

Home-Buy the American Dream

Down payment and closing cost assistance for first-time home buyers

Eligible Property	• Must be located in City of Madison • Single-family home, condo or one-half a duplex			
Program Purpose	Down payment and closing cost assistance			
Loan Amount	Maximum loan amount up to \$35,000 City; minimum \$1,000			
Loan Terms	Deferred until sale, cash-out refinance for other than property improvements, the property is transferred or ceases to be the primary residence of the homebuyer. Repayment amount will be the original loan amount or original loan amount plus a proportional share of appreciation based on the percentage of assistance provided by the City, whichever is greater.			
Maximum CLTV	105%			
Ratios	Maximum ratios 38%/55%. Housing-to-Income ratio less than 25% is ineligible unless granted an exception.			
Borrower Contribution	Borrower must have 1% into the transaction.			
Asset Limits	Borrower cannot have greater than 12 months of Principal, Interest, Taxes and Insurance (PITI) in liquid assets after closing., unless an exception is granted for households who do not utilize traditional retirement system savings. Must have a minimum of \$50 cash reserves after loan closing.			
2026 Income Requirement (subject to change annually)	Household Size	Income Limit	Household Size	Income Limit
	1	\$ 74,800	5	\$ 115,350
	2	\$ 85,450	6	\$ 123,900
	3	\$ 96,150	7	\$ 132,450
	4	\$ 106,800	8	\$ 141,000
Inspection Requirement	City of Madison will order a Housing Quality Standards (HQS) inspection. If built prior to 1978, a Lead-Based Paint Inspection will also be ordered. All Minimum Housing Code/safety issues will be required to be repaired within 60 days of loan closing.			
Underwriting Timeline	Allow a minimum of 20 Business days from receiving documentation from lender. The 20 business days will begin once all required documents are collected.			
Other	• Borrower may not own other property at time of closing. • Income includes all occupants over the age of 18. For full time student, only count up to \$480, this excludes for borrower, head of household or spouse. • Must be a first-time home buyer, which includes the following: • Individual who has not owned property in last 3 years • Includes single parent with a dependent minor child, a displaced homemaker and mobile homeownership if not considered real estate. • First mortgage must have at least a term of 30 years • First mortgage must escrow taxes and insurance • All borrower(s) must complete a Homebuyer education delivered by a HUD Approved Housing Counseling Intermediary or HUD Approved Housing Counseling Agency (HCI/A) and a housing counseling session with a HUD Approved Housing Counseling Agency. The homebuyer's certificate(s) must be dated no more than 18 months prior to loan closing.			



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