between the policy and a procedure.

POLICY CHANGES

Any requests for changes to this policy are submitted on a *Request for Policy Review Form* to the Programs & District Operations Division in Head Office. The President and CEO must sign and approve any changes before taking effect.

PUBLIC PROMOTION

Public notification and promotion of the Senior Home Repair Program is required as a part of the program delivery process.

DELIVERY PROCEDURES

The Senior Home Repair Program is to be administered in accordance with the procedures that have been specifically developed for this program (see Senior Home Repair Program procedures).

HNWT-IMS

The approved forms and agreements required to deliver the Senior Home Repair Program are contained in the Housing NWT's Information Management System (HNWT-IMS) and must be used when collecting and recording applicant/client information.

DELIVERY AGENT

Housing NWT is the delivery agent.

RESTRICTED DWELLINGS

Assistance is limited to dwellings that are located within municipal boundaries and have access to a continuous supply of electricity, potable water and heat. Additionally, there is to be a functional sewage containment system.

Only properties deemed for residential use only, will be eligible for assistance.

The following properties are not eligible for assistance:

- Properties where municipal zoning by-laws do not permit residential use; or
- Houseboats, recreational properties, or cabins; or
- Properties located outside community boundaries (**Appendix B**).

CLIENT SELECTION

APPLICATION REQUIREMENT

All applicants are required to complete an application form with a representative from Housing NWT or its designated agent. Applicants are not permitted to complete the application on their own.

The maximum number of mortgagors or borrowers per application is two persons. The use of co-signers or guarantors is not allowed.

Applications taken within an annual delivery cycle are assigned to a fiscal year and are only valid for that delivery period. Applications cannot be held over for future delivery cycles. The use of waiting lists by District Offices or the designated agent is not permitted.

CLIENT COUNSELLING

Client counselling is required at all stages during the application process. It is necessary to provide applicants with relevant information regarding eligibility criteria, assistance levels, eligible project costs, loan security, the Senior Home Repair Program Agreement and including a requirement for home maintenance and continued placement of all risk property insurance.

ELIGIBILITY CRITERIA

Assistance is available to seniors only in all NWT communities.

Age:

The applicant(s) must be 60 years of age or older as of the date of application.

Residency:

The applicant(s) must have lived in the NWT for three years; and, with one continuous year in the community of application prior to approval.

The applicant(s) must have owned and lived in the home for a minimum of a one (1) year period before applying for the program.

Income:

The applicant and co-applicant income must be below the Core Need Income Threshold (CNIT) for their community as outlined in the Core Need Income Threshold tables. The CNIT used is based on the *National Occupancy Standard* (NOS) (which determines the number of bedrooms a household requires given its size and composition) and not the actual number of bedrooms in the unit.

Arrears:

In Zones B and C, applicants who have mortgage arrears with Housing NWT are eligible for the program but are encouraged to sign on to the Revised Mortgage Repayment Plan (RMPP).

Applicants who currently reside in the market communities (Zone A) of Fort Smith, Hay River, Fort Simpson, Yellowknife, Norman Wells and Inuvik and hold land tenure in the Northwest Territories are ineligible to receive assistance if they have any arrears associated with the land, lease or property taxes.

Existing mortgage clients in Zone A who have mortgage arrears and who have signed the RMPP or a repayment plan Housing NWT, are eligible to apply for the Senior Home Repair Program after six (6) consecutive months of successful payments. If these clients have not adhered to the repayment agreement, they will not be eligible to receive assistance.

Land Tenure:

For Zone A communities, the applicants must own their home (possess Fee Simple Title), hold a long-term lease, or a Band Council Resolution (BCR).

In Zones B and C, applicants must provide proof ownership of their residence. This ensures that Housing NWT has the appropriate authorization to arrange for work to be done on the home. This also provides proof that the homeowners meet the residency requirements of the program.

Suitable documentation is required to prove residency and ownership of residency:

- Land lease; or
- Fee simple title; or
- Band Council Resolution (BCR); or
- Permission to Occupy Letter.

The names on the land tenure documents must match the names on the application.

The home must be the applicant's permanent, principal and sole residence.

Scope of Work:

Once it has been determined that the applicant(s) have met the eligibility criteria, Programs staff will advise the Technical staff to complete the Scope of Work and to provide an estimated cost of repairs.

Credit Worthiness:

Although a good credit rating or acceptable Gross Debt Service Ratio (GDS) (32%) and Total Debt Service (TDS) (42%) ratios are not required for the program, applications may be declined in situations where the applicants are facing the loss of their home (i.e. tax sales, foreclosures or potential loss where legal action has not yet started).

For example, applicants who currently reside in the market communities are ineligible to receive assistance if they have any

arrears associated with property/land, as these properties can be subject to tax sales.

If applicants who currently reside in the non-market communities are at risk of losing their home due to arrears associated with the land, lease and property taxes, they will be ineligible to receive assistance.

Verification of Information

All information on applications is verified for accuracy. Applications are cancelled if verification does not confirm the information provided by the applicant was truthful.

Senior Citizens

For Housing NWT programs, a Senior citizen is a person (60) sixty years old or older. The eligibility criteria apply to Senior Citizens in the same way as other applicants, including the verification of their income.

Housing NWT Employees

The eligibility criteria apply to Housing NWT employees in the same way as other applicants. However, the final eligibility status and confirmation will be determined and issued by the Programs and District Operations Division in Head Office. All approval signatures, technical inspections must be at arm-length from the employee's District or Division. Head Office's Infrastructure Services Section will be responsible for completing or reviewing the technical inspections.

ASSISTANCE

Previous Assistance:

Applicants who have received previous assistance from any Housing NWT programs and have met the current eligibility criteria may be eligible for additional assistance through the Senior Home Repair Program.

Future Assistance:

Clients who receive assistance through the Senior Home Repair Program will not be eligible to receive additional assistance through Senior Home Repair Program until the loan has been fully forgiven. Once the loan is completely forgiven, the client may be eligible to receive additional assistance and may apply again.

Clients who have received assistance under the CARE Major Program will not be eligible to receive additional assistance through the Senior Home Repair Program until the CARE Major has been fully forgiven. Once this loan is fully forgiven, the client may be eligible to receive additional assistance and may apply again.

Applicants who received assistance through the PATH program are not eligible for Senior Home Repair Program assistance until they have earned one (1) year of PATH forgiveness.

Applicants receiving assistance through the Home Purchase Program are not eligible for the Senior Home Repair Program assistance until they have earned one (1) year of Home Purchase Program forgiveness.

Organizations

As Housing NWT's programs are geared to homeownership clients, profit or non-profit organizations/businesses are **not** eligible for this Program.

INCOME VERIFICATION

Income verification is required for acceptance into the program.

The income(s) of all applicant(s) will be verified. The incomes are verified by using Housing NWT's *Verification of Income (VOI) Policies and Procedures*.

PRIORITIZATION OF ELIGIBLE APPLICANTS & CLIENT SELECTION

Only applicants who have met the eligibility criteria are to undergo prioritization.

The annual Senior Home Repair Program allocation is limited and based upon available funding. Therefore, not all eligible applicants may be chosen for the program. Clients are selected according to level of need using the Housing NWT Priority Allocation and Selection System (PASS). The use of the PASS is mandatory for the Senior Home Repair Program.

Assistance must be allocated in a manner whereby applicants with higher PASS scores receive assistance before those applicants with lower scores. Where two (2) or more applicants receive the

same PASS score and due to budget limitations, Housing NWT is unable to approve assistance to all applicants with the same score, the Tiebreaker System is to be applied. (See Senior Home Repair Program Procedures for more details.)

Allocation of assistance is program specific; applicants applying for the Senior Home Repair Program are not to be compared with applicants applying for other programs when determining priority.

ALL RISK PROPERTY INSURANCE

In Zone A communities, the client is required to carry all risk property insurance for the duration of the forgiveness period for an amount of not less than the replacement cost of the home that is being renovated. Clients will be counselled on the benefits of obtaining insurance.

The insurance policy must name Housing NWT as a loss payee.

LIFE AND DISABILITY INSURANCE

In Zone A communities all clients are encouraged to obtain mortgage, life, and disability insurance through their insurance company or financial institution naming Housing NWT as loss payee in accordance with the priority of the mortgage.

CONDITIONAL APPROVAL OF ELIGIBLE CLIENTS

Within 60 days of the application date, clients who have met the eligibility criteria (age, residency, household income, arrears, land tenure, previous programs, unit condition rating and insurance requirements) must be given a Conditional Approval letter signed by the District Director.

The letter must state that the final decision will be made at the time that all Senior Home Repair Program applications for the fiscal year are complete and are prioritized using PASS.

Based on the estimate of the initial Scope of Work, the co-payment amount, and the date the funds should be received must also be included in the letter. The client should be counselled that these funds must be received by the District Office prior to the start of the repair project.

FINAL CLIENT APPROVAL

Clients selected for participation in the Senior Home Repair Program must be given an Approval Letter signed by the District Director.

The letter must state the amount of assistance the client is eligible to receive based on the Scope of Work, confirmation that the co-payment amount has been received, as well as basic instructions regarding the next steps that will be taken by Housing NWT and the client.

The final Scope of Work must be discussed and agreed to and acknowledged by the client before any of the work begins.

TECHNICAL REQUIREMENT

UNIT CONDITION RATING/TECHNICAL REPORT

Before any eligible applicant is prioritized under the Senior Home Repair Program, Housing NWT or a designated agent who has been duly appointed by Housing NWT, must complete a Condition Rating/Technical Report on the applicant's home.

TECHNICAL ASSISTANCE

Housing NWT will be responsible for coordinating repair projects, including the Scope of Work and inspections. Certain inspections under the Senior Home Repair Program are the responsibility of other regulatory agencies. Housing NWT will assist the other regulatory agencies with scheduling and other activities that require mutual coordination. Scope of Work and Estimate form (**Appendix D**) must be used to complete the Scope of Work.

The Technical Section must adhere to the Contract Administration manual when organizing the repair work.

ELIGIBLE PROJECT COSTS

Based on available funding, homes will be brought up to a minimum standard as specified in the Senior Home Repair Program Procedures, and as may be set forth in the latest edition

of the National Building Code and any Canada Mortgage and Housing Corporation (CMHC) and Housing NWT standards.

Eligible costs include:

- The cost of materials, labour, building permits, inspections, certificates, drawings, specifications, legal fees and any applicable taxes,
- Only Health and Safety issues identified in: Structural Soundness, Fire Safety, Electrical, Heating, Plumbing and Drainage systems and Environmental Factors (mold, hazardous materials); and,
- Housing NWT will be responsible for the freight and Contractor accommodation/airfare costs for Senior Home Repair Program.

No expenses (including labour and material purchased) incurred prior to program approval are eligible.

Based on available funding, If the client requires bank financing to complete the repair project, the financial institution will determine if an appraisal is required. The client or the financial institution will be responsible for these appraisal costs.

HEALTH AND SAFETY REPAIRS

A home that requires health and safety repairs must be deficient in one of the following:

- Structural Soundness,
- Electrical System,
- Fire Safety,
- Heating System,
- Plumbing and Drainage System (supply and storage disposal); or
- Environmental Factors.

Only health and safety repairs will be considered under Senior Home Repair Program.

BEYOND ECONOMIC REPAIR

Homes requiring repairs, but where the Technical Manager has determined that the repairs cannot address all the health and safety minimum requirements, must be referred to Programs and District Operations Division in Head Office.

MANDATORY INSPECTIONS

In addition to the initial Condition Rating/Technical Report, mandatory inspections at different stages of renovation must also be completed by Housing NWT or its designated agent as per the *Technical Guidelines*.

The client is strongly advised to accompany the Technical Advisor for the final inspection and sign the Final Certificate of Completion.

Technical Staff must issue a Final Certificate of Completion at project completion, as outlined in the contract.

REPAIR STANDARDS

Best efforts should be made to ensure that all repairs conform to the latest edition of the National Building Code and any Canada Mortgage and Housing Corporation (CMHC) and Housing NWT standards. In some homes, this may not be feasible. This requirement is to be deemed satisfied for the item or component to the extent that the condition or performance of the item or component is acceptable to the local authority and does not represent a hazard to the health and safety of the occupants. (See Procedures – Appendix B – Minimum Standard for Repairs.)

BUSINESS INCENTIVE POLICY

The Business Incentive Policy (BIP) of the Government of the Northwest Territories applies. See the following website:

<http://www.iti.gov.nt.ca/en/services/business-incentive-policy>

NORTHERN MANUFACTURED PRODUCTS

The requirement to use Northern Manufactured Products is within the BIP and applies. See the following website:

<http://www.iti.gov.nt.ca/en/services/nwt-manufactured-products-policy>

PROGRAM AGREEMENT

LOAN SECURITY

The client must provide loan security that is acceptable to Housing NWT.

Program Agreement

The client is required to sign three (3) copies of the Senior Home Repair Program Agreement. The agreements must be signed by all parties prior to any funds being advanced or the start of the project.

The Scope of Work, also known as Schedule B, will be attached to the Agreement.

Security with Land Tenure (Zone A)

The loan is to be secured through mortgage registration. For mortgages, the land on which the home is located must be unencumbered or represent adequate security for the total amount of the loan. The following forms of security are acceptable:

1. **Fee Simple Titled Land** – Where land is owned, the loan is secured by a mortgage. The mortgage is registered at Land Titles Office against the property until the loan is fully forgiven.
2. **Leased Land** – Where the land is leased from a government agency, the loan is secured by a mortgage of lease. The mortgage is registered at either Land Titles or at the GNWT Department of Lands. The term of the lease must extend to a minimum five years beyond the loan period.
3. **Indian Affairs Branch (IAB) Land** – Federal lands reserved for the use of the local band and administered by the Federal Lands Administration Office.

In the cases where a mortgage is the required security, either a Northwest Territories Licensed solicitor acting for Housing NWT, or the Lands Section of Housing NWT must be used during the registration process.

Security In Zones B & C

The Program Agreement and a promissory note will be taken as security.

SIGNATURES

The clients receiving assistance must sign all required documentation before any funds are disbursed. (See *Procedures*.)

The names on all mortgage, promissory note and program agreement documents must match those names on the lease, Fee Simple Title or BCR documents or Permission to Occupy letter.

In situations where clients are married or living common law, Housing NWT considers the assistance to be given jointly to the client and his/her partner. If the land documentation is only in one persons' name, the application will be in that person's name, with the spouse listed on the application as an occupant. The Programs Advisor will provide the appropriate counselling to the applicant.

FORGIVENESS

Assistance is provided in the form of a loan which includes provisions where clients can earn forgiveness over a maximum period of five years.

The forgiveness period starts from either the certified construction completion date or date of occupancy of the home whichever is last, this date will then be known as the anniversary date.

The forgiveness period varies with the amount of assistance being provided and is only available to clients in good standing.

If a client sells their home during the year or is in default, the preceding anniversary date is used to determine loan forgiveness entitlement. Pro-rating of forgiveness is not permitted.

Depending on the project cost, clients earn forgiveness equaling one year per \$10,000.

For all communities:

- ❖ Loans of up to **\$10,000** will be forgiven in one year (one year from the anniversary date),
- ❖ Loans of **\$10,001 to \$20,000** will be forgiven two (2) years from the anniversary date,
- ❖ Loans of **\$20,001 to \$30,000** will be forgiven three (3) years from the anniversary date,
- ❖ Loans of **\$30,001 to \$40,000** will be forgiven (4) years from the anniversary date,
- ❖ Loans of **\$40,001 to \$50,000** will be forgiven five (5) years from the anniversary date

For example:

- ❖ Loan of **\$23,000** will be forgiven three (3) years from the anniversary date,
- ❖ Loan of **\$50,000** will be forgiven five (5) years from the anniversary date.

MOVE-IN

In cases where a Client must vacate the home to allow the repairs to be completed, the Client is responsible for finding alternate accommodations and for any costs related to the move. **This must be clearly communicated to the client, preferably in writing.** A Client can only move back in when the Certificate of Interim or Final Completion is approved and issued, and all necessary documents have been signed.

Prior to completion of the repairs, Housing NWT or its delivery agent must also counsel the client(s) on the details of the loan agreement, mortgage terms and conditions, insurance requirements and all other homeowner responsibilities with an emphasis on maintenance.

PRINCIPAL RESIDENCE AND ACCEPTABLE USE

The client(s) must maintain the home as their principal and sole residence at all times during the term of the forgivable loan.

The home cannot be for seasonal use or to generate revenue.

If the client(s) are married or living in a common law relationship, only one of the partners is required to reside in the home full time in order to maintain the home as a principal residence.

If the client stops living in the home during the loan period or the home is used for alternative purposes, the client is in default of the agreement and the remaining outstanding balance of the forgivable loan becomes due and payable to Housing NWT.

There are three exceptions to the Principal Residence Policy. These exceptions can be approved by the District Director on a case-by-case basis:

- ❖ Education leave up to four (4) years;
- ❖ Temporary out of town job placement, up to one (1) year; or,
- ❖ Extended medical treatment or hospitalization up to four (4) years.

Any requests to waive the principal residency requirement must be made in writing by the client. The request must include supporting documentation that is acceptable to Housing NWT.

A request for Education Leave or Job Placement waiver can only be approved once during the loan period. The District Director can approve the request for the exemption; the approval must be in writing with a copy of the letter sent to Programs and District Operations Division in Head Office. During the waived period of residency, the client is still responsible to ensure that the property is winterized, properly maintained, and secured from other damages.

Renting out the unit during an approved leave is permitted; however, the forgivable loan is converted to a monthly payable loan. The amortization period is determined by using the remaining time of the original forgivable loan. No interest charges will be added to the repayable loan. The client must submit a series of post-dated cheques to the District office for the duration of the waived residency or register for automatic debit.

PROGRAM ADMINISTRATION

MORTGAGE POSTPONEMENT

The Finance and Administration Division in Housing NWT's Head Office is responsible for approving all mortgage postponements in accordance with the Postponement Policy.

In cases where Housing NWT holds a mortgage as security, a postponement is not granted for a period of five (5) years from the anniversary date of the loan forgiveness period. As the maximum term of the loan is five (5) years, no postponement will be granted.

Where Housing NWT holds a promissory note as loan security, the policies covering mortgage postponements do not apply.

SELLING OF HOME

In cases where the home is sold before the loan is completely forgiven, the remaining outstanding balance of the forgivable loan becomes due and payable to Housing NWT.

Portability of Loan

The loan cannot be reassigned to another home.

DEFAULT

A client is considered to be in default for failing to comply with the terms of the first or second mortgage, promissory note, or program agreement. Loan forgiveness ceases from the day of default. In the case of default, the outstanding loan balance becomes due and payable.

FAMILY/MARITAL SEPARATION

In the event of family/marital separation and one of the partners wants to take ownership of the home and assume the responsibility for the mortgage loan agreement, Housing NWT requires that both partners receive independent legal advice and provide the necessary legal agreements as supporting documentation before transfer of ownership will be considered.

ESTATE AFTER CLIENT'S DEATH (Market Communities)

In cases where the loan was given to only one person, upon the death of the single client, the loan balance becomes due and payable from the estate. Housing NWT retains its interest in the property until the outstanding balance of the loan is paid in full.

In cases of marriage and common law relationships, upon the death of either partner, the surviving partner may remain in the home assuming sole responsibility for the loan agreement and other expenses. If the surviving partner sells or vacates the home, the remaining outstanding balance of the forgivable loan becomes due and payable to Housing NWT.

In cases where the loan was given to a couple and upon the death of both partners during the term of the loan, the outstanding balance becomes due and payable from the estate. Housing NWT retains its interest in the property until the outstanding balance of the loan is paid in full.

ESTATE AFTER CLIENT'S DEATH (Non-Market Communities)

Refer to Housing NWT's **Loan Assumption and Amendment Policy**.