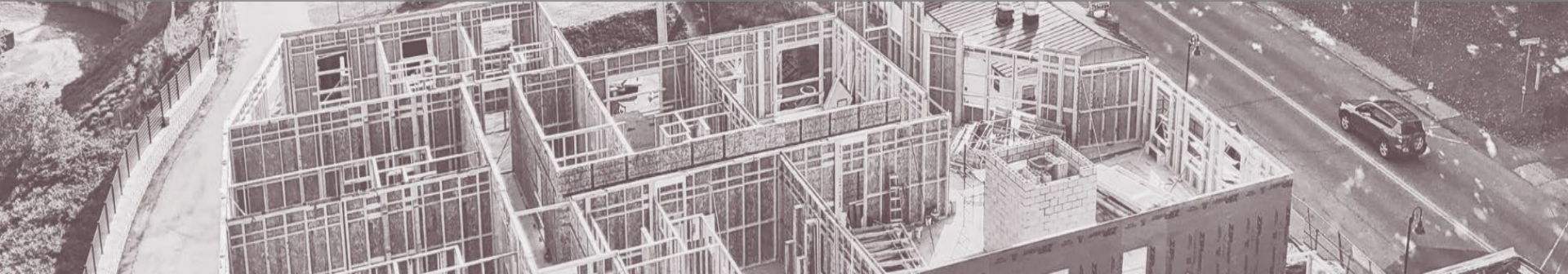




Down Payment Assistance

Maura Collins | mcollins@vhfa.org



State Credits Mirror Federal Credits

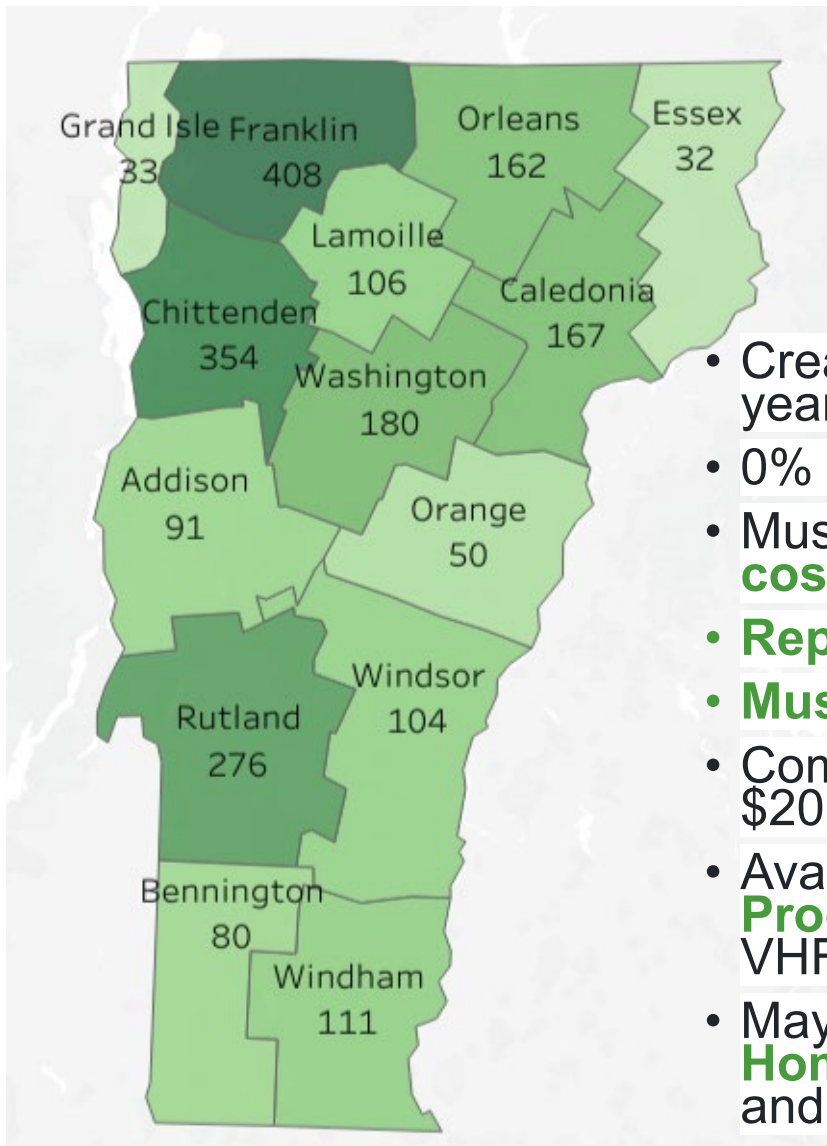
- Up to \$2 million/year to develop affordable rental housing
 - Leverages state investments & federal tax credits that take advantage of the tax exempt financing
- Up to \$3,375,000/year to develop affordable for-sale housing
 - \$1,250,000 of this must be used for manufactured home purchase and replacement



Specs

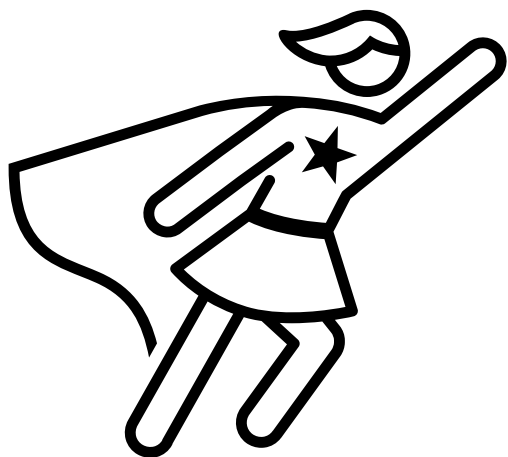
- Floors:
- Bedrooms: **3**
- Bathrooms: **1**
- Sq. Feet: **960**

VHFA's Down Payment Assistance Program



- Created in 2014. Sold the last tax credits this year.
- 0% **deferred loan** with no monthly payments.
- Must be used for **down payment** and **closing costs**.
- **Repaid** at sale, refinance or mortgage payoff.
- **Must be true first-time homebuyers.**
- Combined **liquid assets** must be less than \$20,000.
- Available only when using a **VHFA Loan Program** (Must meet eligibility requirements for a VHFA first mortgage).
- May be combined with **First Generation Homebuyer Grant** for additional down payment and closing costs.

Down Payment Assistance (DPA) is an affordable housing superpower

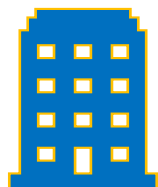


- DPA is a highly efficient and effective tool for expanding access to homebuying among Vermont renters.
- With a relatively low price tag to the state, VHFA DPA helps hundreds of renters buy their first Vermont home each year.
- Proven track record over past decade reaching 249 towns in all counties of the state.
- Tackles wealth gap for Vermont renters.
- Due to its success, initial program was replicated to create the more targeted, supplemental First Generation Homebuyer Program

DPA Addresses Wealth Gap of Renters



Homeowners
\$400,000
Median Net Worth

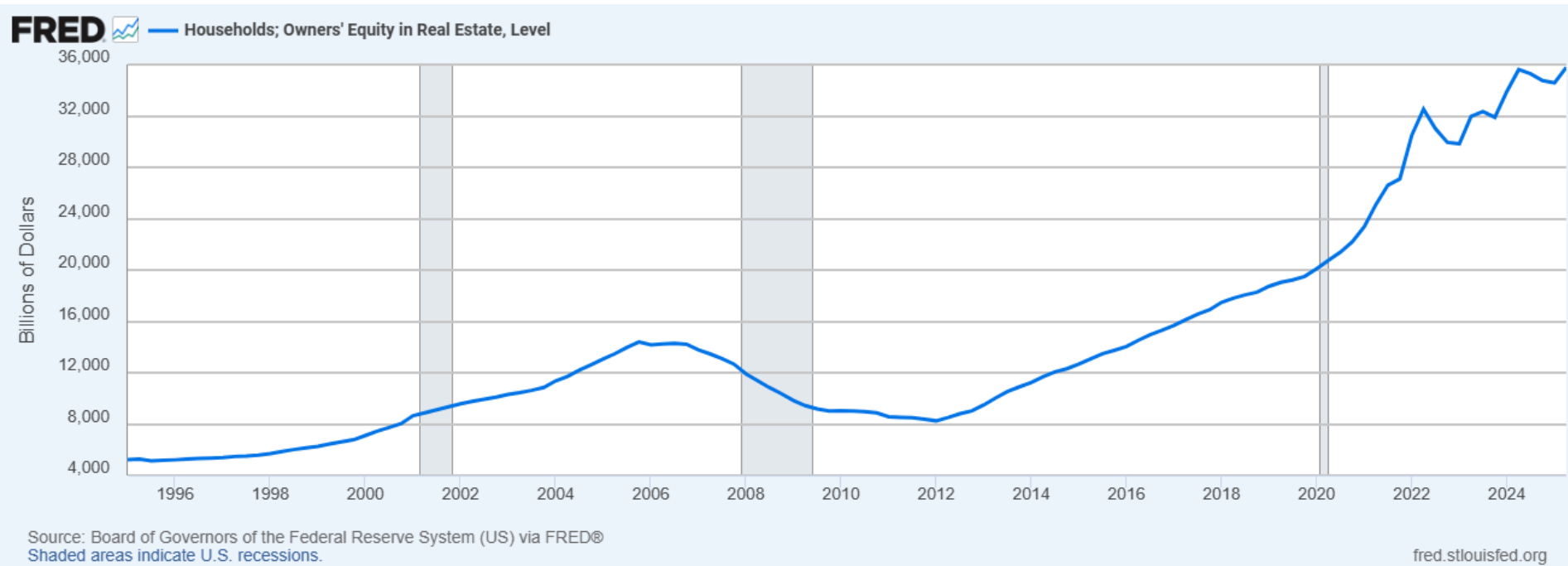


Renters
\$10,400
Median Net Worth

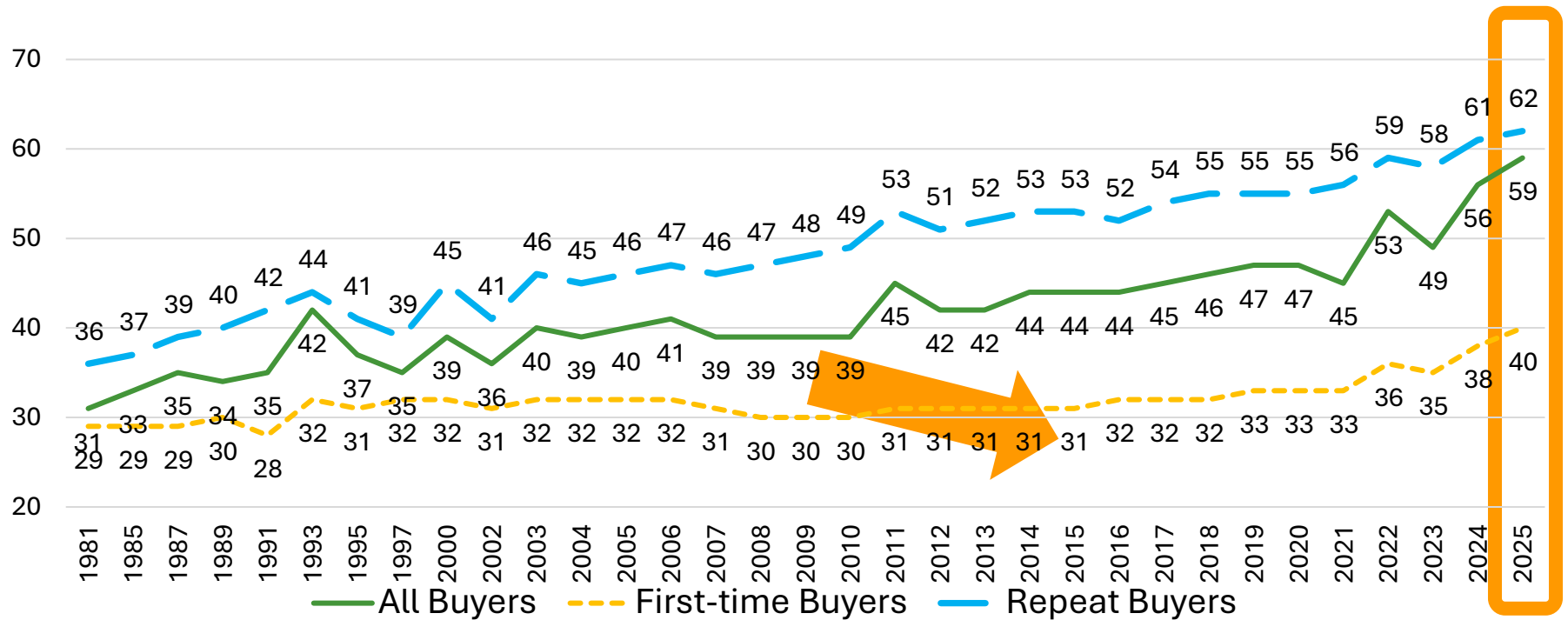
Even with recent increases in assets and net worth, less than **1/2 of renters** own potentially appreciating assets, compared to **78% of homeowners** (excluding their primary residence).

Source: [Aspen Institute Financial Security Program Report Identifies Stark Wealth Gap Between Renters and Homeowners](#)

And The Wealth Gap Is Likely To Continue Growing



Median age of buyers is at historic high



National Association of Realtors Profile of Home Buyers and Sellers

Average Customer (FY 25)

All data are median	With VHFA DPA	Without VHFA DPA
Appraised Value	\$253,000	\$310,000
Purchase Price	\$247,000	\$300,000
Mortgage Loan Amount	\$224,435	\$260,100
Annual Income	\$89,944	\$99,189
Loan To Value	91%	86%
Closing Costs	\$9,573	\$10,576
Credit Score	717	749
Borrower Age	32	35
Family Size	2.2	2.0
Race	White: 83% BIPOC: 5%	White: 85% BIPOC: 6%
First-Time Homebuyer	100%	84%
Student Debt	\$45,863	\$52,241

Who ASSIST DPA helps



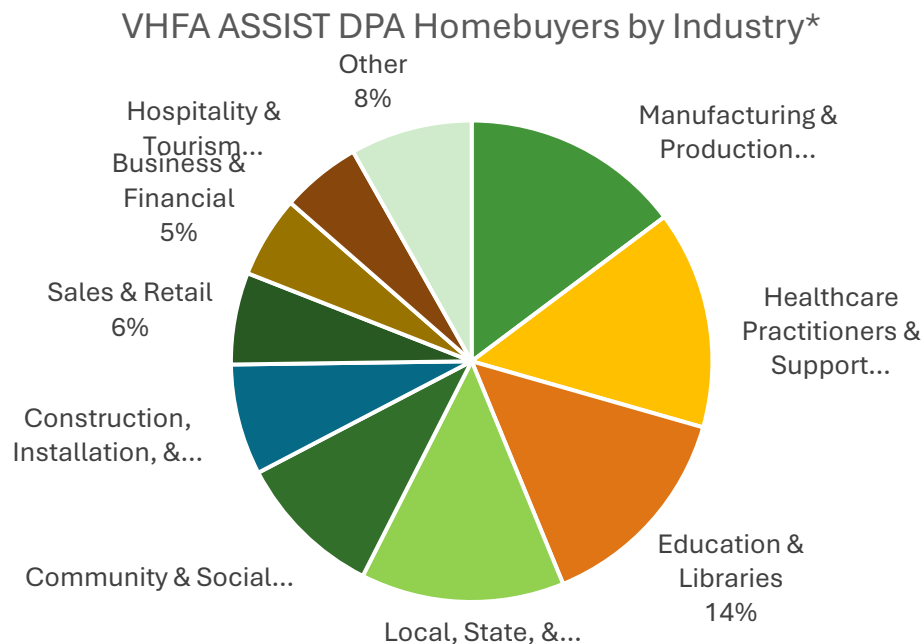
Industry	% of VHFA DPA homebuyer jobs*	Median Wage by Industry
Manufacturing & Production	15%	\$47,750
Healthcare Practitioners & Support	15%	\$84,660
Education & Libraries	14%	\$58,430
Local, State, & Federal Gov't	14%	\$66,684
Community & Social Services	10%	\$54,550
Construction, Installation, & Transportation	7%	\$59,300
Sales & Retail	6%	\$39,910
Business & Financial	5%	\$76,760
Hospitality & Tourism	5%	\$38,450
Other Industry (VT Median wage)	8%	\$52,410

*From over 1,700 occupations listed by DPA households since the program's creation

Source: VHFA ASSIST DPA program Impacts and Vermont Dept. of Labor Covered Employment & Wages, 2024.

ASSIST DPA also helps employers

Top 10 Employers	# of jobs
State of Vermont	116
UVM Medical Center	70
Municipal Gov't & Public Safety	69
Federal Gov't	52
Self-employed	35
University of Vermont	26
Howard Center	26
Dealer.com	21
Rutland Regional Medical Center	20
Northeast Vermont Regional Hospital	19
Killington Pico Ski Resort	16



*From over 1,700 occupations listed by DPA households since the program's creation

VHFA DPA built wealth for Vermont renters who bought their first homes

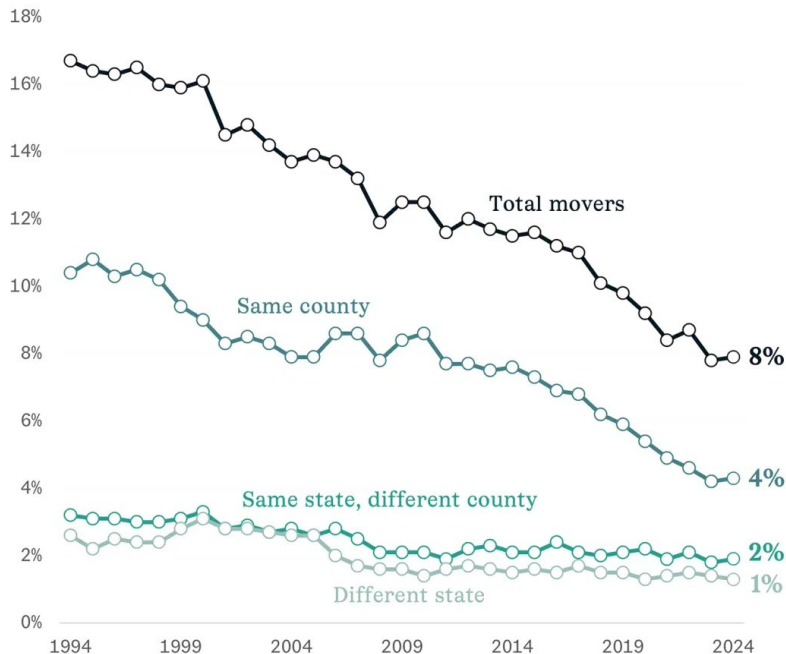


- Over this program's history, VHFA has helped **2,153** households buy their first home.
 - **63%** of these loans are still outstanding (\$11.1 M). The estimated median amount their home has appreciated so far is **over \$78,000**.
 - Additionally, **506** loans have been paid back, freeing up **\$3M** for VHFA to re-lend. The estimated median amount those homes appreciated was **over \$50,000**.
- DPA spurred generation of **\$137+ million** in wealth for first-time buyers so far at a cost to the state of roughly \$9 million.
- Have been moving 150+ renters into ownership annually. This year that will shrink to ~40.
- Requesting \$350,000 in state tax credits for 5 years to keep program open.

Slower repayments reflect national trends

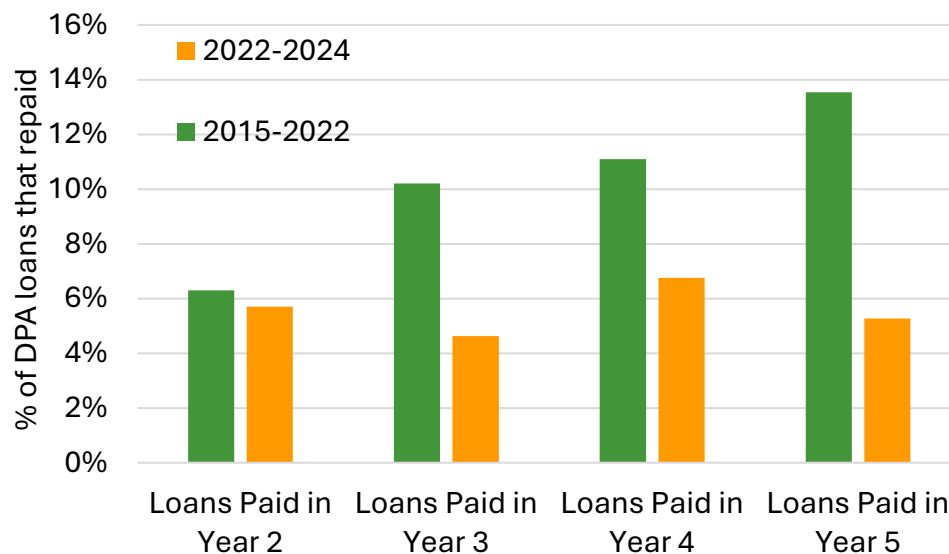
NOT GOING PLACES Americans Aren't Moving As Much Anymore

% Share of Americans Moving [Annual]

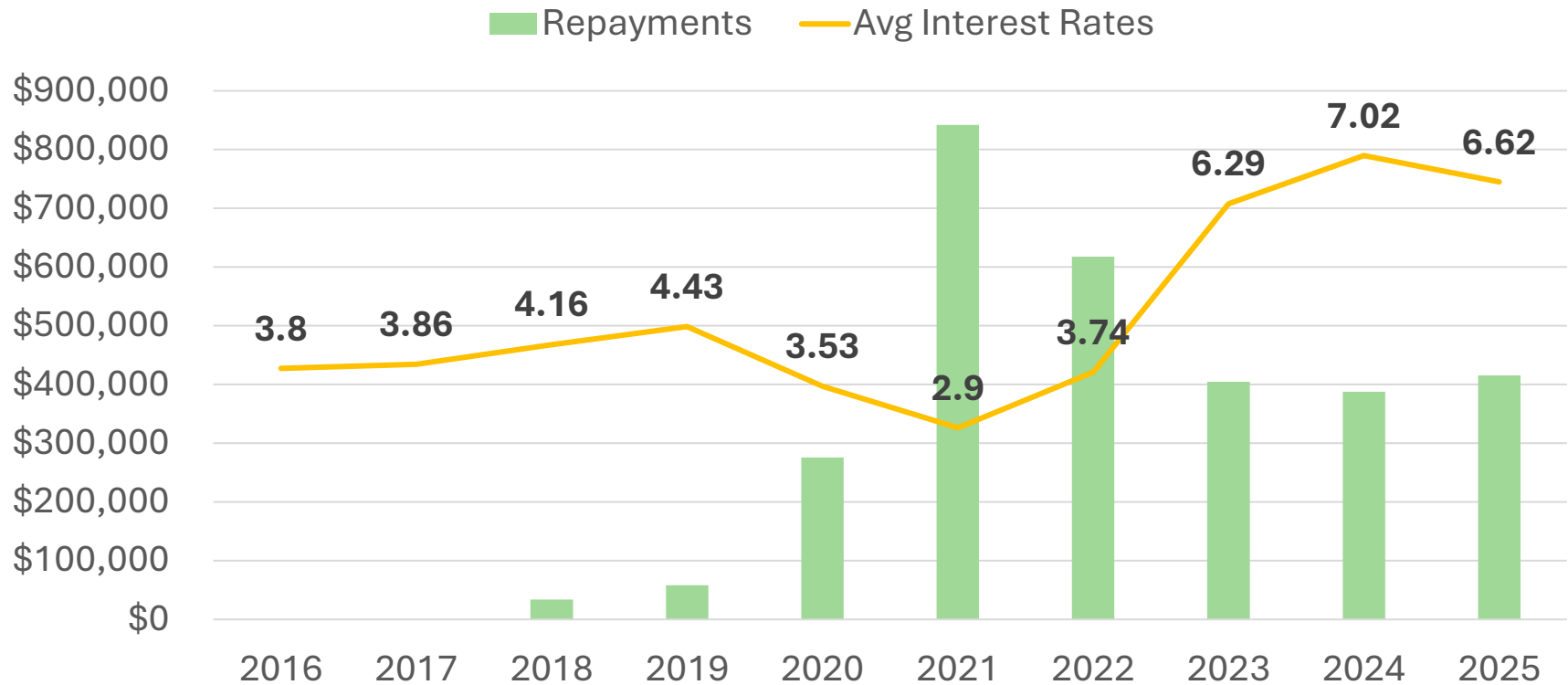


Source: Census Bureau, Current Population Survey via the WSJ

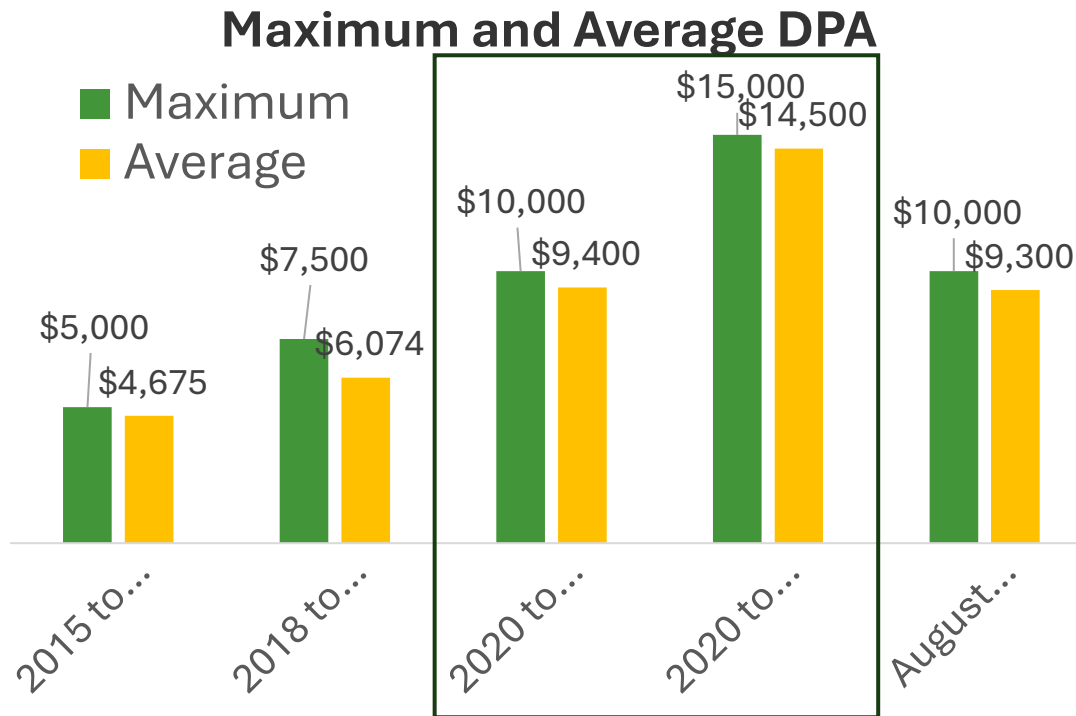
DPA repayments fell when interest rates rose in 2022



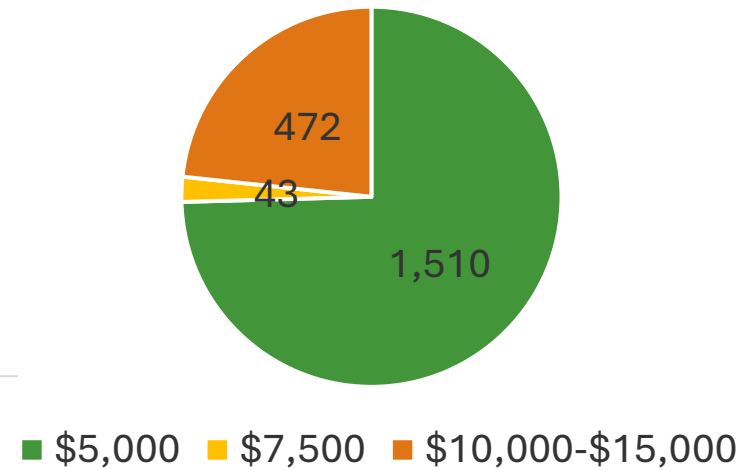
ASSIST DPA Repayments Slowed As Rates Rose



Amount of DPA Has Fluctuated



of Loans @ Each Amount



5 Year Housing Credit Impact

Cash Flow for Increase in Down Payment Assistance Tax Credits (FY27 to FY35)

		Current Commitments			Proposed Additional Credits						
<i>Fiscal Year</i>	<i>Status</i>	<i>FY26</i>	<i>FY27</i>	<i>FY28</i>	<i>FY 29</i>	<i>FY 30</i>	<i>FY31</i>	<i>FY32</i>	<i>FY33</i>	<i>FY34</i>	<i>FY35</i>
2021	Sold										
2022	Sold	\$250,000									
2023	Sold	\$250,000	\$250,000								
2024	Sold	\$250,000	\$250,000	\$250,000							
2025	Sold	\$250,000	\$250,000	\$250,000	\$250,000						
2026	In process	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000					
2027			\$350,000	\$350,000	\$350,000	\$350,000	\$350,000				
2028				\$350,000	\$350,000	\$350,000	\$350,000	\$350,000			
2029					\$350,000	\$350,000	\$350,000	\$350,000	\$350,000		
2030						\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	
2031							\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Annual claims of credits already approved		\$1,250,000	\$1,000,000	\$750,000	\$500,000	\$250,000	\$0	\$0	\$0	\$0	\$0
Increased cost to VT of proposal		\$0	\$350,000	\$700,000	\$1,050,000	\$1,400,000	\$1,750,000	\$1,400,000	\$1,050,000	\$700,000	\$350,000