

What is the South West Downpayment Program?

The Southwest Downpayment program was developed out of the Southwest neighborhood planning process. The program was designed to assist homebuyers interested in purchasing property in a designated area (see map on back) on the southwest side within the City of Madison.

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

Who is Eligible?

Homebuyers are eligible 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 2008 HUD income limits listed below.

Household Size	80% Gross Annual Income Levels
1	\$43,050
2	\$49,200
3	\$55,350
4	\$61,500
5	\$66,400
6	\$71,350
7	\$76,250
8	\$81,200

What Type of Property is Eligible?

All properties purchased must be single-family homes, condominiums or half of a duplex located within the **designated area (see map on back)**. The homebuyer must occupy the property as their primary residence.

Is there a Purchase Price Limit?

The maximum home purchase price limit is \$223,250.

Are any Inspections Required?

An acceptable third party property inspection report must be submitted to the City of Madison Community Development Office.

Can These Funds be used with Other Downpayment Assistance Programs?

These funds can be used with the following down payment programs:

- City of Madison American Dream
- City of Madison Home Buy
- Down Payment Plus
- Home Start
- Movin' Out

Is There a Limit to the Amount of Assistance that I can receive?

For 2007-2008, the City of Madison Community Development Office assistance limit is \$51,000. For accessible properties the limit is \$56,000.

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 required.

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
www.dcha.net
224-3636
- Wisconsin Housing and Economic Development Authority (WHEDA)
www.wheda.com/cat_sfb/hbeduc.asp
266-7884
- Lenders

How do I Start the Application Process?

To begin the process:

- Contact a lender to initiate the first mortgage application.
- Inform the lender that you are interested in using the Southwest Downpayment program.
- After making the offer to purchase, have your lender submit the required documents.

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
Southwest downpayment loan	\$10,000
Percentage of Southwest funds invested	10%
Home appraisal at the time of sale	\$175,000
Loan repayment equals 10% of the appraised value	\$17,500

Who is the Madison Community Development Office Contact?

For questions regarding this program, please contact:

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City of Madison Southwest Downpayment Program



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Mayor of Madison

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