

## Program Overview

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The purpose of the City of Kaukauna's First Time Homebuyers' Assistance Program is to aid low and moderate income renters in the process of purchasing their first home. The program is targeted towards people who cannot gather the resources to pay the closing costs and a sizeable down payment.

The First Time Homebuyers' Assistance Program makes it possible for low and moderate-income residents to build equity in a home. This program offers a 0% interest free loan, in the amount of \$2,500.00. This money can be used for closing cost as well as for down payments.

This program is made possible by a Housing Cost Reduction Initiative (HCRI) grant to the City of Kaukauna from the Wisconsin Department of Administration's Division of Housing.

## About the Program

- The City of Kaukauna and the State of Wisconsin will, from time to time, review, approve and revise these requirements, and may do so without prior notice.

## About the Financing

- Unless otherwise requested and approved, loan amounts will be a standard \$2,500.00
- Loans will be contingent upon a successful mortgage application from a local lending institution.
- Interest rate and terms of the loan are as follows:
  - Zero (0) percent interest
  - Terms are deferred until one of the following conditions are met:
    - The primary mortgage is paid in full; then typically on a five-year schedule.
    - Until the property is sold or the title is transferred, then payable in full.
    - Until the housing unit is no longer the beneficiary's primary residence; then payable in full.
    - Until the beneficiary is no longer classified as low or moderate income for a period of twenty-four consecutive months; then payable on a five-year schedule.
  - No interest will accrue while the loan is deferred. Failure to comply with guidelines may result in the acceleration of the loan repayment schedule.
- The loan will be secured with a mortgage, which will be subordinated to the financial institution's mortgage.

- First Time Homebuyers' Program monies cannot be received by people who have closed on the purchase of a property, it is recommended you contact the City of Kaukauna before placing an offer to purchase.

About the Property

- Properties must be located within the City of Kaukauna target area (see attached map).
- Single-family homes and condominium arrangements by approval of the Office of Community Development are eligible for the program.
- If the property fails to meet building codes, the sale must be contingent upon repairs.
- Home prices cannot exceed \$90,000 for a single-family home.

About the Applicant

- Applicants must be first time homebuyer's or cannot have owned a home in the last three years.
- Applicants must be low or moderate income. To meet this requirement, gross annual pay must be at or below the guidelines (1) listed below:

Size of Household	Maximum Household Income
1	\$32,500
2	\$37,100
3	\$41,750
4	\$46,400
5	\$50,100
6	\$53,800
7	\$57,550
8	\$61,250

PROCESS SUMMARY

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- Interested parties get information from realtors, financial institutions, or the City of Kaukauna.
- Eligible homebuyers search the target area for a home of their choice, which must be within the price range.
- Eligible homebuyers submit an offer to purchase, which is contingent upon financing and passing an inspection by the City Building Inspector. It is recommended the seller and buyer accompanies the Inspector on his inspection of the home.

- If the building does not pass the inspection due to housing and building code violations, an offer to purchase may be submitted contingent upon either:
  - Upgrade of the substandard items prior to sale by the seller.
  - Creation of a property rehabilitation plan which is acceptable to the Planning and Community Development Department.
- First mortgage financing receives approval by a financial institution; program application and credit reports are forwarded to the City of Kaukauna Planning and Community Development Department.
- If the sale is contingent upon repairs being made a second inspection is conducted to assure compliance. No loan can be issued until the unit has met contingencies and standards set in the inspection report.
- Before closing with the financial institution the loan applicant will schedule a meeting with the Planning and Community Development Department to review program guidelines. All loan documents will be signed at this time and the check for \$2500.00 will be issued.
- The City of Kaukauna will perform an annual income verification of the household. If the household's annual income increases to a level where they are no longer classified as low or moderate income for a period of twenty-four consecutive months, a 3-5 year repayment schedule will be instated.

Please note ...

- Applicant which have closed upon a property are not eligible to receive funding.
  - Loans are deferred until:
    - The home in question is no longer the beneficiary's primary residence, then payable in full.
    - The property is sold or the title is transferred, then payable in full.
    - The primary mortgage is paid in full, then payable on a 3-5 year schedule.
    - The beneficiary's income is above low or moderate income levels for twenty-four consecutive months, then payable on a 3-5 year schedule.
- (1) Income guidelines represent the U.S. Department of Housing and Urban Development's definition of low or moderate income (LMI) households. Maximum eligible income and LMI status are defined as 80% of the county median income.

# City of Kaukauna First Time Homebuyer Loan Application

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Applicant: \_\_\_\_\_

Co-Applicant: \_\_\_\_\_

Address: \_\_\_\_\_

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Phone (Home): \_\_\_\_\_ (Work): \_\_\_\_\_

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## HOUSEHOLD DATA

Number of Persons in Household: \_\_\_\_\_

Gross Income From Previous Year:  
(Attach Copy of Last Years Tax Forms) \_\_\_\_\_

Anticipated Income from Current Year: \_\_\_\_\_

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## HOUSING DATA (IF KNOWN)

Anticipated Price of Home: \_\_\_\_\_

Anticipated Monthly Payment of  
Principal, Interest, Taxes and Insurance: \_\_\_\_\_

Approximate Age: \_\_\_\_\_

Address of Property: \_\_\_\_\_

## CERTIFICATIONS

The Applicant(s) certify that: (1) they have read the Homebuyer's Program description and understand the procedures and regulations; (2) they agree to abide by those procedures and regulations; and (3) the information contained in the application is true, correct and complete.

Applicant Signature \_\_\_\_\_ Co-Applicant Signature \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_



City of Kaukauna First Time Homebuyers' Target Area  
 City of Kaukauna Community Development Department