

## Rehab-2-Rental FAQs

**Do the landlords need to have a certain credit score?** *No, landlords will not need to have a certain credit score.*

**Can a landlord directly apply for this loan, or do I have to go through a service provider?** *All landlords may not apply directly for this program and must apply with an approved service provider.*

**Do mobile homes qualify?** *Yes, mobile homes and manufactured homes do qualify. Like all homes approved, the cost of rehabilitation must not exceed \$25,000 for a single-family home detached and at construction completion the home must meet Housing Quality Standards (HQS) to be rented to a housing voucher household.*

**Would improvements I made last year be covered retroactively?** *At this time, no prior improvements made by the landlord will be reimbursed through this program.*

**What are the repayment terms for landlords that are out of compliance and who is responsible for collection. If the landlord does not pay what are the repercussions?** *Service providers will determine if landlords are out of compliance. Landlords will have 60 days to regain compliance status. If no action is taken within 60 days, the landlord must repay the balance of the loan based on the pro-rata rate. Service providers will place a lien on the homes of landlords that fail to make the required payments based on the pro-rata amount.*

**What will the required eligibility documents be (for service providers)?** *To determine service provider eligibility, required documentation to be submitted is listed in the application which can be found on the Rehab-2-Rental program webpage.*

**To qualify for a loan does the house currently have to be livable at the time a landlord application is submitted? For example, work has been completed but the home still needs a few things done, such as roof, appliances, etc.** *Homes do not need to necessarily be “lease-up” ready to receive assistance under Rehab-2-Rental - the intention of the program is to provide forgivable loans to Landlords so that the unit may be lease up ready after the rehabilitation is completed. Homes that need extensive work to become livable may not fit the program due to the amount of time and funds that the home may need.*

**Can a landlord have external insulation installed?** *The scope of work to be completed will follow the housing voucher program’s Housing Standards requirements. If it is determined external insulation is not required for the home, it will not be included in the scope of work.*

**Is there a list of service providers?** *We have currently not received any application from organizations to be a Rehab-2-Rental Service Provider. We do expect to receive applications in the coming weeks. Once we begin approving service provider applications, we will post those contacts to the Rehab-2-Rental website.*

**Is a permanent foundation required for manufactured homes?** *Permanent foundation requirements will depend on the voucher program rules.*

**How do we find service providers in our area?** *Once service providers have been approved, we will post contact information and service area on the Rehab-2-Rental webpage.*

**If you already have a Section 8 tenant renting a home, would the landlord be able to use these funds for upgrades?** *Yes, assuming the home is in need of repairs and minor rehabilitation to ensure the home meets compliance with the Housing Quality Standards.*

**Does the landlord have to own the structure, or can they have an existing mortgage?** *The landlord must be in legal possession of the property and can have an existing mortgage that is being paid on. A title search will be conducted to ensure the home does not have multiple outstanding liens.*

**Where can I find the service provider application?** *Service provider applications are posted on the Rehab-2-Rental webpage which can be found here:*  
<https://housingnm.org/programs/landlord-program/rehab-2-rental>

**Is the landlord required to only use HCS/PBV programs for up to 60 months?** *Landlords will be required to rent to a voucher household for up to 60 months, although it is our hope that the landlord will continue after the 60 months. The landlord may choose any voucher program to engage in and must reach out to that voucher administrator for more information on how to get started.*

**Will HQS or NSPIRE be used as guidelines?** *The Housing Standards will depend on the voucher program, which may be either HQS or NSPIRE.*

**Will the service provider get paid?** *Yes, the service providers will receive 20% of the total project costs upon completion of the project and approval of all submitted documentation to Housing New Mexico.*

**When does the loan repayment start if a landlord does need to make payments until the home is filled with a voucher tenant?** *The program allows one month of vacancy between tenants. The service provider and voucher administrator must be notified of the vacancy so they can assist in notifying potential tenants. If the vacancy lasts more than one*

*month then the landlord is considered out of compliance and must begin repaying the loan 60 days after the date the Service Provider determines out of compliance.*

**What happens if after construction is complete and the voucher administrator determines the home does not meet the Housing Quality Standards?** *Preparation will be completed at the front end of program development and project intake so these situations are avoided. Service providers will work closely with the voucher administrator to ensure the inspection is completed without findings. Although not required, we encourage service providers to acquire NSPIRE or Housing Quality Standards certification and conduct initial walk throughs of the home.*

**Who is the point of contact for this program?** *As service provider are approved, we will update the Rehab-2-Rental webpage which will include service provider contact information. Landlords will be able to contact the service providers directly. Sharlynn Rosales is Housing New Mexico's point of contact and will assist both landlords and service providers on the overall program.*

**Who will pay the service provider's 20% administrative fee?** *The 20% administrative fee will be paid to the service providers by Housing New Mexico after project completion and all required documentation is approved by Housing New Mexico.*

**What if the property gets refinanced by the owner?** *The Restrictive Covenants agreement states that in the case of refinance the owner must pay the outstanding principal balance on the loan (based on the pro-rata terms), but allows the service provider, in its sole discretion, to subordinate the loan to a new senior lender.*

**Can landlords apply directly instead of having to go through the service provider?** *No, the service providers are managing this program on behalf of Housing New Mexico. All landlord application must go to a service provider.*

**Are there restrictions on areas served by service providers?** *Currently, there are no restrictions on how many service providers can service an area.*

**Are we able to apply to do other counties that we offer some of our other Tenant Based Housing Vouchers?** *Yes, a service provider and voucher administrator can apply this funding to counties that they currently provide housing vouchers to. However, please keep in mind the funding limits as projects costs would include materials and labor.*

**In the future, would this program be expanded to serve other low-income residents and seniors on social security that do not receive housing vouchers?** *Currently the program is limited to serving landlords who rent to housing voucher holders. Expanding the program would definitely be something we will consider in the future.*

**Will you have more meetings to provide updates or will we need to check the website for updates?** *The best way for us to relay updates for this program is to post them to the Rehab-2-Rental webpage. Please check the webpage for future updates.*