



**DOWN PAYMENT ASSISTANCE  
FORGIVABLE LOAN PROGRAM**

## Participating Lender Program Manual

**Program Administrator:**

Waukesha County - Community Development  
515 W. Moreland Blvd., Room AC320  
Waukesha, WI 53188

Telephone: 262-896-8170

FAX: 262-896-8510

E-mail: [dnarus@waukeshacounty.gov](mailto:dnarus@waukeshacounty.gov)

Contact Person: Debbie Narus  
Housing Program Coordinator  
262-896-8170



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### Participating Lender Program Manual

#### Table of Contents

- Lender Participation Agreement
- Program Guidelines
- Step-by-Step Lender Process
- Responsible Lending Policy
- Borrower Requirements & Disclosures
- Income Limits
- Income Summary
- Income Calculation Guidelines
- Income Calculation Worksheet
- Eligible Areas
- Purchase Price Limits
- Home Buyer Counseling Requirements
- Reservation Checklist
- Reservation Form
- Voluntary Acquisition Form
- Qualified Alien Submission Form
- HOME Consortium Code Requirements Inspection Outcome
- Common Items Found on a DPA Inspection (Inspection Fails)
- Loan Approval Letter
- Closing Checklist
- Certificate of Borrower Eligibility
- Mortgage
- Assignment of Mortgage
- Mortgage, Retention and Subordination Agreement (to be used only with FHA mortgages)
- Grant Agreement



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### LENDER PARTICIPATION AGREEMENT

**Date:**

**Lender's Name:**

**Address:**

**City, State, Zip:**

**Contact Person:**

**Telephone Number:**

**FAX Number:**

**Email Address:**

This HOME Consortium Lender Participation Agreement ("Agreement") is made between Waukesha County and the above named Lender. The Lender named above hereby requests to participate in the HOME Consortium Down Payment Assistance Program.

#### **Certification**

The Lender certifies that it will adhere to all the provisions contained in the Program Manual and the terms and conditions detailed herein.

#### **Terms and Conditions**

1. **Definitions.** "Application" means the application submitted by Waukesha County to the HOME Consortium, its successors and assigns, of any other funding source which has the authority to allocate federal HOME funds for the benefit of eligible financial institutions in the State of Wisconsin, which is effective beginning April 1, 1998 or until funds expire. An eligible financial institution under this Agreement, notwithstanding any reference to the contrary in any Waukesha County Agreement, is any corporation licensed or registered in Wisconsin to originate first mortgage loans. All funds awarded under this Application are available on a first-come, first-served basis. Waukesha County makes no representations or promises that funds will be available for any of the Lender's particular projects. The Lender is required to ensure that funds used for each of its particular projects will be fully in compliance with the Application. Funds reserved for a particular project are not transferable without the prior consent of Waukesha County.
2. **Regulations.** As the Program Manual incorporates all required governing regulations, Lender agrees to be bound by said Manual, as may be amended from time to time.
3. **Reporting.** Lender agrees to provide information regarding the use of funds, as may be reasonably required by Waukesha County in order for Waukesha County to perform its duties under the terms of its contract with the HOME Consortium.

4. **Servicing.** In exchange for the reimbursement of each HOME Consortium DPA loan, Lender acknowledges and agrees to grant, sell, assign and convey to Waukesha County each mortgage and the servicing rights of each HOME Consortium DPA loan and all money due and to be become due and all rights that accrued under the mortgage.
5. **Recapture.** If the recapture of the DPA loan is required pursuant to the Program Manual, Lender agrees to fully cooperate with respect to any necessary action taken to ensure that recaptured funds are returned to the HOME Consortium.
6. **Indemnification.** Lender certifies that it recognizes and agrees that Waukesha County shall be the agent for the HOME Consortium DPA loan program. Lender agrees that it shall indemnify, release and hold harmless, and defend Waukesha County and its directors, officers, employees and agents from and against any liability, claims, demands, obligations or contentions asserted by Borrower or any other person or entity, including without limitation all attorney's fees, whether or not suit is instituted, and other costs and expenses connected therewith, arising out of or in any manner connected with this Agreement or the services provided hereunder unless such claim is due to fraud or misrepresentation on the part of Waukesha County.
7. **Representations and Warranties.** Lender represents and warrants that it will originate, close and deliver to Waukesha County deferred loans in compliance with the Program Guidelines. Lender acknowledges and agrees that Waukesha County is under no obligation to reimburse Lender for HOME Consortium DPA loans delivered to Waukesha County that do not meet Program Guidelines.
8. **Authority.** Lender represents and warrants to Waukesha County that it has full corporate power and authority and has received all corporate and governmental authorizations and approvals as may be required to enter into and perform its obligations under this Agreement.
9. **Program Compliance Fee.** Lender agrees to pay Waukesha County a **\$200** fee for each HOME Consortium DPA loan to offset program expenses.

For: \_\_\_\_\_  
(Name of Lender)

By: \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Type name of Authorized Officer)

\_\_\_\_\_  
(Signature of Authorized Officer)

Dated: \_\_\_\_\_

For: **Waukesha County - Community Development**

By: \_\_\_\_\_  
**Kristin Silva, Community Development Manager**

Dated: \_\_\_\_\_

**Return this form to the Program Administrator at the address shown below.**



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### PROGRAM GUIDELINES

Eligible Areas	Properties located in the counties of Jefferson, Ozaukee, Washington and Waukesha (see Eligible Areas sheet for exceptions)
Minimum/Maximum Loan Per Household	\$1,000/\$10,000 actual amount based on household need (financing gap)
Repayment Terms	Funds are extended as a 5-year forgivable loan. There are no monthly payments with this loan and it is interest free. 20% of the loan is forgiven for each full year during the 5-year retention period. After 5 years the loan is forgiven. If the mortgaged property is sold, transferred or ceases to be the borrower's primary residence before the end of the 5-year period, the HOME Consortium will recapture the unforgiven portion of the loan, or any net proceeds.
Eligible Borrowers	Borrowers with total annual household incomes at or below 80% of county median income, adjusted for family size (see Income Limits sheet)  Borrowers with ITIN's must sign the Qualified Alien Submission Form and provide the lender with the required documentation of immigration status
Debt Ratios	Housing debt-to-income ratio no lower than 18%  Total debt-to-income ratio no higher than 50%
Eligible uses	Down payment, closing costs, costs required by the lender to be paid in advance (items must be detailed on the Settlement Statement), escrow reserves deposited with the lender, and home buyer counseling fees
Eligible Properties	Owner-occupied, single-family attached or detached residences or condominiums
Maximum Purchase Price	Purchase price limits apply (see Purchase Price Limits sheet).
First Mortgage Financing	Conventional (fixed or adjustable rate), Fannie Mae, Freddie Mac, WHEDA, Federal and State VA, Habitat for Humanity, FHA  For FHA loans the FHA Mortgage, Retention and Subordination Agreement must be used instead of the standard Mortgage and Assignment forms  Interest rate on the first mortgage cannot exceed the WHEDA rate by more than 2%  Points, fees and other charges on first mortgage must not be excessive or unreasonable
Subsidy Layering	May be combined with other federal, state and local grants or loans
Home Buyer Counseling	One-on-one home buyer counseling with a HOME Consortium-approved counseling agency is required for all home buyers.
Inspection	Property must pass the HOME Consortium Code Requirements Inspection to qualify for a DPA loan
Contact persons	Debbie Narus 262-896-8170



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### STEP-BY-STEP LENDER PROCESS

#### Participating Lender Enrollment

1. Execute the HOME Consortium Lender Participation Agreement.
2. Return the executed Agreement to Waukesha County.
3. There is no fee to participate in this program, however there is a **\$200** processing fee for each DPA loan closed. This fee cannot be passed on to the borrower.

#### Reserving Funds

1. Lender will qualify the home buyer(s) according to the Program Guidelines which include:
  - a. Household income – total household income cannot exceed 80% of county median income adjusted by household size. (See Household Income Calculation section below)
  - b. ITIN holders must sign the Qualified Alien Submission Form and provide the lender with the required documentation of immigration status. The lender must provide this information to Waukesha County prior to closing.
  - c. First mortgage programs – eligible first mortgage programs include Conventional (fixed or adjustable rate), Fannie Mae, Freddie Mac, WHEDA, Federal and State VA, USDA Rural Development, Habitat for Humanity and FHA. The interest rate must be locked for at least 5 years and the loan term must be at least 5 years. Interest only mortgage are not eligible.
  - d. Property types – only one-unit properties are eligible. This includes single family attached or detached and condominium properties.
  - e. Purchase price – eligible properties are subject to purchase price limits by county.
  - f. County – property must be located in Jefferson, Ozaukee, Washington or Waukesha County. See Eligible Areas sheet for exceptions.
  - g. Debt Ratios – Front-end (housing) ratio minimum of 18%. Back-end (total debt) ratio maximum of 50%.
  - h. Reserving Funds – There must be an accepted offer to purchase prior to reserving funds.
2. Voluntary Acquisition – This form must be provided to the seller at the time the offer to purchase is made. The form notifies the seller that if the sale does not go through, their home will not be acquired by the HOME Consortium (or the home buyers) by eminent domain. This form is used to satisfy the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). A copy of the completed form should be provided to us with the reservation materials.
3. A Lender who has identified a qualified HOME Consortium DPA home buyer will complete and email or fax all the documentation listed on the Reservation Checklist to Waukesha County.
4. Waukesha County will review the reservation materials and will contact Lender regarding initial approval/disapproval of DPA loan. (Carrying out this step before closing ensures that errors in the income calculation will be caught before closing. Identifying an error in income compliance after closing may prohibit the lender from receiving these funds for that transaction.) This process should be completed by Waukesha County within 5 business days of receipt of all required documentation. A Loan Approval Letter will be sent to the lender upon completion of the income verification. If the first mortgage amount changes, the lender must report the change to the Administrator in writing for approval.
5. Funds can be reserved for a maximum of 90 days. Lenders should contact Waukesha County if an extension is required.

## **Lead-Based Paint Disclosure**

The DPA program is funded with federal funding through the U.S. Department of Housing and Urban Development. A requirement of receiving federal funding is that the home buyer be provided with information about lead-based paint and/or lead-based paint hazards. For all homes built prior to 1978 the lender will ensure the home buyer signs and returns a lead-based paint disclosure form and pamphlet. The home buyer must initial, sign and date the disclosure form. The household cannot receive HOME DPA funding unless the disclosure form is completed and returned.

## **Household Income Calculation**

1. Income must be calculated based on HUD's Part 5 Definition. Below is a summarized description of this method, please see the Income Guidelines for more detailed information:
  - a. Income eligibility is based on anticipated income over the next 12 month period.
  - b. Included in income are wages, business income, interest & dividend income, retirement & insurance income, unemployment & disability income, welfare assistance, alimony, child support & gift income, and Armed Forces income.
  - c. Source documents include wage statements, interest statements, unemployment compensation statements, child support statements, bank statements, etc. For self-employed home buyers, two prior year tax returns and a year-to-date income and expense statement will be required.
2. As stated above, income will be verified by Waukesha County prior to closing.

## **Home Buyer Counseling**

1. One-on-one counseling with a HOME Consortium-approved counseling agency is required for all home buyers. There is no cost to the homebuyer for this service.
2. In order to receive reimbursement for the DPA loan funds advanced at closing, the Lender must include the Certificate of Achievement that the Lender receives from the counseling agency upon completion of counseling with the closing documents sent to Waukesha County after closing.

## **Housing Inspection**

1. A home inspection is required for all properties receiving HOME Consortium DPA funds. (The only exception to this requirement is if the property is new construction, then no inspection is required. The Lender should tell Waukesha County if the property is new construction.) The property must pass the HOME Consortium Code Requirements Inspection to qualify for the DPA loan. The inspection can only be completed by the HOME Consortium-approved inspector, White Glove Home Inspections, LLC.
2. After the household income is verified, Waukesha County will notify the Lender regarding the initial approval of the DPA loan.
3. Waukesha County will notify the Inspector who will schedule the inspection. The inspection will be completed within 10 days of notification.
4. Upon receipt of the inspection report, Waukesha County will email the Inspection Outcome sheet to the Lender. If the property does not pass the inspection the DPA loan application will not be approved. The home buyer can either repair the deficiencies or apply for the Purchase/Rehab Program, with which they can receive up to \$14,999 as a deferred loan at 0% interest to use towards the repairs found by the Inspector.
5. If the deficiencies that caused the property to fail the inspection are corrected, the property will need to be re-inspected by White Glove Home Inspections, LLC.
6. Waukesha County will notify the Inspector who will schedule the re-inspection. The re-inspection will be completed within 10 days of notification.
7. Upon receipt of the signed Inspection Outcome sheet, Waukesha County will email the outcome sheet to the Lender. The DPA loan will not be approved unless the deficiencies were corrected and the corrections were acceptable.



## Closing

1. At closing the following DPA documents must be executed:
  - a. Certificate of Borrower Eligibility – signed by Borrower(s) and Lender
  - b. Mortgage for DPA loan – Lender is named as Mortgagee
  - c. Assignment of Mortgage for DPA loan – Waukesha County is named as Assignee
  - d. Mortgage, Retention and Subordination Agreement – **FOR FHA LOANS ONLY**. This form replaces the Mortgage and Assignment (above) when the first mortgage is an FHA loan.
  - e. Grant Agreement – Lender is named as Grantor
2. Cash Back Policy – Home buyers should not receive cash back at closing except to reimburse them for expenses they paid prior to closing. Examples of eligible cash back are earnest money, application fee, appraisal fee, credit report, first year hazard insurance, etc. These amounts should be shown as POC on the HUD-1 Settlement Statement.

## Submitting the Closed Loan Documents for Reimbursement

The following closed loan documents must be submitted to Waukesha County after closing in order for the Lender to be reimbursed for DPA funds advanced at closing:

1. Closing Checklist
2. Certificate of Borrower Eligibility
3. Closing Disclosure (DPA loan should be shown as “HOME Consortium DPA”)
4. Executed DPA Mortgage (recorded mortgage or certified copy)
5. Executed Assignment of Mortgage (recorded assignment or certified copy)
6. Executed Grant Agreement
7. Home Buyer Counseling Certification
8. Processing fee of \$200 payable to Waukesha County (if this fee is not received with the closed loan documents it will be deducted from the Lender reimbursement)

Waukesha County will submit all complete files for funding within one week of receipt. The reimbursement process generally takes 1-2 weeks.

## Servicing

Servicing of the DPA loan will occur when the property is sold or transferred, when the first mortgage is refinanced, or in the event of a foreclosure. When the need for servicing arises Waukesha County will provide the satisfaction, payoff or subordination documentation to the appropriate parties (the Lender, title company, etc.).

## Recapture

In the event of a voluntary or involuntary transfer of the property during the applicable period of affordability, Waukesha County will recapture all or a portion of the direct subsidy provided to the homebuyer. This direct subsidy is provided as down payment assistance in the form of a deferred 0% interest loan. The loan will be forgiven pro-rata over the period of affordability (20% each year over 5 years), as long as the home remains the principal residence of the home buyer. If the net proceeds from a voluntary or involuntary sale are insufficient to repay the prorated amount of the HOME subsidy, Waukesha County shall recapture the balance due on the loan or 100% of net proceeds from the sale, whichever is less. If there are no net proceeds from the sale, no repayment is required. Net proceeds is defined as the sales price minus superior loan repayment and any closing costs incurred by the homebuyer.



## Refinancing

If the home buyer decides to refinance their first mortgage or take out a second mortgage for home improvements, Waukesha County is to be notified to determine whether the DPA loan will be subordinated to the new mortgage or whether the home buyer must repay the DPA loan. Items we will look at to determine whether subordination is a possibility are:

1. Letter from the home buyer requesting the subordination and explaining why they want to refinance (for example, interest rate reduction) or take out a second mortgage (for example, home improvements)
2. Copy of current title
3. Loan to value ratio (must be at least 80% if DPA loan is in 3<sup>rd</sup> position)
4. Cash out refinance (must be for home improvements and the funds must be escrowed by the lender)
5. Current appraisal report



## ANTI-PREDATORY LENDING POLICY

The HOME Consortium works to increase the provision and accessibility of quality, affordable housing. Establishing fair, responsible lending standards is an important component of this goal. The anti-predatory lending policy described here ensures that borrowers are not subject to undue financial burden or unreasonable terms as a result of their loan.

First mortgage loans that are supported by funds provided by the HOME Consortium must comply with these minimum responsible lending requirements:

- Interest rates charged to borrower may not exceed 2 percentage points above the WHEDA Conventional and FHA-Insured rates.  
*These rates are available by contacting a participating WHEDA lender.*
- The interest rate must remain fixed for at least five years
- Loan term (retention period) must be at least five years
- No interest-only loans
- Borrower's total debt-to-income ratio may not exceed 50%
- Points and fees charged in connection with the loan will not exceed 5% of the total loan amount
- No prepayment penalties

In addition to the requirements listed above, lenders and lending policies must not employ overtly predatory practices including, but not limited to:

- Making loans based predominantly on the foreclosure or liquidation value of a borrower's collateral rather than on the borrower's ability to repay the mortgage according to its terms
- Inducing a borrower to repeatedly refinance a loan in order to charge high points and fees each time the loan is refinanced ("loan flipping")
- Engaging in fraud or deception to conceal the true nature of the mortgage loan obligation, or ancillary products, from an unsuspecting or unsophisticated borrower



## **DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM**

### **BORROWER REQUIREMENTS AND DISCLOSURES**

- Obtain first mortgage financing through one of the HOME Consortium participating lenders
- Provide the seller with the Voluntary Acquisition Form at the time the offer to purchase is submitted.
- Provide the lender with an accepted offer to purchase (there must be an accepted offer to purchase prior to DPA funds being reserved)
- Purchase a single-family or condominium property in an eligible area and within purchase price limits
- Home being purchased must be occupied by sellers. Properties occupied by tenants are not allowed to be purchased using HOME DPA funding.
- Provide accurate and complete income verification to the lender as requested
- Complete home buyer counseling with a HOME Consortium-approved counseling agency.
- Property must pass a HOME Consortium Code Requirements Inspection to be eligible for down payment assistance
- Repay the unforgiven portion of the loan from net proceeds upon sale or transfer of the property or if the property ceases to be your primary residence
- Request evidence that the lender has released the lien (satisfied the mortgage) at the end of the 5-year retention period

**YEAR 2023**  
**MAXIMUM HOUSEHOLD INCOME LIMITS ADJUSTED BY HOUSEHOLD SIZE**  
**THE HOME CONSORTIUM**

Effective: June 15, 2023

<b>FAMILY SIZE:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
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**80% OF COUNTY MEDIAN**

**COUNTY:**

<b>Jefferson</b>	52,300	59,750	67,200	74,650	80,650	86,600	92,600	98,550
<b>Ozaukee</b>	55,950	63,950	71,950	79,900	86,300	92,700	99,100	105,500
<b>Washington</b>	55,950	63,950	71,950	79,900	86,300	92,700	99,100	105,500
<b>Waukesha</b>	55,950	63,950	71,950	79,900	86,300	92,700	99,100	105,500

**Maximum House Value by County:**

<b>Jefferson</b>	<b>\$254,000</b>
<b>Ozaukee</b>	<b>\$343,000</b>
<b>Washington</b>	<b>\$312,000</b>
<b>Waukesha</b>	<b>\$341,000</b>



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### INCOME SUMMARY SHEET

Borrower: \_\_\_\_\_

Lender: \_\_\_\_\_

Please fax this completed form to Waukesha County along with the Reservation Form, Income Calculation Worksheet, Subsidy Layering Worksheet and the following applicable income verification documents. Documentation must be provided for all persons over age 18 residing in the households, including nonrelated individuals.

#### Income

☐  
☐  
☐  
☐  
☐  
☐

- VOE or 2 months, consecutively dated paystubs
- SS or SSI current year verification documents
- Pension current year verification documents
- Child Support current year verification documents
- Other

#### Assets

☐

- Checking Accounts
  - 6 months of statements

☐

- Savings Accounts
  - Current statement only

☐

- Retirement Accounts
  - Current monthly or quarterly statement
  - Potential amount of penalty incurred for early withdrawal

☐

- Other



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### Income Calculation Guidelines

#### **Determining Household Income Eligibility**

The HOME Program regulations require that the income of all household members age 18 and older anticipated to be received in the coming 12-month period be included in the determination of annual income. Income includes household income (such as wages, SSI, etc.) and income from assets (such as interest on bank accounts, retirement accounts, etc.).

Eligible households must have annual incomes of less than or equal to 80% of the area median income for the county in which the home purchased will be located, adjusted for family size. (See Income Limits sheet.)

Lenders will have to submit the following documentation to Waukesha County at the time of reservation:

- 1) Reservation Form
- 2) Subsidy Layering Worksheet
- 3) Income Calculation Worksheet
- 4) Income documentation for all sources of income

#### **Determining Whose Income to Count**

Lenders must count the income of all persons age 18 and older residing in the households, including nonrelated individuals. Do not include income of the following household members – foster children, live-in aides (and their children), unborn children, and children being pursued for legal custody or adoption who are not currently living with the household.

Income from certain groups of people requires special consideration when calculating a household's annual income. Those groups include:

- Temporarily absent family members – income is counted
- Permanently absent family members – income is only counted if the head of household chooses to count person as a member of the household (such as a spouse in a nursing home)
- Adult students living away from home – first \$480 of the student's income must be counted in the family's income. (The \$480 limit does not apply to a student who is the head of household or a spouse. When this is the case, their full income must be counted.)

*Please review Appendix A and Appendix B for all inclusions and exclusions.*

#### **Gathering Income Documentation**

Lenders will need to provide income documentation for each source of income identified on the Income Calculation Worksheet. The preferred income document of choice to confirm employment income is the Fannie Mae Request for Employment Verification (VOE) form. Best efforts must be made to obtain this form. However, if unavailable, two months of recent pay-stubs can be used. These pay-stubs must be consecutively dated. Only one or the other type of employment income document is required, not both. If the household member holds more than one job; the lender will have to obtain more than one verification document.

For non-employment income sources, the household member will need to provide documentation to confirm the periodic payment and how often it is received.

For business income (self-employed household member), the household member will need to provide a YTD income statement or schedule of receipts and the IRS's Schedule C form or the equivalent from the household member's two most recent tax returns.

For income from assets, the household member will need to provide recent bank statements\*, retirement statements, mortgage statement and most recent property tax bill.

\*Please note that six months of checking account statements will need to be provided. One current statement is required for savings accounts.

### **Anticipating Income**

A "snapshot" of the household's current circumstances will be used to project future income. The sources of income to be counted will be those identified on the Income Calculation Worksheet. The lender should use the information contained in the source documents to perform the calculation. Income amounts used in the calculation should be on a pre-tax basis and include any allowable pre-tax deductions such as 401K contributions or health insurance premiums.

#### **1. Employment Income**

Gross earned income is defined as the full amount (before any payroll deductions) of all wages and salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal activities.

- **Hourly Wages**

If using a VOE, the average hours and hourly wage should be expressed as finite numbers. However, if the average hours are expressed as a range, the high end of the range must be used in the calculation. If the average hours are not provided, the lender should make best efforts to have the VOE completed accurately. The default for average work week hours will be 40, if not documented on the VOE.

If using pay-stubs, take the average of all hours indicated on the two months of recent pay-stubs. These pay-stubs must be consecutively dated. Carry out the average hours to the second decimal place. Example – Average hours 43.565, use 43.57 for average hours.

In order to determine an hourly wage, if not disclosed, annualize the gross base pay amount, and divide the annual amount by the standard 2,080 annual work hours. If a monthly wage is disclosed, multiply by 12; if weekly, multiply by 52; bi-weekly, multiply by 26; bi-monthly, multiply by 24; and annually, multiply by 1. Take the result and divide by 2,080 to get the hourly wage. The resulting hourly wage should then be used in the income calculation. If the hours aren't disclosed, the standard 40 hours should be used.

- **Bi-Monthly Pay Schedules**

If a household member is paid on a bi-monthly basis, project the estimated earned income for the year by using the bi-monthly pay times 24 pay periods. Typically a bi-monthly earner is paid twice a month on the 15th and 30th of each month.

If using paystubs, and only a bi-monthly wage is given, with no other information about hourly wages or hours, use the bi-monthly wage given and project forward for 12 months. If, however, the pay-stub discloses hours per pay period, hourly wage, and other income, then you must determine the average hours based on the bi-monthly pay period.

- **Salaried Workers**

If the VOE or paystub clearly indicates the individual is on salary and provides an annual salary amount, use this amount as the annual income. To this amount add any additional non-salary income such as bonuses, commissions, tips, etc.



- **Seasonal Workers**

A VOE will be required for seasonal workers. The employer should document on the VOE the seasonal nature of the employment and expected employment schedule. The employer should also indicate whether unemployment is available during the off season. Use the standard calculation guidelines to determine annual income, while discounting the amount for off season time. However, be sure to include any unemployment compensation the household member has or may receive during the off season. The 40-hour standard work week will not apply to seasonal workers. The number of hours listed on the VOE will be used instead.

- **Other Compensation**

If other compensation is customary for the position, this should also be projected for the next 12 months. Add that result to the annual income from employment.

- **Position <1 Year**

If the household member has been in their current position less than one year, it is not necessary to confirm the earnings from the prior employer. Earnings from the current employer will be projected for the next 12 months.

## **2. Non-Employment Income**

For other income received on recurring or periodic schedules, calculate the annualized amount by taking the periodic amount times the number of periods in the year. For amounts that vary, use an average of the amount earned to date and project forward. Examples of this type of income include Social Security, annuities, pensions, disability compensation, etc.

## **3. Business Income**

The net income from the operation of a business or profession must be calculated. See Appendix A Category 2 for what is to included in the income calculation. The household member should be prepared to supply an income statement or schedule of receipts for this purpose. The IRS's Schedule C form or the equivalent from the household member's two most recent tax returns will also be needed. Future earnings will be based on the monthly average of the net income from the two most recent years.

If the household member has less than two years of self employment history, the monthly average of net income will be based on the number of self employed months including those in the current year.

In cases where a business is started in the same year as the year of qualification, the YTD net income should be projected forward for 12 months. However, if the YTD figure is negative (net loss), the net loss will not be counted or projected forward.

## **Treatment of Assets**

### **1. What Should Be Included as an Asset?**

An asset is a cash or a non-cash item that can be converted to cash. When including assets in the annual income calculation, it is the **income earned from the asset that is counted**, not the value of the asset.

*Please review Appendix C and Appendix D for all asset inclusions and exclusions.*

### **2. Determining Asset Income**

Actual income generated by the asset, such as the interest on a savings or checking account, should be included in the annual income. This income is counted even if the household elects not to receive it. For example, though a household member may elect to reinvest the interest or dividends from an asset, the interest or dividends are still counted as income.

When a household member has a checking account that earns income, to avoid counting monthly income as an asset, an average monthly balance over a six-month period should be used as the cash value of the checking account.

### ***Determining Asset Income – Assets with Little or No Income***

It is assumed that a household with assets has an increased payment ability, even if the assets do not currently produce income (e.g. a household may own land that is not rented or otherwise currently used to produce income).

Rather than require the household to dispose of the property, it is required that an “imputed” income be calculated based on a Passbook Rate (2%) applied to the cash value of all assets. This rule only applies if the total cash value of all assets is more than \$5,000.

#### *Example*

The Smith family has \$6,000 (average balance over six months) in a non-interest-bearing checking account. The annual income would include an amount based on the Passbook Rate. The calculation would be:  $\$6,000 \times .02 = \$120$

### ***Assets Sold Below Fair Market Value***

Household members who dispose of assets for less than fair market value have, in essence, voluntarily reduced their ability to afford housing.

- a. It is required that any asset disposed of for less than fair market value during the **two years preceding** the income determination be counted if the household still owned the asset.
  - o *Fair Market Value* is the value of an asset on the open market in an “arm’s length transaction.”
- b. Each household member must certify whether an asset has been disposed of for less than fair market value during the two years preceding the income determination.
  - o Assets disposed of for less than fair market value as a result of foreclosure or bankruptcy are not included in this calculation.
  - o In the case of disposition as part of a separation or divorce settlement, the disposition will not be considered to be less than fair market value if the household member receives (or received) important consideration not measurable in dollar terms.
  - o The amount that will be included as an asset for purposes of calculating annual income is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset.

#### *Example*

Mr. Jones “sold” a piece of property to a family member for \$30,000 on July 1, 2014. The home was valued at \$75,000 and had no loans against it.

Market value	\$75,000
Less settlement costs	( 3,000)
Less sales price	<u>( 30,000)</u>
Cash value to be considered	\$42,000

The \$42,000 would be counted as an asset for any income documentation conducted until July 1, 2016. This amount would be combined with the cash value of other assets (if any), and an imputed income calculation would be required.

### **3. Computing the Value of Assets**

Only the cash value (rather than the market value) of an item is counted as an asset. An asset's cash value, however, is the market value less reasonable expenses required to convert the asset to cash, including:

- Penalties or fees for converting financial holdings, such as penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds to cash or broker fees for converting stocks to cash; and/or
- Costs for selling real property, such as settlement costs, real estate transaction fees, payment of mortgages/lien against the property and any legal fees associated with the sale of real property

If an asset is owned by more than one person, the asset must be prorated according to the household member's percentage of ownership. If no percentage is specified or provided by state or local law, the asset must be prorated evenly among all owners. If an asset is not effectively owned by an individual, it should not be counted as an asset in the annual income.

## Appendix A – Income Inclusions

General Category	
1. Income from Wages, Salaries, Tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal activities.
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest and Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement and Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in number 14 of Income Exclusions).
5. Unemployment and Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare Assistance	<p>Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income.</p> <p>If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:</p> <ul style="list-style-type: none"> <li>• The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus</li> <li>• The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from an application of the percentage.</li> </ul>
7. Alimony, Child Support and Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special pay and allowance of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).

## Appendix B – Income Exclusions

General Category	
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years old.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses (except as provided in number 5 of Income Inclusions).
4. Medical Expense and Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide
6. Disabled Persons	Certain increases of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance.
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. Armed Forces Hostile Fire Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul style="list-style-type: none"> <li>• Amounts received under training programs funded by HUD.</li> <li>• Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self Sufficiency (PASS).</li> <li>• Amount received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and that are made solely to allow participation in a specific program.</li> <li>• Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for a PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time.</li> <li>• Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.</li> </ul>
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparations	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).

13. Adoption Assistance	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security and SSI Income	Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions of 24 CFR 5.609(c) apply. Please contact the Waukesha County for more information.

## Appendix C – Asset Inclusions

General Category	
Cash Accounts	Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance.
Revocable Trusts	Cash value of revocable trusts available to the household member.
Rental Property	Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
Stocks, Bonds, etc.	Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
IRA	Individual retirement and Keogh accounts (even though withdrawal would result in a penalty).
Pension	Retirement and pension funds.
Life Insurance	Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
Personal Property	Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
Lump Sum	Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
Mortgages	Mortgages or deeds of trust held by a household member.

## Appendix D – Asset Exclusions

Personal Property	Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
Indian Trust Lands	Interest in Indian trust lands.
Non-owned	Assets not effectively owned by the household member. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
Cooperatives	Equity in cooperatives in which the family lives.
Not Accessible/No Income	Assets not accessible to and that provide no income for the household member.
Term Life Insurance	Term life insurance policies (i.e., where there is no cash value).
Active Business	Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.





**DOWN PAYMENT ASSISTANCE  
FORGIVABLE LOAN PROGRAM**

**INCOME CALCULATION WORKSHEET**

<b>1. Primary Borrower:</b>	
<b>2. Property Address:</b>	

<b>HOUSEHOLD ASSETS</b>		
<b>Asset Description</b>	<b>Current Cash Value of Assets</b>	<b>Actual Income from Assets</b>
CHECKING		
SAVINGS		
RETIREMENT		
<b>3. Total Cash Value of Assets:</b>	\$ -	
<b>4. Total Actual Income from Assets:</b>		\$ -
<b>5. Estimated Income from Assets if line 3 is greater than \$5,000 (at .06% Passbook Rate)</b>		\$ -
<b>ANTICIPATED ANNUAL INCOME</b>		
<b>List Household Member(s)</b>	<b>Wages/Salaries</b>	<b>Other Income</b>
<b>6. Totals</b>	\$ -	\$ -
<b>Income from Assets (greater of line 4 or 5 above)</b>		\$ -
<b>Income from Wages</b>		\$ -
<b>TOTAL ANNUAL INCOME</b>		\$ -

<p>Compliance requires income documentation and calculation to be included with this worksheet. Use the box below to illustrate the math used to calculate Total Annual Income.</p>



## **DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM**

### **ELIGIBLE AREAS**

#### **JEFFERSON COUNTY**

**All Towns  
All Villages (except Sullivan)  
All Cities**

#### **OZAUKEE COUNTY**

**All Towns  
All Villages (except Bayside)  
All Cities**

#### **WASHINGTON COUNTY**

**All Towns  
All Villages  
All Cities**

#### **WAUKESHA COUNTY**

**All Towns (except Eagle, Genesee, Mukwonago and  
Ottawa)  
All Villages (except Chenequa, Oconomowoc Lake,  
Lac la Belle, Summit, Vernon and Waukesha)  
All Cities**



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### HOME PURCHASE PRICE LIMITS Effective July 1, 2023

*Please note the purchase price limits are different for existing housing and new construction.*

County	Existing housing
Jefferson	\$254,000
Ozaukee	\$343,000
Washington	\$312,000
Waukesha	\$341,000

County	New Construction
Jefferson	\$312,000
Ozaukee	\$343,000
Washington	\$312,000
Waukesha	\$341,000



## **DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM**

### **Home Buyer Counseling Requirements**

A requirement of the HOME Consortium is that ALL households receiving a HOME Consortium DPA forgivable loan must successfully complete home buyer counseling through an approved home buyer counseling organization.

Please make sure the household completes one-on-one counseling with this organization prior to closing. Evidence that the household has successfully completed counseling (which is a fully executed "Certificate of Achievement") must be included in the closed loan file or we will not be able to reimburse you for the loan.

The cost of this service is paid for through the HOME Program at no cost to the borrower.

Below is a listing of the home buyer counseling organizations and their contact information. A home buyer may choose any of the following counseling agencies to provide their housing counseling, depending on which agency offers a schedule and locations that best fits their needs.

**Jefferson County Economic  
Development Consortium**  
RoxAnne Witte  
864 Collins Road, Suite 111  
Jefferson, WI 53549  
920-674-8711  
[roxanne@jeffersoncountywi.gov](mailto:roxanne@jeffersoncountywi.gov)  
[www.thriveed.org/athome](http://www.thriveed.org/athome)

**Housing Resources, Inc. (HRI)**  
Jaquetia Tate  
217 Wisconsin Avenue, Suite 411  
Waukesha, WI 53186  
(262) 522-1230  
[www.hri-wi.org](http://www.hri-wi.org)  
[jaquetia\\_tate@hri-wi.org](mailto:jaquetia_tate@hri-wi.org)

**LaCasa de Esperanza, Inc.**  
Crystal Monsivais  
134 Wisconsin Ave.  
Waukesha, WI 53186  
(262)899-6787  
[cmonsivais@lacasadeesperanza.org](mailto:cmonsivais@lacasadeesperanza.org)



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### RESERVATION CHECKLIST

**Submit one copy of the following items to Waukesha County. Please do not submit incomplete documents as that will delay the reservation process.**

- ☐ Reservation Form
- ☐ Income Summary Sheet
- ☐ Income Calculation Worksheet
- ☐ Documentation of household income
- ☐ First Mortgage Application
- ☐ Loan Estimate
- ☐ Qualified Alien Submission Form (**for ITIN holders only**)
- ☐ Voluntary Acquisition Form



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### RESERVATION FORM

(Maximum lock period is 90 days. Please call if an extension is needed.)

This form should be completed, signed and sent via EMAIL to [dnarus@waukeshacounty.gov](mailto:dnarus@waukeshacounty.gov) or FAX to 262-896-8510. Due to the large number of pages required, email is preferred.

#### LENDER INFORMATION

Lender Name \_\_\_\_\_

Address \_\_\_\_\_ City, State, Zip \_\_\_\_\_

Telephone Number \_\_\_\_\_ FAX Number \_\_\_\_\_

Loan Officer \_\_\_\_\_ Email Address \_\_\_\_\_

#### BORROWER INFORMATION

Borrower's Name(s) \_\_\_\_\_

Borrower's Current Address \_\_\_\_\_ City, State, Zip \_\_\_\_\_

Borrower's Telephone Number (home) \_\_\_\_\_ Borrower's email \_\_\_\_\_

Household Size \_\_\_\_\_ Are there children under 6 or pregnant women in household? ☐ Yes ☐ No

Household Members (including all Borrowers): (use separate sheet for additional)

1.	Name _____	Age _____	Annual Income \$ _____
2.	Name _____	Age _____	Annual Income \$ _____
3.	Name _____	Age _____	Annual Income \$ _____
4.	Name _____	Age _____	Annual Income \$ _____

Total Estimated Annual Household Income \$ \_\_\_\_\_ First-time Home Buyer? ☐ Yes ☐ No

Is Borrower interested in applying for additional funds for rehab of home? ☐ Yes ☐ No

#### PROPERTY INFORMATION

Property Address \_\_\_\_\_

City \_\_\_\_\_ State Wisconsin Zip \_\_\_\_\_ County \_\_\_\_\_

Listing Agent's Name \_\_\_\_\_ Listing Agent's Telephone Number \_\_\_\_\_

Listing Agent's email \_\_\_\_\_ Number of Bedrooms \_\_\_\_\_ Year house was built \_\_\_\_\_

Purchase Price \$ \_\_\_\_\_ Amount of Subsidy Requested (maximum is \$10,000) \_\_\_\_\_

Anticipated Closing Date \_\_\_\_\_ \$ Is the property currently occupied by renters? ☐ Yes ☐ No

#### LOAN INFORMATION

First Mortgage Amount \$ \_\_\_\_\_ Estimated Closing Costs \$ \_\_\_\_\_

Borrower Contribution toward purchase \$ \_\_\_\_\_ Other Down Payment Assistance \$ \_\_\_\_\_

Housing Debt-to-Income Ratio \_\_\_\_\_ Total Debt-To-Income Ratio \_\_\_\_\_

I certify that the above borrower(s) annual household income is equal to, or less than, 80% of the county median income, adjusted by household size, as indicated by the HOME Consortium DPA Income Limits, and this household is qualified to receive the direct subsidy under the HOME Consortium DPA Program Guidelines. In addition, I agree to provide all the documents required by the HOME Consortium DPA Program following the closing.

\_\_\_\_\_  
Name of Authorized Officer

\_\_\_\_\_  
Title of Authorized Officer

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Date



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### VOLUNTARY ACQUISITION

Dear \_\_\_\_\_ (Seller):

I (we), \_\_\_\_\_, (Buyer) am (are) interested in acquiring property you own at \_\_\_\_\_ (address) which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD).

Please be advised that I (we) do not have the authority to acquire your property by eminent domain. In the event that we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

I (we) am (are) prepared to offer you \$ \_\_\_\_\_ to purchase your property. We believe this amount represents the current market value of your property. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner occupants who move as a result of voluntary acquisition are not eligible for relocation assistance.

A tenant-occupant who moves because of a voluntary acquisition for a federal assistance project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state and local law. If a tenant lawfully occupied this property within the last three months prior to our offer, we need to know immediately.

If you have any questions about this notice or proposed project, please contact Debbie Narus at the contact information below.

Sincerely,

\_\_\_\_\_  
Signature of Buyer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Buyer

\_\_\_\_\_  
Date

Delivered to Seller by \_\_\_\_\_ (name) on \_\_\_\_\_ (date).



**QUALIFIED ALIEN SUBMISSION FORM**

I, \_\_\_\_\_, under penalty of perjury hereby declare that my immigration status makes me a “qualified alien”.

The following is a list of eligible “Qualified aliens” and the documentation required to prove that status:

- 1. Aliens lawfully admitted for permanent residence under the Immigration and Nationality Act (INA)**
  - a. INS Form I-551 (green card) or
  - b. Unexpired Temporary I-551 stamp in foreign passport or on INS Form I-94
- 2. Refugees, admitted to the U.S. under section 207 of the INA**
  - a. INS Form I-94 annotated with a stamp showing grant of asylum under section 207 or
  - b. INS Form I-688B (Employment Authorization Card) annotated with 274a.12(a)(3) or
  - c. INS Form I-766 (Employment Authorization Document) annotated with A3 or
  - d. INS Form I-571 (Refugee Travel Documentation)
- 3. Aliens granted asylum under section 208 of the INA**
  - a. INS Form I-94 annotated with a stamp showing grant of asylum under section 208 or
  - b. INS Form I-688B (Employment Authorization Card) annotated with 274a.12(a)(5) or
  - c. INS Form I-766 (Employment Authorization Document) annotated with A5 or
  - d. Grant Letter from the Asylum Office of INS or
  - e. Order of an immigration judge granting asylum
- 4. Cuban and Haitian Entrants, as defined in section 501(e) of the Refugee Education Assistance Act of 1980**
  - a. INS Form I-551 (green card) with the code CU6, CU7 or CH6 or
  - b. Unexpired temporary I-551 stamp in foreign passport or on INS Form I-94 with the code CU6 or CU7 or
  - c. INS Form I-94 with stamp showing parole as Cuba/Haitian Entrant under Section 212(d)(5) of the INA
- 5. Aliens granted parole for at least one year under section 212(d)(5) of the INA**
  - a. INS Form I-94 with stamp showing admission for at least one year under section 212(d)(5)
- 6. Aliens whose deportation is being withheld under section 243(h) of the INA as in effect prior to April 1, 1997 or under section 241(b)(3) of the INA, as amended**
  - a. INS Form I-688B (Employment Authorization Card) annotated 274a.12(a)(10) or
  - b. INS Form I-766 (Employment Authorization Document) annotated A10 or
  - c. Order from an immigration judge showing deportation withheld under section 243(h) of the INA

7. **Aliens granted conditional entry under section 203(a)(7) of the INA in effect before April 1, 1980**
  - a. INS Form I-94 annotated with a stamp showing admission under section 203(a)(7) of the INA or
  - b. INS Form I-688B (Employment Authorization Card) annotated with 274a.12(a)(3) or
  - c. INS Form I-766 (Employment Authorization Document) annotated with A3 or
8. **Battered aliens who meet the conditions set forth in section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), as amended**
9. **Victims of a severe form of trafficking, in accordance with section 107(b)(1) of the Trafficking Victims Protection Act of 2000**

By signing below and providing the required documentation listed above to my lender and the HOME Consortium, I assert that I am a Qualified Alien and am eligible to apply for Federal HOME funding.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

*Any questions regarding this form should be directed to the Program Administrator shown below.*



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### HOME CONSORTIUM CODE REQUIREMENTS INSPECTION OUTCOME

Date:

To:

Fax Number:

From:

Re:

The outcome of the inspection on the property:

\_\_\_\_\_ The Property **Passed** the HOME Consortium Code Requirements

\_\_\_\_\_ The Property **Failed** the HOME Consortium Code Requirements

Listed below are the specific deficiencies of the property:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

If these items are corrected as described above, the property will likely meet the HOME Consortium Code Requirements. Should the Seller and Buyer desire to correct these deficiencies, the follow-up inspection and completion certification below must be completed either by the Lender or White Glove Home Inspection, LLC.

If you would like a re-inspection to complete the certification, please let us know as soon as possible so we can schedule it. Please contact us by phone at 262-896-8170, by fax at 262-896-8510, or by email at [dnarus@waukeshacounty.gov](mailto:dnarus@waukeshacounty.gov). **There is no longer a charge to the homebuyer for this service.**

Post-Completion Inspection completed on: \_\_\_\_\_ (date)

\_\_\_\_\_ Completion Acceptable                      \_\_\_\_\_ Completion Unacceptable

**Completion Certified by:** \_\_\_\_\_ **Date:** \_\_\_\_\_



## **DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM**

### **COMMON ITEMS FOUND ON A DPA INSPECTION**

The HOME Consortium cannot providing DPA funding to a home buyer if the home they hope to purchase does not pass the HOME Consortium code inspection. To help expedite the inspection and closing process below is a list of common items found on a DPA inspection which cause the house to fail the inspection.

This list should be provided to the current home owner and/or realtor to ensure these items are handled prior to the inspection taking place.

1. Electrical wires exposed, missing cover plates on outlets and missing junction box covers.
2. Smoke detectors missing or not working. One needed on every level.
3. Carbon monoxide detector missing or not working. One needed in the basement of the dwelling and on each floor level except the attic, garage or storage area of the dwelling unit.
4. Handrails missing or incomplete. Needed where 3 or more stairs are present.
5. GFCI issues – outlet won't trip.
6. Cracked window panes
7. Leaky faucets
8. Improper use of extension cords, typically for water softeners. Needs dedicated outlet.
9. Missing or torn shingles
10. Inoperable windows – one must open in each room and all must lock if within 6' of ground.
11. Chipping or peeling paint or stain on homes built before 1978 will require lead testing. If positive for lead, remediation or abatement will be required.

If you have any questions please contact Debbie Narus at 262-896-8170 or [dnarus@waukeshacounty.gov](mailto:dnarus@waukeshacounty.gov).



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### Loan Approval Letter

Dear \_\_\_\_\_:

Your request to acquire a HOME Consortium Down Payment Assistance loan as a second mortgage for \_\_\_\_\_ has been approved. The HOME Consortium's loan commitment is for \$\_\_\_\_\_, which will be applied to the acquisition of the property. This loan commitment is subject to the following contingencies:

1. The applicant's ability to complete the purchase of the property at a purchase price of \$\_\_\_\_\_.
2. Subject to a first mortgage loan in the amount of \$\_\_\_\_\_.  
**Any changes to the first mortgage amount require written approval by the HOME Consortium.**
3. The property must pass the HOME Consortium code requirements inspection and the HUD Environmental Review prior to closing. The HOME Consortium contracted inspector will complete the inspection and a HOME Consortium staff member will complete the environmental review.

This commitment is effective \_\_\_\_\_, for a period of ninety days, expiring\_\_\_\_\_.

Sincerely,

Debbie Narus  
Housing Program Coordinator



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### CLOSING CHECKLIST

Borrower's Name(s): \_\_\_\_\_

Lender's Name and Phone Number: \_\_\_\_\_

**Submit one copy of the following items to Waukesha County. Please do not submit incomplete documents as that will delay the reimbursement process.**

- ☐ Certificate of Borrower Eligibility  
*(Signed by Borrower(s) and Lender)*
- ☐ Closing Disclosure  
*(HOME Consortium mortgage should be listed as HOME Consortium DPA. No housing counseling or inspection fees should be listed on the Closing Disclosure in association with this loan.)*
- ☐ HOME Consortium DPA Mortgage  
*(Recorded Mortgage only)*
- ☐ Assignment of Mortgage  
*(Recorded Assignment or certified copy only)*
- ☐ Grant Agreement  
*(Signed by Borrower(s) and Lender)*
- ☐ Home Buyer Counseling Certification  
*(Provided to Lender upon completion of Home Buyer Counseling)*
- ☐ \$200 Processing Fee payable to Waukesha County *(If fee does not accompany closing documents, it will be deducted from Lender reimbursement)*

**MAIL TO:**        **Waukesha County - Community Development**  
                      **515 W. MORELAND BLVD., ROOM AC320**  
                      **WAUKESHA, WI 53188**



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### CERTIFICATE OF BORROWER ELIGIBILITY

(This form should be completed, printed, signed and sent with other required closing documents.)

Lender Name \_\_\_\_\_

Lender Address \_\_\_\_\_

Borrower's Name(s) \_\_\_\_\_

Property Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ County \_\_\_\_\_

#### **HOUSEHOLD INFORMATION**

Household Size \_\_\_\_\_ Is household coming from subsidized housing (ex. Section 8)? ☐ Yes ☐ No

Ethnicity: ☐ Hispanic or Latino ☐ Not Hispanic or Latino

Race: ☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American  
☐ Native Hawaiian or other Pacific Islander ☐ White ☐ Other Multi Racial

Household Members (including all Borrowers): (use separate sheet for additional)

1. Name \_\_\_\_\_ Age \_\_\_\_\_  
2. Name \_\_\_\_\_ Age \_\_\_\_\_  
3. Name \_\_\_\_\_ Age \_\_\_\_\_  
4. Name \_\_\_\_\_ Age \_\_\_\_\_

I (we) certify that the information contained in this Certificate of Borrower Eligibility is true and correct to the best of my (our) knowledge.

Borrower Signature and Date \_\_\_\_\_

Co-Borrower Signature and Date \_\_\_\_\_

#### **LOAN AND PROPERTY CHARACTERISTICS**

(Check one in each column)

☐ Conventional ☐ Detached Single Family ☐ Purchase  
☐ WHEDA ☐ Attached Single Family ☐ Purchase/Construction  
☐ Other ☐ Condominium ☐ Purchase/Rehabilitation

Purchase Price \_\_\_\_\_ Appraised Value \_\_\_\_\_ Loan Amount \_\_\_\_\_

Loan Type (Fixed or Adjustable) \_\_\_\_\_ Interest Rate \_\_\_\_\_ Term (Years) \_\_\_\_\_ Amortization Period \_\_\_\_\_

Loan-to-Value Ratio \_\_\_\_\_ Housing Debt-to-Income Ratio \_\_\_\_\_ Total Debt-to-Income Ratio \_\_\_\_\_

#### **LENDER CERTIFICATION**

Amount of HOME DPA Subsidy \$ \_\_\_\_\_ Closing Date \_\_\_\_\_

Annual Household Income \$ \_\_\_\_\_  
Income Category: Less than 50% ☐ 51-60% ☐ 61-80% ☐

Home Buyer Counseling Provided by: \_\_\_\_\_

I certify that the information contained in this Certificate of Borrower Eligibility and attached documents are true to the best of my knowledge. I also request reimbursement of the subsidy amount for funds advanced to the borrower.

Lender Signature \_\_\_\_\_

Printed Name of Signer \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



## MORTGAGE

**Document Number:**

**Return Address:**

**Parcel I.D. Number:**

**Date:**

**Mortgage Amount: \$**

**Mortgagor:**

**Mortgagee:**

Mortgagor mortgages to Mortgagee for the consideration in the amount shown above the following tract of land:

This Mortgage is granted by the Mortgagors to secure a Grant Agreement executed herewith and the terms thereof are incorporated herein. In the event of foreclosure, Mortgagee, its successor and assigns, shall be entitled to elect to proceed under the accelerated redemption periods of Section 846.101 or 103, Wisconsin Statutes. In Witness Whereof, the said Mortgagors have hereunto set their hands and seals the above date.

\_\_\_\_\_(Seal)  
**Mortgagor**

\_\_\_\_\_(Seal)  
**Mortgagor**

**STATE OF WISCONSIN)**

**:SS.**

\_\_\_\_\_**COUNTY)**

Personally came before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the above-named \_\_\_\_\_ to me known to be the persons who executed the foregoing instrument and acknowledged the same.

\_\_\_\_\_  
**Notary Public**  
\_\_\_\_\_**County, Wisconsin**  
My commission expires: \_\_\_\_\_

This instrument was drafted by:

## ASSIGNMENT OF MORTGAGE

**Document Number:**

**Return Address:** Waukesha County – Community Development  
515 W. Moreland Blvd., Room AC320  
Waukesha, WI 53188

**Parcel I.D. Number:**

**Date:**

**Mortgage Amount:** \$

**Mortgagor:**

**Mortgagee:**

**Legal Description:**

For Value Received, the undersigned holder of the Mortgage (herein "Assignor") does hereby grant, sell, assign, transfer and convey unto **Waukesha County (hereinafter "Assignee")**, a municipal corporation organized and existing under the laws of Wisconsin whose address is listed above, the Mortgage described above together with the grant agreement, and all obligations described herein and the money due and to become due thereon and all rights to accrue under the Mortgage.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Assignor: \_\_\_\_\_

By a Mortgage Dated: \_\_\_\_\_, Recorded in the office of the Register of Deeds of: \_\_\_\_\_ County, Wisconsin, As Document Number: \_\_\_\_\_

**STATE OF WISCONSIN)**

**:SS.**

\_\_\_\_\_ **COUNTY)**

Personally came before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, the above-named \_\_\_\_\_ to me known to be the persons who executed the foregoing instrument and acknowledged the same.

\_\_\_\_\_  
**Notary Public**

\_\_\_\_\_ **County, Wisconsin**

My commission expires: \_\_\_\_\_

This instrument was drafted by:

\_\_\_\_\_ (Space above this line for recording data)\_\_\_\_\_

## MORTGAGE, RETENTION AND SUBORDINATION AGREEMENT

(Only for use with FHA Mortgages)

Document Number:

Return Address:      Waukesha County – Community Development  
515 W. Moreland Blvd., Room AC320  
Waukesha, WI 53188

Parcel I.D. Number

Date: \_\_\_\_\_ Mortgage Amount: \$ \_\_\_\_\_

**Mortgagor:**

Mortgagee: Waukesha County

Mortgagor mortgages to Mortgagee for the consideration in the amount shown above the following tract of land, together with all improvements and fixtures thereon ("Property"):

This mortgage is granted by the Mortgagor(s) to secure the performance of Mortgagor's obligation as set forth hereunder.

In the event of foreclosure, Mortgagee shall be entitled to elect to proceed under the accelerated redemption periods of Section 846.101 or 103, Wisconsin Statutes.

## **RETENTION AGREEMENT**

Mortgagor's purchase of the Property was partially funded with proceeds from an U.S. Department of Housing and Urban Development HOME Program loan from Mortgagee in the amount described above ("HOME DPA Forgivable Loan"). Under the regulations of the Waukesha County HOME Consortium, Mortgagor's receipt of the funds are conditioned on Mortgagor's agreement to restrictions on Mortgagor's ability to sell or refinance the Property, for the purpose of ensuring that the funds are used for the purchase of housing which is retained as Affordable Housing for at least five years from the closing date ("Retention Period"). In addition to the HOME DPA Forgivable Loan, Mortgagor obtained a mortgage loan from \_\_\_\_\_ ("Lender"), which loan is secured by a first mortgage lien on the Property. Accordingly, Mortgagor agrees:

1. Mortgagor shall use the HOME DPA Forgivable Loan to fund costs associated with the Property.
2. Such HOME DPA Forgivable Loan may be retained by Mortgagor without any obligation to repay the HOME DPA Forgivable Loan except as specifically provided in this Agreement.
3. Mortgagee and Lender must be notified of any sale or refinancing of the Property that occurs prior to the end of the Retention Period.
4. Except as set forth herein, if Mortgagor sells, refinances or vacates the Property, Mortgagor must repay to Mortgagee all or a portion of the HOME DPA Forgivable Loan, determined as follows: an amount equal to the HOME DPA Forgivable Loan, less a deduction of 20% thereof for each full year Mortgagor has owned, resided in and maintained the Property as their primary residence, commencing with the date of the HOME DPA Forgivable Loan.
5. If Mortgagor sells the Property, Mortgagor is not required to repay an amount exceeding the net gain realized on the sale after deduction of sales expenses. Net gain is defined as the difference between your original purchase price and the price you as a seller receive for the property when it is sold, less your seller costs. Net gain will be computed by Mortgagee based upon its review of the appropriate H.U.D. Settlement Statements for the purchase and sale of the Property.
6. If Mortgagor refinances and the Property remains subject to the encumbrance created by this Agreement, then Mortgagor shall not be required to repay any portion of the HOME DPA Forgivable Loan.
7. The obligations to repay this HOME DPA Loan shall terminate upon foreclosure, deed-in-lieu of foreclosure or assignment of the insured mortgage to HUD.
8. The term Mortgagor shall include all Mortgagors whether one or more, and the provisions hereof for reimbursement shall not apply as long as any named Mortgagor continues to both own and occupy the Property.

## **SUBORDINATION AGREEMENT**

Lender is Mortgagor's primary lender for Mortgagor's purchase of the Property, and is the holder of a mortgage against the Property recorded on or about the closing date. To induce Lender to advance funds under its mortgage, Mortgagee does hereby unconditionally subordinate the lien created by this Agreement to the lien of Lender's mortgage.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the above date.

\_\_\_\_\_(Seal)  
**Mortgagor**

\_\_\_\_\_(Seal)  
**Mortgagor**

### **MORTGAGOR ACKNOWLEDGMENT**

**STATE OF WISCONSIN)**

**:SS.**

\_\_\_\_\_**COUNTY)**

Personally came before me this\_\_\_\_day of\_\_\_\_\_, 20\_\_\_\_, the above named  
\_\_\_\_\_ to me known to be the persons who executed the foregoing instrument and  
acknowledged the same.

\_\_\_\_\_  
**Notary Public**

\_\_\_\_\_**County, Wisconsin**  
My commission expires:\_\_\_\_\_

**WAUKESHA COUNTY**

By: \_\_\_\_\_

Its: \_\_\_\_\_

### **MORTGAGEE ACKNOWLEDGMENT**

**STATE OF WISCONSIN)**

**:SS.**

\_\_\_\_\_**COUNTY)**

Personally came before me this\_\_\_\_day of\_\_\_\_\_, 20\_\_\_\_, the above named  
\_\_\_\_\_ to me known to be the persons who executed the foregoing instrument  
and acknowledged the same.

\_\_\_\_\_  
**Notary Public**

\_\_\_\_\_**County, Wisconsin**  
My commission expires:\_\_\_\_\_



## **DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM**

### **GRANT AGREEMENT FIVE (5) YEAR RETENTION PERIOD**

**Grantor (Lender):**  
**Grantee (Borrower):**  
**(Co-Borrower):**  
**Grant Amount: \$**  
**Property Address:**

This Agreement is executed by and between the above Grantor and Grantee.

#### **WITNESSETH:**

WHEREAS, Grantor is herewith making a first mortgage loan to Grantee to assist the Grantee to purchase a parcel of real estate more particularly described in the mortgage and located at the address shown above ("Property"); and

WHEREAS, to assist Grantee with the closing costs, homeownership counseling and/or down payment requirements associated with said loan, Grantor is advancing funds to Grantee under the terms of the HOME Consortium DPA Forgivable Loan Program; and

WHEREAS, under the terms of said program Grantee's receipt of the funds is conditioned on Grantee's agreement to restrictions on Grantee's ability to sell or refinance the Property, for the purpose of ensuring that the funds are used for the purchase of housing which is retained as Affordable Housing for at least five (5) years from the closing ("Retention Period"); and

WHEREAS, the parties intended to set forth the terms of Grantee's entitlement to such funds and corresponding obligation to reimburse Grantor for said funds in this Agreement.

NOW THEREFORE, in consideration of such grant the parties do agree as follows:

1. Grantor shall advance to Grantee the amount shown above ("Grant"), which amount shall be used to fund closing costs, homeownership counseling and/or down payment associated with the first mortgage loan being made by Grantor to Grantee.
2. Such Grant shall be deemed a grant to Grantee and shall not be considered a loan or extension of credit. Such Grant may be retained by Grantee without any obligation to repay such funds except as specifically provided in this Agreement.
3. Grantor or the HOME Consortium must be notified of any sale or refinancing of the Property that occurs prior to the end of the Retention Period.
4. Grantee shall be entitled to retain such funds provided the Grantee remains in both ownership and occupancy of the mortgaged premises for a period of five (5) years. In the event the Grantee terminates either ownership or occupancy of the premises within five (5) years, Grantee shall be required to reimburse the HOME Consortium an amount equal to the grant amount less a deduction equal to twenty percent (20%) thereof for each full year Grantee has owned and resided in the mortgaged premises, commencing on the date of the grant.

5. If Grantee sells the Property, Grantee is not required to repay an amount exceeding the net proceeds realized on the sale. Net proceeds are defined as the sales price minus closing costs and any non-HOME loan repayments. Net proceeds will be computed by Grantor based upon its review of the appropriate Closing Disclosures for the purchase and sale of the mortgage Property.
6. If Grantee refinances and the Property remains subject to the encumbrance created by this Agreement, then Grantee shall not be required to repay any portion of the Grant.
7. The obligations to repay this Grant shall terminate after the Property is foreclosed upon.
8. The term Grantee shall include all Grantees whether one or more, and the provisions hereof for reimbursement shall not apply as long as any named Grantee continues to both own and occupy the premises.
9. This obligation for repayment shall be secured by a mortgage executed by Grantee herewith, which is subordinate to the underlying first mortgage to Grantor.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Grantor (Lender) \_\_\_\_\_

Grantee (Borrower) \_\_\_\_\_

Grantee (Co-Borrower) \_\_\_\_\_