



PLANNING AND DEVELOPMENT

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Memorandum

To: Housing Rehabilitation Review Board
From: Replacement Housing Staff- Dawn Reinhart
Date: 10/6/2016
Re: 16- 0994 **Action on amendment to offer to purchase 1603 Prospect Street**

The buyer is asking the City to provide a second mortgage in the amount of \$34,500.

There was a miscommunication between the offer to purchase and the loan commitment letter. The buyer is approved to purchase a single family residence not to exceed \$120,000. The loan commitment letter is also contingent upon receiving a grant from Couleecap in the amount of \$6,000. Essentially the **max loan amount is \$104,000.**

Summary of approved offer to purchase (Item 16-0878):

- \$154,500, list price and the following contingencies
 - Award of \$6,000 in AHP funds from Couleecap and the City to provide a 2nd Mortgage in the amount of \$25,000 plus the difference of any ungranted AHP funds
 - Financing Contingency: to obtain a conventional loan within 45 days of accepted offer, in an amount of not less than \$120,000, at a term of not less than 30 yrs, amortized over 30 yrs with an interest rate not to exceed 4.0%

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 ANDREA SCHNICK, PLANNING & ECONOMIC DEVELOPMENT ADMINISTRATOR
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