



**SUMMARY
HOUSING REHABILITATION SERVICES PROGRAM
INSTALLMENT LOANS
CITY OF MADISON, WISCONSIN**



PROGRAM GOALS

The purpose of the Housing Rehabilitation Services Program Installment 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 interest bearing loans, below market rate, to eligible families as well as providing certain technical assistance.

ELIGIBLE BORROWERS

Owner-occupants of residential properties containing one to eight units who do not have a City low-interest housing rehabilitation loan outstanding. This may include non-profit housing corporations and non-profit housing cooperatives.

MAXIMUM INCOME BY FAMILY SIZE (2016)

<u>Persons in Family</u>	<u>2.75%</u>	<u>5.25%</u>
1	\$58,800	\$71,150
2	\$67,200	\$81,310
3	\$75,600	\$91,475
4	\$83,900	\$101,520
5	\$90,700	\$109,750
6	\$97,400	\$117,850
7	\$104,100	\$125,960
8 or more	\$110,800	\$134,070

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 properties containing no more than eight dwelling units.
- 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 Installment Loans to eligible residential owner occupants who meet both the program requirements.

The minimum amount of loan funds for rehabilitation work is \$1,000. The maximum on a single unit is \$19,000 plus an additional \$3,000 for each additional unit up to a maximum of \$40,000.

The loan is to be repaid in monthly installments which include principal and interest. The term for repayment of the loan is based on the amount borrowed and can vary from four to twenty years.

The interest rate on the loan is established by the Madison Common Council and the City's borrowing rate. The loan amount varies according to family size and income.

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: Community Development Division, PO Box 2627, Madison, WI 53701-2627.

Step 2: Allow two weeks for the processing of the application, after which 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 at 266-4223 or Craig Wilson at 266-6557.

www.cityofmadison.com/homeloans

