## home'own'ership

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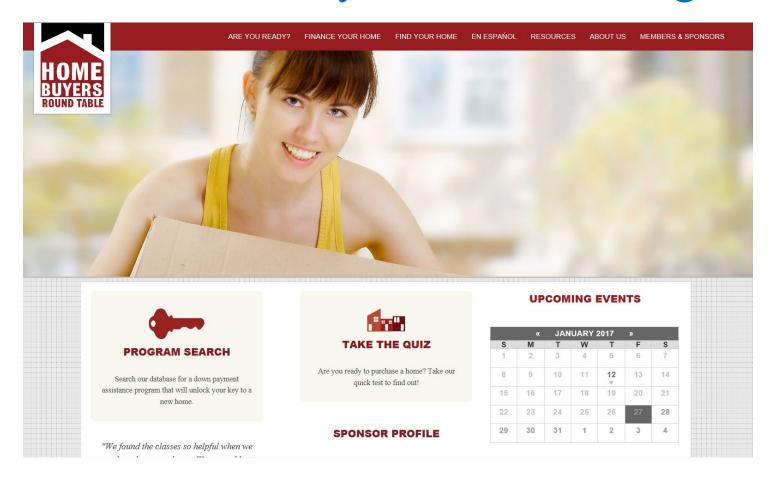
Down Payment Assistance and Special Lending Programs

# What is Down Payment Assistance (DPA)?

- Loans to help home buyers who are Low to Moderate Income (LMI) afford homes
- Income limits apply
- Different repayment requirements depending on program. Check with your lender
- Pays some down payment and closing costs

#### Home Buyers Round Table

## www.homebuyersroundtable.org



#### Home Buyers Round Table



Search our database for a down payment assistance program that will unlock your key to a new home.

#### **Income Limits**

- Change annually
- Different for each county
- Includes income of all adults in household (18+)
- Generally 80% or less of county median income (CMI)
- Varies by household size

#### **Income Limits**

2019 Income Guidelines by Household Size Dane County, WI	
1 person	\$52,850
2 person	\$60,400
3 person	\$67,950
4 person	\$75,500
5 person	\$81,550
6 person	\$87,600
7 person	\$93,650
8 person	\$99,700

#### Other Eligibility Requirements

- Home buyer education completion certificate
- Single family homes/condo, ½ duplex
- Owner-occupied
- Some DPA are area-specific
- Generally can't have owned home in past 3 years
- Most programs require some \$ from borrower

<sup>\*</sup>Some programs require borrower to be a US Citizen or Permanent Resident Alien



## **DPA Loan Programs**

#### Home-Buy the American Dream

- City of Madison \$1,000 min.; \$20,000 max
- Dane County \$1,000 min.; \$5,000 max
- Income limits 80% CMI
- No interest, no monthly payment
- Inspection(s) required

### DownPayment Plus (DPP)

- Amount varies; in 2019 up to \$6,000
  - Matches 3 times borrower contribution (minimum of \$1,000)
- Statewide program
- Income limit 80% CMI for specific county.
- Lender must be member of FHLBC
- Funds will be available January, 2019. May run out of funds by end of year.
- 5 year forgivable (1/60<sup>th</sup> per month)

#### **Home Start**

- RASCW Housing Foundation
- Lower of \$4,000 or 3% of price
- Income limit 80% CMI
- Several counties see matrix
- 2% interest per year no payments required

#### Easy Close Advantage

- Available statewide w/WHEDA 1<sup>st</sup> mortgage only
- Greater of 3% or 3.5% or \$3,000 \$3,500, depending on loan
- Higher income limits than other DPA
- Monthly payment required
- Interest rate set by WHEDA

#### **MOmentum**

- Dane County excluding City of Madison
- Dane Co. funds adm. by Movin' Out
- ≤\$12,000
- Income limit 80% CMI
- No interest, no monthly payment
- Inspection(s) required
- No renters

#### **Process**

- Lender and Realtor should be knowledgeable about DPA programs and requirements
- Lender submits documents to DPA provider AFTER accepted offer
- Allow time to meet specific program requirements (inspections).

## Stacking Example

#### Example 1

A family of 4 is purchasing a property in the City of Madison with a purchase price of \$160,000. The household income is \$50,000. The household could be eligible for the following assistance if funds are available and all criteria are met:

Downpayment Assistance Source

Maximum Amount of Assistance Based on a Purchase Price of \$160,000

City of Madison Home Buyer The American Dream

\$20,000

Down Payment Plus

\$6,000

Home Start

<u>\$4,000</u>

Total Down Payment Assistance

\$30,000



## Other Programs

## Home Buyers Round Table



Find Downpayment Assistance

Downpayment Assistance Examples

Other Affordable Housing Options

Special Loan Programs

- Operation Fresh Start
- Common Wealth Development
- Habitat for Humanity
- Wis. Partnership for Housing Development
- Madison Area Community Land Trust
- Urban League

#### Movin' Out

- Serves households ≤80% CMI that have a member with permanent disability
- Contact Movin' Out directly with questions
- www.movin-out.org



