



DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

PROGRAM GUIDELINES

Eligible Areas	Properties located in the counties of Jefferson, Ozaukee, Washington and Waukesha (see Eligible Areas sheet for exceptions)
Minimum/Maximum Loan Per Household	\$1,000/\$5,000 actual amount based on household need (financing gap)
Repayment Terms	Funds are extended as a 5-year forgivable loan. There are no monthly payments with this loan and it is interest free. 20% of the loan is forgiven for each full year during the 5-year retention period. After 5 years the loan is forgiven. If the mortgaged property is sold, transferred or ceases to be the borrower's primary residence before the end of the 5-year period, the HOME Consortium will recapture the unforgiven portion of the loan, or any net proceeds.
Eligible Borrowers	Borrowers with total annual household incomes at or below 80% of county median income, adjusted for family size (see Income Limits sheet) Borrowers with ITIN's must sign the Qualified Alien Submission Form and provide the lender with the required documentation of immigration status
Debt Ratios	Housing debt-to-income ratio no lower than 18% Total debt-to-income ratio no higher than 45%
Eligible uses	Down payment, closing costs, costs required by the lender to be paid in advance (items must be detailed on the Settlement Statement), escrow reserves deposited with the lender, and home buyer counseling fees
Eligible Properties	Owner-occupied, single-family attached or detached residences or condominiums
Maximum Purchase Price	Purchase price limits apply (see Purchase Price Limits sheet).
First Mortgage Financing	Conventional (fixed or adjustable rate), Fannie Mae, Freddie Mac, WHEDA, Federal and State VA, Habitat for Humanity, FHA For FHA loans the FHA Mortgage, Retention and Subordination Agreement must be used instead of the standard Mortgage and Assignment forms Interest rate on the first mortgage cannot exceed the WHEDA rate by more than 2% Points, fees and other charges on first mortgage must not be excessive or unreasonable
Subsidy Layering	May be combined with other federal, state and local grants or loans
Home Buyer Counseling	One-on-one home buyer counseling with a HOME Consortium-approved counseling agency is required for all home buyers.
Inspection	Property must pass the HOME Consortium Code Requirements Inspection to qualify for a DPA loan
Contact persons	Debbie Narus 262-896-8170 or Lisa Kratz 608-258-5560 ext. 27