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Cuyahoga Land Bank
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FOR IMMEDIATE RELEASE:

Cuyahoga Land Bank launches the Advantage Plus Loan Program in Euclid

The Cuyahoga Land Bank has recently launched the Advantage Plus Loan Program in the City of Euclid. This program builds upon the Cuyahoga Land Bank's Owner Occupant Buyer Advantage Program (OOBAP). Both the City of Euclid and Neighborhood Housing Services of Greater Cleveland (NHS GC) have signed on as partners for this new "loan" program.

The new Advantage Plus Loan Program, like OOBAP, is geared specifically toward prospective owner-occupiers – people that want to rehabilitate a property in order to make it their home. While anyone can put in an offer on a property in the Cuyahoga Land Bank's inventory, many properties need extensive work, which requires the purchaser to have either renovation expertise or the ability to pay contractors to make the necessary repairs. Generally, the properties that the Cuyahoga Land Bank places into the OOBAP program, on the other hand, are selected because they require a moderate investment and much of the work needed can be undertaken by someone who is handy. These properties are typically in better condition than others in the Land Bank's inventory and a buyer may obtain more equity from the onset.

Working with OOBAP since it was launched in August 2012, the Cuyahoga Land Bank has realized that even with the preferences set up for potential owner-occupant buyers through OOBAP, there are still financial barriers that make purchasing a home to renovate difficult for some buyers. Currently, OOBAP participants are required to provide proof of funds to cover the acquisition, renovation costs, and a 10% renovation cost reserve of the property they purchase; the Advantage Plus Loan Program helps address this financial challenge.

"Renovating one of our properties can be a wonderful opportunity to get a great home for a great price," said Cuyahoga Land Bank President, Gus Frangos. "But it can also be daunting to someone that is not a professional rehabber. We designed the Owner Occupant Advantage Program to make it easier for the average person to be able to make rehabbing an old property the path to their dream home. Advantage Plus Loan takes it one step further by assisting with the expense of repairs."

The Advantage Plus Loan Program will offer low-interest, short term "loans" on houses in the City of Euclid. Qualified owner-occupant buyers in the Advantage Plus Loan Program may receive up to \$10,000 in renovation work that the buyer and the Cuyahoga Land Bank agree must be completed to meet the Land Bank's Housing Quality Standards and any applicable municipal Point of Sale requirements for the

property. The owner-occupant will then have 2.5 years to repay the “loan” to the Cuyahoga Land Bank at a 2% interest rate. The “loan” will be secured by a mortgage held by the Cuyahoga Land Bank.

The Cuyahoga Land Bank is partnering with the City of Euclid to launch the Advantage Plus Loan Program because of the City’s ongoing commitment to improving neighborhood stability and the availability of homes that can potentially qualify for OOBAP and the Advantage Plus Loan Program. In addition, the City has passed a first-of-its-kind ordinance that exempts program participants from paying fees for needed permits and inspections, streamlining the permitting process.

“Euclid residents can expect to see more investment and new families coming to their neighborhoods in the near future as a result of the Advantage Plus Loan Program,” said Mayor Bill Cervenik. “With the support of Euclid City Council, we are pleased to partner with the Cuyahoga Land Bank to market and support this creative program that builds upon the housing opportunities in our community.”

The Cuyahoga Land Bank recognizes NHSGC, who underwrote and serviced more than \$2 million in home renovation loans in 2011-2012 alone, as a leader in providing home renovation loans. As a partner for the Advantage Plus Loan Program, NHSGC will provide screening and underwriting services for the “loans” offered through the Advantage Plus Loan Program.

The Land Bank places properties in the Advantage Plus Loan Program for a select period of time, during which interested, qualified buyers can place offers. The Land Bank will select the strongest offers.

"NHS of Greater Cleveland looks forward to working with the Cuyahoga Land Bank and the City of Euclid to create additional, sustainable homeownership opportunities," said Lou Tisler, Executive Director of NHSGC. "With our combined expertise to address vacant properties, create homeownership and build financial stability, the Advantage Plus Loan Program will positively impact communities, starting with the City of Euclid."

In order to be considered a qualified buyer for either OOBAP or the Advantage Plus Loan Program, the applicant must:

- live in the property as their primary residence for at least 3 years;
- agree to renovate the property according to the specifications provided by the Land Bank and satisfy all municipal Point of Sale requirements;
- provide satisfactory documentation to the Land Bank that shows they have the ability to pay for the acquisition, renovation, and 10% renovation cost reserve, whether they pay cash or a combination of cash and a loan;
- agree to follow all the rules as promulgated by the Land Bank; and
- be in accord with the Land Bank’s [Property Transfer Policy](#).

Advantage Plus Loan Program applicants must also:

- have a minimum credit score as determined by the Land Bank;
- have been employed for at least 2 years; and
- meet certain income limits.

(* Other terms and conditions apply.)

To view properties currently available for the Advantage Plus Loan Program and start the process of placing an offer, interested buyers should visit <http://www.cuyahogalandbank.org/advantageplus>.

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