

## Frequently Asked Questions

PATCH aims to fill a gap in resources following the Derecho storm. The program will provide support, referrals, and financial assistance to low-to-moderate income Linn County homeowners impacted by the storm.

Housing Fund for Linn County and ECICOG will serve as the application manager for homeowners and the collaborative organizations. The program will be available as long as a source of funding is available.

*Q. Who should apply to the PATCH Program?*

A. Homeowners in Linn County whose primary residence was damaged as a result of the August 10, 2020 may qualify to participate if they meet ALL the following criteria:

- They owned the home as of August 10, 2020.
- They have repair costs that have not been fully compensated by other sources, such as insurance, FEMA, or the Small Business Administration (SBA), or they have not yet received those funds and therefore can't begin repairs.
- Their household income is less than 80% of the Area Median Income for their household size, as shown in the table below:

AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80%	\$50,050	\$57,200	\$64,350	\$71,500	\$77,250	\$82,950	\$88,700	\$94,400

Effective April 2022

*Q. What types of properties are eligible?*

A. The following types of properties may be eligible for participation in PATCH:

- Single family homes and duplex/ zero lot line properties.
- Manufactured homes and mobile homes if they are affixed to a permanent foundation, on land that is owned by the homeowner, and taxed as real property.
- In addition, the assisted property must be located in Linn County, AND
- The assisted property must be the homeowner's primary residence.

*Q. What if I am a renter in a home that needs repair? Can I get assistance through PATCH?*

A. No. Only homeowners in owner-occupied dwellings are eligible to participate in the PATCH Program. If you are a renter and your unit is not safe to occupy, contact Waypoint at (319) 366-7999 for to explore alternative housing options that may be available to you.

*Q. I own a rental property that needs repairs due to the Derecho. Can I qualify for assistance through PATCH?*

A. No. Only owner-occupied units are eligible for participation in PATCH. If you are a landlord, you may wish to contact the Small Business Administration (SBA) to explore disaster recovery loan options.

*Q. I own a mobile home. Am I eligible to receive assistance through PATCH?*

A. Mobile homes may be eligible for the PATCH program if they are owner-occupied. Mobile homeowners may also contact Waypoint Services at 319-366-7999 for intake.

*Q. What if I did not own my home on August 10, 2020 but purchased it after the disaster?*

A. You must have been the owner of record as of August 10, 2020 in order to qualify for the PATCH Program.

*Q. What if the home in need of repair is a second home or a vacation home? Can I qualify for assistance?*

A. No. Second homes, vacation homes, and the like are not eligible for the program. Only the primary residence of the homeowner is eligible to receive assistance.

*Q. I am buying my home on contract. Can I get assistance through PATCH?*

A. Contract buyers may be eligible to participate if the contract is in writing and filed with the Linn County Recorder's office.

*Q. What if I make more than the allowable income limit for the PATCH Program?*

A. Contract buyers may be eligible to participate if the contract is in writing and filed with the Linn County Recorder's office.

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*Q. What if I make more than the allowable income limit for the PATCH Program?*

A. You must make less than the listed income for your household to qualify for PATCH.

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*Q. Do I have to have a credit check to receive forgivable loan assistance?*

A. No. There is no credit check performed during the qualification process.

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*Q. Do I have to have property insurance to participate?*

A. You can apply to participate in the PATCH Program if you do not have insurance. However, you must be able to obtain insurance by project completion. Insurance helps to protect you against losses in the event of another disaster event or other emergency, such as a fire. If you had property insurance on August 10, 2020, you must file a claim in order to participate in the PATCH Program.

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*Q. Do I need to have a FEMA Number to apply for PATCH Assistance?*

A. You are only required to provide a FEMA number if you have one.

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*Q. What happens once I submit my application to the PATCH Program?*

A. Your application will be reviewed for completeness and if complete, will be accepted for processing. If your application is accepted, PATCH Program staff will begin reviewing all the information to determine your eligibility. If your application is not complete, it will not be accepted but will be placed on hold, and PATCH Program staff will contact you to let you know what information you still need to provide. Once you provide all additional information, your application will be processed. Even if your application is complete, we may need to contact you with questions about the information you provided.

The PATCH Program also needs to verify other disaster benefits you may have received through insurance, FEMA, and the SBA. This must be verified with each agency before your application can be approved.

*Q. What can I do while waiting for my PATCH Program application to be reviewed?*

A. Please check your messages and email frequently to ensure that you do not miss any communications from the PATCH Program. Additional information may be needed from you in order to process your application.

You do not have to stop work that is in progress, but please be sure to save any receipts and other proof of payment. You may continue to collect contractor bid estimates if you are comfortable doing so, or you may wait until the PATCH program is able to assist with construction management services, if you prefer.

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*Q. What if I realize I made a mistake in my application after I submit it?*

A. Please do not submit a duplicate application. Instead, contact PATCH Program staff at [nicole.wise@ecicog.org](mailto:nicole.wise@ecicog.org) to submit corrections and include in the subject line "PATCH Application Correction."

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*Q. I have no contractors identified to do the work on my house. Can PATCH help me?*

A. One of the services PATCH can offer is help finding contractors and managing your construction project, if needed.

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*Q. I have contractors lined up, but don't have enough money to start the project. Can I access PATCH funding?*

A. If you qualify to participate in PATCH, you are not required to use our construction management services, if you have already identified contractors and are comfortable working with them to ensure your project is completed to your satisfaction.

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*Q. I got an insurance settlement and assistance from FEMA or the SBA. Can I still get help from the PATCH Program?*

A. If the money you received from other sources is less than the total cost to complete all eligible work on your home, you may still qualify for PATCH Program funding for the unmet need. The PATCH Program is required to verify other benefits you may have received.

*Q. Why does the PATCH Program have to verify other disaster benefits I have received?*

A. PATCH is required by the federal Stafford Act, which governs disaster response, to ensure that PATCH Program funds do not duplicate any other assistance, particularly federal assistance you may have received. PATCH Program funds can't be used to reimburse costs that have been paid for by other agencies such as FEMA and the SBA. This requires us to share data with FEMA and the SBA to determine your eligibility.

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*Q. Do I have to work with a contractor, or can I do the work myself?*

A. Only homeowners that can demonstrate they have the skill (for instance, their line of work) to complete the project and have completed similar projects, can complete their own repairs. Homeowners must also be able to obtain the appropriate permits and show they have the time and capacity to complete the repairs in a timely manner. If this option is approved by the PATCH program, the PATCH program will generally pay suppliers directly for any materials as they are needed to complete the project. The PATCH program will not pay for the homeowner's own labor.

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*Q. Do I have to pay PATCH Funds back?*

A. You will be required to repay any funds for which you subsequently receive reimbursement from insurance or FEMA. The portion of the PATCH funding that is not reimbursed by another agency will be a forgivable loan, forgiven at the rate of 20% each year for five years, as long as you continue to own and occupy your home. All loans will be recorded against the assisted property and released after the five year term.

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*Q. What is the interest rate charged by the PATCH Program.*

A. The PATCH program funds are provided at zero % interest.

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*Q. What if I don't want a loan filed against my property?*

A. All PATCH Program funds must be secured against the property. A release will be filed when repayable funds are repaid to the program, and when forgivable loans have satisfied the criteria for forgiveness.

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*Q. What if I sell my house before the 5-year retention period for the forgivable loan ends?*

A. Any outstanding forgivable loan balance must be repaid in the event you sell your home before the 5-year period has ended. The forgiveness schedule is 20% of the loan balance forgiven each year for five years. Extenuating circumstances involving financial hardship may be reviewed on a case-by-case basis.

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*Q. What if I die before the forgivable part of my loan is forgiven?*

A. If a participant passes away before the forgivable loan is fully forgiven, any of the following scenarios are acceptable:

- Surviving household members may stay in the home and fulfill the 5-year retention period.
- Heirs to the estate may move into the home, provided it is their primary residence, and fulfill the 5-year retention period.
- In the event the home is sold, the forgivable loan balance must be repaid. Extenuating circumstances involving financial hardship may be reviewed on a case-by-case basis.

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*Q. What if I need to refinance my home after receiving PATCH Program funds?*

A. The PATCH Program will subordinate its loans for homeowner refinancing in order to secure a lower interest rate or to improve loan terms, such as reducing payments. Generally, the PATCH program will not subordinate to cash out refinancing, however unique hardship circumstances with clear documentation may be considered on a case by case basis.

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*Q. Who selects the contractors who will work on my property?*

A. Each situation is unique and will depend on level of assistance requested from the PATCH program. Contractors will be selected in coordination with a homeowner if the homeowner requests construction management assistance. Homeowners that are managing their own repairs will select their contractors and provide the bids to the PATCH Program staff.

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*Q. How will contractors be paid through the PATCH Program?*

A. Generally, the PATCH Program will make payment directly to contractors for completed work. Progress payments can be made subject to an inspection and satisfactory completion of the work to be invoiced. Completed lien waivers and invoices are required, and any permitting requirements must be satisfied. Contractors must have a taxpayer ID number. If a homeowner has already incurred costs, these may be reimbursed subject to proof of payment and permitting requirements being met.

*Q. What type of work is eligible to be funded through PATCH?*

- A.
- Repairing damage caused by the 8/10/20 disaster event.
  - Work to prevent further damage to the structure.
  - Work related to water infiltration occurring after disaster but caused by disaster damages (such as openings in the roof or wall structure).
    - Examples include roof, chimney, siding, wall, and window repairs, replacement of damaged drywall and insulation, and damage to HVAC or electrical systems that are related to the disaster.

The PATCH program is not a general property improvement program and will not pay for general property improvements that are solely to add value to the home.

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*Q. Why do I have to have an inspection?*

A. PATCH Program staff will conduct an initial inspection to determine, or verify, the scope of the work that needs to be done. Additionally, PATCH Program staff will inspect the work completed by contractors to ensure that it meets applicable local codes prior to issuing payments.

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*Q. I took out an SBA Loan for repairs, but it charges interest. Can PATCH pay off some or all of my SBA loan?*

A. The PATCH Program may be able to pay back all or part of an interest-bearing SBA loan to provide you with more favorable loan terms. The PATCH Program will work with the SBA to determine your eligibility.

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*Q. I got an insurance settlement to cover my repairs but I don't have the money to pay my deductible. Can PATCH help me?*

A. The PATCH program can reimburse your deductible if you do not have the funds to cover the deductible and it is preventing you from making repairs to your home.

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*Q. I have already made the repairs to my home, but I maxed out my credit to do it and now I am struggling to make payments on the debt. Can PATCH help?*

A. Subject to review of financial documents, and evidence of financial hardship, PATCH may reimburse costs incurred by the homeowner before PATCH Program funds became available.

*Q. What if my income changes after I apply to the program?*

A. Homeowners must meet the income qualification requirement at the time of application. Subsequent changes to household income do not need to be reported.

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*Q. I was told I am not eligible for the PATCH Program, but I disagree with the reason for my denial. Can I appeal?*

A. Homeowners may submit an appeal in writing within 14 days, laying out the reasons why their appeal should be considered. Appeals received in writing will be reviewed by the PATCH Program partners and a final eligibility decision will be made. The homeowner will be notified of the outcome of their appeal and the decision of the review team will be final.

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*Q. What agencies are involved in the delivery of the PATCH Program?*

A. The PATCH Program is a partnership of many local agencies, including Linn County Community Services, Waypoint Services, The Housing Fund for Linn County, East Central Iowa Council of Governments, Matthew 25, Neighborhood Finance Corporation, Cedar Valley Habitat for Humanity, the Greater Cedar Rapids Community Foundation, and United Way of East Central Iowa.

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*Q. What is the source of the PATCH Program funding?*

A. PATCH Program funds are a combination of private philanthropic funds made available through the Greater Cedar Rapids Community Foundation Disaster Recovery Fund and the United Way of East Central Iowa, and funds made available by the City of Cedar Rapids and by Linn County.

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*Q. Are PATCH Program funds taxable?*

A. Please consult a qualified tax advisor to determine whether PATCH Program funds need to be reported as taxable income to the IRS.

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*Q. What kinds of changes in my situation do I need to report to the PATCH Program?*

A. Please notify the PATCH program immediately if you sell your home, or if for any reason you are no longer the homeowner. Please also communicate any changes in condition of the property or work progress that would potentially impact your project.