



CDBG/HOME PROGRAM POLICY AND PROCEDURES MANUAL

SUBJECT: MORTGAGE REDUCTION ASSISTANCE ADDENDUM - REMOVAL OF LAND USE RESTRICTION ON EXISTING LOANS UNDER THE CDBG & HOME MORTGAGE REDUCTION PROGRAM

PURPOSE

The Mortgage Reduction Assistance Program Standards are revised to authorize the removal of Land Use Restriction on existing loans under the CDBG & HOME Mortgage Reduction Program. At the creation of the program, the policy required the use of "Declaration of Land Use Restriction" which ensured that the property was sold to another low-to-moderate income (LMI) household. Due to the significant increase in property values, this policy makes it unaffordable for LMI families to acquire these types of properties.

In 2008, Dane County changed their policy and procedures to no longer issue a "Declaration of Land Use Restriction" and instead used a "Recapture Policy". This addendum documents and reaffirms this policy and procedural change by the Dane County CDBG Commission.

WAIVERS

Exceptions to requirements of the CDBG & HOME Mortgage Reduction Program Standards must be approved by the Dane County CDBG Commission. Individuals interested in requesting an exception must submit their request in writing and be able to appear at any scheduled meeting of the Commission at which the request is a noticed agenda item. The CDBG Commission cannot waive federal requirements.

/cdbg – policies – mortgage reduction assistance.
Adopted by CDBG Commission 4.12.2022 (if approved)