

Program Definition:

The Home Ownership Incentive Program exists to provide forgivable loans for the purchase and/or renovation of properties, promoting home ownership.

Home Ownership Incentive:

- New homebuyers or existing homeowners can receive a forgivable loan up to \$20,000 to assist in converting a 2-3 family home back into a single family unit.
- Funds must be spent on costs associated with converting home to a single family residence and exterior improvements (removing kitchens, multiple entrances, etc.)
- The home must be the applicant's primary residence for a minimum of ten (10) years for loan forgiveness. For residency of less than ten (10) years, the loan will be prorated based on the number of years of owner occupancy.

Steps to Qualify:

1. Borrower must demonstrate credit-worthiness in the form of a bank commitment or other documentation acceptable to staff to purchase and/or convert the property to owner-occupied, or to renovate the property. An application packet is to be submitted to the City.
2. Staff meets with Borrower(s) to review program requirements and project, if necessary.
3. Borrower provides a third party property inspection. Staff may inspect the property.
4. Borrower(s) submit bids for the renovation work.
5. The loan committee comprised of staff from Comptroller, Community Development and Inspection approves authorizing the loan.
6. Contractor commences construction.
7. The contractor is paid directly by the City for eligible cost items.
8. Staff conducts final inspection, orders Completion Certification appraisal and authorizes payouts.

Note:

The City requires approximately 30 days to process and approve the loan.



Fond du Lac Home Ownership Incentive Loan Program

Housing Conversion

A loan program for purchase and/or renovation of current rental property and conversion to owner-occupied.

Program administered by:
City of Fond du Lac
Community Development Department
City County Government Building
160 South Macy Street
P.O. Box 150
Fond du Lac, WI 54936-0150
(920) 322-3440



Terms of the Loan:

- Deferred loan with zero percent (0%) interest.
- Total principal is due upon the sale or transfer of property, less the prorated forgivable amount.
- The loan will be secured by a mortgage executed by all parties.
- The maximum loan amount is \$20,000.
- After ten (10) years as an owner-occupied, primary residence, the loan is forgiven.

Program Guidelines:

- Property to be rehabilitated must be located in the City of Fond du Lac.
- Structure must have originally been constructed as a single-family home.
- Applicant must certify that upon completion of the rehabilitation the structure will be code-compliant as verified by the Building Inspector
- Projects must be inspected by the appropriate City Building Inspectors prior to the release of loan funding.
- Applicant must retain hazard insurance on the mortgaged property for the duration of the loan. If the rehabilitated property is located within the 100-year floodplain, acceptable flood insurance must be provided. Loan applicant must include the City of Fond du Lac as an endorsed insured on the policy.
- Applicant must agree to pay (before delinquency) all taxes, assessments, or other charges that may be levied against the mortgaged property.

Program Guidelines, continued:

- Applicant is not eligible to participate in the loan program if he/she has received a housing-related citation in the one-year prior to the City receiving his/her application. This restriction is valid for one year after the resolution of the citation.
- If the building(s) to be rehabilitated are of historical significance to the City of Fond du Lac, the applicant must secure necessary approvals from the Historic Preservation Commission.
- The City reserves the right to deny any applicant a loan based on the applicant's ability to provide adequate information needed to determine eligibility.
- Program funds will be disbursed directly to the contractor after acceptable documentation of said work items is received by the City.
- Funding will be held six (6) months for applicant to complete the project.
- Applicant may request one (1) extension, the length of which will be determined by City staff.
- Work started prior to application is not considered eligible.