

# Testimony in Support of Increasing Manufactured Housing Credits

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## Credits available to be awarded each year by VHFA:

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Existing homeownership credits	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000
New \$250,000 proposal	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

## Amount of annual foregone state revenue to support homeownership:

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Existing homeownership credits	\$1,875,000	\$2,000,000	\$2,125,000	\$2,125,000	\$2,125,000	\$2,125,000	\$2,125,000
Newly proposed \$250,000 of credits	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,250,000	\$1,250,000	\$1,250,000

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Total impact on the state with the additional credits	\$2,125,000	\$2,500,000	\$2,875,000	\$3,125,000	\$3,375,000	\$3,375,000	\$3,375,000
Additional cost to the state from proposed increase	-\$250,000	-\$500,000	-\$750,000	-\$1,000,000	-\$1,250,000	-\$1,250,000	-\$1,250,000

Effective FY2020 the state added an additional \$125,000 in state credits to support homeownership. Being 5 year credits, the state has not yet seen the full impact of that previous decision. Therefore in FY2022 to FY2024, there is an increasing amount of foregone revenue until the sixth year of the program when the impact will reach its maximum.

The impact of this proposal on the state's revenues will grow over the coming 5 years. In year 6 (FY2027) the first year of claimed credits (FY2022) will run out, and the total liability will remain \$250,000 x 5, or \$1,250,000.