

DATE: December 28, 2001

TO: Lenders, Appraisers and Realtors

FROM: Jessica Thomasson, Senior Planner – Community Development

RE: Fargo **Downpayment Assistance Program** and HUD **Lead Paint** regulations

As you know, HUD is in the process of implementing a new set of regulations that govern lead paint hazards in housing units assisted with HUD funds. The lead paint regulations take effect in Fargo on January 10, 2002.

As such, all **applications** for the Fargo Downpayment Assistance program that are **received after January 8, 2002** will need to **follow HUD's guidelines** regarding lead-based paint. The following is a short summary of how the regulations will affect the Downpayment Assistance program.

If the City receives an HQS inspection report or an appraisal that indicates a potential lead-based paint hazard (based on a visual assessment of deteriorating painted surfaces), Fargo Downpayment Assistance funds cannot be used, and will not be approved, until one of the following actions occurs:

- The surface is tested (by a certified inspector or risk assessor) and the test comes back negative for lead.
- The surface is tested and the test comes back positive for lead-based paint, a trained contractor is hired to address the lead paint issue (stabilize the paint using safe work practices), and the property successfully passes a “clearance” test after work is completed. Note that the clearance test must be conducted by a certified inspector or risk assessor.
- The homeowner assumes lead based paint is present (without conducting a test), contracts with a trained housing rehab contractor to address the lead paint issue (stabilize the paint using safe work practices), and the property successfully passes a “clearance” test after the work is completed.

Note that the Fargo Downpayment Assistance program does not allow a buyer to escrow funds to make lead paint related repairs after closing. All required lead paint stabilization must be completed prior to closing as an approved HQS inspection is a requirement of our program.

To **obtain a list** of local “trained” lead paint contractors, inspectors, risk assessors and other service providers, or **for more information** on lead paint hazards, you can **visit** the Planning Department **web site** at: <http://ci.fargo.nd.us/planning/cd/lead.htm>. The web site will be updated regularly and will be the most current local source of information on lead issues.

This regulation is new and will impact hundreds of housing programs across the country. We will answer questions you have about the lead-based paint regulations to the best of our ability. Please be as patient as possible during this initial implementation period and allow as much time as you can for project review and approval.

For more information, contact:

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Bob Miller – Housing Rehab program & general Lead Paint questions – 241-1478, bjmiller@ci.fargo.nd.us

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