



## Proposed Change to First Generation Homebuyer Program Definition of “First Generation Homebuyer”

### BACKGROUND:

In 2022, the Legislature passed [Act 182](#) which created a First-Generation Homebuyer down payment grant program. In setting the eligibility definition, Vermont relied on a [proposed bill](#) Congress was considering at the time. As the program’s administrator, the Vermont Housing Finance Agency recommends changing the definition to match that used by [Rhode Island](#) and other states, which will expand eligibility and match most user’s assumption of who qualifies.

### PROPOSED CHANGES:

#### Sec. 2. FIRST-GENERATION HOMEBUYER; IMPLEMENTATION; APPROPRIATION

(a) Guidelines. The Vermont Housing Finance Agency shall adopt guidelines and procedures for the provision of grants to first-generation homebuyers pursuant to 32 V.S.A. § 5930u(b)(3)(D) consistent with the criteria of the Down Payment Assistance Program implemented pursuant to 32 V.S.A. § 5930u(b)(3) and with this section.

(b) As used in this section and 32 V.S.A. § 5930u(b)(3)(D), a “first-generation homebuyer” means ~~an applicant~~ a homebuyer who self-attests that the ~~applicant~~ homebuyer is an individual:

(1) ~~(A) whose parents or legal guardians: do not have any present residential ownership interest in any State; and~~

~~(A) do not have and during the homebuyer’s lifetime never had any residential ownership interest in any State; or~~

~~(B) whose spouse, or domestic partner, and each member of whose household has not, during the three-year period ending upon acquisition of the eligible home to be acquired, had any present ownership interest in a principal residence in any State; or~~

~~(B) lost ownership of a home due to foreclosure, short sale or deed-in-lieu and have not owned a home since that loss; or~~

~~(2) is an individual who has at any time been placed in foster care.~~

### REASONING FOR CHANGE:

1. Shifting from “applicant” to “homebuyer” will only require the First-Gen attestation from *one* of the homebuyers, and not all. This will expand the use and demand for the program.
2. Removal of the 3-year restriction for other household members simplifies the eligibility requirement.
3. Removal of the 3-year restriction reflects the impact of losing ownership of a home due to foreclosure, short sale or deed-in-lieu.