

SELECTING A CONTRACTOR

Once you have acquired the list of items that must be repaired (code items and lead hazards, if any) and the list of items you wish to have completed, you are ready to select a contractor. A few requirements to be aware of are:

Contractor Requirements

- If lead hazard control is required, your chosen contractor will need to be trained and certified to repair Lead Hazards.
- Homeowners may not undertake the proposed work themselves. Work must be performed by a professional, insured contractor.

Contractor Selection Tips

Professional home improvement contractors span a wide range of capabilities and specialties. To protect yourself, be thorough and cautious in hiring your contractor. A little time invested up front can save a lot of anxiety later on. Here are a few tips:

- ☐ Get recommendations from people who have had similar work done. Ask them if they have any complaints and ask to see the finished job. Try to get at least three bids. Keep in mind, cheapest is not always best.
- ☐ Ask your prospective contractor for the names and phone numbers of at least four references and call them. References should include three previous customers as well as a supplier. Determine if the contractor uses subcontractors and also check their references.

LOAN CLOSING

After your contractor's proposal has been reviewed and approved by the Construction Advisor and all other construction-related documents have been submitted and reviewed, an AHILP staff person will contact you to schedule your loan closing.

CONTRACTOR PAYMENT PROCEDURES

AHILP is responsible for issuing payments directly to the contractor upon completion of various stages of work.

The contractor will request a stage inspection. The Construction Advisor will visit the property and inspect the completed work with the homeowner. The invoice for payment form will be filled out by the Construction Advisor and approved by the homeowner. By signing the invoice the homeowner is approving the work completed and granting permission to AHILP to release payment to the contractor.

Contractor Payment Schedule

Contractor disbursements are based on the total cost of the project and are typically issued as follows:

- 1) Total project cost of less than \$3,000 - One final payment is issued upon completion
- 2) Total project cost of \$3,000 to \$10,000 – One partial payment and one final payment
- 3) Total project cost over \$10,000 – Two partial payments and one final payment

All stage payments will be no more than 80% of the amount due, subject to inspection and approval of the work by the Construction Advisor and homeowner. The amount retained will be released at final payment. Any changes in the work (Change Orders) must be signed by the contractor and approved by the homeowner and AHILP prior to the changes being incorporated into the project. Unapproved changes in the work will not be considered for payment.

Any work started prior to your loan closing and the issuance of the “Proceed Order” will not be considered for payment.

Allegheny County Executive
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For more information contact us at:

Phone 412-350-6337

www.alleghenycounty.us/ahilp



ALLEGHENY HOME IMPROVEMENT LOAN PROGRAM



Program Overview

WHAT IS AHILP?
The Allegheny Home Improvement Loan Program (AHILP) provides the most affordable way for eligible Allegheny County residents to rehabilitate and improve their homes.

ELIGIBLE IMPROVEMENTS:

- ☐ Electrical, Plumbing, Heating & Cooling
- ☐ Roofing, Siding, Flooring
- ☐ General Remodeling
- ☐ Lead-Hazard Reduction
- ☐ Bathroom or Kitchen Updates
- ☐ Structural Repairs, Retaining Walls
- ☐ Window/Door Replacements
- ☐ Water/Sewer Line Connections (Tap-ins)
- ☐ Water/Sewer/Gas Line Repairs
- ☐ Other Permanent Home Improvements

HUD’s LEAD SAFE HOUSING RULE:

HUD’s Lead Safe Housing Rule is a federal regulation that was issued to protect persons from unsafe lead-based paint hazards during construction and rehabilitation. Since AHILP is required to comply with this regulation, homeowners seeking general improvements that will cost over \$5,000 and disturb a painted surface and are not emergency in nature (for example, windows, siding and/or other general remodeling) may be required to have Pre-Rehabilitation Lead Testing conducted on their property. If testing is required, AHILP will hire a PA-Certified Lead-Based Paint Inspector/Risk Assessor to conduct such testing and prepare a report of test results.

If the test results identify any unsafe lead hazards*, as a condition of receiving an AHILP loan, the loan applicant must be willing to utilize a portion of their funding to address such hazards, and their chosen contractor must have received training to work with lead hazards**.

If the lead hazards identified are substantial or numerous, grant funds are available as a supplement. Certain types of rehabilitation are exempt from the above testing and requirements, such as rehabilitation that will not disturb a painted surface (roofs, furnaces, concrete work, excavation, gas, water or sewer lines). Housing that was constructed after January 1, 1978 is also exempt.

☐ If the required lead-hazard reduction activities are extensive, you may be required to temporarily relocate.
** After all of your work has been completed, a Lead Clearance Examination will be performed to verify that the reported lead hazards were properly addressed.

ELIGIBILITY REQUIREMENTS

1. Your home must be located in Allegheny County ***but excluding*** the City of Pittsburgh (all Wards, the Municipality of Penn Hills, the City of McKeesport, Sewickley Hills and the Boroughs of Trafford and McDonald which are not eligible).
2. Your property must be a residential, single-family dwelling and you must occupy it year-round as your principal residence.
3. Your property must be deeded in your name (in the name of a **natural person** versus any type of corporation, trust, or other entity) and you must hold at least ½ ownership interest.
4. Your total household income cannot exceed the following income limits (effective April 1, 2025):

HOUSEHOLD SIZE	INCOME LIMIT
1	\$ 60,100
2	\$ 68,700
3	\$ 77,300
4	\$ 85,850
5	\$ 92,750
6	\$ 99,600

NOTE: Income limits are determined by the U. S. Department of Housing and Urban Development and are subject to change without prior notice.

Additional eligibility requirements include:

- ☐ Property taxes must be current / paid up to date;
- ☐ You must have an acceptable credit history;
- ☐ Work must be completed by a professional contractor who meets AHILP minimum contractor requirements.

QUESTIONS?

**Please contact AHILP @
412-350-6337**

LOAN PRODUCTS AVAILABLE

The following two types of AHILP Loans are available to eligible homeowners:

Emergency/Priority Improvement

Loan: Provides financing to homeowners for an eligible code violation or emergency condition that presents a health and safety hazard (such as roof or furnace replacement or gas, water or sewer line replacement). *In conjunction to this type of loan, a borrower may also be eligible to receive grant funds toward certain types of eligible improvements.*

INTEREST RATE	0%
MAXIMUM LOAN AMOUNT	\$18,000
MINIMUM LOAN AMOUNT	\$2,000
COLLATERAL	Mortgage Secured
PROCESSING FEE	None

To request a loan application, please contact AHILP @ 412-350-6337

General Improvement Loan

The General Improvement Loan Product provides financing to homeowners for the purpose of completing general improvements and rehabilitation. Borrowers are required to utilize a portion of their loan proceeds to correct code violations, if any, and to undertake any required lead-hazard remediation activities, if applicable. Remaining loan proceeds can be used to complete energy-related improvements and general property improvements. *In conjunction to a General Improvement Loan, a borrower may also be eligible to receive grant funds toward certain types of eligible improvements.*

INTEREST RATE	1%
MAXIMUM LOAN AMOUNT	\$23,000
MINIMUM LOAN AMOUNT	\$3,000
COLLATERAL	Mortgage Secured
PROCESSING FEE*	\$375.00
	*May be financed

THE APPLICATION PROCESS

The following documentation must be submitted along with your completed application:

1. COPY OF MOST RECENT INCOME TAX RETURN(S): Complete and signed copies of Form 1040 along with all Schedules, W-2 and 1099 forms, etc. for all adult members in the household must be submitted. Any adult household member not required to file a federal tax return will need to obtain & submit a "verification of non-filing" from the IRS .

2. COPIES OF PAY STUBS: Copies of the three most recent and consecutive pay stubs for each wage earner in the household must be submitted.

3. VERIFICATION OF ALL OTHER HOUSEHOLD INCOME: Documentation of all other sources of income for all household members. “Other income” includes, but is not limited to, pension benefits, Social Security / SSI benefits, welfare benefits, unemployment compensation, child support, rental income and interest from all sources.

4. BANK STATEMENTS: Complete copies of account statements for all deposit accounts covering a 2 month period .

5. DOCUMENTATION OF ASSETS, such as 401K, IRA or Annuity Accounts, investment accounts, CD’s, etc. (if applicable)

If not escrowed through a mortgage payment, you will also be required to provide: (1) Borough/Township and School District Property Tax Receipts (2) Documentation of your yearly homeowners insurance premium amount.

The Home Inspection:

Upon being pre-approved for a loan, an AHILP Construction Advisor will contact you to schedule an initial home inspection. You will accompany the Construction Advisor as he inspects your property. If you were pre-approved for a General Improvement Loan, he will prepare a Property Evaluation Report for you which will outline any work required to bring your home into compliance with code requirements. In some cases, it may also be necessary that Pre-Rehabilitation Lead Testing be conducted, as discussed in the section titled HUD’s Lead Safe Housing Rule.