

Shirley Adams

From: Sarah Carpenter <SCarpenter@vhfa.org>
Sent: Monday, April 27, 2015 5:24 PM
To: Bill Botzow; Michael Marcotte; Maureen Dakin; Jean O'Sullivan
Cc: Erhard Manke; 'katie@vermont.org'; Shirley Adams; Dave Adams; Maura Collins
Subject: Down Payment Assistance (DPA)
Attachments: DPA Fiscal Impact.pdf; Vermont DPA Program.docx

Hi All – Attached is a spread sheet showing the impact that new property transfers could have on the state revenue. This is hard to estimate, but we have assumed that 75-90% of the transfers will be new and in state. If this is the case about half of the proposed Down Payment Assistance (DPA) could be covered by increased revenue. As I mentioned of the outcomes of a DPA program, other than the obvious to assist and support our workforce, is that this might be an incentive to move the market some.

These estimates do not include estimates for the additional tax revenues, as well as overall increased economic activity, for home improvements, renovations, furniture and equipment sales generated as result of first time homebuyer activity. In 2010 the NeighborWorks Alliance of Vermont noted that every new homeowner contributed approximately \$40,500 in economic benefits to the State.

The program will start to phase out after 5 years depending on the speed of repayments which we have conservatively estimated. An option might be to modestly raise the rate for these loans to cover later years, although we have not proposed that as markets and rates can change a lot in five years.

Also attached an introduction paragraph. Let me know if you have any questions. Thank so much.

Sarah Carpenter

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