



## PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512

### Memorandum

**To: Community Development Committee**  
**From: Jonah Denson**  
**Date: December 13, 2022**  
**Re: Action on offer to purchase 1508 Liberty Street**

**List Price: \$267,000;** The City to provide a deferred 2<sup>nd</sup> mortgage of up to \$140,000 which will accrue interest of 3% per annum and will cease to accrue interest at half of the principal value. The City will also provide a forgivable 3<sup>rd</sup> mortgage of \$25,000 forgiven each year over a 15-year period.

Staff received a total of 2 applications. Buyer's are numbered in the order of receipt of application.

Order of Receipt	Offer to Purchase	1st Mortgage	Down Payment	Monthly Payment	Front End Ratio 33%	Back End Ratio 43%	2nd Mortgage	3rd Mortgage
1	\$267,000.00	\$ 78,000	\$42,000	\$ 1,154.23	34.81%	45.89%	\$122,000	\$ 25,000
2	\$267,000.00	\$115,000	\$ 5,000	\$ 1,376.51	29.09%	29.09%	\$122,000	\$ 25,000

**Offer #1** - Applicant has been pre-approved for a 30 year Fixed Rate Mortgage @ 6.55%  
 Anticipated income changes for 2023 would put this applicant at 33.29% Front End and 43.88% Back End

**Offer #2** - Applicant has been pre-approved for a 30 year fixed rate mortgage

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