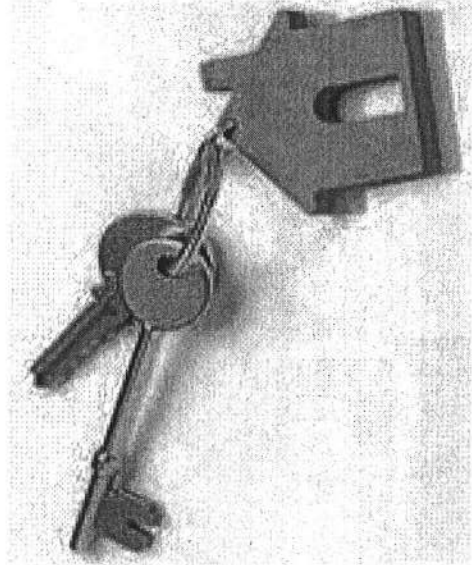


Map would be on table

Down Payment Assistance Program



*Unlocking the door
to homeownership...*

City of Racine, Wisconsin



Housing Department

Down Payment Assistance Program Summary

The City of Racine Housing Down Payment Assistance Program provides up to \$10,000 to eligible persons interested in purchasing and residing in a condominium or single-family home in a target area in the City of Racine (see map).

Eligible buyers can receive a zero (0) percent, forgivable loan from the City of Racine. The loan will be forgiven at the rate of 20 percent per year for five (5) years, as long as the buyer remains in the home and complies with program requirements (e.g. has property insurance, remains current with property taxes, etc.).

What are the eligibility requirements?

- Home must be in the target area in the City of Racine (see map)
- Buyer must complete homebuyer education
- Home must pass visual lead inspection by a Wisconsin certified lead inspector
- Home must be occupied by the buyer for at least five (5) years
- Home must be vacant or owner-occupied at time of purchase
- Home must pass Housing Quality Standards (HQS)
- Total household income may not exceed the Income Guidelines listed in the table below:

2011 Income Guidelines	
Family Size	Maximum Annual Income
1	\$38,500
2	\$44,000
3	\$49,500
4	\$54,950
5	\$59,350
6	\$63,750

Who offers homebuyer education?

A buyer can contact either Housing Resources, Inc. at (262) 636-8271, or Neighborhood Housing Services at (262) 633-3330 for more information about homebuyer education.

What other types of home buying assistance are available?

Please contact your lender and/or the housing department for additional assistance options.

I want to participate; what is my next step?

Contact the housing department to set up an appointment. Once your appointment is scheduled please bring the following documents:

- Last 2 years W-2 and tax returns (including Schedule C for self employed individuals)
- Two (2) months bank statements (for checking and savings accounts)
- One (1) months current pay stubs and verification of any other income.

Note: A copy of your credit report may be obtained and viewed at your appointment.

Questions? Contact the Housing Department at (262) 636-9197.

Se habla Español
(262) 636-9280

CITY OF RACINE HOUSING DEPARTMENT
City Hall

730 Washington Avenue, Room 102
Racine, WI 53403

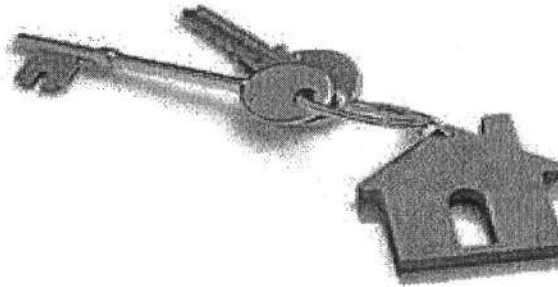
Phone: (262) 636-9197 Fax: (262) 635-5347
www.cityofracine.org/Housing



front

CITY OF RACINE
DOWNPAYMENT ASSISTANCE PROGRAM

*Unlocking the door
to homeownership...*



Let us help you make buying a home of your own a reality!

- Up to \$10,000 down payment assistance towards purchase of new home
 - 0% forgivable loan
- Condo or single-family home
 - May be paired with other grants or assistance
- Designated program target area (see map on back)

Program Income Limits

Family Size	Maximum Annual Income
1	\$38,500
2	\$44,000
3	\$49,500
4	\$54,950
5	\$59,350
6	\$63,750

Equal Opportunity
Housing

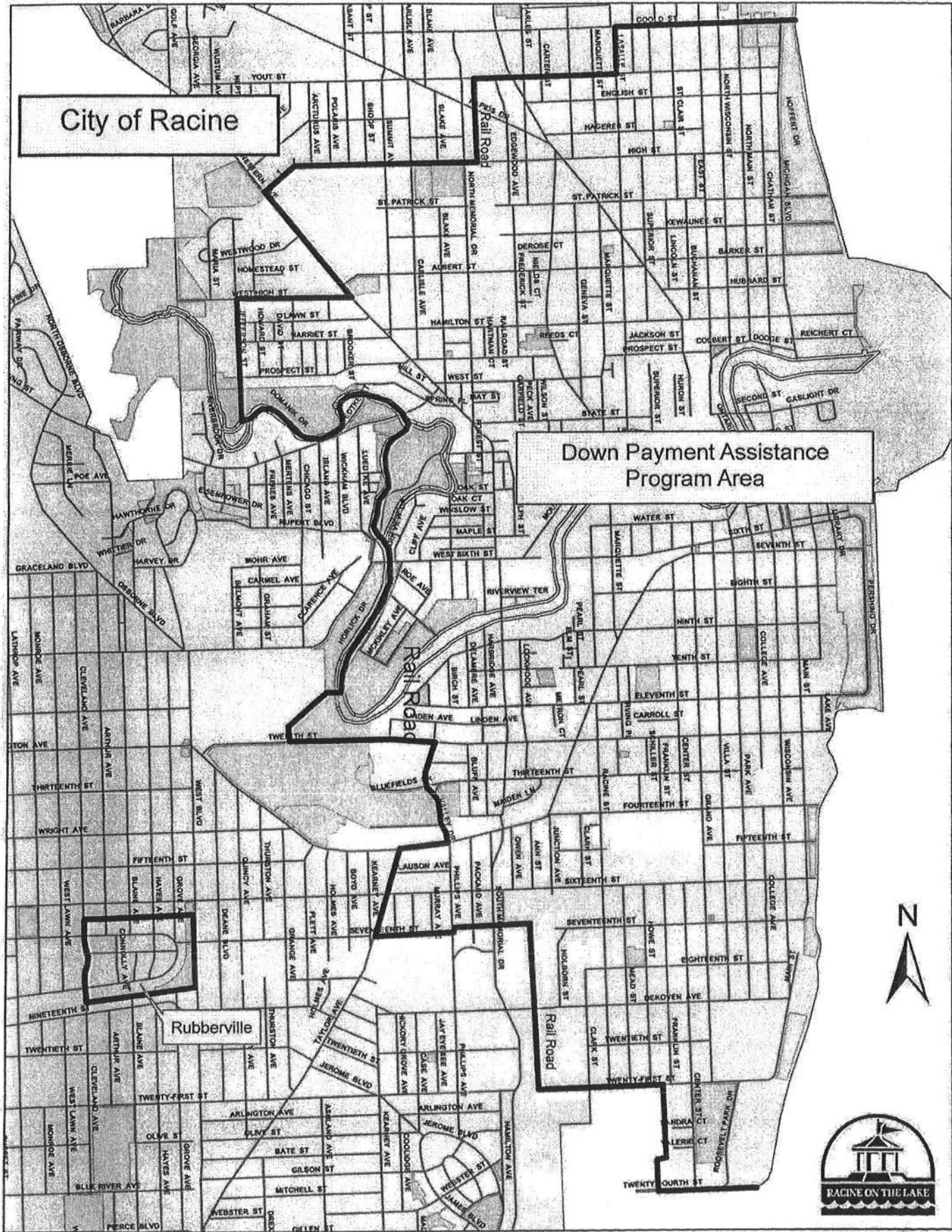


CITY OF RACINE HOUSING
DEPARTMENT
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730 Washington Avenue, Room 102
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Phone: (262) 636-9197
Fax: (262) 635-5347
www.cityofracine.org/Housing



City of Racine, Wisconsin

Back



City of Racine

Down Payment Assistance Program Area

Rubberville



City of Racine's Down Payment Assistance Program



Unlocking the door to homeownership...

The City of Racine is excited and proud to offer a Down Payment Assistance (DPA) Program, which provides funds for modest income families for a down payment to purchase a condominium or single-family home. Below you will find general program information and requirements; attached you will find supplemental resources to aid you during your participation in our program. It is our hope that you use these resources to make the home buying process as simple and enjoyable as possible.

Should there be any questions regarding the DPA program please contact the Department of Housing by phone at (262) 636-9197 or by email at Housing@cityofracine.org.

Eligibility:

The applicant must be purchasing a home within the City of Racine's target area and it must be purchased to be owner occupied. The home must be a condominium or single-family (which must be vacant or owner-occupied and cannot be tenant-occupied at the time of purchase). The subject home must pass Housing Quality Standards (HQS) as well as not have lead-based paint hazards present at time of closing.

The applicant's income cannot exceed 80% of the area's median income per family size (income is calculated as gross/base employment or benefit income including child support, bonuses, overtime and/or commissions received). Written verification of all household members over the age of 18 will be used to determine total family income.

The current income guidelines are below (and are subject to change annually):

Family Size	Maximum Annual Income
1	\$38,500
2	\$44,000
3	\$49,500
4	\$54,950
5	\$59,350
6	\$63,750

Assistance:

The assistance amount is up to \$10,000 and is in the form of a forgivable 5-year loan. What that means is that you are loaned the assistance money at an interest rate of 0% for a term of five years. The loan is no longer owed after 5 years of living in the home, and forgivable at a rate of 20% per year. In addition, there are funds available to reimburse you for the cost of the Housing Quality Standards (HQS) inspection, applied at time of closing.

If you refinance your home, no longer owner-occupy the home, sell the home or default on your first mortgage within the initial five years you will owe a pro-rated portion back. For example if your assistance amount was \$10,000 and you lived in the home for two years, you would need to repay \$6,000 (or 60% of the loan). When there is a foreclosure of the home, and there are no net proceeds or the net proceeds are insufficient to repay the HOME Investment due, the City of Racine can only recapture the net proceeds.

For those clients facing foreclosure, but are actively working with a lender to restructure or refinance a loan in order to remain in the home, we may be able to subordinate the City's second mortgage. Please contact our office to see if you qualify.

Underwriting Guidelines:

The borrower must put in a minimum of \$1,000 of their own funds towards the down payment of the new home. **Clients cannot get funds back at closing:** the balance at closing must zero out or the client may have to bring money to closing.

Reserves:

- Not required but prefer applicant to have established banking relationship to substantiate savings habit.

Bankruptcy:

- Chapter 7 – Must be discharged for 2 years with re-established credit
- Chapter 13 – Can be within the repayment time with no missed payments and approval from bankruptcy court

Foreclosures:

- Three years after foreclosure with no deficiency balance with written explanation and re-established credit

Repossessions:

- At least 24 months old with no deficiency balance

First Mortgage Loan Conditions:

- Prefer fixed rate mortgages
- Thirty-year term

General Requirements:

All adults living in the household must income qualify, be listed on the Deed of Trust and must attend a homeownership education class. If the client has already completed the Homebuyer's Education Class, a certificate must be provided to prove attendance. Certificates are only good for two (2) years prior to closing.

A home inspection is required prior to closing on the loan and must be conducted by a certified home inspector who will complete both a standard home inspection and the HQS inspection.

Contract Contingencies:

- Applicant's approval for assistance through the City of Racine Down Payment Assistance Program
- House must pass HQS Inspection
- Visual lead assessment must be completed and obtain a passing clearance prior to close

Additional Resources (Attached)

- Homebuyer Education program information
- Real estate salesperson and contract guide
- Home Inspection Helpful Hints
- Map of Racine's Target Area
- Housing Quality Standards (HQS) checklist for you to use when searching for a new home
- Lead based paint assessment information and acknowledgement form

If at any point during the home buying process you have any questions on participating in the Down Payment Assistance (DPA) Program, please contact our office at (262) 636-9197. We look forward to assisting you in making homeownership a reality.

Homebuyer Education Programs

All potential adult homeowners who wish to participate in the Down payment Assistance Program (DPA) must complete a Homebuyer Education Class prior to obtaining down payment assistance.

The City of Racine recommends and recognizes two local homebuyer education programs (which are free of charge):

Housing Resources

1442 N. Memorial Drive
Racine, WI 53404
Phone: (262) 636-8271
Fax: (262) 636-8272
<http://www.hri-wi.org/>

Neighborhood Housing Services

1700 Mead Street
Racine, WI 53403
Phone: (262) 633-3330
Fax: (262) 898-1844
<http://www.nhswi.org/>

Upon completion of the program you will receive a certificate of completion – a copy of this certificate must be provided to the City of Racine as proof of participation.

Real Estate Salesperson Guide to the City of Racine's Down Payment Assistance Program

Program Information

The City of Racine's Down Payment Assistance (DPA) program is a forgivable loan program that allows persons whose income qualifies up to \$10,000 in down payment assistance towards the purchase of a new home. There are important program requirements as well as specific things to include in the offer to purchase, which are described below for your reference.

If there are any questions or concerns about what to include in an offer for a client that is part of the Down Payment Assistance program, please contact our office at (262) 636-9197.

Important Things to Know

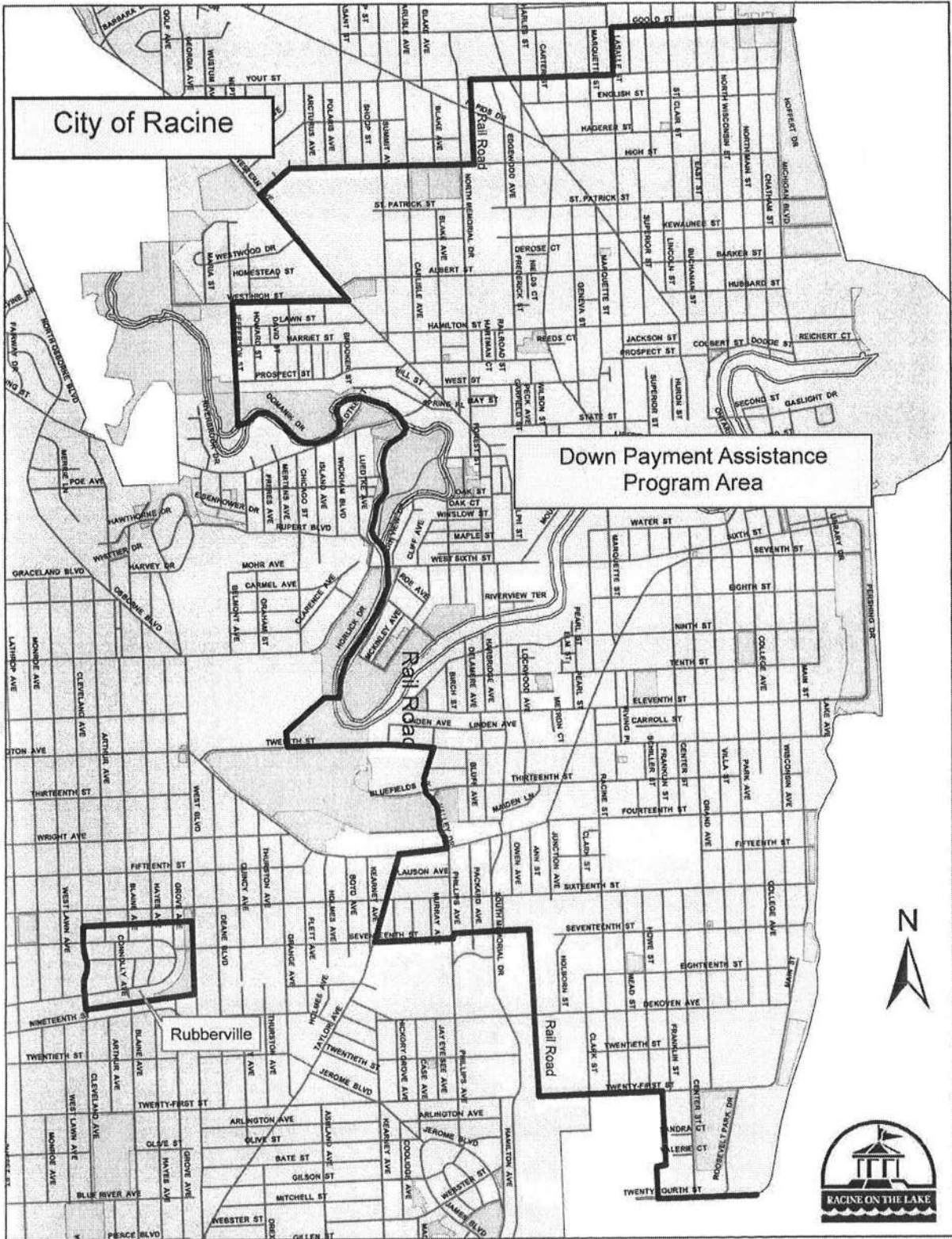
- The client should be pre-approved by the City of Racine prior to looking at homes if they wish to participate in the DPA program. If you have a client interested in participating, have them get pre-approved prior to assuming they will be part of the program.
- They should have participated in and completed the Homebuyer Education requirement in order to be able to participate.
- Homes must be within the Target Area (see attached map), any home not within the designated boundaries will not qualify for the DPA program.
- The home must be vacant or owner-occupied (it cannot be tenant-occupied between the time offer to purchase through to closing).
- The home must pass Federal Housing Quality Standards (HQS) inspection – we have given each program participant a reference guide to pre-screen the home to ensure that no time is wasted on a home that will not pass HQS – the inspection must be completed by a State of Wisconsin licensed home inspector as part of the program (once an accepted offer is obtained).
- The home must be free and clear of lead based paint hazards – a visual lead assessment must be conducted and any found defects must be corrected in order for the transaction to close.

Items to Include in Offer to Purchase

In order to ensure the offer meets all requirements of our program, please include the following items in the offer to purchase packet.

- Include verbiage that "Home must pass Federal Housing Quality Standards (HQS) inspection with the option for the seller to remedy any defects as an additional home inspection
- Include verbiage that the buyer must be able to obtain Down Payment Assistance with the City of Racine as part of the financing contingency (should be written as an additional provision of the financing)
- Include option to conduct a visual lead based paint assessment on any home built in, or prior to, 1978 with the option for the seller or buyer to remedy defects or back out of offer if any found
- Include enough time to close on the program; we recommend at least thirty (30) days from time of offer acceptance to close, in order to allow all necessary inspections and documents to be completed.

Down Payment Assistance – Program Area Map





City of Racine

Department of Housing – 730 Washington Avenue, Room 102

Racine, Wisconsin 53403

Phone (262) 636-9197

Fax (262) 635-5347,

Email: housing@CityofRacine.org

Down Payment Assistance Program – Lead Notice of Presumption of Lead

For the purpose of the down payment assistance program and the required visual assessment for lead-based paint hazards, the City of Racine will make the presumption of lead. Any painted, coated, or varnished surface in a pre-1978 home not tested will be assumed to be lead-based as defined by Wisconsin Administrative Code HFS 163, .06% by weight or .7 micrograms per square centimeter.

In order to receive down payment assistance for a property, a visual assessment shall be conducted in accordance with 24 CFR 35.1010(a) and by a person licensed in the State of Wisconsin as a Lead Investigator or Lead Risk Assessor. A home with a previous passing Lead Clearance, with at least 8 samples per unit taken (conducted in the past 24-months) in accordance with City code or a satisfactory lead risk-assessment, conducted by a certified Lead Investigator or Risk Assessor, will be accepted in lieu of the Visual Assessment.

Any lead hazards found will need to be abated prior to closing and a passing lead clearance must be obtained in accordance with Wisconsin Administrative Code HFS 163 and City of Racine Municipal Code. Failure to obtain a passing lead clearance will result in the home not qualifying for down payment assistance.

I have read and understand the above presumption of lead and the requirements of the Down Payment Assistance.

Signature

Date

Signature

Date

Guidelines for a Visual Assessment and Paint Stabilization

Visual Assessment Definition. A visual examination of painted surfaces to identify: (1) deteriorated paint; or (2) visible surface dust, debris, and residue as part of a risk assessment or clearance examination; or (3) the completion or failure of a lead hazard reduction measure.

Visual Assessment Requirements. Visual assessment must be done by a State of Wisconsin certified Lead Inspector or Risk Assessor. Every painted surface of the home shall be looked at and documented. At least one window in each room shall be opened and window well shall be looked at for dust and debris. Any corrections needed shall be noted in the report. After corrections, the surfaces shall be re-inspected for compliance.

Report requirements. The report shall include a copy of the license card (blue) of the Lead Investigator or Risk Assessor. The report shall contain the address of the property, age of the property, date and time of the inspection. The inspector shall list out painted surfaces in each room and note the appearance. Any surfaces that are not in stable condition shall be noted in the report and recommended paint stabilization or abatement measure should be listed for each component that needs to be addressed. The report shall contain photographs of at least each side of exterior of the house, a garage photo if applicable, and 4 to 5 interior photos of the house including a window and window well.

Paint Stabilization Requirements. Prior to closing all paint shall be stabilized or abated by either a Lead Safe Renovator or Lead Abatement Contractor certified by the State of Wisconsin in a lead-safe manner. Friction surfaces containing lead shall be replaced in accordance with City of Racine Municipal Code. After repairs are complete a Lead Clearance test must be conducted by a certified Lead Inspector or Lead Risk Assessor per Wisconsin Administrative Code HFS 163 and City of Racine Municipal Code. The home must achieve passing lead clearance prior to closing.

All reports shall be provided to Housing Department Staff as soon as possible for review. Any report not in compliance with this policy, State code, or Municipal code shall be rejected by staff.