

BLIGHT ELIMINATION PROGRAM (BEP)

Frequently Asked Questions

How does the Blight Elimination Program work?

Municipality applies for funding through the Mississippi Home Corporation. Upon approval, the Blight Partner takes ownership of the property. The property is demolished in accordance with BEP requirements. The municipality submits all invoices to MHC for reimbursement of acquisition and demolition costs. Once MHC issues the reimbursement of funds, a lien is placed on the property for a term of three years. A portion of the lien, 33 1/3%, is forgiven annually. At the end of the three year period, the lien and all restrictions placed on the property are released,

What is the role of the Blight Partner?

At a minimum, the Blight Partner must hold title to the property and maintain it throughout the three-year Compliance Period. Additional responsibilities may be negotiated between the Applicant and the Blight Partner.

What are the benefits of being a Blight Partner?

The sole purpose of the BEP is to assist municipalities with eliminating blight in neighborhoods that are at risk of being destabilized due to depreciation of property values and/or foreclosures. The Blight Partner may assist these efforts by acquiring these properties (with up to \$6,000 reimbursed for acquisition costs) and either redevelop the property immediately or maintain the property for three years. If the property will be maintained for three years, a maximum of \$500 of the \$1,000 maintenance allowance may be used to reimburse the Blight Partner for administrative costs.

Are there any out of pocket costs to the Blight Partner?

No, the Blight Partner will not be obligated to pay any out of pocket costs. The maintenance of the property (including property taxes) will be reimbursed annually throughout the three year Compliance Period as long as it is within the \$15,000 maximum limit.

Are the BEP funds a loan or a grant?

BEP funds are disbursed in the form of a forgivable loan that is forgiven at a rate of 33 1/3% annually.

Can the loan be forgiven prior to the end of the three year term?

MHC may permit early lien release and debt forgiveness without full payment on a case-by-case basis if one of the following applies:

- (1) The property is transferred to a nonprofit 501c3 organization, a community development corporation, a faith based organization or Habitat for Humanity

- (2) The property is transferred to an adjacent neighbor as a part of a municipality's Side Lot Program.
- (3) The property is transferred to a political subdivision for public use such as parks, recreation areas, infrastructure projects, and community gardens owned by a public entity

Will a property that is not in a target area qualify for the program?

No, the property must be located in a BEP Target Area.

How can I find out if a specific property is located in a target area?

Visit our BEP Documents Page on our website at <https://archivemhc.com/hhf/>

- Click on Eligible Block Groups
- Select Target Block Groups
 - In the top left corner (Esri World Geocoder), enter the property address and then click enter
 - If the property is in a tan shaded area, then it is in a target area

If I am the owner of a blighted property, can I receive the funds to demolish the structure?

No, Treasury requires that the recipient of the grant funds be a local government agency.

What is the timeframe of the BEP?

The timeframe for BEP funds availability is extremely limited. Currently, the last day to accept applications is August 30, 2020. However, that date may be pushed up if there appears to be a lack of interest in the program.

Where can I report a blighted home in my neighborhood?

Contact your local unit of government to see if they are currently or are anticipating participating in the Blight Elimination Program.

Where can I obtain more information about the Blight Elimination Program?

BEP Information Page

<https://www.mshomecorp.com/federal-programs/bep/>

BEP Documents

<https://archivemhc.com/hhf/>

Who do I contact for more questions regarding BEP?

Lisa Coleman, VP of Federal Grants

601-718-4757

lisa.coleman@mshc.com