



Housing Cost Reduction Initiative Down Payment Assistance Loan Program

What does this program offer?

The Housing Cost Reduction Initiative (HCRI) Down Payment Assistance Loan Program provides 0% interest, deferred-payment loans to assist qualified first-time home buyers with down payment and closing costs on a home purchase.

Who is eligible for this program?

Eligibility requirements include:

- Household income must be at 80% of county median or less.
- You must be a first-time home buyer, single parent, or displaced homemaker. *
- A household member must have a permanent disability.

Are there any geographical or property-type restrictions?

- Eligible properties must be located in the State of Wisconsin.
- Single-family homes, condominiums, and some half duplexes or twin homes qualify.
- No properties with a renter that has a lease that extends past closing date.

What costs do these funds cover?

Borrowers can use the loan for down payment costs and closing costs that are standard to the industry. These can include an appraisal, credit report, title insurance, settlement fees, and other costs.

Who provides the funds for this program?

Funds for this program are provided by the Wisconsin Department of Administration, Division of Housing.

What are the repayment terms for this grant?

No payments are required until the borrower sells the property, stops using it as a primary residence, or initiates a cash-out refinance. The entire loan is then due and payable without interest.

Can funds from this program be used with other assistance programs?

Yes. The program can be used with a household's personal resources and many other down payment assistance programs.

Are there other requirements to qualify for this program through Movin' Out?

Yes, in addition to the eligibility requirements outlined above, the borrower must:

- Participate in home buyer education.
- Contribute \$500 if Buyer's income is less than or equal to 50% of the County Median, or contribute \$1,000 if income is less than or equal to 80% of the County Median.
- Contribute 1% of the purchase price from borrower's own funds.
- If the home was built before 1978 (due to the possibility of lead), arrange and pay for an independent third-party inspection that confirms no chipping or peeling paint on interior surfaces.
- Verify smoke detectors are operational.
- If the applicant has a guardian, provide written court permission for the purchase of the home.
- Secure first mortgage terms that include a fixed interest rate at no more than 2% above the current Wisconsin Housing and Economic Development Authority (WHEDA) loan rate.
- Ensure that maximum loan origination, points, and/or funding fees do not exceed 2% of loan amount.
- Secure a mortgage that does not include pre-payment penalties.
- Have a maximum housing debt-to-income ratio, after including HCRI assistance, not more than 38%. Borrower's total debt-to-income ratio must not exceed 45%. Loan requests with a housing ratio below 25% may be approved on a case-by-case basis.
- Comply with all requirements of the HCRI Program Manual.
- All household members must be legal citizens of the United States or qualified aliens.

Where can I get more information or apply?

Contact a Movin' Out housing counselor for more information at 608-251-4446 x 7 or info@movin-out.org.

**A displaced homemaker is generally a person who previously provided unpaid services to the family (for example, a stay-at-home parent), is no longer supported by the spouse, is unemployed or underemployed, and is having trouble finding or upgrading employment.*

