



## **RIPON FIRST HOUSING PROGRAM**

### **Description**

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The Ripon First Housing Program (RFHP) focuses on bringing home ownership within reach to families and individuals who are buying a home for the first time. RFHP offers qualifying first-time homeowners with down payment assistance for purchasing a new home in the city. The program is designed to help close the affordability gap for many lower income households currently unable to purchase their first home without assistance.

Funds from the program will be available in the form of a one-time forgivable loan. Grants will be funded by Tax Increment Financing (TIF) funds, to the extent funds are available, in Ripon, at the sole discretion of the City of Ripon. The initial funding allocation for the program shall not exceed \$15,000.00. Important byproducts of the program include attracting new and diverse residents to the community and addressing employer workforce retention challenges.

### **Eligibility Requirements**

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Eligible applicants will be first-time home buyers seeking to purchase a home within the City of Ripon. First-time home buyer is defined as an individual or an individual and his or her spouse who have not had ownership interest in a property prior to the purchase of a home with program funds. Any individual who is a single parent may not be excluded from consideration as a first-time home buyer under this program on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse.

The primary applicant must be 18 years old or older and have the minimum income necessary to qualify for a loan from a lender. If married, both spouses must apply for the grant and loan from a lender.

There are no income restrictions on applying for this program. Applicants may only pay up to 30% of their gross monthly income for a housing payment, including principal, interest, insurance and taxes. Applicants must prove the existence of a legitimate primary mortgage lender or other financing acceptable to the City of Ripon. At the time of application, the homebuyer must have an accepted sales contract. A property inspection is required for this program.

Homes eligible under this program include single-family homes, single-family condo units, and twin-homes in Ripon. Applicants must intend to use the property purchased as their principal residence and must live in the property on a year-round basis.

### **Eligible Uses of Grant Funds**

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Funds may be used for down payment and closing cost assistance for first-time home buyers purchasing a single-family home, single-family condo unit, or twin-home in the City of Ripon.

Mobile home purchase is not an eligible use.

All decisions regarding grant fund disbursements, grant eligibility, and the uses of grant funds will be made by the City Administrator's office.

### **Grant Terms and Conditions**

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If funding is available, the maximum amount of grant, in the form of a deferred loan, will be five thousand dollars (\$5,000).

Applicant(s) must be prepared to commit to living primarily in the property for a minimum of three (3) years. The program provides a grant, in the form of a deferred loan, for down payment and reasonable closing costs. The deferred loan shall not exceed \$5,000. A lien or second mortgage will be placed upon the property for three (3) years and will be released, provided the owner(s) maintain and occupy the property as their primary residence and do not rent or sell the property within three (3) years. If the property is sold or rented within the 3-year period, the owner shall return all the financial assistance received. The amount is not pro-rated. If sold the full amount of assistance due back will be paid out of the net proceeds at closing. The program will allow for loan subordinations for the purpose of refinancing to a lower percentage rate or shorter loan term only.

Applicant(s) must be approved for and obtain a first mortgage loan by an approved FHA, VA, Freddie Mac, Fannie Mae, or Wisconsin licensed mortgage lender. Loan terms secured by housing under this program shall be considered reasonable in the local primary lending trade. The interest rate for the mortgage must be reasonable and customary.

The homebuyer, mortgage lender, and settlement agent will be notified by the city that a check will be disbursed. The check will be issued to the settlement agent.

The City of Ripon Administration office will keep record of the dates of grant approval and program awards. The City of Ripon reserves the right to take and use photographs, as well as develop project summaries of individual construction projects for publicity purposes.

### **For questions regarding the program, please contact:**

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