



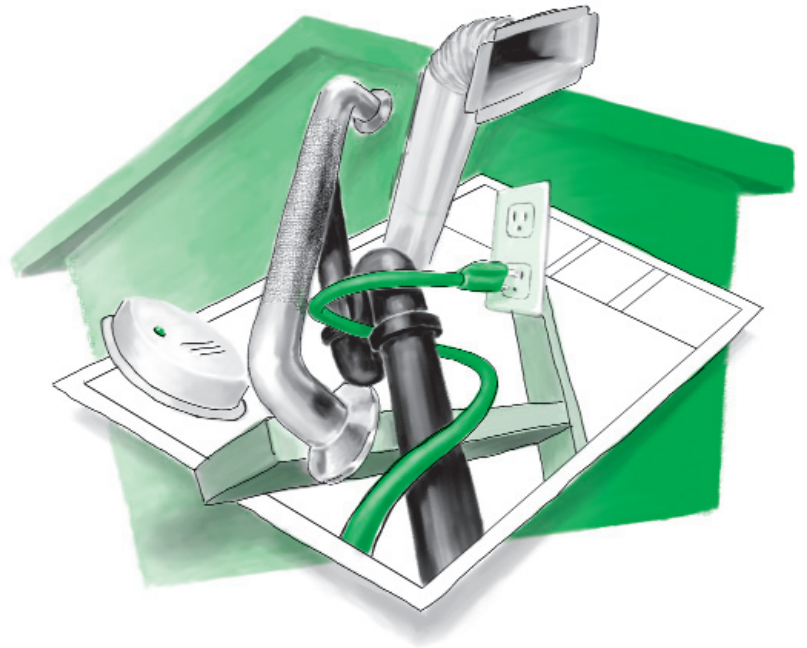
RESIDENTIAL

REHABILITATION

ASSISTANCE PROGRAM

HOMEOWNER

**Applicant's
Guide**



1. ABOUT THE PROGRAM

WHAT IS HOMEOWNER RRAP?

The Homeowner Residential Rehabilitation Assistance Program (Homeowner RRAP) offers financial help to low-income homeowners who need to make repairs to their homes. The program is aimed at people who live in substandard dwellings and cannot afford the repairs that are necessary to make their home safer and healthier to live in.

WHO IS RESPONSIBLE?

The rules and regulations for Homeowner RRAP are set by Canada Mortgage and Housing Corporation (CMHC), an agency of the federal government. When you need advice or help with any of the steps described in this guide, you should contact your local RRAP delivery agent. This may be CMHC, or it may be an individual or municipality who is responsible for the delivery of RRAP in your area on CMHC's behalf. The RRAP delivery agent can tell you which repairs are eligible under the program, help you complete the RRAP Application form for Homeowners, and answer your questions. To find out who your RRAP delivery agent is, call your local CMHC office, listed in the blue pages of the telephone directory.

WHO IS ELIGIBLE?

Use the following checklist to find out whether you may be eligible to receive assistance:

- You own, and live in, your house. (If you live in a rural area, you may be eligible to receive assistance even if you do not own the land. Check with your RRAP delivery agent for details.)
- Your total household income is at or below the maximum level established for your area. (The information in this guide will help you determine whether you qualify based on your income.)

- Your house is at least five years old.
- Your house is valued below the established amount.
- Your house is substandard or deficient and needs major repair in at least one of the following areas:
 - structural
 - electrical
 - plumbing
 - heating
 - fire safety

Work to help reduce overcrowding may also qualify a dwelling for Homeowner RRAP.

- Your property has not received RRAP funding within the past 15 years. (If it has, and you need repairs urgently, your local CMHC office or RRAP delivery agent can tell you whether other assistance may be available.)

Some other restrictions may apply. If you live in a building with more than one unit, or in a condominium, you should contact your RRAP delivery agent before proceeding further.

WHAT TYPES OF REPAIRS ARE ELIGIBLE?

In general, repairs required to bring a dwelling up to a minimum level of health and safety can be funded under RRAP. To receive RRAP assistance, you must agree to complete all the mandatory repairs as identified by the RRAP inspector.

It's important to keep in mind that Homeowner RRAP is for basic repairs, not simply to modernize a unit or improve its appearance.

Any work performed before your RRAP loan is approved is not eligible.

WHO CAN DO THE WORK?

There may be laws in your area that require a licensed tradesperson to do specific work. Where this is not the case, you may wish to reduce costs, and the amount of your loan, by doing all or part of the work yourself. RRAP will cover costs for materials, but not for your labour.

HOW MUCH ASSISTANCE IS PROVIDED?

The maximum amount of forgivable loan varies according to three geographic zones:

Zone 1: Southern areas of Canada	\$16,000
Zone 2: Northern areas	\$19,000
Zone 3: Far northern areas	\$24,000

Additional assistance may be available in areas defined as remote.

If your household income is at or below the income ceiling, you may be eligible for the total cost of repairs up to the maximum loan amount. The loan is “earned” over a period of up to five years. You will be expected to continue to own and occupy your property during this period. If you sell or move out of the property, you may have to repay some of the loan.

2. HOW THE PROGRAM WORKS FOR YOU

Under Homeowner RRAP, there are several steps that you must follow before and after repair work begins:

1. You assess whether you may be eligible and fill out the RRAP Application form. You send the completed application to the local RRAP delivery agent, along with proof of income.
2. An inspector inspects the house and sends you a list of the mandatory repairs that can be funded through RRAP.
3. You ask contractors for written cost estimates on the repairs and send them to the RRAP delivery agent.
4. The RRAP delivery agent meets with you to review your application and finalize the loan details.
5. CMHC approves or rejects the application.
6. If your application is approved, you enter into a contract with your contractor and start work.
7. As work is done, you receive payment from CMHC and pay the contractor.

The following information will help you in working through these steps.

STEP 1: FILLING OUT THE APPLICATION

Before completing the RRAP Application form, you will need to check whether you may be eligible.

Step 1a: Calculating Your Total Household Income

The total household income is the income of all household members who work or receive an income. Income from all sources must be included, such as income from salaries, wages, social assistance, pensions, or any investment income.

To complete this step, use Worksheet A, “Household Income Worksheet,” included with the application form.

Step 1b: Determining Your Income Ceiling

You can be eligible for Homeowner RRAP only if your total household income is at or below a maximum level, based on the number of people who live in your home and the area in which you reside.

To determine the income threshold that applies to you, complete Worksheet B, “Income Threshold Worksheet.”

If your total household income is at or below the income ceiling for your area, continue with step 1c and complete the RRAP Application for Homeowners provided with this guide.

Step 1c: Completing the RRAP Application

You will need to complete all the information on the RRAP Application form for Homeowners.

Attach proof of your current income, such as a letter from your employer or a pay cheque stub, and a copy of your most recent income tax form and assessment from Canada Customs and Revenue Agency. If your house is a mobile home, include the home’s serial or registration number.

You and the co-owner of the house (if there is one) must sign the application.

After completing all sections of the application form, send it, and all supporting documentation, to your RRAP delivery agent.

The RRAP delivery agent will review your application to confirm whether you are eligible to receive assistance under the program. The RRAP agent may ask for more information, such as confirmation of the value of your property.

STEP 2: INSPECTING YOUR PROPERTY

Your RRAP delivery agent will contact you to arrange a time to inspect your house. Using CMHC's *Homeowner RRAP Standards for Rehabilitation*, the RRAP inspector determines which repairs are mandatory. When the inspection is completed, the RRAP inspector will prepare a report that identifies the repairs required to your house.

STEP 3: OBTAINING COST ESTIMATES

The RRAP inspector will provide you with copies of the Inspection Report that you can use to obtain estimates from contractors, or if you are doing the work yourself, from your suppliers. This will make it easier for you to get accurate bids.

It is your responsibility to find suitable and reliable contractors. Your local home builder's association, such as the Canadian Home Builders' Association (CHBA), may be able to give you the names of members who do home repairs. You may also wish to speak to friends or neighbours who have had experience with a certain contractor, or consult the Yellow Pages. Your local Better Business Bureau can advise you on whether the reputation of the contractor is known.

You are expected to obtain at least two estimates from different contractors for each item of repair work. Once you have received these estimates, you should forward them to the RRAP delivery agent for review. This review will cover prices as well as the kinds of materials used.

STEPS 4 AND 5: FINALIZING YOUR APPLICATION

After reviewing the cost estimates, your RRAP delivery agent will determine the amount of the loan, based on the repair estimates. Other eligible costs, such as building permit fees, may also be included in the loan.

If the mandatory repair costs exceed the maximum RRAP loan available, you will be expected to seek other sources of financing.

The final loan application will be forwarded to the nearest CMHC office for approval. You will be advised in writing once it is approved or rejected.

Remember, before any repair work begins, you must wait until your loan has been approved.

STEP 6: STARTING WORK

When you receive your loan approval letter, you must sign and return the Promissory Note that is included with the letter. If you receive loans under both RRAP Homeowner and RRAP for Persons with Disabilities and the total is above \$25,000, you will be expected to arrange a mortgage and pay for any legal fees involved in preparing it. These fees can be included in your RRAP loan. CMHC will provide you with the required documentation for preparing a mortgage.

Signing a Contract with Your Contractor

Since you are responsible for paying the contractor, it is important that a work contract be used. The work contract should cover all key points relating to the repair work, including all the requirements outlined in the RRAP inspector's report, and start and completion dates. Once you have a final agreement with the contractor, and have completed the procedures described in this section, the work can begin as scheduled.

Note: You will be signing the contract to get the work done. Therefore, it is your responsibility to see that the contractor lives up to the obligations described in the contract. Do not sign the contract before your loan has been approved.

You will be expected to start work within two months of your loan approval.

STEP 7: ONCE REPAIR WORK BEGINS

All the repairs must be completed within six months of the date on which your RRAP loan was approved.

Once the contractors begin work, they will likely ask you to pay them upon the completion of the job. For larger jobs, they will ask to be paid at the completion of each major stage of the work. When this happens, you should send the contractor's invoice to your RRAP delivery agent. Payment cheques will be issued by CMHC to you, or jointly to you and the contractor. **It is your responsibility to ensure that the work is completed properly, the local building requirements are met and that the contractor is paid.** If the invoice is for a final payment, your RRAP inspector must perform an inspection of the work before a payment cheque is issued. The inspector will be checking to ensure that the work is completed and meets CMHC's *Homeowner RRAP Standards for Rehabilitation*. For some types of RRAP repairs (for example, electrical, plumbing, heating), where a provincial or municipal permit may be required, there may be visits by other inspectors to certify that the work is done according to the requirements of the responsible agency.

If, during the repair work, you discover that additional work is required, discuss the possibility of a loan increase with your RRAP delivery agent. You will be asked to obtain new cost estimates for the additional work from your contractor.

3. AFTER THE WORK IS COMPLETED

CARING FOR YOUR HOME

When the repairs are completed, you will want to keep your home in good condition. Proper maintenance will not only save you money in the long run, it will also keep your home safe and comfortable for all who live in it. If you're not sure about what will help, get some tips from home maintenance books or from your local building supply centre. CMHC also has publications, some of which are available free of charge to you as a RRAP client. These publications offer tips for doing repairs to your home, and for day-to-day maintenance. Your home and your family are worth the extra care.

4. OTHER RRAP PROGRAMS

If you or any member of your household have a disability, and modifications to your home would improve accessibility, you may be eligible for assistance under RRAP for Persons with Disabilities. To obtain more information, contact your nearest CMHC office or your local RRAP delivery agent.

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Cette publication est aussi disponible en français sous le titre *Le Parel pour propriétaires-occupants. Programme d'aide à la remise en état des logements - Guide du demandeur 61290*

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