



Village of Perry
Building Improvement Loan Program
Adopted – January 2, 2018

I. General Program Overview

- A. The purpose of this program is to assist property owners in the Village of Perry (“Village”) to improve the appearance and physical structure of their properties. Collectively these programs will be called the Building Improvement Loan Program (“BIL”).
- B. For each program, it is the intent of the Village to match the dollar amount that the applicants contribute to an approved project. The Village’s matching portion will be provided by a dedicated loan fund that was provided through a 1980s Federal grant program that has since been repaid. Local tax funds will not be used as a funding source for this program.
- C. BIL Loans will be authorized and approved by the Village’s Board of Trustees upon a recommendation of the BIL Review Committee. Additionally, BIL Loans may not be assigned without express approval of the Village’s Board of Trustees.
- D. All work will be constructed in compliance with all applicable State and Local codes and regulations. All permits must be obtained and filed with the Village prior to the final approval of a BIL loan.
- E. There will be no prepayment penalties and, if the loan is paid ahead of time, interest will only be due on the payment prepaid only to the date of prepayment.

II. Program Classifications

A. Façade Renovation

1. This program includes projects that address the structural repair, maintenance, and preservation for the street-facing exteriors of commercial, industrial, historical, and landmark buildings within the Village.
2. Property owners or tenants, with written consent of the property owner, may apply for loans under the Façade Renovation program.
3. The minimum value for loans under this program will be \$500 and will not exceed \$5,000.
4. Approval for these loans will be determined through a review of the following items provided by the applicant:
 - a. Applicant’s personal credit report provided by the applicant along with verification of employment, other sources of income, and/or assets in order to demonstrate ability to repay the obligation.
 - b. Written description of what improvements are to be made.
5. Loans will be issued as interest-free financing and will be based on an unsecured, personal guarantee of payment. Loan terms will extend no longer than 24 months. The minimum loan payments will be \$50 per month.

B. Adaptive Reuse

1. This program includes construction efforts to reuse a pre-existing building or site within the Village for a purpose other than what it was originally built or designed for or to significantly update the physical nature to improve utilization of the space.
2. Only property owners are allowed to apply for loans under the Adaptive Reuse program.
3. The minimum value for loans under this program will be \$2,500 and will not exceed \$25,000.
4. Approval for these loans will be determined through a review of the following items provided by the applicant:
 - a. Personal credit report provided by the applicant along with verification of employment, other sources of income, and/or assets to demonstrate ability to repay the obligation;
 - b. Personal, corporate or pertinent partnership tax returns from the previous two (2) years;
 - c. A personal financial statement; and,
 - d. A written project plan including estimates of work to be performed and proof of owner's contribution to the project (i.e. personal funds or lender commitment letters).
5. Loans will be issued as an interest-bearing instrument. Interest rates will be set at the prime rate as published in the Wall Street Journal on the date the application is received by the Village. Loan terms will extend no longer than 180 months. The minimum loan payment will be \$50 per month.
6. Based upon the strength of the application and amount of the request, loans for this program may be issued using one of the following processes:
 - a. As an unsecured, personal guarantee of payment; or,
 - b. A guaranteed loan through the use of a mortgage on the property with the borrower paying the cost of filing and any expenses to secure such mortgage.

III. BIL Review Committee

- A. The Review Committee is responsible for reviewing all applications for BIL programs and determining eligibility of applications within thirty (30) days of the Village receiving such requests.
- B. The Review Committee will be appointed by the Mayor and approved at the Village's Annual Organization Meeting. Members will consist of:
 1. One member of the Village Board of Trustees; and,
 2. Two members appointed from the Village residents at large.
- C. A Loan Program Consultant ("Consultant"), as approved by the Village's Board of Trustees, will be contracted to advise the Review Committee and facilitate the operational needs of the BIL Program. The Consultant's responsibilities will include:
 1. To act as an ex-officio member of the Review Committee;
 2. Receive, review, and confirm applications are complete and worthy of consideration;
 3. Evaluate applications and prepare a written summary for the Review Committee;

4. Communicate with applicants during application process and the final determination of the Review Committee and Board of Trustees; and,
5. Other duties to assist in the success of the BIL programs.

IV. BIL Application Procedure

- A. Owners of property within the Village of Perry are eligible to apply for BIL Program loans.
- B. A property owner may apply for multiple BIL programs loans as long as the combined request of the loans do not exceed a total of \$25,000.
- C. Application Process Steps
 1. BIL Program Applications will be available at the Village Clerks Office.
 2. Completed applications will be submitted to the Village Clerks Office. An application fee based upon the program they are requesting funding at the time of submission:
 - a. Façade Renovation –\$50.
 - b. Adaptive Reuse –\$100.
 3. The Village Clerk will forward applications to the Review Committee’s Consultant. The Consultant will then:
 - a. Work with applicants on any additional required information;
 - b. Prepare written summary of application (“Consultant’s Summary”); and,
 - c. Schedule a meeting with the Review Committee.
 4. The Review Committee will meet and review the Consultant’s Summary for each loan application. Based upon their deliberations, the Review Committee may take the following actions:
 - a. Deny Request – Consultant will prepare an “Adverse Action Notice” and advise the applicant the reason(s) for the denial. This notice will be sent out within 72 hours of the decision.
 - b. Recommendation to Board of Trustees – Consultant will prepare a summary recommendation along with the proposed financing option to be reviewed at the next scheduled meeting of the Board of Trustees.
 5. The Village’s Board of Trustees will review Consultant’s Summary and the Review Committee’s Recommendation during Executive Session. Based upon their deliberations, the Review Committee may take the following actions:
 - a. Deny Request – Consultant will prepare an “Adverse Action Notice” and advise the applicant the reason(s) for the denial. This notice will be sent out within 72 hours of the decision.
 - b. Approve Request – Consultant will contact applicant within 72 hours of the decision and make arrangements for processing the loan with the applicant, Village Attorney, and Village Clerk.

V. BIL Loan Processing

- A. Upon approval of applications by the Board of Trustees, the Village Attorney will prepare the following documents:
 1. Loan Agreement

2. Any required "Truth in Lending" disclosures
 3. Any required documents to perfect the Village's security interest.
 4. Assist the Consultant in arrangements to complete loan closure with the applicant.
 5. Compile loan closing documentation records and provide copies to the Village Clerk.
- B. The Village Clerk will be required to perform the following:
1. Disburse funds to the applicant in the amount directed by the loan agreement.
 2. Maintain an amortization schedule for all loans.
 3. Accept monthly payments from the borrower and, as necessary, account for the payments in accordance with the amortization schedule.
 4. Monitor and issue delinquent notices under the following guidelines:
 - a. Loans overdue by 15 days will be charged a 2% late fee for the total overdue amount.
 - b. The Village will apply each payment to late fees and interest charges before repayment of the debt.
 - c. The Village may declare the full amount of the Note due immediately for any defaults:
 - i. Failure to pay, when due, any amount payable on any obligation under the Note.
 - ii. Failure to do anything the Borrower is obligated to do under the Note or specifically not comply with plans funded by BIL Loans.
 - d. If the Note is not paid when due, the Village is not required to notify the borrower before enforcing rights to collect all amounts due. The Village does not have to present the note, demand payment or protest.
 - e. Delay or failure by the Village to take any action will not prevent the Village from doing so later.
 - f. In the event of commencement of legal action to enforce payment of the Note, the Borrower agrees to pay such additional sum as attorney's fees as the court may adjudge reasonable.
 - g. The Village will commence actions when the Loan is 45 days past due.
 5. Send notification letters when loan obligations are paid in full. As necessary, notify Village Attorney to release any liens.