

LENDER'S CORNER

Program Year 2008

DCHA Down payment and Closing Cost Program Guidelines

The Dane County Housing Authority (DCHA) First Time Homebuyer Down Payment and Closing Cost Program may be used to defray the entry costs of first time homeownership for income-eligible households outside the city of Madison.

Please note the following program procedures for 2008:

- Step 1: Customer(s) register for the [DCHA First Time Homebuyer Course](#). Course completion is required to receive program funds.
- Step 2: Buyer receives lender pre-approval for financing from lender of choice.
- Step 3: DCHA receives pre-approval letter and appropriate lender documents. [See Lender Checklist](#).
- Step 4: Buyer completes [DCHA Homebuyer Application](#) and schedules one-on-one counseling session with DCHA Homeownership Counselor. Note: Funding requests will be considered active once DCHA receives both Lender Checklist documents and Homebuyer Application.
- Step 5: DCHA reviews Homebuyer Application together with Lender Checklist documents to determine buyer eligibility. Note: if lender documentation does not include third party income verifications DCHA sends out third parties.
- Step 6: DCHA issues commitment letter with contingencies if necessary.
- Step 7: DCHA coordinates with Dane County in the preparation of loan documents and completes inspection requirements. Note: third party inspections are required as is a DCHA Housing Quality Standard (HQS) inspection. HQS is free of charge and completed by DCHA.
- Step 8: DCHA continues to receive documents from lender, title co., others as they become available.
- Step 9: DCHA coordinates with title company agent receiving closing instructions, funds and loan documents.

Notes:

Processing time is approximately 20 days from the date of commitment. Every effort will be made to expedite processing time.

Other program dollars that can be stacked with DCHA funds include: FHLB Down Payment Plus, Movin' Out, Realtors Foundation, WHEDA EZ Close, Town of Madison and the City of Middleton.

DCHA Down Payment and Closing Cost Program Guidelines

Eligible Area:	Dane County outside the city of Madison
Contact Person:	Kate Nardi @ 224-3636 x18 or knardi@dcha.net
First Time Buyer:	Applicants must be first time buyers defined as not having owned a home in the past three years, a single parent or displaced homemaker.
Income Eligibility:	Gross household income from all sources may not exceed 80% of County Median Income adjusted for household size.
Max Purchase Price	\$223,250
Minimum Down Payment:	One percent of the purchase price from the buyer's own funds.
Eligible Property Types:	Single family home, condominium or ½ duplex
Ratios:	Total combined debt to income ratios cannot exceed 40 percent. However, if the borrower's income is adequate to complete the first mortgage transaction without DCHA funds, DCHA will not participate.
Asset Limits:	No more than 12 months PITI including condo fees.
Loan Amount:	Up to \$10,000.
Eligible Costs:	Down payment and/or closing costs standard to the industry such as appraisal, credit report, title insurance, settlement fees, other.
Home Buyer Education:	Face to face homebuyer education is required. See course schedule to register customer(s).
Loan Conditions:	The loan is deferred until such time borrower sells the property, terminates occupancy as the primary residence or upon a cash-out refinance
Home Inspections:	Housing Quality Standard (HQS) Inspection conducted by DCHA inspector. Independent third party inspection performed by an inspector licensed in the state of WI.
Other Provisions:	Interest rate may be no more than two percentage points more than the prevailing WHEDA rate. The maximum points and fees charged to a borrower may not exceed two percent of the loan amount. Pre-payment penalties are prohibited.
Section 8 Homeownership	Please refer customers who have Section 8 vouchers to DCHA unless he/she provides a Preliminary Statement of Commitment from DCHA.