

BARRON COUNTY CDBG

Down Payment Assistance for Homebuyers

Loan Program Guidelines

Loans of up to \$15,000 are available from the BARRON County CDBG Program, administered through the Chippewa County Housing Authority, to assist homebuyers with matching funds for down payment and/or closing costs. The loans are deferred. There is no interest or payments required until the homebuyer no longer owns or occupies the home. The loans will be secured by a mortgage taken in second position behind the purchase financing.

Homebuyers

Home buyers must not currently own a home. Consideration may be given if an applicant does own a home in but has been displaced due to death of a partner, divorce, loss of employment or natural disaster. Circumstances of displacement are considered on a case-by-case basis.

Income

An applicant's annual gross income must be at least 30% of the county median income (CMI) and must be below 80% of the CMI. Exceptions for minimum income may be made for households where the head or spouse is handicapped or disabled. These exceptions will be considered on a case-by-case basis. There are no exceptions for the maximum income.

Family Size	1	2	3	4	5	6	7	8
Minimum Income	\$14,250	\$16,460	\$20,780	\$25,100	\$29,420	\$33,740	\$38,060	\$42,380
Maximum Income	\$38,000	\$43,400	\$48,850	\$54,250	\$58,600	\$62,950	\$67,300	\$71,650

Credit Score

An applicant's credit score must be at least 600. Exceptions may be made for applicants whose credit score is below 600 when the score reflects a lack of established credit as opposed to delinquent debt.

Debt Ratio

An applicant's debt ratio must be no greater than 30% for principal, interest, taxes and insurance compared to monthly gross income or 40% for total indebtedness compared to monthly gross income.

Cash Contribution from the Homebuyer

Each homebuyer must contribute a minimum of \$1,000.00 cash towards the down payment.

Terms of the First Mortgage

The interest rate of the purchase financing must be within 3 percentage points of the interest rate established by the Wisconsin Housing and Economic Development Authority (WHEDA) interest rate for that time period. Closing costs for the purchase mortgage can be no greater than \$3,000.

Homebuyer education

Participants must complete the homebuyer education requirements of the Barron County CDBG program prior to the assistance loan being given.