



2021

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Marquette County CHS

WHEDA PROPERTY TAX DEFERRAL LOAN PROGRAM

PROGRAM DESCRIPTION

The Property Tax Deferral Loan program (PTDL) was created by the State Legislature to help Wisconsin residents who are home owners, age 65 or older, or a qualified veteran with a limited income, convert the equity in their home into cash to pay all or a portion of their property taxes. The program is administered by the Wisconsin Housing and Economic Development Authority (WHEDA).

An applicant may borrow up to \$3,525 each year that they qualify for the program. Approved borrowers make no required monthly principal and interest payment on the loan until ownership of the property is transferred or until the borrower no longer lives in the home.

The 2021 PTDL program interest rate is 4.25% which is fixed for the life of the loan. The interest rate is dictated by Wisconsin Statutes 234.625 (*Loans shall bear interest at a rate equal to the prime lending rate at the time the rate is set, as reported by the federal reserve board in federal reserve statistical release H. 15, plus 1% which shall be set no later than October 15th of each year, and that rate shall apply to loans made in the following year*).

A borrower may pay back all or a portion of the loan and accrued interest at any time without penalty.

ELIGIBILITY REQUIREMENTS

A borrower must be at least 65 years of age or a qualified veteran on the date of application. If you are married, your spouse must qualify as a co-owner. All co-owners, occupying and non-occupying the home, must be: 1) at least 60 years of age on the date of application or 2) permanently disabled.

The borrower must own a qualified insured home in Wisconsin and reside there more than 6 months of the preceding year. A borrower is considered as living in his/her home even if they temporarily live in a health care facility, such as a nursing home or hospital.

WHEDA will require a Broker Price Opinion (BPO) report for all new borrowers and subsequently every 3rd year after. Upon WHEDA's review and approval of an application, the applicant will be contacted by a WHEDA approved agent to schedule an appointment to inspect the property. The amount of outstanding liens and judgments on the home, not including any PTDL and/or WHEDA rehabilitation loans, may not exceed 33 percent of the lesser of the assessed, fair market or appraised value of the home. The amount of outstanding liens and judgments on the home, **including** PTDL and/or WHEDA rehabilitation loans, may not exceed 50 percent of the lesser of the assessed, fair market or appraised value of the home.

The total household income for 2021 cannot exceed \$20,000. This includes all income received by **all persons residing in your home**. This should include all taxable income reported on your Wisconsin income tax return along with all non-taxable income such as social security benefits.

A participant must insure their home and WHEDA must be named as a lienholder on the Homeowners Hazard Insurance Policy (Fire and Extended Casualty), and Flood Insurance policy, if applicable. All outstanding tax liens must be satisfied prior to participating in the program.

Can an applicant apply for the total amount of their 2021 property tax bill?

Yes. An applicant may apply for a loan for all or a portion of the 2021 property taxes payable in 2022 on the portion of their home used for personal purposes and on one acre of adjoining land. However, the maximum PTDL amount for 2021 property taxes is \$3,525. A loan for less than \$100 will not be made unless you can show that a financial hardship exists for you to pay the property taxes without a loan.

What if the 2021 property taxes are subject to delinquent interest or penalties?

If such charges have been assessed or will be assessed as of the date the loan check will be issued by WHEDA, an applicant may then include those charges in the loan application.

How does someone apply for a 2021 property tax loan?

Call the phone number listed below to request an application booklet. Complete Form PT and PT-1 in the application booklet to determine if you are eligible for a loan. The applicant, the applicant's spouse, and all co-owners must sign Form PT, the application, and agree to the conditions printed on page 2 of Form PT. Form PT must be notarized. All new applicants must submit a \$225.00 cashier's check payable to WHEDA to cover the following fees: Title Search - \$75.00, Broker Price Opinion (BPO) - \$120.00 and Lien Recording Fee - \$30.00.

What is the deadline for submitting a PTDL application?

The deadline for applying for a loan under this program is June 30, 2022. Applications received after this date will be rejected.

Will the applicant be asked to sign a promissory note?

Yes. If your loan application is approved, the applicant, applicant's spouse, and all co-owners will be required to sign a Promissory Note and a Federal Truth-in-Lending Disclosure. The executed documents must be returned to WHEDA before the loan proceeds check is disbursed to the borrower.

How will a PTDL loan affect a property owner's equity?

To protect WHEDA's interest and ensure repayment of the loan at a later date, WHEDA will file a lien on the property. Like a mortgage, a lien reduces the borrower's equity in the property. Equity is the difference between the lesser of the appraised value or sales price and the outstanding loan balance.

Do borrowers have to file a separate application for every year they wish to obtain a loan for their property taxes?

Yes. A borrower must file a separate application and qualify each year they wish to obtain a loan. An applicant may apply for only one loan per year.

Can an applicant apply for a loan to pay delinquent taxes from past years?

No. You can only apply to pay the present year's taxes. All taxes for previous years must be paid in full.

For General Information and to Order the Application Booklet Contact:

**Property Tax Deferral Loan Program
Wisconsin Housing and Economic Development Authority
PO Box 1728
Madison, WI 53701-1728**

1-800-755-7835