




STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
LELAND R. SPEED
EXECUTIVE DIRECTOR

CSD POLICY STATEMENT #11-002

TO: Local Units of Government, Not For Profit Organizations, and Other Interested Parties

FROM: Steven C. Hardin, Director
Community Services Division 

DATE: June 9, 2011

SUBJECT: Property Standards HOME Inspection and Lead Based Paint Requirements for the HOME Investment Partnerships Program Homebuyer Assistance Activities

- 1. Purpose:** All recipients of HOME Homebuyer Assistance awards, effective the date of this Policy, must comply with the U. S. Department of Housing and Urban Development (HUD) Property Standards and requirements of Mississippi Development Authority (MDA) for disbursement of funds. The issuance of this Policy rescinds previously issued policy statements #11-001 dated January 7, 2011, #11-001 (Revision) dated January 14, 2011, and #11-001 (Revision #2) dated April 15, 2011.
- 2. Discussion:** According to 24 CFR Part 92.251(a)(2), all HOME assisted housing must meet all applicable state and local housing quality standards and code requirements. HOMEfires-Vol. 6 No. 2 issued October 2005 requires housing acquired with HOME or ADDI funds respectively to meet all applicable State and local housing quality standards and code requirements. In the absence of such standards and codes, the housing, at a minimum, must meet the Section 8 Housing Quality Standards (HQS) according to 24 CFR 982.401. The property standards apply to HOME assisted housing units upon completion of construction activities for proposed construction or at the time of HOME assistance for newly constructed and existing homes.

Written clearance must be obtained from the local authorized official, if applicable, that the home meets local housing quality standards and/or code requirements **OR** written clearance from either a licensed Home Inspector or U. S. Department of Housing and Urban Development (HUD) Approved Appraiser that the property meets Section 8 Housing Quality Standards. The written clearance must include name, address, certification/license number (if available), address, and contact number of the person conducting the inspection and information relative to the home being inspected (i.e.- property address, date of inspection, and a signed document stating the property is in

compliance with Section 8 Housing Quality Standards). A copy of the Inspection Report must accompany the written clearance. The attached form (Exhibit 1) may be used as a guide.

For homes built prior to 1978, a certified Lead Based Paint Inspector must submit the attached clearance form (Exhibit 2) along with the Lead Based Paint Inspection Report to indicate the property complies with Lead Based Paint regulations found at 24 CFR Part 92.355 and 24 CFR Part 35.

Properties involving **proposed construction**, HOME funds may be drawn at the time of loan closing for eligible costs, with the exception of Project Delivery Cost. Activities will be set-up to include the amount of HOME funds available for down payment, closing costs, or mortgage buy-down and project delivery costs through means of a Homebuyer Set-Up and Completion Form HOME Program. Upon completion of the unit, a final inspection must be submitted to MDA along with the request for project delivery costs and Homebuyer Set-Up and Completion Form HOME Program. Grant Recipients must be reminded according to 24 CFR Part 92.205 (e) projects terminated before completion constitutes an ineligible activity and any HOME funds invested must be repaid. Attached in Exhibit 3 is a chart to indicate the documentation required for proposed, newly constructed, and existing properties.

3. **Action:** Grant recipients of HOME Homebuyer Assistance awards must adhere to this Policy Statement in order for loan packages/ Requests for Cash to be processed to meet closing date deadlines. Failure to provide the appropriate documentation attached to this Policy will result in the delay of reviewing information submitted.
4. **Contact:** Inquires or comments concerning this policy statement should be directed to Dana Jones or Lillie Naylor at 601-359-3179.

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Attachments (3)