



**Central Wisconsin Community Action Council Inc**  
**1<sup>st</sup> Time Home Buyer Down Payment Assistance Program**

**1000 Hwy 13, PO Box 430  
Wisconsin Dells, WI 53965  
(608) 254-8353 ext. 234**

## **1. Program Overview**

- **Type of Loan:** 2nd Mortgage (*CWCAC is not the Superior Mortgage lender*)
- **Eligible Use:** Lender-required down payment / closing costs
- **Loan Amounts:** Fixed increments of **\$1,000 up to \$10,000**
- **Interest Rate:** 2.5% Fixed
- **Repayment Terms:** Monthly payments — 1 year per \$1,000 borrowed

*Example:*

- \$1,000 → 1-year term at 2.5%
- \$5,000 → 5-year term at 2.5%
- \$10,000 → 10-year term at 2.5%

**Only whole \$1,000 amounts allowed.** No partial amounts (e.g., \$7,350).

## **2. Property Eligibility**

- **Location:** Adams, Columbia, Dodge, Juneau, Sauk Counties
- **Property Type:** Owner-occupied, residential, single-family homes  
(*No new construction, condos, duplexes, mobile/manufactured homes, leased lots, or land contracts*)
- **Condition:** Move-in ready
- **ADU Restrictions:** Must be and maintain primary residence.  
**No part of property rental or partial rentals allowed.**

## **3. Buyer Eligibility**

- **Limitation:** First-time home buyers (or no home ownership in the last 10 years)
- **Minimum Credit Score:** 640
- **Income Limit:** 80% of County Median Income (based on property location)
- **Borrower Contribution:** **\$1,000 minimum from borrower's own funds**  
(*Not financed or gifted. May be used for earnest money, inspection, HOI premium, cash to close.*)
- **Borrower Asset Limitations:** Excessive assets may disqualify (401K, IRA, CDs, Bonds, MM accounts)
- **PITI & Debt Ratios:**
  - Housing (PITI)  $\leq$  30% of gross income
  - Total Debt (incl. PITI)  $\leq$  44% of gross income

## **4. Loan Compatibility**

- **Eligible First Mortgage Types:**
  - 30-year fixed from Bank or Credit Union
  - **Ineligible Loans:** USDA, FHA, VA, balloon, portfolio, in-house, subprime
- **Maximum Purchase Price:** \$275,000 (income-dependent)
- **Cash Back at Closing:** Not allowed
- **Predatory Lending Limitations:**
  - No excessive fees or interest on Superior Mortgage
  - Superior mortgage interest may not exceed **2% above the national average**

## 5. Education Requirement

- **Required:** 6 hours of **Home Buyer Education (HBE)** from an approved provider  
Online: <https://www.fanniemae.com/education>

## 6. Processing & Program Limitations

- **Processing Time:** Minimum **20 business days** (No preapprovals)
- **Subordination:** CWCAC **will not subordinate** its 2nd mortgage
- **Lien Position:** Must remain in 2nd position — **no 3rd liens**
- **Exclusivity:** Funds **cannot be used with other DPA or forgivable loan programs**

## 7. Application Process

- **Step 1:** Obtain pre-qualification for a **30-Year Fixed Conventional Loan by a Bank or Credit Union before applying.**
- **Step 2:** Complete and submit the Down Payment Assistance application
- **Fees Due Before Closing:**
  - \$250 Administrative Fee
  - \$30 Recording Fee  
(Payable to CWCAC)

## Program Example

**Purchase Price:** \$275,000

**LTV:** 97% → Required down payment = \$8,250

**DPA Loan Provided:** \$10,000

**Buyer Contribution:** \$1,000

**Total Available Funds:** \$11,000

**Surplus:** \$2,750 — can be used for **closing costs/prepaid expenses**

*Note: Surplus cannot be used to reduce the first mortgage amount or provide borrower cash back.*