



North Carolina
Department of Commerce
Division of Community Assistance

Beverly Eaves Perdue, Governor
J. Keith Crisco, Secretary

Henry C. McKoy, Asst. Secretary
Gloria Nance-Sims, Director

BULLETIN: 10-9 (Replaces 96-3)
SUBJECT: Note and Deed of Trust
DATE REVISED: September 20, 2010
ATTENTION: CDBG Recipients

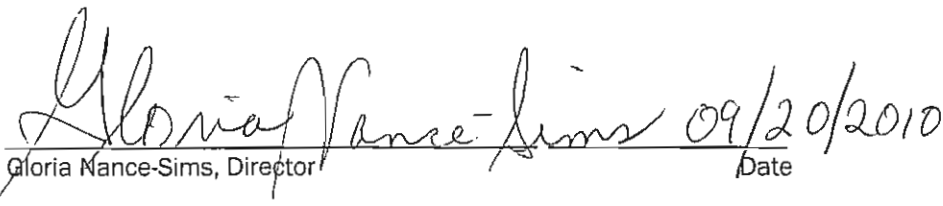
As you are aware, a Note and Deed of Trust constitute "acknowledgement" by the grantor of an "ownership interest" and acceptance of the grant "obligations". A professional title search is required to confirm unencumbered ownership.

Therefore, effective the date of the Bulletin, all CDBG Housing Rehabilitation, Reconstruction and Relocation loans shall be secured with a note and deed of trust, and a professional title search will have to be completed prior to any work commencing on the unit. The Note and Deed of Trust must be signed by the owner(s) *prior to or at same time as the rehabilitation contract is signed* by the homeowner, contractor and grantee. The rehabilitation of the dwelling may commence on or after the date the Note and Deed of Trust is signed by the homeowner, contractor and grantee. If the rehabilitation (emergency repair) in the L-1 project exceeds \$5,000.00, a Note and Deed of Trust is required. If the amount of the activity expenditure is less than the amount contained in the original Note and Deed of Trust, the Note and Deed of Trust must be modified to reflect the lesser amount. If the amount of the activity expenditure is \$500.00 or more that the original amount contained in the Note and Deed of trust, the Note and Deed of Trust must be modified to reflect the greater amount.

It is the responsibility of the local government to ensure that the executed Note and Deed of Trust is presented to the local Register of Deeds office within five (5) business days of the date the Note and Deed of Trust (and modification when required) is signed by the homeowner(s), contractor and grantee, and recorded in the Register of Deeds office within sixty (60) calendar days of the date presented to the Register of Deeds office. In the event the Note and Deed of Trust is not recorded with the Register of Deeds within sixty (60) calendar days of the date the Note and Deed of Trust is filed, the grant funds will be frozen without further notice and the expended and encumbered funds for that specific dwelling may be consider a disallowed cost.

Please address any questions or need for additional information to your grant Program Representative.

Issued By:


Gloria Nance-Sims, Director

Date

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