

Exhibit B

Home Repair Policy

Policy Adopted January 26, 2013, Amended November 19, 2014, Amended February 15th, 2017, Amended January 30, 2018

1. Home Repair projects supplement existing THHFH new construction and rehab projects, thereby enabling THHFH to better undertake Neighborhood Revitalization Initiative (NRI) by providing a fuller range of housing products for a community or focus neighborhood. All existing policies adopted by THHFH cover Home Repair project activities, unless specifically amended per this policy.

2. Eligible Home Repair Services

THHFH Home Repair services include:

1. Home Preservation- minor exterior home repairs

- Exterior Painting
- Tree Removal, Landscaping, Brush and Debris Clean-Up
- Building/Repairing Ramps
- Building/Repairing Sheds
- Repairing Porches
- Minor Roof Repair
- Roof Replacement (contracted)
- Minor Exterior Building Shell Repair

2. Weatherization- measures to improve the energy efficiency and indoor air quality

- Repair/ Replace Furnace
- Repair/ Replace Air Conditioner
- Replace Water Heater
- Insulation, Air Sealing

3. Critical Home Repairs- work performed to address safety issues or code violations

The Construction Director shall approve a detailed Home Repair scope of work for each home consistent with the above list of approved services. The Construction Director will determine if work is cost effective, safe and feasible for THHFH to undertake. This determination will be the basis for the Home Repair scope of work for specific homes consistent with the list above.

The Construction Director will be responsible for assuring all federal, state and municipal laws and regulations are adhered to in the performance of Home Repair work, including lead paint and asbestos abatement.

Based on funding source requirements for minor home repair programs and/or based on requests from cities regarding desired minor home repair services, the President & CEO may make minor changes or additions to the list of eligible Home Repair services consistent with HFHI guidance and the general policy of not making repairs or painting on the inside of the home.

3. Eligible Homes to Receive Home Repair Services

THHFH Home Repair services may be provided for income eligible, owner-occupied households. There is no limitation associated with the age of the home.

THHFH Home Repair services will not be provided for:

- Mobile Homes

4. Income Eligibility

Home Repair services will apply only to owner-occupied homes where annual household income does not exceed 60% area median income as set for Jackson County, Missouri by HUD. An exception allowing up to 80% average median income (AMI) may be made in certain cases where there is no other option for a successful Home Repair program, such as where Home Repair services are provided under a CDBG grant and no other adequate financial resources are available. The President & CEO is authorized to use judgment on whether to apply an 80% AMI upper limit in order to have a successful Home Repair program rather than the preferred 60% limit, consistent with HFHI guidelines.

5. Site Selection

The existing "Site Selection and Acquisition" policy does not apply to home repair projects. Home Repair projects will have site selection criteria specific for each project evaluated by the Construction Director and approved by the President & CEO consistent with other THHFH policies. A site selection evaluation form specific to each Home Repair project will be completed by the Construction Director for each eligible household.

6. Family Selection Guidelines

Truman Heritage Habitat for Humanity (THHFH) selects partner families without discrimination on the basis of race, sex, color, age, handicap, religion, national origin, marital status, sexual orientation, familial status or because all or part of the family's income is derived from any public assistance program that will produce income for the long term.

The family must be currently living in less than standard, adequate housing. The criterion is met if any of the following are true of the family's current housing:

- a. Has deficiencies on the home exterior that cannot be repaired by the head of household, family and friends
- b. Has uncorrectable barriers to access by disabled/physically challenged family members
- c. Has significant landscaping service needs as determined by the Construction Program Manager

- d. Requires a shed to meet necessary storage needs as determined by the Construction Program Manager

In order to receive Home Repair services, a family must be selected through the THHFH family selection process as outlined in the existing new construction family selection process, using the criteria outlined in this policy.

7. Family Selection Criteria

Family selection criteria will be based on the need of the family, ability to pay and willingness to partner.

- a. Need. The need for eligible minor home repairs as defined in this policy will be determined by the Construction Director. A form for use by the Construction Director will be developed for each individual City or geographic area where Home Repair services are performed. The form will be reviewed by the Construction Committee prior to use. Household annual income will also be a criterion for need. Household income must not exceed the maximum allowable limits defined in the "Income Eligibility" section of this policy.

- b. Ability to Pay. To qualify under this criterion, the family must present evidence of sustained income that will enable repayment. There will be no discrimination against families being assisted financially by the government for disabilities or on pensions (i.e. SSI or Worker's Compensation, if it is long term). A credit check will be performed and credit references may be contacted. At least one homeowner credit bureau check will be required for each Home Repair project.

An exception to the requirement is a program where the funding source has guidelines not requiring repayment by the homeowner.

(2) Debt to Income Ratio

This criterion is met if the total family's total debt payment does not prohibit them from paying for childcare, food, clothing, transportation, education, insurance, health care, house maintenance and other items critical to basic living. Debt payments each month should not exceed 36% of the family's gross monthly income

(3) Monthly Payment Consistency

This criterion is met if the family has demonstrated ability to make regular payments for rent, utilities and other obligations, or the family can demonstrate an intention to pay debts revealed by a credit card report by providing a documented plan approved by each creditor to repay such debts.

(4) Bankruptcy, Liens, Judgments, Debt Ceilings

This criterion is met if all of the following apply to the family:

- The family is not involved in bankruptcy proceedings in the previous twelve months,
 - The family has no liens or judgments against them that cannot be cleared prior to Home Repair project start date; and
 - The family has had no foreclosures in the last twelve months
- c. Willingness to Partner. This criterion is met if the family demonstrates willingness to partner and ability to complete the sweat equity commitment. The family must demonstrate the ability to own and maintain a home. The following are factors to be used in determining whether families are willing to partner with THHFH:
- The family completed the application and provided supporting documentation in a timely manner.
 - The family engaged in personal interviews, including a home visit.
 - The family signed necessary releases of information to certify their ability to pay.
 - The family signed the Applicant Agreement, including agreed on sweat equity hours.

The "Sweat Equity Requirement-350 Hours" policy does not apply to NRI designated projects. In its place, the following sweat equity requirements will be followed for NRI designated projects:

- Sweat equity is a core tenet of Habitat. For Home Repair projects, the minimum amount of sweat equity is 10 hours, of which ALL hours must be accomplished prior to the completion of the service for the home. The President & CEO may require more sweat equity hours for Home Repair projects that involve significant home repairs and/ or the homeowner is not paying back.
- Each partner family will meet with its advocate(s) and make a detailed plan for accomplishing sweat equity hours. Homeowners may have one helper or, if the homeowner is unable, up to two helpers per hour as agreed to with the Volunteer Coordinator. Homeowners will be responsible for the completion of timecards documenting sweat equity hours. Homeowners will not receive credit for undocumented sweat equity hours.
- The Family Services Committee may modify sweat equity requirements on a case-by-case situation when required by special circumstances or restriction. The Family Services Committee will follow protocols in the "Sweat Equity Requirement-350 Hours" policy for administering sweat equity requirements.
- An exception to the sweat equity requirement is a program where the funding source has guidelines not requiring repayment or sweat equity requirements of the homeowner. Any exception must be consistent with current rules of HFHI.

8. Volunteers

The age of all Home Repair volunteers should meet HFHI guidelines as well as federal, state and city laws and regulations pertaining to youth labor. As of the date of this policy, THHFH policy is:

- a. No one under age 16 may work on any Home Repair project. Furthermore, no one under the age of 16 is allowed on a Home Repair work site while work is going on. Such children who may wish to assist are encouraged to find other ways that they can assist the THHFH project.
- b. Youth age 16-17 may perform general construction work on the site including painting and landscaping, but may not participate in hazardous construction activities including activities considered by federal regulations to be too hazardous for children. This includes demolition, roofing, excavating, working from a height of six feet or more and the use of power tools and motor vehicles.
- c. Youth age 16-17 will be supervised by responsible adults at a ratio of not less than one adult per four youth.
- d. No youth age 16-17 can engage in activities where the youth could be exposed to asbestos or lead paint hazards.
- e. Any volunteer who is at least 18 years of age may do any of the tasks assigned by the crew leader or site supervisor on the construction site under the general direction of the crew leader or site supervisor.
- f. The construction site leader may take action to remove from the site any youth, or other person, who through inattention or other inappropriate behavior, endangers the safety or hinders the progress of himself/herself or others on the site.

Unless otherwise amended by this policy, construction rules and safety rules included in the THHFH approved Construction Site Safety Policy will be applicable to Home Repair projects.

The Construction Director, in consultation with the President & CEO, shall be responsible for setting and maintaining up-to-date rules for volunteers, including youth, conducting specific types of Home Repair work.

9. Cost Model

THHFH will provide a zero interest loan to the homeowner to recover all costs of the Home Repair project. A down payment of \$50 will be required on all Home Repair Projects before the construction work begins unless payment for the project is not required.

The President & CEO may allow a prepayment discount of 25 percent for homeowners who pay the full cost up front.

10. **Miscellaneous Home Repair Policies**

- a. In keeping with HFHI directives, THHFH will not undertake, enter into or acquire a project which is intended to be owned or operated by THHFH as a rental housing project for which no opportunity for homeownership will be offered to the tenant or a Low Income Housing Tax Credit (LIHTC) project.
THHFH may provide Home Repair project services by partnering with or otherwise supporting the work of appropriate public or nonprofit organizations which provide quality affordable rental with THHFH Board approval consistent with HFHI policy.
- b. When a residence is served through Home Repair project, the same residence may not receive additional Home Repair services for a period of five (5) years. THHFH President & CEO may waive this restriction in special circumstances. Any such waiver shall be justified in writing, maintained in the file, and presented to the Board of Directors.
- c. To participate in Home Repair service, the homeowner must sign an Agreement with THHFH which documents all the information required to determine family selection criteria, sets sweat equity requirements and includes a statement that the homeowner does not intend to sell or move from the home in the next five years. An exception to the requirement is a program where the funding source has guidelines not requiring repayment by the homeowner.
- d. For Home Repair services which require homeowner repayment, the President & CEO will include in the Homeowner Agreement a repayment schedule at zero percent interest appropriate for the cost of the project. The amount of the repayment cannot be less than 50% of the actual cost of the project, and will be based on household income, type of project and actual cost.
- e. The amount to be repaid by the homeowner may be financed through a recorded deed of trust in cases where the repayment amount exceeds \$5,000. Where repayment is less or equal to \$5,000, only a Promissory Note is required. All repayments may be financed for a period up to seven years as agreed upon by the homeowner and President & CEO.

In accordance with this Board Approved Home Repair Policy, the following administrative procedure is approved by the THHFH President & CEO to assure consistency and fairness in implementing the policy effective December 6th, 2013.

1. All costs associated with the repair project will be subject to repayment. This includes insurance, THHFH staff time, materials, gift in kind, and contracted work.

In accordance with this Board Approved Home Repair Policy, the following administrative procedure is approved by the THHFH President & CEO to assure consistency and fairness in implementing the policy effective January 31, 2018.

2. For eligible households with an annual income at 60%-80% of HUD AMI, repayment of Home Repair Projects will be 100% of the total amount.
3. For eligible households with an annual income at 25%-59.99% of HUD AMI, repayment of Home Repair Projects will be 75% of the total amount.
4. For eligible households with an annual income under 25% of HUD AMI, repayment of Home Repair Projects will be 50% of the total amount.