



PLANNING, DEVELOPMENT AND ASSESSMENT

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

Memorandum

To: Community Development Committee
From: Jonah Denson
Date: November 8, 2022
Re: Action on offer to purchase 1512 Liberty Street

List price: \$267,000; the City to provide a deferred 2nd 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 3rd 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. Buyer #2 currently has a home listed for sale.

| 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 | \$105,000.00 | \$ 15,000.00 | \$ 1,415.67 | 33.100% | 50.240% | \$137,000.00 | \$ 25,000.00 |
| 2 | \$ 255,000.00 | \$230,000.00 | \$ 500.00 | \$ 2,261.22 | 71.020% | 96.030% | \$ - | \$ 25,000.00 |

Buyer does not meet the City's Back End Ratio for debt to income and would require an exception to the program

Buyer plans to sell their existing home and will not need the 2nd mortgage

NOTE: The accepted offer to purchase shall be contingent upon the applicant meeting all of the program's eligibility requirements and must sign the City's Real Estate Purchase Agreement at or prior to closing.

ANDREA TRANE, DIRECTOR
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BRIAN SAMPSON, HOMELESS SERVICES COORDINATOR
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