



# Down Payment Assistance for Vermonters

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# Benefits of borrowing from VHFA



## Homebuyers

- Interest rate ~½ point less than others
- Up to \$10,000 in down payment **loan**
- \$15,000 down payment **grant** for 1<sup>st</sup> Generation buyers
- Lower Property Transfer Tax

## 2024 VHFA homebuyers by the numbers

**357** homebuyers used VHFA programs (68 government loans, 289 conventional)

**\$82 million** - total loans (\$17 million government, \$65 million conventional)

**55%** received Down Payment Assistance when using VHFA programs

**90%** - first time home buyers

**95%** - attended homebuyer education

**\$78,102** - median VHFA homebuyer income

**\$260,000** - median home price

**\$229,904** - average loan amount

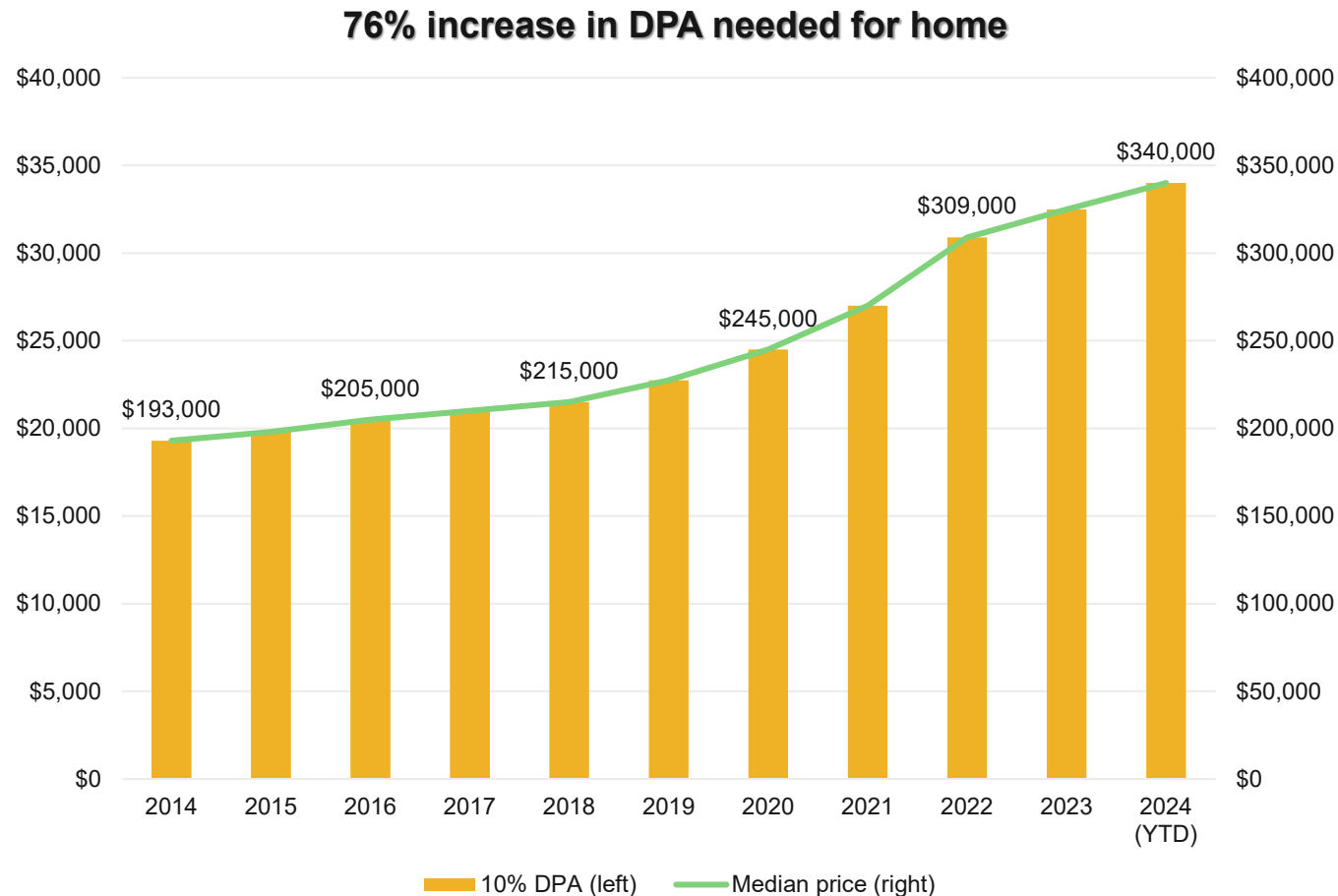


Patton Family

# History of State Tax Credit Funded Down Payment Assistance (DPA)



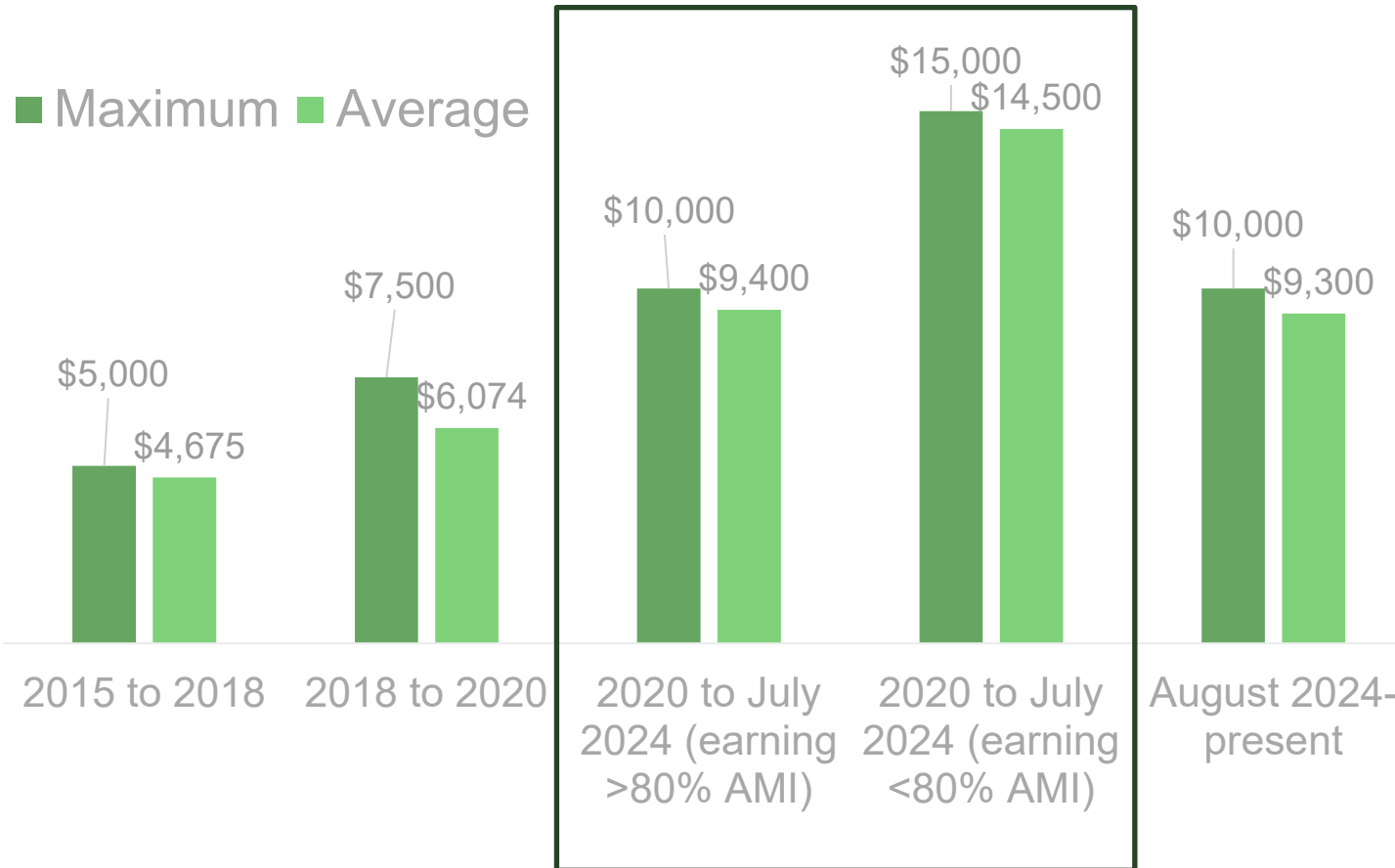
- Legislature created in 2015 ([Act 51](#)) assuming \$5,000 maximum



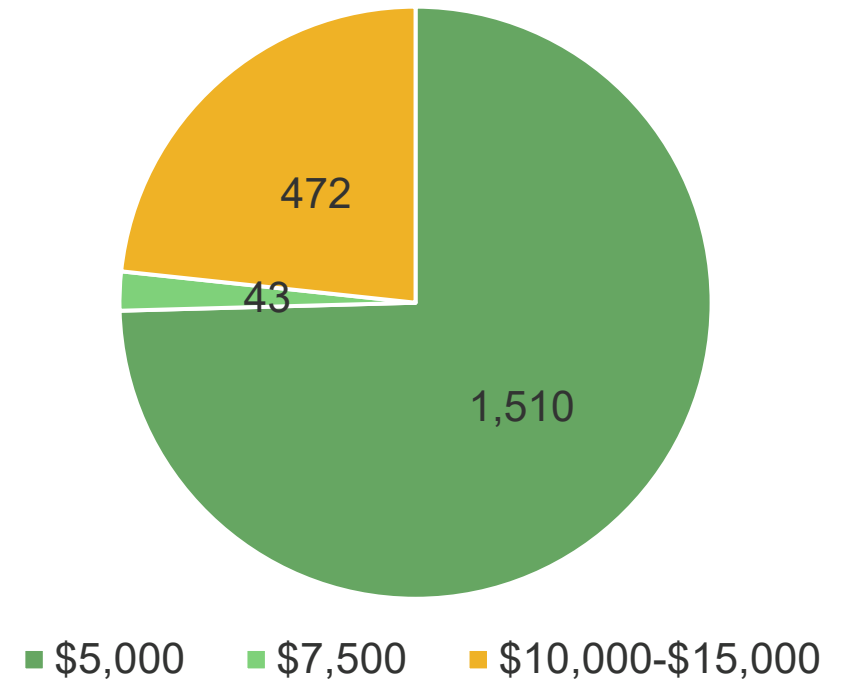
# Amount of DPA Has Fluctuated



## Maximum and Average DPA



## # of Loans @ Each Amount

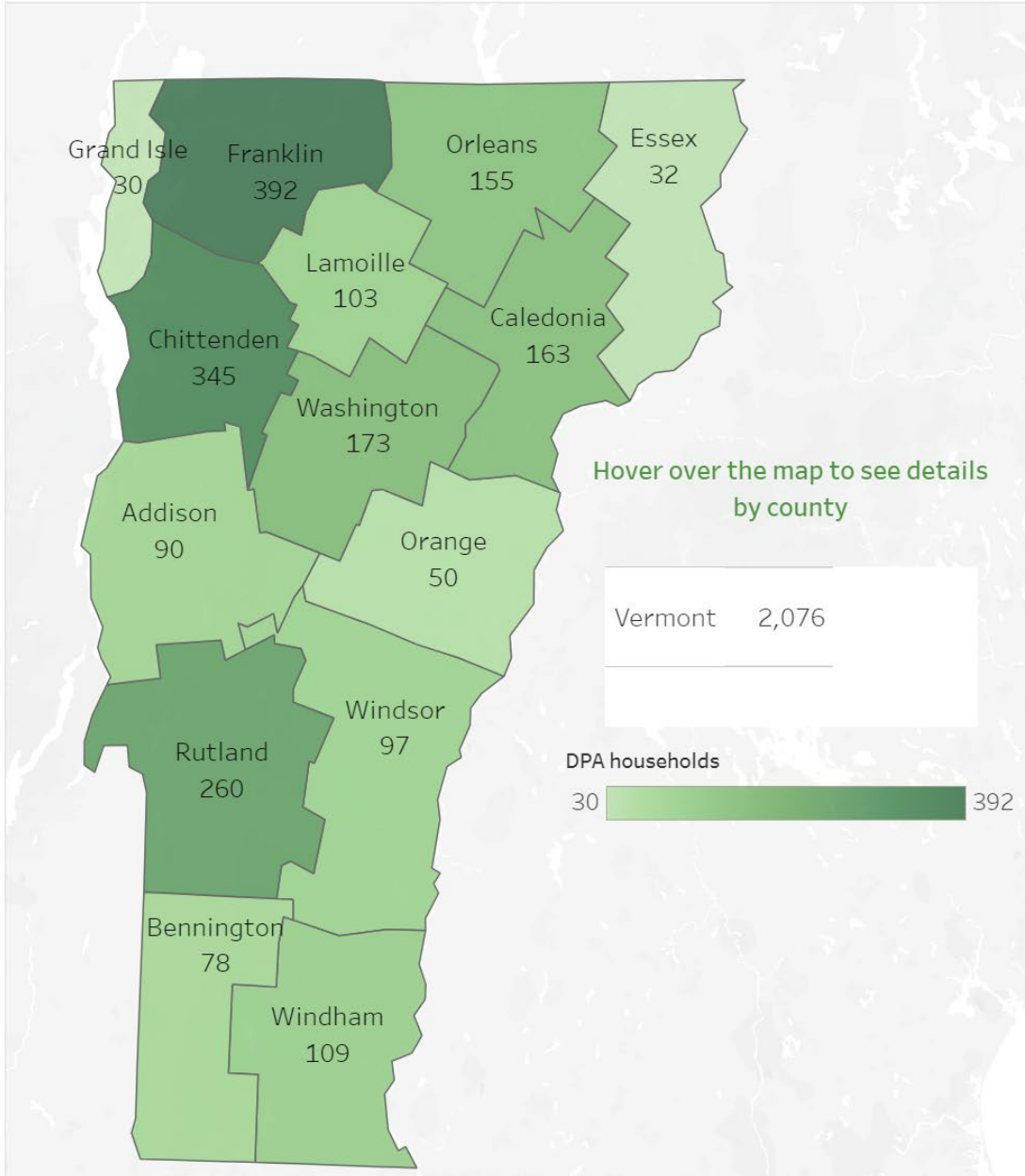


# Structure of Assist Loans



- 0% **deferred loan** with no monthly payments.
- Must be used for **down payment** and **closing costs**.
- **Repaid** at sale, refinance or mortgage payoff.
- Borrowers and non-borrowing spouses **must be true first-time homebuyers**.
- Borrowers and non-borrowing spouses combined **liquid assets** must be less than \$30,000.
- Available only when using a **VHFA Loan Program**. Borrowers and non-borrowing spouses must meet eligibility requirements for a VHFA first mortgage.
- May be combined with **First Generation Homebuyer Program** for additional down payment and closing costs.

# Homebuyers assisted by VHFA's DPA program



Year

County

City/Town

County	Town	Count
Addison	Addison	1
	Bristol	13
	Ferrisburg	2
	Lincoln	1
	Middlebury	14
	Monkton	8
	Orwell	7
	Panton	2
	Salisbury	4
	Shoreham	3
	Starksboro	7
	Troy	1
	Vergennes	12
	Whiting	4
	Bridport	2
	Cornwall	1
Bennington	Bennington	49
	Dorset	1
	Manchester	6
	Pownal	5
	Arlington	6
	Sandgate	1

<https://vhfa.org/partners/initiatives/program-impacts/down-payment-assistance>

Employer	#
State of Vermont	84
UVM Medical Center	58
self employed	32
Howard Center	23
Cox Automotive/Dealer.com	22
Dept of Homeland Security	21
UVM	21
Rutland Regional Med Center	20
Northwestern Counseling & Support Services	18
Global Foundries	14
Northwestern Medical Center	14
People's United Bank	14
Washington County Mental Health	13
General Electric	12
Middlebury College	12
Oryza Group	12
Dartmouth Hitchcock Med Ctr	11
Husky Injection Molding	11
Keurig	11
Blue Cross Blue Shield	10
Central Vermont Medical Center	10
NE Kingdom Human Services	10
Walmart	10
Ben and Jerrys	9

# Employers

Employer	#
City of Burlington	9
Columbia Forest Products	9
Price Chopper	9
Agri-Mark	8
Casella Waste Management	8
Heritage Motors	8
USPS	8
Dartmouth College	7
Essex Westford School District	7
Farrell Distributing	7
National Life Group	7
Shaws	7
Autumn Harp	6
Bayada Home Health	6
Hannaford	6
Jay Peak	6
Killington Pico Ski Resort	6
Maple Run Unified School Dist.	6
Norwich University	6
Rutland Mental Health Services	6
Timberlane Dental	6
Twincraft	6
Vermont Information Processing	6





# Average Customer



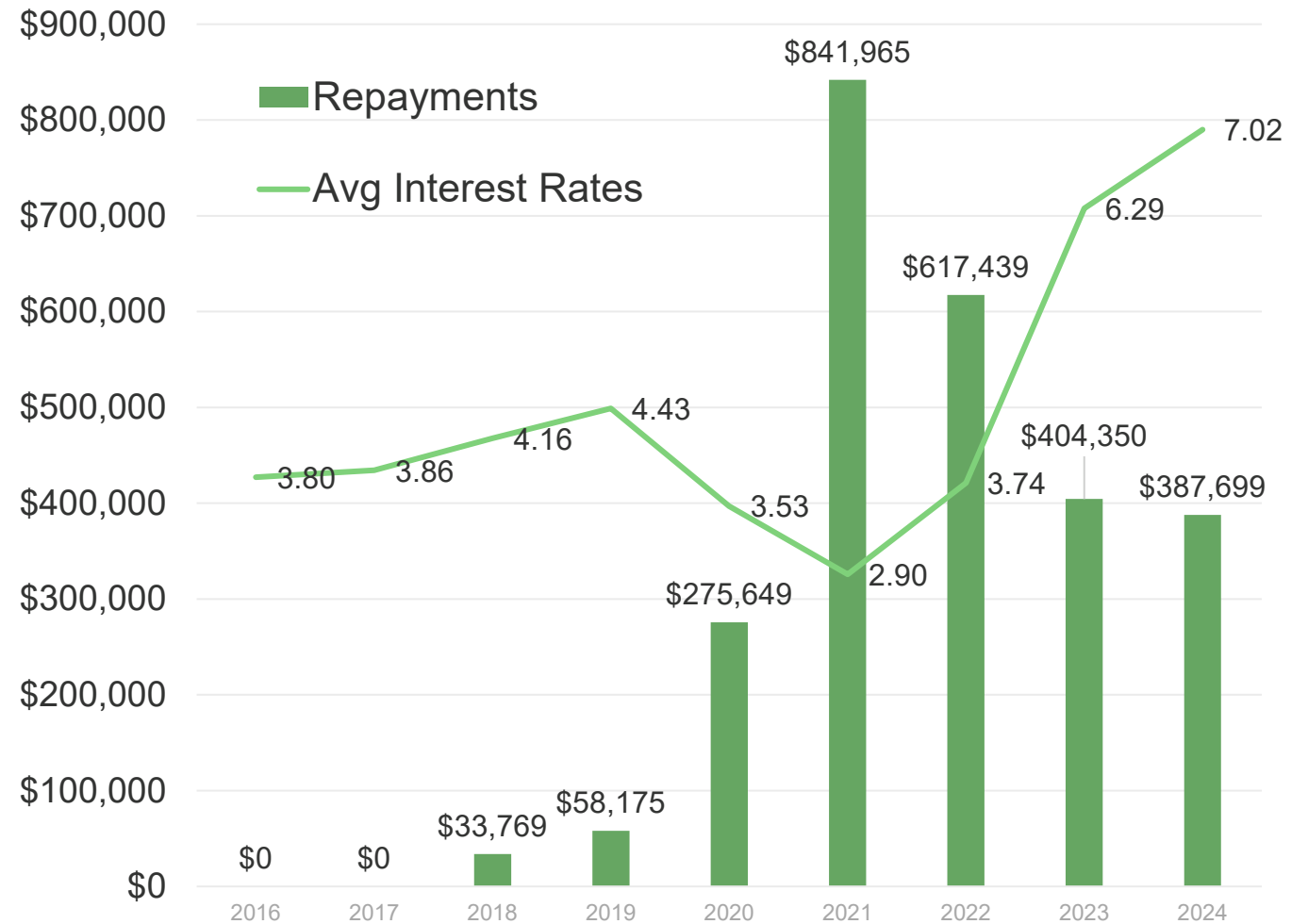
All data are averages	With VHFA DPA	Without VHFA DPA
Appraised Value	\$235,000	\$306,862
Purchase Price	\$220,000	\$299,120
Mortgage Loan Amount	\$211,721	\$251,792
Annual Income	\$85,050	\$95,473
LTV/CLTV	92%	85%
Closing Costs	\$9,507	\$11,243
Credit Score	714	741
Borrower Age	33	35
Family Size	2.19	2
Race	White: 79% BIPOC: 10%	White: 80% BIPOC: 4.5%
First-Time Homebuyer	100%	78%
Student Debt	\$41,114	\$32,221



# Other Sources of DPA



- In addition to state tax credits....
  - \$2 million of VHFA funding
  - \$3 million in First Generation Homebuyer Grant funding
  - IORTA proceeds



# 5 Year Housing Credit Impact



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

Current Commitments

Proposed Additional Credits

Fiscal Year	Status	FY25	FY26	FY27	FY28	FY 29	FY 30	FY31	FY32	FY33	FY34	FY35
2021	Sold	\$250,000										
2022	Sold	\$250,000	\$250,000									
2023	Sold	\$250,000	\$250,000	\$250,000								
2024	Sold	\$250,000	\$250,000	\$250,000	\$250,000							
2025	In Process	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000						
2026			\$250,000	\$250,000	\$250,000	\$250,000	\$250,000					
2027				\$250,000	\$250,000	\$250,000	\$250,000	\$250,000				
2028					\$250,000	\$250,000	\$250,000	\$250,000	\$250,000			
2029						\$250,000	\$250,000	\$250,000	\$250,000	\$250,000		
2030							\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
2031								\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

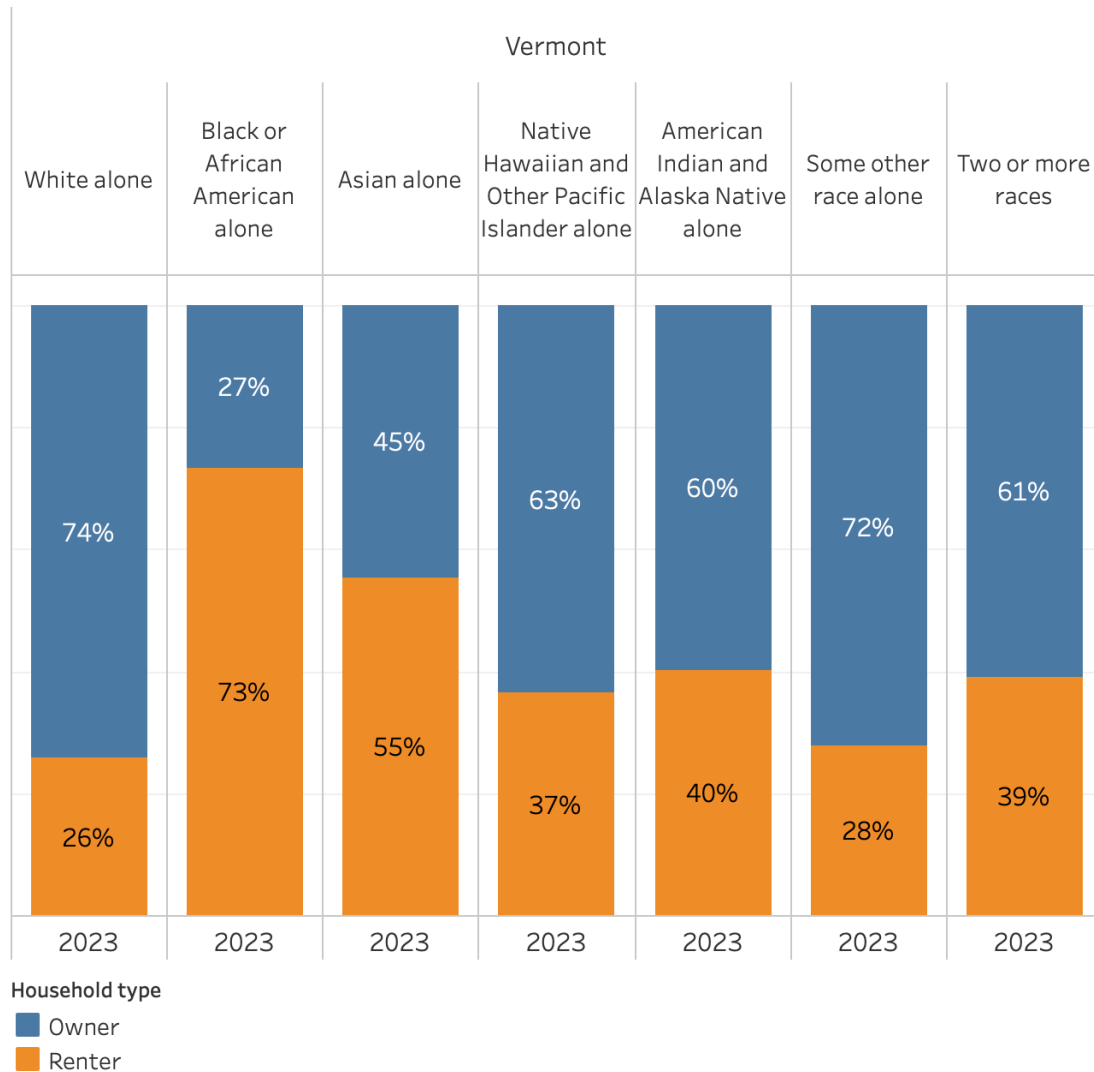
Annual claims of credits already approved	\$1,250,000	\$1,250,000	\$1,000,000	\$750,000	\$500,000	\$250,000	\$0	\$0	\$0	\$0	\$0
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Increased cost to VT of proposal	\$0	\$0	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,250,000	\$1,000,000	\$750,000	\$500,000	\$250,000
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# First Generation Homebuyer Program



Homeownership rate by race



- ✓ Lowers barriers to homeownership
- ✓ Launched November '22 with \$1M.
- ✓ + \$1M in '23 + \$1M in '24
- ✓ Provides up to \$15,000 grant to qualified applicants

# Who is a 'First-Generation' homebuyer?



## Eligibility Requirements:

- ✓ First time homebuyer (no previous ownership); AND
  - Parents/legal guardian of one or more borrower never owned a home or lost their home to foreclosure & not owned again; OR
  - One borrower was in foster care
- ✓ Income eligible
- ✓ Mortgage loan requirements for borrowers and property
- ✓ Must have under \$30,000 in assets

A flyer for the 'First Generation Homebuyer' program. At the top, a photo shows a family of four (mother, father, and two children) lying on a bed. Below the photo is a green banner with the text 'FIRST GENERATION HOMEBUYER?'. To the right, it says 'Grant up to \$15,000 Down Payment &amp; Closing Costs' with a note that 'Eligibility requirements apply.' Below this, it says 'CONTACT A PARTICIPATING LENDER: vhfa.org/firstgen'. A QR code is located at the bottom right. On the left side of the flyer, there are three smaller photos: a family of three outdoors, a woman in a hijab, and a family of four looking at a laptop. At the bottom left is the 'vhfa FIRST GENERATION HOMEBUYER PROGRAM' logo. At the bottom right, contact information is provided: 'www.vhfa.org', '802-864-5743, ext 2, then 1', and 'vhfahomeownership@vhfa.org'.

# Program impacts

- ✓ 116 grants funded
- ✓ \$15,000 average grant awarded
- ✓ \$ 75,784 median income of households
- ✓ \$240,000 median purchase price
- ✓ 18% identify as BIPOC
- ✓ Highlighted as a legislative achievement in Vermont's 2024 Fair Housing Analysis



Zeynab Kouyate learn more at: <https://youtu.be/UyCN53HtymU>

