

TO: Members of the Senate Committee on Appropriations  
FROM: Maura Collins, Executive Director Vermont Housing Finance Agency (VHFA)  
SUBJECT: First Generation Homebuyer Program ending late summer 2024  
DATE: April 5, 2024

Two years ago, your committee created a program that single-handedly allowed **VHFA to triple the proportion of borrowers of color who use our mortgage program**. That program will be ending this summer, in the midst of the critical home buying season, if an additional \$1 million is not appropriated to the [First Generation Homebuyer Program](#) in the FY25 state budget.

The First Gen program has sparked some private lenders to chip in \$1,000 of their own money for every borrower who uses this program, and it's been the catalyst for broader racial justice conversations with the Vermont Bankers Association that we hope will lead to lasting changes.

Created by the legislature in 2022 with \$1 million, and re-funded in 2023 with another \$1 million, the program provides a grant of up to \$15,000 for the purchase of a first home for qualified borrowers. Knowing of the long-standing racial homeownership gap, we aim to reduce those [racial homeownership disparities](#) by removing barriers to purchasing a home. Through outreach to communities often left out of homeownership, this program helps Vermont equitably meet its housing needs. Without more funding, it will close this summer at a time when [home prices continue to rise](#) and the number of homes available continues to decline.

Details on the [program's impacts](#) are available online, but some key points are:

- Increased Black, Indigenous and People of Color (BIPOC) home buyers [using VHFA mortgages](#) went from 3% before the program to 9% in 2023.
- Helped 70 households with a median income of \$71,000 (below the [state median](#)) buy their first home.
- At least 19% of the First Generation program's homebuyers were BIPOC and at least 14% were Hispanic or Latino.

This program has the support of the Land Access Opportunity Board, the Vermont Bankers Association, Vermont Businesses for Social Responsibility, and many other local organizations who have been helping us reach first generation buyers.

If you want to hear directly from the first household we helped with this program, [this 4-minute video](#) tells her family's story.

I welcome and encourage your questions and, as always, am available to testify or meet to discuss this program with you and the committee.