



SUMMARY
HOUSING REHABILITATION SERVICES PROGRAM
DEFERRED PAYMENT LOANS
CITY OF MADISON, WISCONSIN



PROGRAM GOALS

The purpose of the Housing Rehabilitation Services Program Deferred Payment Loan is to provide financial incentives to upgrade eligible housing units in need of rehabilitation, resulting in an improved housing stock. To accomplish this goal the City will provide loans to eligible families, with no required monthly payments (provided the owner continues to have an annual income which does not exceed program guidelines). The principal loan amount and a one-time finance charge of 10% are paid back when the owner sells, vacates, or transfers the property. If after five years the owner's income increases above the program guidelines, the loan is converted to an Installment Loan at 10% interest payable over fifteen years.

ELIGIBLE BORROWERS

MAXIMUM INCOME BY FAMILY SIZE (2018)

<u>Persons in Family</u>	<u>Deferred Payment Loans</u>
1	\$50,350
2	\$57,550
3	\$64,750
4	\$71,900
5	\$77,700
6	\$83,450
7	\$89,200
8 or more	\$94,950

ELIGIBLE PROPERTIES

- Total debt secured by the property, including the new City loan, cannot exceed 90% of the after rehabilitation value of the property.
- Existing owner-occupied, residential properties containing one dwelling unit.
- Property to have an after rehab value not to exceed \$250,000.
- Property must be located within the City of Madison.

ELIGIBLE AND MANDATORY ITEMS

The program goal is to upgrade housing units to minimum standards at the lowest possible cost. Property owners must agree to correct all code items in accordance with the City of Madison Minimum Housing and Property Maintenance Code and bring their property up to energy efficiency standards prescribed by the Madison Energy Code.

DETERMINATION OF HOME IMPROVEMENT

The Housing Rehabilitation Services Program will provide Deferred Payment Loans to eligible residential owner occupants who meet the program requirements.

The minimum amount of loan funds for rehabilitation work is \$1,000 and the maximum is \$19,000.

THE STEPS TO TAKE TO UTILIZE A CITY OF MADISON REHABILITATION LOAN

- Step 1: Fill out and return the Rehabilitation Services Application and the Permission to Verify forms to: City of Madison, Community Development Division, PO Box 2627, Madison, WI 53701-2627.
- Step 2: Allow two weeks for the processing of the application, at which time you will be contacted to set up an appointment for an inspection of the property to be rehabilitated.
- Step 3: Solicit bids from qualified contractors for the work items to be covered by the loan funds.
- Step 4: Submit the bids for review by rehabilitation staff.
- Step 5: Attend the loan closing to sign the documents. (Please allow two to three weeks from time of bid submission to loan closing.)
- Step 6: Commencement of construction work.
- Step 7: Final inspection of completed work by Rehabilitation staff.

For assistance or more detailed information on program requirements, please call Terri Goldbin 266-4223 or Craig Wilson at 266-6557.

www.cityofmadison.com/homeloans

