

What Type of Property is Eligible?

All properties purchased with Madison American Dream Downpayment assistance must be single-family dwellings, condominiums or half of a duplex located within the **City of Madison**. The homebuyer must occupy the property as their principal residence.

What is the Application Process?

The homebuyer should contact a lender to initiate the first mortgage application. The homebuyer must inform the lender that they are interested in applying for the Madison American Dream Downpayment Initiative. If the homebuyer qualifies for the first mortgage loan, the lender must submit the required documentation to the City of Madison Community Development Office to begin the loan process.

Who is the City of Madison Contact for this Program?

For questions regarding this program, please contact:

Linette Rhodes
City of Madison
Community Development Division
Municipal Building, Room 225
215 Martin Luther King, Jr. Blvd.
P.O. Box 2985
Madison, WI 53701-2985
PH 608-266-6520
www.cityofmadison.com/cdbg/addi



Buying a House or Condominium in the City of Madison?

The Madison American
Dream Downpayment
Initiative may be for
YOU!



David J. Cieslewicz
Mayor of Madison

(Rev.2/08)



Department of Planning and Development
Community Development Division
Room 225, Madison Municipal Building
215 Martin Luther King Jr. Boulevard
P.O. Box 2985
Madison, Wisconsin 53701-2985



What is the Madison American Dream Downpayment Initiative?

The Madison American Dream Downpayment Initiative, funded by the U.S. Department of Housing and Urban Development (HUD), provides low-income homebuyers with loan assistance for down payment and closing costs.

The loan assistance is a deferred long-term loan ranging from a minimum of \$1,000 to a maximum of 6% of the purchase price not to exceed \$10,000. The loan amount will depend upon the need and the availability of funds. The loan assistance will not exceed the amount necessary for the homebuyer to purchase the property.

Who is Eligible?

Homebuyers are eligible to receive Madison American Dream Downpayment assistance if they have not owned a home in the last three years, are a displaced homemaker or a single parent.

The homebuyer's total gross household income must not exceed 80% of the median income according to the 2010 HUD income limits listed below.

Household Size	Gross Annual Income Levels
1	\$44,800
2	\$51,200
3	\$57,600
4	\$64,000
5	\$69,150
6	\$74,250
7	\$79,400
8	\$84,500

What are the Financing Requirements?

The homebuyer must qualify for a first mortgage with an interest rate that does not exceed the prevailing WHEDA rate by more than 2%.

Is there a Down Payment Requirement?

There is no cash down payment requirement.

Is there a Purchase Price Limit?

In 2009, HUD established the maximum home purchase price for using American Dream funding as \$223,250.

Are any Inspections Required?

A Madison Minimum Housing Code and Maintenance Inspection is required for each property prior to receiving Madison American Dream funds. All properties built prior to 1978 will also require a Lead Based Paint Inspection. A City of Madison contracted inspector will complete both inspections.

The inspection fees may be granted to the homebuyer depending on the loan amount. The homebuyer is responsible for the fees if a grant is not available.



How does the Loan Repayment Work?

The repayment of the loan is due and payable to the City of Madison at the time the property is sold, transferred or ceases to be the primary residence of the family. The repayment amount will be the original loan amount *or* the original loan amount *plus* a proportional share of appreciation based on the percentage of assistance provided by the City, whichever amount is greater.

Example:

Home purchase price	\$150,000
Madison American Dream loan assistance	\$9,000
Percentage of Madison American Dream funds invested	6%
Home appraisal at the time the homebuyer sells	\$175,000
Loan repayment equals 6% of the appraised value	\$10,500

Am I Required to Attend Homebuyer Education Training?

The homebuyer must complete a homebuyer education course. A certificate of completion must be on file with the Community Development Office prior to closing. Homebuyer education courses are offered through:

- Dane County Housing Authority
2001 West Broadway, Suite, #1
Monona, WI 53716
224-3636 x20
- WHEDA, go to www.wheda.com for list of classes
- Lenders