

Overview of Program

The City of Kenosha is able to assist applicants who are buying a home within the City of Kenosha and who have a financing gap. The City can offer a deferred second mortgage, up to the amount of the financing gap or 17% of the purchase price, whichever is lower. Assistance is also available for required down payment and closing costs.

Deferred Second Mortgages

HOME second mortgage purchase loans for eligible homebuyers will be written as deferred payment loans at 0% interest for the first ten (10) years, then monthly payments will be required for the next twenty (20) years at an interest rate of 3% annually. In all cases, the second mortgage will be based on the financing gap, less the amount of the first mortgage and required down payment. As part of its underwriting review, the City will evaluate debt-to-income (dti) ratio for all applicants.

Requirements

- Applicant(s) must obtain a Fixed Rate mortgage loan from a private lender for a minimum of 80% of the purchase price
- Applicant(s) must be US citizens or be a “Qualified Alien”
- Applicant(s) required to contribute a minimum of 3% towards down payment
- Household income required to be at 80% or less of Kenosha County Median Income limit, based on total people in household (See income table at right)
- Homebuyer counseling required
- Applicant(s) must provide proof of pre-approval for a first mortgage at time of application
- Purchase limited to HUD Homeownership Sales limits of \$148,000 for existing homes, or \$224,000 for new homes.

Down Payment Assistance

- Up to \$5,000 of down payment assistance available for VA loan applicants
- Down payment assistance also available for all other applicants. Applicant(s) shall contribute a minimum of \$1,000. (Down payment assistance limited to required down payment for program, less \$1,000.)
- Down payment assistance is provided through 5 year forgivable mortgage. 20% forgiven each year of residency by applicant(s).

Closing Cost Assistance

- Closing cost assistance available for all applicants, up to 3% of Purchase price.
- Closing cost assistance is through 5 year forgivable mortgage. 20% forgiven for each year of residency by applicant(s).

2016 Income Limits

Household Size	80% Limit
1 person	\$38,100
2 persons	\$43,550
3 persons	\$49,000
4 persons	\$54,400
5 persons	\$58,800
6 persons	\$63,150
7 persons	\$67,500
8 persons	\$71,850



CITY OF KENOSHA HOMEBUYER PURCHASE ASSISTANCE PROGRAM

HOW TO APPLY:

APPLICATIONS ARE AVAILABLE FROM THE DEPARTMENT OF
COMMUNITY DEVELOPMENT & INSPECTIONS,
625 52ND STREET, ROOM 308,
OR BY CONTACTING STAFF AT 262-653-4030



DEPARTMENT OF COMMUNITY DEVELOPMENT & INSPECTIONS

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