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June 14, 2006

Ald. Mike McGee, Jr.  
(414) 286-2994

## Seniors Threatened By High Property Taxes Can Get No-Interest Loans To Avoid Foreclosure

*Ald. Mike McGee, Jr. Urges Residents to Access WHEDA Loan Program*

Senior homeowners faced with possibly losing their homes to foreclosure because of huge increases in their property assessments and property taxes still have time to get help from a special state loan program, Ald. Mike McGee, Jr. said today.

Eligible property owners have until June 30<sup>th</sup> to apply for loans available through the Wisconsin Housing and Economic Development Authority (WHEDA) 2005 property tax deferral loan program. If approved, homeowners can receive a loan for up to \$2,500 to be used toward their property taxes.

Ald. McGee, who represents the city's Brewer's Hill and Harambee neighborhoods – both hard-hit by huge increases in residential property assessments earlier this spring – said the WHEDA program allows low- and moderate-income senior homeowners to apply annually to convert home equity into income to pay property taxes. “This is a very useful and vital program that elderly homeowners can apply for help from each year, especially if they have a significant amount of home equity but have very little disposable income to help them pay property taxes,” said Ald. McGee.

“A loan from this program can literally help an elderly person remain in their home,” the alderman said.

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## **Loans Can Keep Seniors In Their Homes/ADD ONE**

To qualify for the property tax deferral loan program, a homeowner 65 years of age or older with a total household income of no more than \$20,000 may annually apply to WHEDA for a loan equal to the amount of property taxes and special assessments levied on the home. The maximum annual amount that may be borrowed is \$2,500. There are other conditions and eligibility requirements.

The principal and interest due for tax deferral loans do not have to be repaid until the ownership of the property transfers or the loan recipient no longer lives in the home.

News reports in Milwaukee have highlighted the dire situations faced by many seniors in hot or “gentrified” neighborhoods such as Harambee, where some residential property owners saw their property’s assessed value climb more than \$130,000 over 2005, and where the average residential assessment increase was more than 40%.

Previously, Ald. McGee said the gentrification in the area may be seen as positive in some circles, but it has also caused hardship and worry for many longtime homeowners. “Good hard-working, law-abiding and caring citizens are facing the real possibility that they’ll be forced out of their homes by outrageous and unjust taxation,” said Ald. McGee.

For information and application materials, residents should call the Harambee Ombudsman Project, Inc. at **263-2910** or **264-7822**.