



NEWS RELEASE

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Down Payment Programs Remain Well Funded

More than 1,300 Program Administrators Develop and Manage Today's Homebuyer Programs

Atlanta, GA, February 9, 2018 – Atlanta-based Down Payment Resource, the nationwide database for homebuyer programs, today released its Fourth Quarter 2017 Homeownership Program Index (HPI). The number of total programs increased to 2,507, up 20 programs from the previous quarter. More than 87 percent (87.4%) of programs currently have funds available for eligible homebuyers. While individual program funding can vary, overall funding trends for homebuyer programs across the country remain roughly unchanged from the previous quarter.

Down Payment Resource communicates with 1,309 program administrators to track and update the country's wide range of homeownership programs, including down payment and closing cost programs, grants, Mortgage Credit Certificates, affordable first mortgages and more. This quarter's HPI reviews the primary types of program administrators and funding sources that provide programs for today's buyers.

"Recent research from the Urban Institute found that only 23 percent of consumers are familiar with low-down-payment programs. Unfortunately, a lack of knowledge about down payment options has kept renters from buying homes," said Rob Chrane, Down Payment Resource CEO. "It's important for buyers to understand the critical state and local resources available to help make their home loan more affordable."

Program administrators develop and manage homebuyer programs

Homebuyer programs are managed and funded from a wide and diverse array of sources, each with its own requirements, nuances and limitations. The role of these administrators can vary, but generally, they approve participating lenders who are trained on the program guidelines and approved to originate, process and close specific homebuyer programs.

State and Local Housing Finance Agencies

State Housing Finance Agencies (HFAs) are state-chartered authorities established to help meet the affordable housing needs of the residents of their states. These HFAs fund homebuyer programs through the use of housing bonds, housing credit, the [HOME Investment Partnerships \(HOME\)](#) program, and other state and federal funds. Many state HFAs use Private Activity Bonds to fund Mortgage Credit Certificate (MCC) programs, life-of-loan tax credits available to eligible buyers in most states. After concern late last year that the new tax bill would eliminate PABs, they were ultimately spared.

City or County Administrators

Individual municipalities administer local or hyper-local homeownership programs with funding from the U.S. Department of Housing and Urban Development (HUD). These may include neighborhood revitalization programs that are designed to help improve a specific area in the city or county.

The Community Development Block Grant (CDBG) program provides communities with resources to address a wide range of unique community development needs, and is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to 1,209 general units of local government and states. HUD was also the administrator of Neighborhood Stabilization Program (NSP) funds. The federal government authorized three rounds of NSP funding during the mortgage crisis, and those funds were used to address blight, foreclosure and reinvestment in homeownership in markets hit hard by foreclosure.

Non-Profits

Non-profit organizations and foundations fund down payment assistance programs, including grants and forgivable loans, to serve a specific community or area. For example, the Texas State Affordable Housing Corporation (TSAHC) is a non-profit organization that leverages private donations with its authority to sell tax-exempt affordable housing bonds to fund a wide range of housing programs.

Employers

Employers sometimes offer their own Employer Assisted Housing (EAH) programs to their employees, providing down payment and/or closing cost assistance to eligible current or incoming employees. The programs aim to preserve the affordability of housing in the employer's immediate market and to help the employer recruit and retain top talent.

HPI Data About All Types of Programs

- 38% of homeownership programs do not have a first-time homebuyer requirement and are available for eligible repeat homebuyers. (First-time homebuyer is defined by HUD as someone who has not owned a home in three years.)
- 75% of programs are available in a specific local area, such as a city, county or neighborhood. 25% of programs are available statewide through state housing finance agencies.
- More than 6% of programs are available for community service workers, including educators, police officers, firefighters and healthcare workers.
- 6% of programs have benefits for veterans, members of the military and surviving spouses. These programs can also be layered with zero down payment VA loans.
- 69% of programs in the database are down payment or closing cost assistance. 9% of programs are first mortgages and 8% of programs are Mortgage Credit Certificates (MCCs).
- States with the greatest number of down payment programs remained consistent—California, Florida and Texas are the top three. View a complete list of [state-by-state program data](#).
- More than 50 percent of programs accept online homeownership education.

About Down Payment Resource

Down Payment Resource (DPR) creates opportunity for homebuyers, REALTORS® and lenders by uncovering programs that get people into homes. The company tracks more than 2,400 homebuyer programs through its housing finance agency partners. DPR has been recognized by Inman News as “Most Innovative New Technology” and the HousingWire Tech100™. DPR is licensed to Multiple Listing Services, Realtor Associations, lenders and housing counselors across the country. For more information, please visit DownPaymentResource.com and on Twitter at [@DwnPmtResource](https://twitter.com/DwnPmtResource).

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 January 11, 2018.

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