

Frequently Asked Questions about the MMRP/Target Blocks Forgivable Loan Program

What is the MMRP/Target Blocks Forgivable Loan Program?

The City of Chicago has identified 13 neighborhoods as a part of the Micro Market Recovery Program (MMRP). The MMRP lead agency has identified the eligible blocks within the MMRP area to participate in the program. If you don't know if your home is within the MMRP target area, you should submit your application and it will be screened for eligibility. In addition, City of Chicago delegate agencies have identified several Target Blocks for participation in the program.

How do I know if I am eligible to apply for the MMRP/Target Blocks Forgivable Loan program?

1. You must be the **Owner-occupant** of a residential property (1 to 4 dwelling units) in the target block identified by the City of Chicago and its delegate agency, which means that you both own and live in the property as your principal residence. 'Mixed-use' (residential & commercial) properties are ineligible.
2. You must have a **Household income** that fits within the program limits. Household income includes income from all members of your household, even if the other household members are not your Co-applicant(s). Income limits are shown on the Application form. **Rental Income** is considered household income.
3. You must have **property insurance**; be current on your City of Chicago water bill; and not have any unpaid City of Chicago parking tickets. As part of the application process, Neighborhood Lending Services (NLS) will obtain a report from the City of Chicago regarding your water bill and parking tickets.
4. You must use the Forgivable Loan funds for improvements on your home. The work must be done by licensed and insured contractors who obtain appropriate building permits. You must not have been a previous recipient of a MMRP/Target Block Forgivable Loan.

What is a Forgivable Loan?

A lien will be placed upon your property for a period of 48 months starting with the disbursement of the funds. If you remain in the home for this period the loan is released and you will owe nothing. If you decide to sell or refinance your home within the next 48 months in order to take any cash equity out, then the Forgivable Loan must be repaid. There is no interest on this Forgivable Loan and 1/48th of the loan amount will be forgiven for each month that the loan remains outstanding.

What is the deadline on the Applications?

Completed Applications can be submitted only to NLS at 1279 N. Milwaukee, 4th Flr, Chicago, Il 60622 up until all funds have been reserved. **Completed Applications can be sent by mail, by secure FAX, or dropped off at the NLS office.** Completed Applications sent by FAX must be sent only to the NLS FAX at (773) 329-4039. **All Completed Applications, including those sent by FAX, must include the all of the documents.**

Do I have to pay an Application fee to apply for a Forgivable Loan?

ABSOLUTELY NOT! There is NO Application Fee for the MMRP/Target Blocks Forgivable Loan program. If anyone tells you that you have to pay a fee to get MMRP/Target Blocks Forgivable Loan, or that you can "reserve" your MMRP/Target Blocks Forgivable Loan by paying a fee, they are lying and trying to cheat you. Please report anyone who asks you for an Application Fee by calling "311" and asking for the Department of Business Affairs & Consumer Protection, and please be prepared to identify who asked you for an Application Fee.

I own the home with a member of my family, but that person doesn't live in the home. Can I still apply for a MMRP/Target Blocks Forgivable Loan?

As long as one of the owners of the home lives in the home as his/her principal residence, the owner who is living in the home can apply for the MMRP/Target Blocks Forgivable Loan. However, all owners will have to sign the MMRP/Target Blocks Forgivable Loan Agreement once the Forgivable Loan is awarded.

What is a “Completed Application”?

A “Completed Application” means that the person applying has (1) filled out the entire application form, (2) answered all of the questions, (3) signed and dated the Application form, and then (4) returned the Application to NLS together with documentation showing the total household income in the Applicant’s household and that the Applicant owns the property, lives in the property, and has insurance on the property. If any of these things are missing or incomplete, then it is not a “Completed Application”.

Where do I send my Completed Application?

You must return your completed Application, along with the additional documentation required, directly to NLS ONLY at 1279 N. Milwaukee, 4th Floor. Your Application is not considered complete until you provide the proof of ownership, proof of residency, proof of income, and proof of property insurance. Also, your application must include your Driver’s License number and the license plate numbers of all vehicles that you own. **You can FAX your Application and the other information needed directly to NLS at (773) 329-4039.**

How much of a Forgivable Loan can I obtain?

The actual cost of the work to be done will determine the actual amount, up to the maximum amounts allowed based on the number of City defined legal dwelling units in the building. The amounts allowed are: \$20,000 for a single-family home or a 2-flat; and \$25,000 for a 3 or 4-flat. Forgivable Loans are awarded to eligible and selected homeowners only after a proposal for the work has been obtained from a licensed, insured contractor. The maximum amount is determined by the number of City defined legal dwelling units - even if they are not occupied or if you have family living in them.

What work can be done with the Forgivable Loan?

The MMRP/Target Blocks Forgivable Loan is to be used primarily for work on the existing home, such as a new roof, painting, siding, tuck pointing, windows or doors, a new porch, plumbing, electrical, heating, etc. You cannot use the MMRP/Target Blocks Forgivable Loan to build something new such as a garage, but the Forgivable Loan can be used to repair a garage. NLS staff will conduct an inspection of your home and if there are any conditions that pose a health or safety risk, a portion of the Forgivable Loan must be used to correct those items.

If the condition of your home is such that the MMRP/Target Blocks Forgivable Loan funds cannot make the home safe, or if there is substantial rehabilitation needed in order to make the home livable, then you can qualify for the Forgivable Loan only if you can obtain a loan or provide your own funds to complete all of the work. Forgivable Loans cannot and will not be awarded to make repairs on homes that will not be safe or livable after the Forgivable Loan work is completed.

I have a handyman or family member who does work for me...can I use the Forgivable Loan to hire him to do the work?

All work performed with MMRP Forgivable Loan funds must be performed by licensed and insured (General Liability and Workers’ Compensation) contractors, with City Permits. Also, the Forgivable Loan does not provide “start-up” money for the work – contractors are paid only as work is completed. NLS processes payouts to contractors twice a month. You can choose any contractor you want as long as the Contractor meets these requirements.

I don’t have property insurance...can I still qualify for a Forgivable Loan?

All properties that receive a MMRP/Target Blocks Forgivable Loan must be insured. If you don’t have insurance now because there are conditions in your home that could be corrected with the Forgivable Loan and making those improvements would then make you eligible for insurance, you may still qualify for a MMRP/Target Blocks Forgivable Loan; but you will have to obtain a commitment for insurance from an insurance company before the MMRP/Target Blocks Forgivable Loan is awarded to you. NLS can refer you to insurance agents that are familiar with NLS’ work and may be able to provide insurance coverage for you.

If I need or if I want to do more work, where can I go to get a loan?

The City selected NLS to administer this MMRP/Target Blocks Forgivable Loan program because NLS also offers affordable fixed-rate home improvement loans for homeowners in Chicago. These loans can be used to do additional work or to help you make other home improvements. NLS' loans are available throughout the City of Chicago, so even if your home is not located in the MMRP, you can still apply for a loan to fix up your home. You can apply for a loan by calling NLS (773) 329-4010.

I own a 2-flat in the MMRP/Target BLOCK district, but I live elsewhere...can I apply for a MMRP/Target Blocks Forgivable Loan?

No, you cannot. MMRP/Target Blocks Forgivable Loans are available only to owner-occupants of the property where the work is being done. This means that the property receiving the MMRP Forgivable Loan must be the principal residence of the Applicant. You have to submit proof of both your ownership and your Residency in the property as part of your MMRP Forgivable Loan Application.

I live on a fixed income...can I qualify for a Forgivable Loan?

Definitely! NLS has administered MMRP/Target Blocks Forgivable Loan programs in many other neighborhoods, and the majority of the homeowners who received Forgivable Loans were long-time homeowners who had limited or fixed incomes.

I am delinquent on my water bill or I have unpaid parking tickets...can I still get a Forgivable Loan?

You can still apply for a MMRP/Target Blocks Forgivable Loan. However, NLS will confirm that your water bill is current and whether you have unpaid parking tickets through the City's Dept. of Revenue. If your water bill is delinquent or if you have unpaid parking tickets, you can make a payment plan, but you will have to make the initial payments under the plan before you are eligible for a Forgivable Loan.

