



Dane County Down Payment Assistance Loan Program

What does this program offer?

The Dane County Down Payment Assistance Loan Program provides 0% interest, deferred-payment loans to assist qualified first-time home buyers with down payment and closing costs on a home purchase.

Who is eligible for this program?

Eligibility requirements include:

- Household income must be at 80% of the county median or less.
- You must be a first-time home buyer, single parent, or displaced homemaker. *
- A household member must have a permanent disability.

Are there any geographical or property-type restrictions?

- Property must be located in one of the participating municipalities of the Dane County Consortium.
- Single-family homes, condominiums and some half duplexes or twin homes qualify.
- Property cannot have a tenant when the offer is placed.
- Property may not have a value that exceeds 95% of the area median purchase price for that type of housing.

What costs do the funds cover?

Borrowers can use the loan for down payment costs and closing costs that are standard to the industry. These can include an appraisal, credit report, title insurance, settlement fees, and other costs.

Who provides the funds for this program?

Funds for this program are provided by Dane County.

What are the repayment terms for this loan?

No payments are required until the borrower sells the property, stops using it as a primary residence, or initiates a cash-out refinance process. The entire loan is then due and payable without interest.

Can funds from this program be used with other assistance programs?

Yes. The program can be used with a household's personal resources and some other down payment assistance programs.

Are there other requirements to qualify for this program through Movin' Out?

Yes, in addition to the eligibility requirements outlined above, the borrower must:

- Participate in home buyer education.
- Contribute \$500 from the borrower's own funds.
- Participate in the Dane County Housing Quality Standards (HQS) inspection, which is arranged and paid for by the County.
- Arrange and pay for an independent third-party inspection.
- If the applicant has a guardian, provide written court permission for the purchase of the home.
- Secure first mortgage terms that include a fixed interest rate at no more than 2% above the current Wisconsin Housing and Economic Development Authority (WHEDA) loan rate.
- Ensure that maximum loan origination, points and/or funding fees do not exceed 2% of loan amount
- Secure a mortgage that does not include prepayment penalties.
- Have at least \$500 on hand after closing.
- Have a maximum housing debt-to-income ratio, after including CDBG or HOME assistance, not more than 38%. Borrower's total debt-to-income ratio must not exceed 45%. Loan requests with a housing ratio below 25% may be approved on a case-by-case basis.
- Not have more than 12 months of total mortgage payment (including taxes and insurance) in liquid assets after closing of property.
- Comply with all requirements of Dane County CDBG/HOME Program Policy and Procedures Manual.
- All household members must be legal citizens of the United States or qualified aliens.

Where can I get more information or apply?

Contact a Movin' Out housing counselor for more information at 608-251-4446 x 7 or info@movin-out.org.

**A displaced homemaker is generally a person who previously provided unpaid services to the family (for example, a stay-at-home parent), is no longer supported by the spouse, is unemployed or underemployed, and is having trouble finding or upgrading employment.*

