

October 21, 2013

Julie Spears  
Grants Administrator  
City of Madison CDBG Office  
215 Martin Luther King, Jr. Boulevard  
Madison, Wisconsin 53703

Dear Julie:

Common Wealth Development is requesting a waiver from the required 115% Loan to Value (LTV) Ratio so we can potentially bid on one or more foreclosures in the Balsam Road Area of SW Madison.

In August of 2013, we purchased properties at 2005 and 2009 Leland Drive using HOME Funds. We were approved for a waiver to the LVR for that purchase. Common Wealth has designated HOME funds to purchase an additional 4 units this year and 8 units next year in South West Madison. We are looking to make additional purchases in that same area.

Based on our recent purchase and research of the properties for sale, we believe we will need a waiver of up to 130% Loan to Value Ratio. The 2nd mortgage loan amount for additional purchases will include funds for substantial rehab which increases the loan to value ratio. Given the housing market and the number of distressed sales in this challenged area, the post-rehab appraisals are low, resulting in a higher loan to value ratio.

The timing of submitting an offer to purchase for a property in foreclosure will not allow us to seek an exception after the offer to purchase has been submitted. The lengthy waiver process will likely not be viewed as a reasonable financing contingency to an out of state lender. In order to be successful in bidding on those properties in a timely way, we feel we need to have a waiver agreement in place.

Common Wealth Development has made a commitment to expand our Affordable Rental Housing Program to Madison's SW side. We already purchased 2005 and 2009 Leland Drive using HOME funds. Additional purchases in this neighborhood are an important step in creating a positive change in this area.

If you have any questions, please contact me at 256-3527 ext. 14. Thank you for considering our request.

Sincerely,

Paul Jasenski  
Housing Developer  
Common Wealth Development