



NEWS RELEASE

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Homeownership Program Index Reports Program Funding Down Nearly 3% While Down Payment Assistance Use Increases

Industry data shows use of down payment assistance doubled in four years

Atlanta, GA, July 25, 2019 – Atlanta-based Down Payment Resource, the nationwide database for homebuyer programs, today released its **First and Second Quarter 2019 Homeownership Program Index (HPI)**. The number of total programs decreased to 2,516, down just 8 programs from the fourth quarter of 2018. Nearly 83 percent (82.9%) of programs currently have funds available for eligible homebuyers, down 2.9 percent from the previous index.

Down Payment Resource (DPR) communicates with 1,248 program administrators to track and update the country's wide range of homeownership programs, including down payment and closing cost programs, Mortgage Credit Certificates, affordable first mortgages and more.

HPI key facts:

- 41% 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.)
- 72.5% of programs are available in a specific local area, such as a city, county or neighborhood. 27.5% of programs are available statewide through state housing finance agencies.
- 22% of programs allow buyers to purchase a multi-family property as long as the buyer occupies one of the units.
- 8% of programs are available for community service workers, including educators, police officers, firefighters and healthcare workers.
- More than 6% (6.3%) 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.

- 72% 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](#).

Increase in share of programs without first-time homebuyer requirement

A common myth about homeownership programs is that they are only available to first-time homebuyers. Since the last HPI, the share of programs without a first-time homebuyer requirement increased to 41%, up 2% from the previous HPI. This means more homeownership programs can serve repeat and move-up buyers. Most programs use HUD's definition of a first-time homebuyer -- someone who has not owned a home in the past three years.

Funded programs decreased, but more buyers accessed down payment help

The HPI reports the share of funded programs decreased by nearly 3% since the Fourth Quarter 2018 report, primarily due to the sunsetting of many Neighborhood Stabilization Programs (NSP) designed to positively impact areas hardest hit by foreclosures. In addition, federal funds for government programs are issued later in the summer so some funds are not currently active.

There are new signs that more homebuyers are accessing down payment assistance funds. Data from National Survey of Mortgage Originations and Freddie Mac found that buyers using down payment assistance as a source for the down payment doubled in four years, between 2013 - 2016. With new buyers coming to market who don't have proceeds from a home sale to fund their down payment, down payment program use may be poised for continued growth. In addition, FHA reports that more than 13% of borrowers who used an FHA loan so far in 2019 received government help with the down payment.

Exhibit 1

Percent of the respondents using different sources for the down payment

Year	Sources of down payment					
	Savings, Inheritance Retirement Account, Other Assets	Proceeds from the sale of another property	Assistance or loan from a nonprofit or government agency	A second lien, home equity loan, or home equity line of credit	Gift or loan from family or friend	Seller contribution
2013	79%	23%	5%	0%	23%	15%
2014	75%	25%	7%	2%	22%	16%
2015	73%	28%	8%	4%	22%	17%
2016	70%	31%	10%	4%	23%	16%

Note: The percentages do not add up to 100 percent as the respondents chose more than one option in some instances.

Source: [Freddie Mac Research](#)

“It’s encouraging to see more homebuyers accessing the down payment help they need to make homeownership more affordable,” said Rob Chrane, CEO of Down Payment Resource. “We track a wide range of eligibility criteria and benefit details about today’s programs, including whether or not a program has funds available for buyers. It’s information that helps housing professionals and homebuyers easily identify opportunities that will work for their situation.”

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 2,500 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 Twitter at [@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 July 3, 2019.

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