

# CRITICAL HOME REPAIR PROGRAM



South Carolina State Housing Finance  
and Development Authority

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## **HOUSING TRUST FUND OVERVIEW**

The South Carolina Housing Trust Fund (HTF) is a state funded program designed to provide financial assistance in the development and preservation of safe, decent, sanitary and affordable housing for low-income households within the State of South Carolina. The HTF accelerates the state's response to the production of affordable housing through innovative financing used by the nonprofit, municipal, and private sectors. It builds partnerships among government, qualified nonprofits, for profits, and those in need of affordable housing. It strives to maximize the utilization of federal, state and/or other housing assistance programs in leveraging other public and private resources in creating additional affordable housing units.

## GENERAL DEFINITIONS

**Application** – The completed forms, schedules, attachments, and any additional documentation requested in the HTF application package.

**Asbestos** - The asbestiform varieties of serpentine (chrysotile), riebeckite (crocidolite), cummingtonite-grunerite (amosite), anthophyllite, and actinolite-tremolite.

**Asbestos Project** - Any activity that does not meet exemption criteria as defined by DHEC that is associated with abatement including inspection, design, air monitoring, in-place management, encapsulation, enclosure, renovation, repair, removal, any disturbance of regulated asbestos containing materials (RACM), and demolition of a facility. The testing and remediation of asbestos is an eligible expense for projects that are determined not exempt from asbestos regulatory requirements.

**Asbestos Regulations** – are located on the SC Department of Health and Environmental Control’s (DHEC) website at: <https://scdhec.gov/environment/your-home/asbestos/asbestos-regulations>

- Regulation 61-86.1, Standards of Performance for Asbestos Projects
- Occupational Safety and Health Administration (OSHA) Asbestos Standard, 1926.1101
- National Emission Standards for Hazardous Air Pollutants (NESHAP - Asbestos)

**Beneficiary** – The person or persons who legally own(s) the property to be rehabilitated and occupies it as their primary residence

**Change Order** – A request to change a project that has received an approved initial inspection by an SC Housing inspector. Such changes include but are not limited to, any change to the Work Write-up, a change in Contractor, etc.

**Contractor** – The contractor selected for the project who must meet the contractor standards outlined in this manual.

**Deed of Distribution** – A document from the Probate Court which releases the real property from a decedent’s estate to those who inherit it. The Deed of Distribution must be recorded with the Register of Deeds or the Clerk of Court in the county in which the property is located.

**Disabled Person** - means a household composed of one or more persons, at least one of whom is an adult, who has a disability.

1. A person is considered to have a disability if the person has a physical, mental, or emotional impairment that:
  - a. Is expected to be of long-continued and indefinite duration;
  - b. Substantially impedes his or her ability to live independently; and
  - c. Is of such a nature that such ability could be improved by more suitable housing conditions.
2. A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that:
  - a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
  - b. Is manifested before the person attains age 22;
  - c. Is likely to continue indefinitely;
  - d. Results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self- sufficiency; and
  - e. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated. Notwithstanding the preceding provisions of this definition, the term

“person with disabilities” includes two or more persons with disabilities living together, one or more such persons living with another person who is determined to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this definition who were living, in a unit assisted with HOME funds, with the deceased member of the household at the time of his or her death.

**Elderly** - A person sixty-two (62) years of age or older.

**Financial Commitment** - An executed letter, contract, or agreement from a funding source verifying that the Sponsor or Homeowner/ Beneficiary has a commitment of funds for the project. The commitment letter must include: (a) the amount of funds being provided; (b) any conditions for receiving the funds; (c) expiration of the funds or a timeframe in which the funds must be spent; (d) whether the funds are being provided as a loan or grant; and (e) the term and interest rate, if applicable, for the funds. If the Financial Commitment is a Home Equity Line of Credit (HELOC), the commitment letter must specify the funds as project specific. If using an existing Line of Credit, funds must be available in the form of a cashier’s check and held by the Sponsor. All final financial commitments must be in place prior to SC Housing approving a commitment of SC Housing funds.

**Funding Agreement** - The written contract between SC Housing and the Sponsor. It contains the terms and conditions of the Housing Trust Fund award, states the award amount, the project’s purpose and the beneficiaries being served.

**Household Income** - The anticipated gross income of all adult household members to be received in the upcoming twelve (12) month period. For purposes of determining household income, the term household member includes any person who is eighteen (18) years of age or older that resides in the home, with the exception of foster adults or live-in-aides.

**Lead Renovation, Repair and Painting Rule (RRP)** - The EPA’s 2008 Lead-Based Paint Renovation, Repair and Painting Rule (as amended in 2010 and 2011) aims to protect the public from lead-based paint hazards associated with renovation, repair and painting activities, which can create hazardous lead dust when surfaces with lead paint are disturbed. The rule requires workers to be certified and trained in the use of lead-safe work practices, and requires renovation, repair and painting firms to be EPA-certified. Regulations for residential property renovation are located at 40 CFR 745, Subpart E. The EPA administers the lead-based paint activities program only where states, territories or tribes are not authorized by EPA to operate their own lead abatement programs. South Carolina is a state that is not authorized by the EPA to operate its own program. Information on EPA requirements for lead-based paint requirements can be found on the EPA’s website at the following link:

<https://www.epa.gov/lead/lead-renovation-repair-and-painting-program>

**Liquid Assets** - SC Housing defines liquid assets as cash, cash equivalents, and investments held in the name of the beneficiaries, including cash in bank accounts, money market funds, U.S. Treasury bills, and equities traded on the New York Stock Exchange or NASDAQ. Certain cash and investments will not be considered liquid assets, including, but not limited to: stock held in the applicant’s own company or any closely held entity, investments in retirement accounts, cash or investments pledged as collateral for any liability, and cash in property accounts including reserves.

**Minor repair and maintenance activities** - as defined by the EPA are activities, including minor heating, ventilation or air conditioning work, electrical work, and plumbing, that disrupt 6 square feet or less of painted surface per room for interior activities or 20 square feet or less of painted surface for exterior activities where none of the work practices prohibited or restricted by § 745.85(a)(3) are used and where the work does not involve window replacement or demolition of painted surface areas. When removing painted components, or portions of painted components, the entire surface area removed is the amount of painted surface disturbed. Jobs, other than emergency renovations, performed in the same room within the same 30 days must be considered the same job for the purpose of determining whether the job is a minor repair and maintenance activity. Renovations that do not meet the EPA’s definition of minor repair and maintenance activities are considered to be “covered” activities, meaning they do not meet the EPA’s

exemption requirements.

**Nonprofit Organization** – A corporation: (a) exempt from income tax under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended; (b) registered with the Office of the South Carolina Secretary of State.

**Project Delivery Fee** – A monetary fee paid to the approved Participant organization (Sponsor) for the successful completion of Critical Home Repair projects.

**Renovation** – Means the modification of any existing structure, or portion thereof, that results in the disturbance of painted surfaces, unless that activity is performed as part of an abatement as defined by this part ([40 CFR 745.223](#)). The term renovation includes (but is not limited to): The removal, modification or repair of painted surfaces or painted components (e.g., modification of painted doors, surface restoration, window repair, surface preparation activity (such as sanding, scraping, or other such activities that may generate paint dust)); the removal of building components (e.g., walls, ceilings, plumbing, windows); weatherization projects (e.g., cutting holes in painted surfaces to install blown-in insulation or to gain access to attics, planning thresholds to install weather-stripping), and interim controls that disturb painted surfaces. A renovation performed for the purpose of converting a building, or part of a building, into target housing or a child-occupied facility is a renovation under this subpart. The term renovation does not include minor repair and maintenance activities.

**Restrictive Covenant**- A promise in a written agreement or a deed of real property that restricts what the owner of the land can do with the property. Specifically, in the HTF program, if applicable, the restrictive covenant ensures those who live on the property comply with HTF requirements, including, but not limited to, income limitation. HTF legislation requires assisted properties to be occupied by low-income individuals for a period of twenty (20) years.

**SC Housing** – South Carolina State Housing Finance and Development Authority.

**South Carolina Housing Trust Fund (SC HTF)**-The South Carolina Housing Trust Fund is the trust fund created by Title 31, Chapter 13, Article 4 of the Code of Laws of South Carolina, as amended and as administered by the South Carolina State Housing Finance and Development Authority.

**Sponsor** – A Participant organization, municipalities, municipal associations or Councils of Government approved to participate in the SC Housing Trust Fund Critical Home Repair Program that submits the Critical Home Repair applications on behalf of the Beneficiary (homeowner) and if the project is awarded, is responsible for administering the project.

**Target Housing** – Target housing is housing subject to the EPA’s Lead Renovation, Repair and Painting Program and is defined by the Toxic Substance Control Act (TSCA) as any housing constructed before 1978, except housing for the elderly or persons with disabilities or any 0-bedroom dwelling. However, target housing does include pre-1978 housing for the elderly or persons with disabilities, if any child under age six resides or is expected to reside in such housing. Housing for the elderly means retirement communities or similar types of housing reserved for households composed of one or more persons 62 years of age or more at the time of initial occupancy.

**Total Construction Cost**- Total construction costs include expenses associated with rehabilitation, testing and remediation of hazardous materials. Home inspection fees are not included in the total construction costs.

## I. **CRITICAL HOME REPAIR PROGRAM GUIDELINES**

The HTF Critical Home Repair Program is designed to assist low-income (80% and below Area Median Income as determined by household size and county of residence) homeowners in making needed Critical Repairs to their primary residence to address critical life, health and safety issues. All awards are subject to the HTF legislation, all applicable state and federal regulations, and all other applicable SC Housing requirements.

In situations where HTF Critical Home Repair Program funds are not sufficient to complete all the desired repairs approved on the work-write up Sponsors may use other funding sources in conjunction with HTF dollars to ensure the repair work can be completed. When additional funding sources are being utilized to complete the work, the Sponsor must provide written Financial Commitment(s) from each funding source identifying the amount of funds, any terms or conditions, whether funds will be provided as a loan or grant and the required lien position, if applicable. SC Housing reserves the right to require additional information if necessary to determine a project's financial feasibility.

All necessary forms for preparing and submitting **Critical Home Repair Applications** can be downloaded from SC Housing's website at: [SC Housing Trust Fund](#).

### A. **Eligible Sponsors**

1. The eligible Sponsors for the HTF Critical Repair Program are nonprofit organizations, municipalities, municipal associations or Councils of Government approved to participate in the SC Housing Trust Fund. The approval process for participant organizations is contained in the **Participation Manual**.
2. Sponsors must operate within the defined service areas as identified in their **Participation Application** as evidenced in their charter, articles of incorporation or bylaws.
3. Sponsors must be EPA certified Lead Renovation, Repair and Painting Rule firms to submit applications to assist with repairs to properties built prior to 1978 **if the proposed scope of work exceeds the EPA's definition of "minor repair and maintenance activities" as defined on page 4 of this manual**. Refer to the EPA's website for information on how to become a certified firm: <https://www.epa.gov/lead/renovation-repair-and-painting-program-firm-certification>

Beginning April 22, 2010, an organization that performs, offers, or claims to perform renovations covered by the EPA's Lead Renovation, Repair and Painting Rule must be certified by the EPA. A non-profit organization that offers to renovate the property of a third party for compensation, must be certified by the EPA as an RRP firm. Sponsors that are not EPA RRP certified firms may not submit applications to rehabilitate properties built prior to January 1, 1978 **if the scope of work exceeds the EPA's definition of "minor repair and maintenance activities."**

### B. **Eligible Beneficiaries**

1. Beneficiaries must own and reside in the property as their primary residence. Beneficiaries may not own any other improved real estate property at the time of application such as a second home or rental property.
2. Beneficiaries must be low-income with gross annual incomes that do not exceed eighty percent (80%) of the area median income. Current income limits are available on SC Housing's website

at: <https://www.schousing.com/home/PartnerIncomeLimits>.

- a. Annual Income is determined by calculating the total anticipated annual income for all household members 18 and older from all sources for the upcoming twelve-month period beginning with the date of certification.
- b. Sponsors are responsible for determining the total anticipated annual household income by examining and verifying source documents evidencing income (e.g., wage statement, interest statement, assets, unemployment compensation, social security benefits, etc.). If it is discovered at any time before, during, or after the project has been completed that the Sponsor did not correctly calculate a beneficiary's complete household income, the Sponsor will be required to refund the entire HTF award and may be suspended or debarred from further participation in the HTF Program if it is determined that the household is over-income. If it is determined at any time that a beneficiary did not fully disclose all applicable sources of income, assets or household members residing in the home the award will be terminated and the beneficiary will be required to return all HTF awarded dollars disbursed for the project.
- c. Sponsors are responsible for informing beneficiaries of all types of income and assets that must be included in the calculation of household income. Sponsors must verify all sources of income for each adult household member including any person(s) living in other residential structures located on the property. The **(HTF- 3A) Income and Asset Verification Form** must be completed by the Sponsor and signed by the beneficiary(ies). If applicable, the **(HTF-3B) Verification of Employment Form** must be completed by the household member's employer and obtained directly from the employer by the Sponsor. Third party income verification documentation is required for all anticipated annual income and must not be older than six (6) months when it is submitted with the application. Sponsors are responsible for ensuring all forms of income and assets disclosed by beneficiaries are properly documented and included in the calculation of annual household income. Income tax returns are to be collected and must have all pertinent information correctly identified, have all schedules included, and must be for the most recent tax year submission. Sponsors should refer to the **Determining Income Manual** for specific examples on how to calculate annual income.
- d. Sponsors are responsible for informing beneficiaries of HTF program requirements and ensuring beneficiaries are willing to comply with program requirements prior to proceeding with the preparation of Critical Home Repair Applications. Sponsors must inform beneficiaries of the following program requirements that may affect their willingness to participate in the program:
  - Assistance of **\$15,000 or greater** will require a twenty-year (20) **Restrictive Covenant**. Full and/or partial repayment is required for early release of property restrictions.
  - Beneficiaries must allow access to all areas of the home and property.
  - Beneficiaries are required to sign the **(HTF-1A) Beneficiary Certification** to certify they have been informed of program requirements and are willing to comply.
  - Beneficiaries are required to sign the **(HTF-1B) Hazardous Materials Affidavit**.
  - Beneficiaries are required to sign the **(HTF-1C) Hold Harmless Agreement**.
  - It may be necessary for the beneficiary to relocate while repairs and remediation of hazardous materials work is being completed. Beneficiaries are responsible for making temporary living arrangements if relocation is necessary. Beneficiaries are responsible for paying for any expenses incurred to relocate.
  - It may be necessary for the beneficiary to remove personal items from the home while work is completed. It is the responsibility of the beneficiary to remove the items and



return them when the work is completed.

- e. Sponsors are required to collect the following documents **from ALL household members 18 years of age and older** to determine annual household income and verify property eligibility:
- **(HTF-3B) Verification of Employment** for all employed household members.
  - Paystubs for the most recent ninety (90) day period from the date of the income certification.
  - Complete copies of each household member's prior year tax returns with W-2's, as applicable.
  - For self-employed household members - year-to-date financial statements that include profit & loss statements and a balance sheet along with complete copies of the last two (2) years tax returns must be provided.
  - If applicable, documentation of court ordered alimony or child support. Adequate documentation must be obtained from the Clerk of Court (i.e., divorce decree or any other official court ordered document).
  - Third party source documentation for income such as social security benefits, disability benefits, retirement and pension income, VA compensation, public assistance, dividends, interest, note receivables and income from estate and trusts. Benefit letters must state income for the current year as of the date of application.
  - Most recent three (3) months of all bank account(s) statements from the date of the income certification.
  - Most recent statement of 401k, pension and investment accounts, if applicable.
  - Documentation of unemployment benefits, if applicable.
  - Copy of most recent mortgage statement(s), if applicable.
  - Copy of home insurance policy, if applicable.
  - Copies of government issued identification cards.
- f. The household's liquid assets may not exceed twenty percent (20%) of the value of the home (not including 401K or retirement account balances).
- g. Beneficiaries and household members who report zero income must each provide all of the following documentation:
- **(HTF-3C) Affidavit of Zero Income Form** –A narrative explaining the circumstances resulting in zero income must be provided on the form.
  - A copy of federal income tax returns submitted for the most current tax year. Tax returns must have all pertinent information correctly identified and all schedules included. If tax returns were not filed, please indicate such on the **(HTF-3C) Affidavit of Zero Income Form**.
  - If the entire household is reporting zero income, there must be documentation showing how utility bills are being paid. An example would include copies of cancelled checks showing who paid the bills, a notarized letter from the individual who regularly pays the monthly bills, etc.

SC Housing will perform a detailed review of all zero income certifications. At its discretion, SC Housing may require beneficiaries to provide an executed IRS Form 8821, which will authorize SC Housing to receive copies of income tax returns from the IRS, to verify reported income amounts. If required, this will be provided in addition to the other required HTF income certification forms and documentation.

SC Housing reserves the right to verify all information collected and its supporting documentation to ensure the beneficiary household is qualified. The information provided must be complete and accurate. **Income certifications must be completed within thirty (30) days of submitting the Critical Home Repair application to SC Housing.**

### C. Eligible Properties

1. Beneficiaries must own the property and utilize the property as their primary residence. Beneficiaries may not own any other improved real estate property at the time of application such as a second home or rental property. Ownership of the property must be one of the following conditions:
  - a. **Property Owned by Beneficiary:** The Sponsor must provide a Warranty Deed in the name of the beneficiary(ies) for whom the funding is sought. The deed must be legible and recorded with the Register of Deeds or the Clerk of Court in the county in which the property is located. It must indicate the book and page numbers, the date recorded, and the office where recorded. Mortgages are not Deeds and may not be submitted as proof of ownership. Sponsors are responsible for obtaining a copy of the recorded deed for the property to document ownership.
  - b. **Property Owned by Beneficiary and Deceased Person:** The Sponsor must provide a Warranty Deed in the name of the deceased and the beneficiary(ies) for whom the funding is sought, a death certificate, and a Deed of Distribution showing the property has been transferred to the beneficiary. The Deed and Deed of Distribution must be legible and recorded with the Register of Deeds or Clerk of Court in the county in which the property is located. It must indicate the book and page number, the date recorded, and the office where recorded. If the Deed of Distribution transfers the property to persons in addition to the beneficiary(ies) for whom the funding is sought, all owners of the property will be required to agree to the proposed rehabilitation, program requirements, and to sign **(HTF-1A) Beneficiary Certification Form** indicating such. Where/When a person has acquired full title as the surviving party in a Deed of Joint Tenancy with Right of Survivorship, a copy of the filed Deed must be provided along with a death certificate for the deceased co- title holder.
  - c. **Property Owned by Beneficiary as a Life Estate:** The Sponsor must provide a Deed indicating a life estate in the name of the beneficiary(ies) for whom funding is sought. The Deed must be legible and recorded with the Register of Deeds or Clerk of Court in the county in which the property is located. It must indicate the book and page where recorded, the date recorded, and the office where recorded. The Sponsor must also provide documentation indicating the beneficiary(ies) have been granted the right by the grantor of the life estate to encumber the property. The holder of the life estate and the person(s) to whom the property transfers after the life estate ends will be required to agree to the proposed rehabilitation, program requirements, and to sign the **(HTF-1A) Beneficiary Certification Form** indicating such.
2. Homes must meet the substandard housing definition/guidelines pursuant to South Carolina Code of Laws, Article 4, Section 31-13-410(7) as follows: housing which, by reason of dilapidation, deterioration, age, or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, unsanitary or unsafe conditions, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors, is conducive to ill health, transmission of disease, or has an adverse effect upon the public health, safety, morals, or welfare of its inhabitants. **However, homes that are not structurally sound have excessive damage or are**

**uninhabitable do not qualify for the Critical Home Repair program.**

3. **Sponsors must make two important initial** determinations regarding the eligibility of the home prior to submitting the Critical Home Repair Application. **First**, the Sponsor must verify the age of the home. If the home was built prior to January 1, 1978 and the scope of work is “covered” by the EPA’s RRP Rule, the application cannot be submitted if the Sponsor is not an EPA certified RRP firm. **Second**, the Sponsor is required to complete a walk-through inspection of the entire home (interior and exterior) and site to make a preliminary determination as to whether the home will be eligible for the SC Housing Critical Home Repair Program (refer to Eligible Properties, pg. 8, bullet 2).
  - a. Sponsor is required to complete a walk-through inspection of the entire home (interior and exterior) **and** site to make a preliminary determination as to whether the home will be eligible for the SC Housing Critical Home Repair Program **prior to** submitting the **Initial Critical Home Repair Application**.
  - b. Sponsors must document the walk-through inspection by submitting photographs per **Appendix A Section VII, A** of the interior and exterior of the property with the **Critical Home Repair Application**.
  - c. Sponsors must utilize this walk-through inspection to evaluate whether or not it is feasible to complete the desired Critical Repair deficiency(ices) within the parameters of HTF program budget limitations and if applicable, any additional funding sources that are to be utilized.
4. Utilizing HTF Critical Home Repair funds for the purpose of preparing a home for sale or title transfer is not allowable.
5. The pre-renovation tax assessor’s value (land plus improvements) of the property must not exceed ninety-five percent (95%) of the median purchase price for the area based on federal FHA single family mortgage program data for existing housing and other appropriate data that are available for sale of existing housing in standard condition. These **home value limits** are updated annually for each county are listed in **Appendix B**.
6. Manufactured housing/mobile homes built/ manufactured within **twenty-five (25) years** of the date of the application. The beneficiary must own the manufactured housing/mobile home and must have a deed to the land and title or proof of ownership of the home. Proof of ownership of the mobile home must include one or more of the following documents: title from the Department of Motor Vehicles; property tax bill from the most recent tax year which specifically includes the mobile home; and/or a mortgage statement or sales contract for the mobile home. SC Housing retains its sole discretion in determining whether sufficient proof of ownership of the mobile home has been provided. SC Housing will not process or approve an application unless at least one of the required documents identified above is provided to document ownership and year manufactured.
7. Residential properties also serving as a place of business are ineligible for HTF Critical Home Repair assistance. This includes properties being used for business purposes where the goods and/or services being provided require consumers to enter the residence or property to access such goods and/or services. Examples of residential properties being utilized for business purposes include, but are not limited to cosmetology services, childcare, wardrobe alterations, auto/small engine repair, etc. In addition, any parcel of property that contains an operational business or commercial property on the same parcel as the residential building is also ineligible for HTF assistance.
8. Repairs will not be performed on a home that is at risk of or in the process of being foreclosed

or is subject to tax or judgement liens. The Sponsor must provide documentation from the tax assessor that demonstrates that property taxes are current and if applicable, a current copy of the owner's mortgage statement demonstrating payments are not delinquent.

9. Documentation of year built must be submitted with the application to determine the applicability of compliance with the EPA's Lead Renovation, Repair and Painting Program Rule. **The preferred method to document year built is providing documentation from the county tax assessor's website.** If documentation of year built is not available on the county's website the following alternative sources of year built are acceptable: property appraisal, bill of sale or mobile home title. If these resources are not available, Sponsors should contact SC Housing's HTF staff to determine if the year built can be documented using an alternative source or if it's necessary, depending upon the planned repair, it must be inspected for hazards associated with the presence of lead-based paint or may be presumed to have lead-based paint hazards and proceed in accordance with lead-based paint regulatory requirements.

#### **D. Beneficiary Selection Process:**

Approved HTF non-profit Sponsors must have beneficiary selection procedures that are compliant with fair housing laws and regulations. Sponsors must maintain written waiting lists from which beneficiaries are selected in chronological order. The process for evaluating an applicant's request for assistance must be reasonable, adhere to program eligibility and acceptance requirements, and be handled in a consistent manner with the purpose of assisting eligible low-income and very low-income beneficiaries. If applicable, identify target population preferences (not limitations) and include a description of the method of prioritization used. Sponsors must provide prompt written notification to all applicants that do not qualify for HTF assistance. Such written notifications must include the reason(s) the household or property was determined to be ineligible. Waiting lists must contain information that is sufficient to allow the Sponsor to periodically maintain the list and remove applicants if necessary, that no longer wish to pursue assistance. The following information should be maintained on each waiting list: Applicant Name, Address, Phone, Email Address, Date/Time Applicant is put on the list, and if applicable, the reason for denial or removal from the waiting list. Sponsors may choose to close waiting lists if it is determined that the number of applicants on the list would prevent an applicant's application from being evaluated in a reasonable amount of time; i.e., a Sponsor on average completes ten (10) Critical and/or Home Repair projects per year and the waiting list already contains thirty (30) interested applicants. Sponsors are required to notify SC Housing when waiting lists are opened and closed.

#### **E. Environmental Requirements:**

SC Housing inspection staff will notify the Sponsor during the **Preliminary Scope of Work Inspection** which if any areas of the home need to be tested for the below hazardous materials. Sponsors are not to incur expenses for environmental testing unless they are notified during the inspection process that testing is necessary.

**Lead-Based Paint** - Properties built **prior to January 1, 1978** are subject to the Environmental Protection Agency's Lead Renovation, Repair and Painting Program (RRP) Rule.

- [EPA's Lead Renovation, Repair and Painting Program \(RRP\) Rule](#)
- [Find an RRP Certified Firm](#)

**Radon** - Projects that are located in Greenville county are subject to the radon regulatory requirements of ANSI/AARST MAH 2023 and SGM-SF 2023 .

- <https://standards.aarst.org/MAH-2023/index.html#zoom=z>
- <https://standards.aarst.org/SGM-SF-2023/index.html#zoom=z>

**Mold** - Properties are subject to testing and remediation in the event potential mold is suspected during an inspection and/or while work is being undertaken on the property. If mold is suspected, Sponsors must contact SC Housing for approval prior to incurring expenses to have the mold tested.

**Asbestos** – Properties that do not meet DHEC exemption criteria identified in [Regulation 61-86.1 Standards of Performance for Asbestos Projects](#) are subject to regulatory requirements governing asbestos. For example, regulatory requirements are triggered by hiring a person or persons holding an asbestos abatement license to perform work or can also be triggered if the Sponsor hires the same owner/operator to perform work on multiple homes located within a compact area or “city block” within a twelve-month period. Sponsors and owner/operators must contact DHEC directly to determine whether or not a project is considered to be an asbestos project if they are unsure if the home or homes are exempt from regulatory requirements. An owner/operator is defined by DHEC as “Any person or contractor who owns, leases, operates, controls, or supervises a facility being demolished or renovated, or any person who operates, controls, or supervises the demolition or renovation operation, or both.” The testing and remediation of asbestos are eligible expenses for projects that are determined not to be exempt from asbestos regulatory requirements and also, if the property is exempt; however, the homeowner requests to have testing and remediation included in the scope of work.

## **F. Eligible Critical Home Repairs**

### **1. Eligible repairs are listed by priority and are limited to the following:**

- a. Sewer / Septic systems,
- b. Water wells,
- c. Roof replacements
- d. Fascia and Soffits,
- e. Gutters,
- f. Exterior façade, sidings
- g. Windows,
- h. Exterior Doors/Storm Doors,
- i. Accessibility Ramps,
- j. HVAC equipment and/or systems (including electrical upgrade if necessary),
- k. Attic Insulation,
- l. Water Heater,
- m. Primary entrance, Porches/Decks,
- n. Gypsum Board/Sheetrock ceiling and wall repairs related to above repairs,
- o. Crawl space access doors,
- p. Lithium ten (10) year, battery operated, wireless, interconnected smoke and carbon monoxide detectors can be installed at the beneficiary’s request.

### **2. SC Housing reserve the right to determine final priority of repairs based upon condition of the home and availability of funds.**

### **3. Eligible Critical Repairs for homes built prior to January 1, 1978 - If the scope of work will disturb a “covered” painted surface the Sponsor must be an EPA RRP certified firm and use an EPA certified RRP renovator to **test components utilizing EPA-recognized paint test kit (3M™ LeadCheck™, D-Lead®)**, sending a paint chip sample to a [National Lead Laboratory](#)**

Accreditation Program certified lab, or performing X-ray fluorescence (XRF) testing for the presence of lead-based paint. If the test results are positive, an EPA certified RRP renovator must be used to perform the renovations that will disturb painted surfaces. <https://www.epa.gov/lead/lead-renovation-repair-and-painting-program> Sponsors that are EPA RRP certified firms that have an employee that is an EPA RRP certified Renovator may allow that employee to perform testing using an EPA certified test kits. Reimbursement for the cost of the test kits are an eligible expense.

**4. Eligible Critical Repairs for homes built on or after January 1, 1978** – The Sponsor may select the appropriate licensed, bonded and insured contractor to complete the scope of work.

## II. **ELIGIBLE ACTIVITIES**

The Critical Home Repair Program activity is designed to assist low-income (80% and below Area Median Income as determined by household size and county of residence) homeowners in making needed and critical repairs to their homes

### A. **Funding Limitations**

1. Minimum amount of assistance per property is **\$5,000**.
2. Properties may qualify for up to **\$30,000** for repairs and/or replacements.
3. Manufactured/Mobile homes may qualify for up to **\$30,000** for repairs and/or replacements.
4. All beneficiaries receiving HTF assistance equal to or exceeding **\$15,000** are required to execute a restrictive covenant that will be recorded against the property. The restrictive covenant restricts occupancy of the property to low- income households for a period of twenty (20) years
5. For beneficiaries with prior HTF awards, the homeowner may request additional repair assistance. Additional HTF assistance will require the execution and recordation of an amendment to the existing Restrictive Covenant to address the increased assistance amount. The additional assistance does not require the affordability period to be extended beyond the twenty-year (20) affordability period. The restrictive covenant must be recorded by the register of deeds/clerk of court's office in the county in which the property is located. All subsequent requests for assistance must be for a minimum of **\$5,000** of eligible repairs and may not exceed the per property maximums as described.
6. Sponsors are eligible to request a **Project Delivery Fee** for successfully completed projects in an amount that is the greater of fifteen percent (15%) of total construction costs or **\$1,000**. Project Delivery Fees are not included in the property maximums described above.
7. It is recommended that bid solicitations are advertised on the **South Carolina Business Opportunities (SCBO)** website. Information on SCBO can be accessed at <https://scbo.sc.gov/>

### B. **Limitations on Open Projects**

**Level I** -Applicants with minimum unrestricted net liquid assets of five thousand dollars (\$5,000) may have one (1) Home Repair or Critical Home Repair project open at a time. Experienced Level I Sponsors may request an increase in the number of open applications, subject to evaluation by SC Housing. The evaluation considers factors such as timely construction initiation, meeting deadlines without extensions, and compliance with program requirements.

**Level II** –Applicants with minimum unrestricted net liquid assets of ten thousand dollars (\$10,000) may

have up to two (2) Home Repair and/or Critical Home Repair projects open at one time. Experienced Level II Sponsors may request an increase in the number of open applications, subject to evaluation by SC Housing. The evaluation considers factors such as timely construction initiation, meeting deadlines without extensions, and compliance with program requirements.

- SC Housing may further limit the number of open awards for each Sponsor based upon progress and performance of the Sponsor. Specifically, SC Housing may deny applications where records indicate the Sponsor's previous performance shows incidents involving substantiated unresolved contractor and/or homeowner complaints, missing scheduled inspections, and/or missing project completion deadlines, etc.
- If the Sponsor does not commit or expend funds according to the specified timeframes, SC Housing reserves the right to deny future applications for funding until the open projects are completed and closed. Additionally, projects may be terminated at any time due to documented evidence of unsatisfactory productivity or issues of non-compliance with program requirements.

### **C. Project Completion Requirements:**

1. Projects with one (1) or two (2) trades/contractors must be closed out within **sixty (60) days** of the date of the Initial Inspection approval.
2. Projects three (3) trades/contractors must be closed out within **ninety (90) days** of the date of the Initial Inspection approval.
3. For projects to be considered closed out all paperwork must be finalized and all project funds disbursed in accordance with the Funding Agreement.
4. If a project is not going to be completed by the deadline identified in the Funding Agreement the Sponsor must submit via email a request for an extension to the HTF Manager and HTF Program Coordinator. The request must include the reason for the project delays and the expected timeframe for completion. The request will be evaluated based the upon the circumstances of the delay(s).
5. Sponsors and/or contractors may be suspended or debarred from participation in the HTF program for projects not being completed within the completion timeframes stated above. Refer to SC Housing's [Suspension and Debarment Policy](#).

### **III. APPLICATION PROCESS – General Requirements**

Application submittal steps will differ depending upon the age of the property and whether or not the item being repaired and/or replaced will disturb a painted surface. Sponsors must submit all pages of the SC Housing **Critical Home Repair Application** and all required documentation identified in the **Critical Home Repair Application Checklists**. Separate checklists are provided for homes built prior to and after January 1, 1978. Applicants must submit the Application Packet electronically. The Application Packet can be submitted on a thumb drive appropriately organized and separated with the tabs provided. All electronic copies of the application must be tabbed out in accordance with the tabbing system, meaning each tab with its contents must be saved as an individual file folder containing the applicable document files. Applications that are not appropriately organized in accordance with the tabbing system will be considered incomplete. Hard copies of applications will not be accepted. Thumb drives may be delivered by hand, mail, or other shipping services. Applications will NOT be accepted by facsimile and/or e-mail transmission.

Alternatively, applications may be submitted by uploading the application to SC Housing's online **Secure File Exchange** (link below), digital files on a flash drive may be delivered to:  
South Carolina State Housing Finance and Development Authority



ATTN: Development Division - HTF

300-C Outlet Pointe Blvd.

Columbia, SC 29210

**Secure File Exchange** link: <https://www.schousing.com/Home/PartnerLogin>.

When using the SC Housing secure file upload the application including all required documents and photographs must be submitted as one PDF file. Files must be appropriately named to clearly identify the specific application that is being submitted. An example of an acceptable file name = (Beneficiary Last Name -Property Street Address - County).

The **Critical Home Repair Application** and all applicable items identified on the **Critical Home Repair Application Checklists** must be submitted for each beneficiary. The application requires the submittal of photos as instructed in **Appendix A, Critical Home Repair Construction Standards Section VII**.

Once a **Critical Home Repair Application** is received, SC Housing will review the application for eligibility and completeness. The Sponsor will be notified via email of any deficiencies and/or if the property or beneficiary household has been determined to be ineligible for assistance. If additional information or documents are requested and are not provided by the Sponsor within thirty (30) days, the application will be deemed withdrawn.

#### IV. **Application Submittal Process**

The process steps will differ depending on the age of the property and absence or presence of lead-based paint. Regulatory environmental requirements must be adhered to as applicable when undertaking the application process.

##### 1. **For Properties Built Before January 1, 1978**

- a. If repairs and/or replacements are planned to occur on “covered” painted surfaces on homes built before 1978 the Sponsor and contractor are responsible for following the EPA’s Lead Renovation, Repair and Painting Program Rule (RRP). **Sponsors must be EPA certified RRP firms to assist homes built before 1978 that include “covered” renovations that will disturb painted surfaces. This includes hiring an EPA certified renovator to test painted areas that will be disturbed for the presence of lead-based paint prior to completing the application and WWU (‘s).** See links below for a listing of EPA certified lead-based renovation contractors and to find out how to become an EPA certified RRP firm:

<https://cfpub.epa.gov/flpp/pub/index.cfm?do=main.firmSearch>

[Renovation, Repair and Painting Program: Firm Certification | US EPA](#)

- b. **Prior to Lead testing**, the Sponsor is responsible for providing the homeowner the following pamphlet: **EPA’s Lead-Safe Certified Guide to Renovate Right** [Renovate Right \(epa.gov\)](#). Sponsors are responsible for documenting the homeowner received the pamphlet by having them sign the **(HTF-5C) Receipt of EPA’s The Lead-Safe Certified Guide to Renovate Right**, regardless of the test results.
- c. Sponsors, regardless of the test results, are responsible for providing homeowners copies of the **“Test Kit Documentation Form (‘s)”** completed by the RRP Renovator to detect lead-based paint in the painted areas to be disturbed. Sponsors must also document test results were provided to the homeowner by having them sign the **(HTF-5B) Receipt of Pre-Renovation Hazardous Materials Test Results form**.
- d. If the scope of work will disturb “covered” painted surfaces the Sponsor is responsible for hiring an EPA certified renovator to complete the scope of work and providing the renovation contractor a copy of the EPA’s **“Small Entity Compliance Guide to Renovate Right.”** [small entity guide 9-23-11 w new cover.pdf \(epa.gov\)](#). Contractors must sign the



**(HTF-5A) Receipt of the Small Entity Compliance Guide to Renovate Right** to acknowledge receipt of the pamphlet.

2. The Sponsor will submit the Critical Home Repair Application with photos as per **Appendix A Section VII, A** and all required information included in (Tabs 1, 2, 3, 4, and if applicable, Tab 5) of the applicable Critical Home Repair Application Checklist.
3. SC Housing will review the application and determine if the Sponsor, Beneficiary and property meet initial program eligibility requirements related to certification, household income, property ownership, and residential use etc. Once the application is approved to move forward a Scope of Work review will be completed by SC Housing.
4. The Sponsor is responsible for submitting the following to SC Housing with the application: the **(HTF-2) Critical Home Repair Inspection Request Form**, Sponsor's photographs per **Appendix A, Section VII, B**, detailed quotes and drawings, **(HTF-2B) Work Write-Up Forms (WWU's)** to be completed by a contractor, **Test Kit** documentation (if applicable), LLR licenses & Information, **EPA certifications** (if applicable) and **Insurance** certificates (COI's) for all Contractors and work to be completed. SC Housing will review the documents submitted to determine if eligibility and requirements have been met. When it has been determined that program eligibility and requirements have been met SC Housing will schedule an onsite Scope of Work Inspection.
5. The onsite Scope of Work Inspection will be scheduled by an SC Housing inspector to review the submitted **(HTF- 2B) Work Write Up (s) (WWU's)** and test results (pre1978 houses only) at the property with the Sponsor and contractor(s) present at the project site. The Scope of Work Inspection will be used to determine cost reasonableness and the final scope of work.
6. If it is determined that a project is not moving forward due to the conditions of the home, property and or cost the Sponsors may request to be reimbursed for the RRP certified renovators lead swab testing inspection costs that where required for the project. The requirements for these can be found in Appendix A Section VI. Project Cost, A. Allowable Cost, 3., b.
7. Once the **Scope of Work Inspection** is approved SC Housing staff will send the Sponsor an **Agreement(s) for Residential Repair Services, Funding Agreement** and **Restrictive Covenants** (if applicable).
8. The Sponsor must return an executed copy of the **Agreement for Residential Repair Services** (for each contract), **Funding Agreement**, the recorded **Restrictive Covenants** (if applicable), and **Building Permits** to SC Housing. Submission of Building Permits must:
  - a. Include copies of the paid invoices/receipts for those permits.
  - b. Invoice/receipts must clearly show the governmental department that issued the permit and how much was paid for the permit. Generally, the "job value" amount listed on a building permit or a combination of building permits should equal the total amount on the approved **(HTF-2B) Work Write- Up ('s)**.
  - c. Be pulled by the contractor **not** the Sponsor, there will be no exceptions.
  - d. Be matched with the appropriate project, Sponsors must write the HTF project number on the permits and receipts if the permits and receipts to do not contain information sufficient to identify the project address they will not be accepted.
  - e. Be posted on-site and be easily visible. Any construction and or repair work undertaken on an HTF project prior to permits being pulled will be considered a violation of program requirements.
9. After the **Agreement(s) for Residential Repair Services, Funding Agreement**, the recorded **Restrictive Covenant** (if applicable) and **Building Permits** are received and reviewed SC Housing staff will send the sponsor an **(HTF-2G) Notice to Proceed** (for each contract). The

Sponsor shall complete the notice to proceed and return it to SC Housing staff. At this point construction and/or repair work may begin.

**If any construction and/or repair work is undertaken on an HTF project prior to the above documents being executed and returned to SC Housing, the Sponsor and or Contractor may be suspended or debarred from the HTF program and work will be ineligible for reimbursement.**

10. Any changes to the contract or approved **(HTF-2B) Work Write- Up** must be requested by the Sponsor using the **(HTF-2C) Change Order Request Form** and following the process as outlined in this manual. All change orders must be approved by SC Housing prior to proceeding with repairs. **New Contractors/Trades are considered a new Scope of Work and require a new application.**
11. Critical Home Repair projects are eligible to receive interim draws for construction costs as contracts are completed and work is approved by SC Housing. Disbursements may be requested per Trade/Contractor/WWU when all work is completed per a Trade/Contractor/WWU. Requests can be made by following the steps described in bullets #14 and 15 below. Project Delivery Fees will not be paid until the entire project has passed its final inspection and documentation that all contractors have been paid has been provided to SC Housing.
12. When the scope of work for a contract is complete, the Sponsor may request an Interim Inspection with Draw or Final Inspection from SC Housing within three (3) business days by submitting the following:
  - a. **(HTF-2) Critical Home Repair Inspection Request Form**
  - b. Approved final inspection from local building department, if applicable.
  - c. Photos of all completed repairs as per **Appendix A Section VII., B.**
  - d. HVAC product/equipment registration - verification of warranty registration, if applicable.
  - e. **(HTF-2D) Certification of Work Completed**
  - f. Trade/Contractor/WWU's that required RRP procedures; the Firm shall submit their completed **Renovation Recordkeeping Checklist.**
13. After the Interim Inspection with Draw or Final Inspection is approved for the scope of work included in the contract, the Sponsor may submit a request for payment to pay the contractor(s). To request a disbursement the following items must be provided:
  - a. **(HTF-4A) Draw Request for Payment Form**
  - b. **Copy of the contractor's invoice for the work completed.**
  - c. If a multi-contractor/ multi-trade project has been completed, the Sponsor must provide **an (HTF-4A) Draw Request for Payment Form and Copy of the contractor's invoice for the work completed** for each of the contracts which they are requesting payment.
14. When the Sponsor receives payment for the completed scope of work, the Sponsor has seven (7) business days to deliver payment and obtain the signature of the contractor using the **(HTF-4C) Payment Certification Form**, indicating that the contractor has received payment in full for the construction work performed. **It is essential that contractors are paid promptly.** If the Sponsor does not pay the Contractor for the approved work within seven (7) business days of receiving the HTF disbursement this is considered a violation of program requirements and the Sponsor may be suspended or debarred from participating in the HTF Program.
15. Once all contractors have received payment for completed work, the following items must be submitted to SC Housing to request the **Project Delivery Fee:**
  - a. **(HTF-4A) Draw Request for Payment Form**
  - b. **(HTF-4C) Certification of Payment** (A separate form is required for each contractor.)

- c. Copy of cashed/cancelled check(s) given to the contractor(s) by the Sponsor reflecting payment in full for all construction cost and services along with contractor's **Affidavit of Release of Liens**.
16. The Sponsor is required to provide the beneficiary all warranty documents and a copy of all documentation that the beneficiary signed throughout the Critical Home Repair Application process within two (2) weeks of project completion. If these materials are not provided to the homeowner within the required timeframe this is considered a violation of program requirements.

**V. Rehabilitation Construction Standards**

1. Refer to **Appendix A: Critical Home Repair Construction Standards**.

**CRITICAL HOME REPAIR FORMS INDEX**

Sponsors must utilize the appropriate **Critical Home Repair Application Checklist** to ensure all required documentation is submitted. Separate checklists are provided for homes built prior to and after January 1, 1978.

Beneficiary Certification .....	HTF-1A
Hazardous Materials Affidavit .....	HTF-1B
Hold Harmless Agreement.....	HTF-1C
Inspection Request Form.....	HTF-2
Work Write-Up Form.....	HTF-2B
Change Order Request Form.....	HTF-2C
Certification of Work Completed.....	HTF-2D
Notice to Proceed .....	HTF-2G
Income and Asset Verification.....	HTF-3A
Verification of Employment.....	HTF-3B
Affidavit of Zero Income.....	HTF-3C
Declaration of Citizenship .....	HTF-3D
HTF Draw Request for Payment.....	HTF-4A
Certification of Payment .....	HTF-4C
Receipt of the EPA’s Small Entity Compliance Guide to Renovate Right .....	HTF-5A
Receipt of Pre-Renovation Hazardous Material Test Results .....	HTF-5B
Receipt of EPA’s The Lead-Safe Certified Guide to Renovate Right.....	HTF-5C

**The forms provided in this manual are available at [SC Housing’s website](#). Contact your assigned HTF program coordinator if you have any questions or technical issues with the forms.**