



**City of Missoula, Montana  
City Council Committee Agenda Item**

**Committee:** Housing, Redevelopment and Community Programs

**Item:** HOME Program Homebuyer Assistance Loan Forgiveness

**Date:** November 16, 2022

**Sponsor(s):** Kendra Lisum, Karen Gasvoda

**Prepared by:** Kendra Lisum

**Ward(s) Affected:**

<input type="checkbox"/> Ward 1	<input type="checkbox"/> Ward 4
<input type="checkbox"/> Ward 2	<input type="checkbox"/> Ward 5
<input type="checkbox"/> Ward 3	<input type="checkbox"/> Ward 6
<input checked="" type="checkbox"/> All Wards	<input type="checkbox"/> N/A

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**Action Required:**

Approve the resolution authorizing the Mayor to sign all title-related documents relative to the outstanding HOME homebuyer assistance loans for the purpose of forgiveness

**Recommended Motion(s):**

I move the City Council: Approve the resolution authorizing the Mayor to sign all title-related documents relative to the outstanding HOME homebuyer assistance loans for the purpose of forgiveness

**Timeline:**

Committee discussion:	11/16/22
Council action (or sets hearing):	12/5/22
Public Hearing (if required):	<a href="#">Click or tap here to enter text.</a>
Final Consideration	<a href="#">Click or tap here to enter text.</a>
Deadline:	<a href="#">Click or tap here to enter text.</a>

**Background and Alternatives Explored:**

Around 2005-2012, the joint city/county grants department provided small HOME loans to approximately 50 first time homebuyers. HOME stands for the federally-funded Home Investment Partnership Program. In the years since, as these homes were sold, most of these loans have been repaid. Given the current state of the Missoula housing market, the age of many of these loans, and the administrative burden of processing ad hoc repayments, the city has determined that it is in the best interest of the HOME program and residents with outstanding HOME loans to forgive these loans and release all title-related documents. By forgiving these legacy loans, the city would help to alleviate a small piece of the burden on low-and-moderate-income homeowners who used this program, and it would reduce administrative costs to the current HOME program as well.

The HUD-imposed period of affordability on these loans has expired, which means HUD has released the city and the homeowners from any requirements, but city restrictions remain. If Council agrees to remove these restrictions, the home loans can be forgiven.

**Financial Implications:**

None.

**Links to external websites:**