

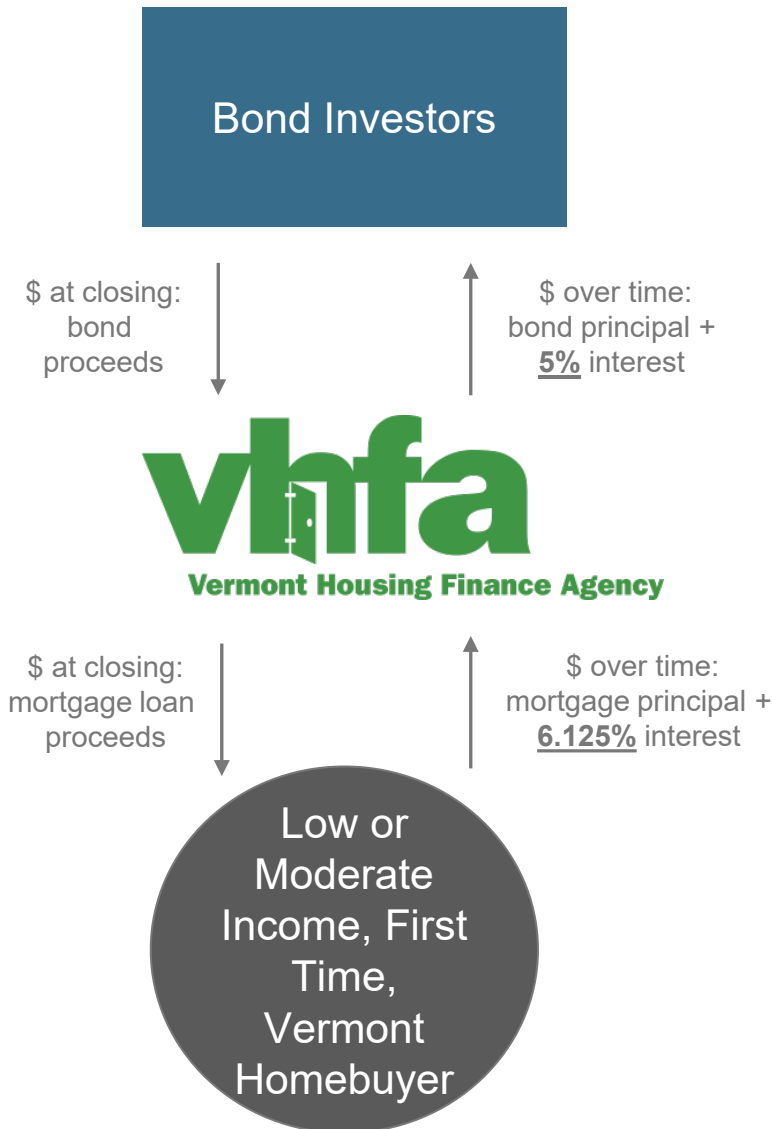


Photo from VHCB testimony

VHFA's testimony on H.666

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VHFA's Funding – Simplified Version



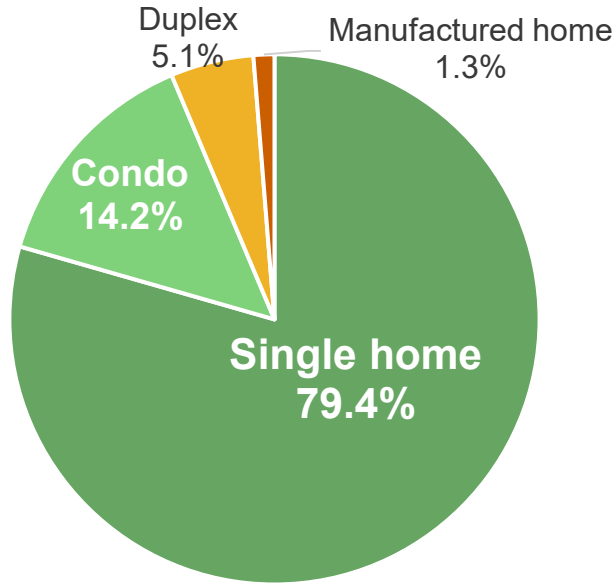
VHFA Economics

- 6.125% earnings rate from borrower mortgage payments, less
- 5% interest payments on bonds, equals
- 1.125% "spread" to VHFA which pays for VHFA operations

Benefits to LMI Homebuyer

- 6.125% mortgage rate for borrower at a time when comparable mortgage rates in market are 6.50% or higher
- VHFA also offers up to \$15k in downpayment and closing cost assistance for qualifying borrowers plus another \$15k for First Generation borrowers.

VHFA's Average Homebuyer



Homebuyer Zeynab Kouyate and her daughter

213 
home loans made by
VHFA

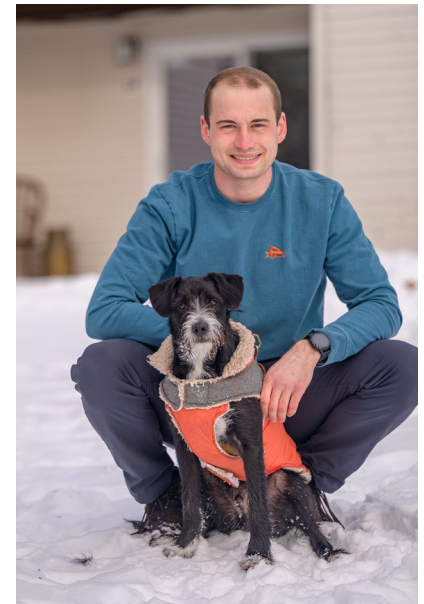
94% 
loans made to first-time buyers

70% 
received down payment
assistance

\$67,950
Median VHFA borrower
income

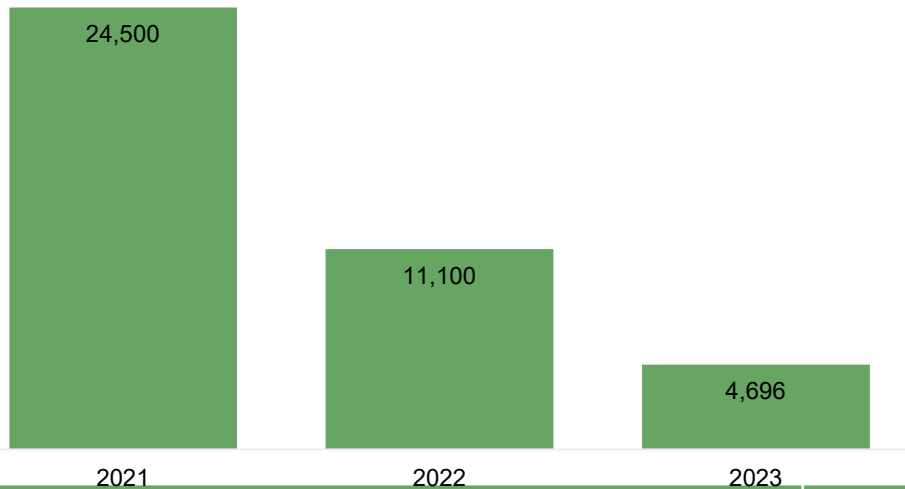
\$225,500
Median VHFA home
purchase price

98%
received pre-purchase
homebuyer education



Nathan Lalonde at his home near Bolton Valley Resort

Renters who could likely afford to buy median home



Why this work is important

	January-June 2021	January-June 2022	January-June 2023
Vermont median primary home price	\$259,900	\$295,000	\$315,000
Average interest rate on 30-year mortgage, no points	3.11%	4.72%	6.44%
Monthly mortgage payment (includes mortgage, PMI, insurance, property taxes)	\$1,710	\$2,192	\$2,595
Income needed to afford	\$68,394	\$87,671	\$103,776
Estimated Vermont renters with enough income to purchase median priced home	24,500	11,100	4,696

IORTA: Interest on Real Estate Trust Accounts



- Since 1992
- Funded with interest earned on earnest money and real estate contract deposits
- Brokers put into pooled interest-bearing trust or escrows
- Interest earned paid to VHFA
- [26 VSA §2214\(c\)](#)
 - “If a deposit *is/is not* reasonably expected to earn a substantial amount of interest...”
- Amount fluctuates. ~\$36,000 annually
 - Follows interest rates

Who is eligible to be served?



- [10 VSA §621\(21\)](#)
- Down payment and closing costs assistance on VHFA's mortgage loans
- *Prioritize* households earning <90% Area Median Income
- *Prioritize* perpetually affordable housing (aka Shared Equity Homes)

90% Median Income	2 person	3 person
Most counties	\$70,200	\$79,560
Chitt, Frank, Gl	\$81,810	\$92,070
Addison county	\$71,370	\$80,280

Shared equity homes

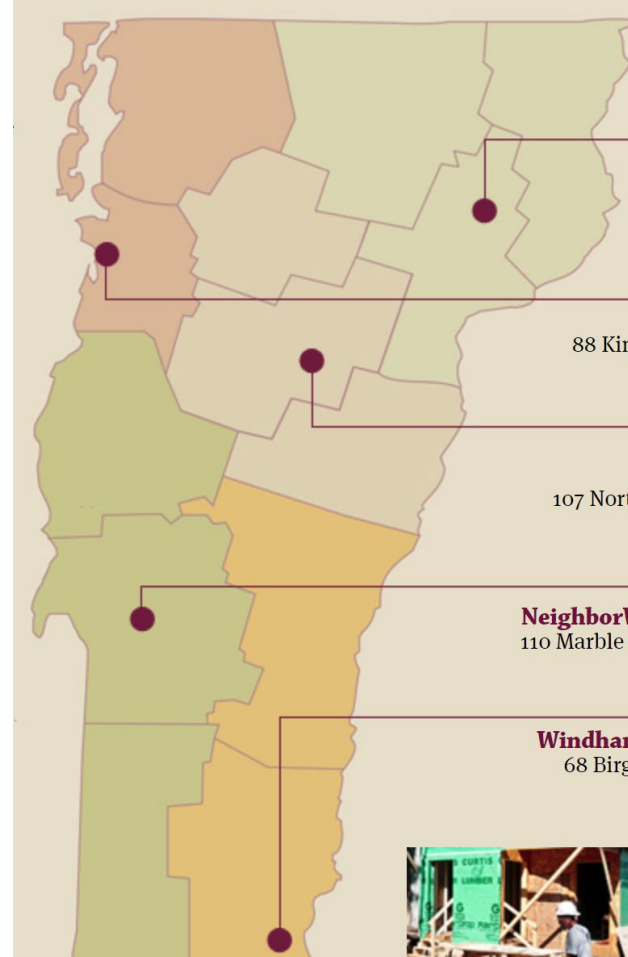
- CHT's program is just 1:
 - 671 homes for 1,282 owners
 - Current BIPOC owners: 102
 - Average length of ownership: 7.6 years
 - Average amount seller received at sale: \$25,530

- ✓ Helps renters become homeowners.
- ✓ Builds wealth.
- ✓ Delivers economic stability.
- ✓ Offers mobility.
- ✓ Creates legacy.
- ✓ Locks in affordability forever.

- ✓ Acts against gentrification.
- ✓ Provides affordable options in higher-income neighborhoods.
- ✓ Supports homeowners.
- ✓ Is community-based and community-controlled.
- ✓ Works in all types of markets – hot or cold, urban or rural.

LOCAL GROUPS

Contact the group in your area:



RuralEdge

48 Elm Street, PO Box 259
Lyndonville, VT 05851
(888) 698-8466 | Website

Champlain Housing Trust

88 King Street, Burlington, VT 05401
(802) 862-6244 | Website

Downstreet Housing & Community Development

107 North Main Street, Barre, VT 05641
(802) 476-4493 | Website

NeighborWorks[®] of Western Vermont

110 Marble Street, West Rutland, VT 05777
(802) 438-2303 | Website

Windham & Windsor Housing Trust

68 Birge Street, Brattleboro, VT 05301
(802) 254-4604 | Website



Source: CHT,
October 2022