NIDC
809 North Broadway, 3rd Floor
Milwaukee, WI 53202

(414) 286-5610 | nidc@milwaukee.gov
www.milwaukee.gov/NIDC

City of Milwaukee

MILWAUKEE

CITY OF MILWAUKEE
STRONG
NEIGHBORHOODS PLAN

Neighborhood Improvement Development Corporation
In partnership with the City of Milwaukee

STRONG HOMES LOAN PROGRAM

STRONG HOMES LOAN PROGRAM

Loans can be used for emergency and essential repairs, including:

- Abate outstanding building code orders
- Repair or replace roofing/flashing/gutters if there is an active leak affecting habitable rooms, if homeowner's insurance has been cancelled due to the need to repair/replace roofing, or if the roof has reached the end of its useful life
- Repair or replace a non-functioning furnace / boiler ("no heat")
- Replace a non-functioning water heater
- Repair leaking water piping if there are active leaks into habitable rooms, or if sewer gas is entering the home
- Repair collapsed sewer laterals between house and street tap
- Repair leaking water laterals between house and stop box
- Repair serious electrical hazards
- Repair hazardous structural conditions (including failing porches)
- Repair/replace deteriorating siding, exterior trim or failing exterior paint (on house only)
- Correct a condition that is a threat to health and safety

Notes on Qualifying:

Property owner must be current on all property taxes, mortgages and utility payments, or on an approved payment plan. No minimum credit score, but program underwriting guidelines require that applicants be credit worthy, have a history of making payments on time, and have sufficient household income to support the proposed loan payment. No maximum loan to value. Forgivable portion of loan may be limited for applicants who have previously received assistance from the city. Homeowner's insurance must be in force, or in the case of a cancellation due to a necessary repair, must have confirmation that it will be reinstated once the repair is complete. Additional guidelines apply.

Applicants with incomes between 80%-120% Area Median Income whose outstanding mortgage balance is less than 90% of the current City Assessed Value of their property must attempt to secure a conventional home equity loan prior to applying for the program. For potential borrowers in this category, a rejection letter from a traditional bank or credit union dated within 30 days of the date of application to the STRONG Homes Loan Program must be submitted with the STRONG application.

Promoting
&
Preserving
sustainable
HOMEOWNERSHIP

Applications available starting January 1, 2016.

PARTIALLY FORGIVABLE LOANS *

for emergency and essential home repairs

V 6/7/2016

STRONG HOMES LOAN PROGRAM

The STRONG Homes Loan Program offers loans to owner occupants of 1-4 family properties throughout the City of Milwaukee on a first come, first served basis. Technical assistance will be provided to homeowners to assist with rehabilitation projects.

Basic Qualifications: (Note: additional qualifications apply)

- ☐ **Property must be owned and occupied by applicant**
- ☐ **Applicant must be current on property taxes**
- ☐ **Applicant must be current on mortgage and utility payments or on an approved payment plan**
- ☐ **Household income qualification (see income guidelines below)**

Loan Type:	Repayable Loan: Mortgage will be placed on property. Deferred payment option available for homeowners who are low income (<50% Area Median Income) and elderly (62 years or older) or disabled
Interest Rate:	Based on Income: <50% of Area Median Income – 0% interest, 50% -120% of AMI – 3% interest (deferred payment loans carry no interest rate)
Term:	Up to 15 years, deferred payment option available for homeowners who are low income and elderly or disabled
Loan Amount:	$1,000 - $20,000
Partial Forgiveness / Homeownership Retention Credit: ★	25% of the original principal amount of the loan will be forgiven for homeowners that own and occupy the property for ten years after completion of the project.★ This forgivable "Homeownership Retention Credit" portion of the loan is not interest bearing and is forgiven in a lump sum after ten years.
Income Limits:	Applicants with household incomes up to 120% Area Median Income are eligible to apply. A portion of the funds dedicated for the program will be reserved for families with household incomes of <80% of AMI
Eligible Structures:	1-4 family owner-occupied residential properties
Geographic Area:	Citywide
Closing Costs:	Closing costs will be the actual costs of recording the STRONG Homes mortgages and ordering a title report (currently $111 total)

★ *Forgivable loans may be limited if applicant has received previous forgivable funds from the City of Milwaukee*

INCOME GUIDELINES *(Subject to annual updates)*

Family Size	50% of Area Median Income	80% of Area Median Income	120% of Area Median Income
1	$24,600	$39,350	$59,000
2	$28,100	$44,950	$67,400
3	$31,600	$50,550	$75,800
4	$35,100	$56,150	$84,200
5	$37,950	$60,650	$90,950
6	$40,750	$65,150	$97,700
7	$43,550	$69,650	$104,450
8	$46,350	$74,150	$111,200

INCOME ELIGIBILITY FOR PURPOSE OF DETERMINING INTEREST RATE

<50% of Area Median Income
0% interest rate, with deferred (no monthly payment) option for elderly or disabled homeowners

50%-120% of Area Median Income
3% interest rate

Applications available at:
www.milwaukee.gov/NIDC
or call (414) 286-5610

Program administered by Department of City Development's Neighborhood Improvement Development Corporation.

1 SUBMIT LOAN APPLICATION

Please make sure to submit all documents requested on the application. Incomplete information may delay your application. *Application will go through an initial processing review which includes obtaining a copy of your credit report.*

2 LOAN OFFICER FINANCIAL REVIEW

Your application will be assigned to a Loan Officer who will review your application and determine your financial eligibility for the program. *If you qualify for a loan through the program, your application will be referred to a NIDC Rehabilitation Specialist.*

3 TECHNICAL ASSISTANCE

Your Rehab Specialist will work with you to help develop a scope of eligible work. *A scope of work clearly defines what needs be done during the rehabilitation project.*

4 BIDDING PROCESS

Your Rehab Specialist will assist you in obtaining bids from licensed contractors for the project. You will select the contractor you wish to hire for your project. *NIDC will perform a review of the contractor that you select to make sure that the contractor is licensed and qualified to perform the work.*

5 LOAN REVIEW

Your application, scope of work and selected contractor will be presented to an Administrative Review Committee for final approval. Your Loan Officer will notify you if approved. *If you submit a complete application and diligently work with your rehab specialist to obtain bids, the time frame from application to approval is about 45 days.*

6 LOAN CLOSING

If you have been approved for a STRONG Homes loan, your Loan Officer will work with you to schedule a loan closing. Loan documents are recorded. *The loan funds are held by the City in an escrow account to pay contractors.*

7 START REHAB!

Your Rehab Specialist will continue to work with you and your contractor to have contracts signed and work begun. The Rehab Specialist also assists you by verifying work is done correctly at the time you approve payments to contractors. *Work should be completed within 90 days of loan closing. Extensions may be approved for weather related delays.*