

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: September 14, 2015

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

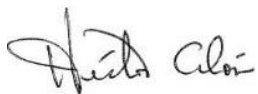
FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by James Mathy, Housing Administrator, Housing Division

SUBJECT: **From the Director, Department of Health and Human Services, requesting authorization to accept a settlement of a Milwaukee County Home Repair loan for Erin Crawford in the amount of \$1200.00**

In 2007, Ms. Erin Crawford of 5700 W. Glenbrook, Brown Deer, received two Home Repair loans totaling \$17,315. The current balance of the two loans is \$13,654.80. Ms. Crawford has had the property on the market for two years and currently owes more than what the house is worth. Ms. Crawford has requested a short sale to settle the balance of her loans totaling \$13,654.80 for \$1,200.00.

The current estimated fair market value of the property is \$125,000 according to an appraisal provided by Ms. Crawford that was completed by a licensed appraiser. The offer to purchase received and presented to the County for the short sale is for \$125,000. After a settlement of the first mortgage, taxes and fees, there will remain only \$1,200.00 to pay the Home Repair loan.

Though HUD does not give clear guidance on recapture of funds for homeowner rehabilitation, there are guidelines for homebuyer programs. At the point of sale HUD will allow for the settlement of loans based on market conditions. The goal is to recoup funds without a burden to the owner due to their lack of income while ensuring Milwaukee County has the ability to generate program income when appropriate. Staff recommends adoption of a resolution authorizing settlement of the Crawford home repair loans based on the offer presented for the amount of \$1,200.00. A fiscal note and resolution are attached.



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, County Board
Teig Whaley-Smith, Director, DAS
Steve Kreklow, Director, Office of Performance, Strategy & Budget
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