



NEWS RELEASE

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Quarterly Homeownership Program Index increased to include three percent more programs; 87% have funds available to buyers

Miami, FL, June 25, 2015 – At the National Association of Real Estate Editors Conference (NAREE), Atlanta-based Down Payment Resource, the nation's only databank for homebuyer programs, released its second quarter 2015 Homeownership Program Index. The volume of programs increased three percent, while funded programs declined three percent from the prior quarter.

The index highlights the wide range of opportunities available for all types of buyers, not just for first-time homebuyers—36 percent of programs don't include a first-time homebuyer requirement. More than 14 percent of programs are special opportunities available to veterans, protectors, firefighters, educators, buyers with a disability and other special circumstances.

"There are a wide range of down payment programs available to prospective homebuyers today, yet surveys find that most people are unaware they even exist," said Rob Chrane, CEO of Down Payment Resource. "With more than 2,300 programs, it can be overwhelming to find all the possibilities that may work. Just as we would advise buyers to get pre-qualified for home loan, we also recommend that buyers seek help to determine what homeownership programs may be the best fit for their personal situation. Homebuyer programs may help them save on their down payment and closing costs, gain a lower interest rate or enjoy a healthy tax credit for the life of their loan."

Q2 2015: Homeownership Program Index Key Facts

Homeownership programs

- The report increased to **2,359 programs** up three percent from the prior quarter.
- Programs from over 1,250 housing agencies and program providers are being tracked.
- 19 programs are available nationwide.
- Approximately 87 percent of programs have funds available for homebuyers, down three percent the prior quarter.
- Mortgage Credit Certificates (MCC) increased 12 percent from October 2014.
- Many of these programs can be layered with each other and can often be used with most loan products, including VA and FHA.
- More than 14 percent of programs are special opportunities available to veterans, protectors, firefighters, educators, buyers with a disability and other professions or special circumstances.

- Down payment program benefits can range from a few thousand to tens of thousands of dollars. The average down payment program benefit across all counties in the U.S. is \$7,333. Across all programs in the U.S., the average is \$22,138. The median down payment program benefit is \$14,500 with the most prevalent amount being \$10,000.

Program types

- The index highlights the wide range of opportunities available for all types of buyers, not just for first-time homebuyers. 36 percent of the programs don't include a first-time homebuyer requirement (down 1 percent from February).
- While all programs are available for single family homes, the index found that 17 percent of programs are also eligible for owner-occupied multifamily properties like duplexes, triplexes and quads (2-4 unit properties).
- Down payment assistance programs make up the majority of programs. Following is a break out of program types:
 - **71 percent** are down payment and closing cost assistance programs. Programs include grants which do not have to be repaid, second mortgages with a very low or no interest rate where the payment may be deferred or forgiven incrementally for each year the buyer remains in the home and Neighborhood Stabilization Programs designed to revitalize communities that have suffered from foreclosures, high unemployment and other concerns slowing housing recovery. Combined first mortgage and down payment programs, typically from state housing finance agencies are also included.
 - **9 percent** are first mortgage loans with below-market interest rates, lower or no mortgage insurance, or 100 percent financing.
 - **8 percent** are Mortgage Credit Certificates (MCCs) that provide up to \$2,000 in annual tax credits for the life of the loan.
 - **12 percent** are additional programs, including Employer Assisted Housing programs offered by employers in certain markets and Individual Development Accounts that provide a matching down payment savings program.

Where programs are available

- The South still leads in the total number of available homebuyer programs, followed by the West.
- 24 percent of programs are available state-wide, offering broad opportunities not specific to a county or neighborhood. State-wide programs can often be layered with local programs.
- States with the greatest number of homebuyer programs, ranked in order:
 1. California (399)
 2. Florida (226)
 3. Texas (203)
 4. Maryland (106)
 5. New York (75)
 6. Massachusetts (72)
 7. Pennsylvania (71)
 8. Colorado (68)
 9. Georgia (61)
 10. Washington (57)

Special programs and incentives are available to veterans

- There are 338 different programs that include incentives for veterans and other special circumstances or professions.
- Homeownership programs for veterans and military lead the special incentive category, followed by programs for educators, protectors, firefighters and those with a disability.

Infographic

<http://downpaymentresource.com/news/>

About Down Payment Resource's Homeownership Program Index

The Homeownership Program Index (HPI) measures the availability and characteristics of down payment programs administered by state and local Housing Finance Agencies (HFAs), nonprofits and other housing organizations. It analyzed state, local and national programs available in the DOWN PAYMENT RESOURCE™ registry as of June 16, 2015.

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