

City of Madison: Community Development website

Property Tax Assistance for Seniors

The City's Property Tax Assistance for Seniors Program is available to pay all or a portion of a homeowner's property taxes. *No monthly payments for living expenses are allowed.* The City of Madison has worked to keep costs to a minimum. There is no monthly payment.

Charges include:

- Annual interest rate based on the City's cost of borrowing plus one percent.
- Loan cost includes title search to verify ownership of the property and recording of the lien on your property and any other necessary documents with the Dane County Register of Deeds. This cost is approximately \$135 and may be added to the amount borrowed.

Property Qualifications

- The property must be located in the City of Madison.
- The property must be a single-family home, condo or one-half of a duplex.
- The property must be the principal residence of, and owned by, the person(s) applying for the Property Tax Assistance for Seniors mortgage loan program.

Qualifications for Owner(s) of the Property

- At least one owner of the property must be at least 65 years of age.
- The owner(s) of the property must have a combined total liquid assets of less than \$30,000 and include but not be limited to such things as: checking accounts, savings accounts, life insurance net cash value, stocks, bonds, mutual funds, money market funds and annuities (non-retirement accounts).

The annual gross income (from all sources) of all household members occupying property must not exceed the following guidelines:

2024 Income Limits by Family Size

Household Size	Gross Annual Income Levels
1	\$ 68,500
2	\$ 78,250
3	\$ 88,050
4	\$ 97,800
5	\$ 105,650
6	\$113,450
7	\$121,300
8	\$129,100

Based on HOME and CDBG annual Income limits, effective 06/1/2024 until next update.

Frequently Asked Questions

How much am I eligible to borrow?

You may borrow enough to pay all or a portion of your annual property taxes. The cumulative amount borrowed under this program, plus accrued interest and other loans secured by the property, cannot exceed 70 percent of the value of the property. The City Assessor's value will be used for this purpose.

How are my taxes paid?

At the time of closing on your loan, you will be required to sign a Note, Mortgage and other necessary documents. A lien on your property will then be recorded with the Dane County Register of Deeds. The City will process a check payable to both the property owner and the City of Madison or Dane County. You will then be responsible for paying the taxes in the Treasurer's Office.

How is the loan repaid?

The loan is due when you sell, non-owner occupy or transfer the title. This loan has no prepayment penalty.

Questions?

Please call Kazoua Lor at CDD at (608) 266-6520 or email homeloans@cityofmadison.com or klor@cityofmadison.com. Administrator: Terri Goldbin (608-266-4223).

Talked with administrator: Terri Goldbin: Program in existence for 50 years and is part of the City Ordinance. Currently there are 30-40 persons per year. Many are returnees. Program is advertised with annual tax bill and at libraries, etc. When about to lose their house because they can't pay their tax bill, that's when the home owner contacts the office if they meet qualifications and apply. Need to renew loan each year to pay next year's taxes. Most tell us if they did not have this program that they couldn't afford to stay in their home. For several reasons Administrator (Terri) goes to the home to help people with the paperwork.

Current interest rate is 4.5%. Prior years: 3.8% in 2023; 1.8% in 2020. Highest rate now for quite a while. Probably will lower next year as rates decline. Depends on the market. There are no monthly payments. The loan is paid when homeowner sells house or dies. They can repay or partially repay loan before it is due (when sold).

Now 43 people on the program with principal balance of \$940,000. One person did not renew their loan this year. Some passed away in last year. Funded by City levy, also a housing fund. Spending is about \$200,000 per year on the program.

Pros: There is equity to stay in the home. It is not a reverse mortgage. The borrowed amount can only go up to 70% of the value of the home so the owner keeps 30% equity. Some want to maintain full value to pass on to their children. But if can't afford it, at least it is an option to help prevent senior homelessness. Selling your house and finding an affordable rental option or another house that's affordable can be difficult.