



## Comparison City of Madison American Dream Downpayment Initiative and City of Madison Home Buy loan program

City of Madison ADDI Loan		City of Madison Home Buy Loan		
<b>Eligible Property</b>	<ul style="list-style-type: none"> <li>• Must be located in City of Madison</li> <li>• Purchase price maximum limit \$223,250</li> <li>• Existing single family home, condo or ½ duplex</li> </ul>	<ul style="list-style-type: none"> <li>• Must be located in Dane County</li> <li>• Existing single family home, condo or ½ duplex</li> </ul>		
<b>Program Purpose</b>	Downpayment Assistance	Downpayment/Closing Cost Assistance		
<b>Loan Amount</b>	6% of the purchase price with a maximum of \$10,000; minimum \$1,000	\$5000 (Minimum \$1,000); In City of Madison matching funds are available to households at 50% CMI; matching funds available to Lake Pt properties		
<b>Loan Terms</b>	Deferred until sale or property ceases to be owner occupied. The repayment amount will be the original loan amount <i>plus</i> a 2.5% loan fee. The fee is charged to the full loan amount and is only charged once to the borrower.	Deferred until refinance, sale or property ceases to be owner occupied.		
<b>Maximum CLTV</b>	100%	103%		
<b>Qualifying Ratios</b>	36%; expanded ratio up to 40% with compensating factors	28%/36%; expanded ratios up to 38/45% with compensating factors		
<b>Borrower Contribution</b>	Borrower is not required to put any of their own funds into transaction	Borrower required to put in 1% of their own funds to the transaction		
<b>Asset Limits</b>	Borrower cannot have greater than of 12 months of PITI or \$15,000 in liquid assets after closing	Borrower cannot have great than 6 months of PITI in liquid assets after closing		
<b>Income Limits 2010</b>	Household Size	80% CMI	Income Limit	
	1		\$44,800	Household Size 50% Income 80% Income Limit
	2		\$51,200	1 \$28,000 \$44,800
	3		\$57,600	2 \$32,000 \$51,200
	4		\$64,000	3 \$36,000 \$57,600
	5		\$69,150	4 \$40,000 \$64,000
	6		\$74,250	5 \$43,200 \$69,150
			6 \$46,400 \$74,250	
<b>Inspection Requirement</b>	City of Madison will order a Minimum Housing Code Inspection. If property was built prior to 1978 Lead-Based Paint Inspection required as well. All issues <b>MUST</b> be fixed prior to closing date.	Private Inspection required (Will use inspection ordered by ADDI if both funds involved in transaction.) All issues <b>MUST</b> be addressed prior to closing date.		
<b>Underwriting Timeline</b>	10-15 Business days from receiving documentation from lender	10-15 Business days from receiving documentation from lender		
<b>Other</b>	<ul style="list-style-type: none"> <li>• Borrower cannot own other property</li> <li>• Must be first time homebuyer</li> <li>• Homebuyer Education required for all borrowers</li> </ul>	<ul style="list-style-type: none"> <li>• Borrower cannot own other property</li> <li>• Must be first time homebuyer</li> <li>• Homebuyer Education required for all borrowers</li> </ul>		
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*Home Buy and ADDI can be used together for properties in the City of Madison. For convenience the checklist and required City of Madison forms for each program are identical. Please refer to each programs website for full underwriting guidelines.*