

NCSHA 2015 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 10, 2015

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact Matt Cunningham at mcunningham@ncsha.org or 202-624-5424.

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

Use this header on the upper right corner of each page:

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

FirstHomes Tax Credit: *Because every first home has its rewards*
Communications: Promotional Materials and Newsletters

Summary

It can be difficult to measure the impact of any communications effort. While there are a number of tools that measure online analytics, consumer reach, and impact, communications professionals still spend a great deal of our time trying to connect the dots between the work we do and the bottom line. *What was the return on our investment? Did we meet targeted goals? Which method worked and why?* These are all important questions to be considered, and there are those rare times when the answer to these questions can't help but hit you right in the face: ***like when a brand new program overachieves to such an extent that this HFA depleted bond funding in 6 months that we had estimated would last 18 months.***

Rhode Island Housing was in the very fortunate position to find ourselves with a communications campaign that not only made people stand up and take notice, but brought them in the door and increased our bottom line.

Concept

We started with a program many other HFAs have also introduced to their respective markets: a Mortgage Credit Certificate (MCC). From there we began with a brainstorming session, bringing together our Homeownership staff and Communications team to do the following:

- Identify the goals of the MCC campaign
- Identify and prioritize target audiences
- Develop key messages to target audiences
- Understand how the MCC program would work within Rhode Island
- Identify deliverables needed to successfully execute the program
- Develop program names and supporting language for the campaign

Goals:

- Communicate value of MCC to lenders, real estate professionals and first-time homebuyers
- Simplify the message to make the program more understandable and customer friendly
- Develop tools to help lenders and real estate professionals communicate the program benefits to homebuyers

Target Audiences (*in order of importance*):

- Participating lenders
- Real estate professionals
- First-time homebuyers

Key Messages:

- Program provides a 20% mortgage interest credit on your federal tax returns, saving you up to \$2,000 a year in taxes
- Tax credit amount is provided as a lump sum to the customer vs a tax deduction
- Tax credits can be received for the life of your mortgage
- Available only through Rhode Island Housing or an MCC-approved lender
- Available credits are limited, offered on a first-come, first-served basis

Call to Action:

- **Lenders**
 - Inform customers about the availability of the MCC tax credit program
 - Help customers apply for the program
- **Real Estate Professionals**

- Inform clients of MCC program, drive them to work with Rhode Island Housing or a participating lender
- **Customers**
 - Request information about program from lender or real estate professional
 - Apply for the MCC credit

Personality and Tone:

- Exciting, fun
- Straightforward, direct sell of cash back to the customer
- Plain language, potential use of common “money phrases”

Things that make you go ‘hmmmmm’

Not every idea is a ‘good’ one. We learned this from reflecting back on the notes of our brainstorming session and vetting some of the ideas with internal and external partners. Ideas such as “The Tax Man Cometh” and “Fistful of Dollars” didn’t make it past the brainstorming phase for obvious reasons (*attached are the ‘raw’ notes from that session*).

What did resonate were the program names and associated taglines that connected the program to the idea of a ‘first’ home, and from there, supported our existing branding of loan options under our FirstHomes 100 and 100+ programs. **We settled on FirstHomes Tax Credit as the program name with the tagline: Every first home has its rewards. We were able to message that this was for first-time homebuyers, there was a ‘reward’ to buying a home and that this is a credit vs a loan or grant.**

We then transitioned into working on ideas for a logo and branding elements and the launch of the campaign.

Roll Out

We rolled out the program with an **official launch in June of 2014** at a media event with our (former) Governor, lender and realtor partners. The Governor was able to help us position the message that this program is available statewide and illustrated our commitment to helping first-time homebuyers and a lagging housing market. We used the event to announce the program and also roll out our initial marketing materials:

- ‘palm card’ (in English and Spanish),
- brochure (in English and Spanish),
- print ads,
- presentation boards illustrating how the program works at tax time,
- and a Powerpoint presentation showcasing the program and our lender partners.

In our effort to canvas the state and ensure the program was understood and ‘bought into’ by the lender and realtor community, we did the following:

- held breakfasts for lenders and realtors,
- a series of Lunch-and-Learns at the offices of our realtor and lender partners,
- rolled out print and online advertising,
- e-news,
- and social media posts, supported by customer profiles and earned media.

We found that not only was there a very real need for this program, but our **lender and realtor partners** wanted more—they **wanted to be able to align themselves with the significant savings this program brings to homebuyers and market themselves as professionals who could bring this benefit to their clients**. We worked closely with our partners to provide them with the materials they would need to do so:

collateral materials they could present to and share with customers, exposure through our PR and outreach efforts, and web and social media they could re-purpose to their existing networks.

Results

As previously stated, the funding we had allocated for the program over 18 months was quickly depleted. To say we had people knocking down our doors is an understatement: we needed to hire new staff to handle the volume and we were receiving requests in Communications for marketing materials and presentations by both realtors and lenders on a regular basis. We saw lenders, realtors and housing partners re-post our materials, request to have brochures for their trainings, homebuyer education classes, and at open houses.

The impact of our statewide efforts paid off:

- In the last 6 months of 2014, **361 homebuyers were approved** for the credits
- **We are on track to issue up to 1,000 additional tax credits in 2015**
- Our **online advertising significantly increased traffic to our Homeownership microsite** (we advertised on Zillow, Pandora, Trulia, RILiving (MLS) and Realtor.com): we had click rates from our online advertising that ranged from ‘Above Average’ to ‘Over’ and ‘Excellent’ and ‘WOW!’ as noted by our media buyer)
- Our newly launched Homeownership microsite included new sections dedicated to the FirstHomes Tax Credit program as well as the inclusion of a banner graphic prominently displayed on the home page: **increased web traffic** to these pages clearly shows the impact of our online advertising efforts

We are able to **keep the campaign “fresh” by creating regular updates** on the number of customers who have applied for the credit, spotlighting new lenders and top lenders who offer the program, and preparing customer profiles for both PR purposes and highlighting in our annual report and other communications vehicles.

Replicable and Cost Conscious

We were able to keep costs down for the campaign by utilizing existing networks and channels: partner organizations, trade groups, Realtor Boards and even lenders with larger marketing budgets who could message the program with our support. We used our existing social media channels, Constant Contact e-news and earned media to offset and support paid advertising. Weekly homebuyer education classes bring in between 50-80 potential homebuyers—we were able to market to them at the meetings and in follow up communications post-meeting.

KEY TERMS

BENEFIT

- SAVINGS

- TAX BREAK, GIFT
- CREDIT / RETURN
- ADD ON, PLUS, EXTRA, MAXIMIZE LEVERAGE

TAX BACK
\$2,000

- NOW (FOCUS ON URGENCY)

- ANNUAL, LASTING, LONG-TERM

- 2K, 2 GRAND BUCKS, \$

- NEW, "2K ON TAX DAY"
NEW, "IT'S BACK," ACT NOW

- "YOUR HOUSE PAYS YOU"

- "A MORTGAGE THAT PAYS BACK!"

- WHAT WOULD YOU DO?
WITH \$2K

- VALUE (ADDED, MORE, RETURN)
- NOW REALLY IS A GOOD TIME TO BUY
- TAX... LESS, LOW-TAX, TAX RELAX
- COLD, HARD CASH
MORE \$ IN YOUR POCKET
THE TAX MAN GIVETH
FISTFUL OF DOLLARS
MONEY BACK GUARANTEED
MORTGAGE = LESSAGE
- LOWER YOUR TAX BURDEN
- DON'T FEAR TAX TIME
COUNTDOWN TO TAX SEASON
LOOK FORWARD TO...
- HOUSEWARMING GIFT
 - THE GIFT THAT KEEPS ON GIVING
 - A MORTGAGE THAT PAYS YOU BACK
 - LIGHTEN YOUR LOAN WITH...

- MORE WITH YOUR MORTGAGE

- MORE MORTGAGE

MORE

- ~~MORTGAGE~~

PAY \$

PLUS \$

* - MCC BUCK \$

(R1) YOU DESERVE
GIMME BONUS \$

- GIVE ME A BREAK!

- MORE ... \$

- MORE MCC

- \$ MORE MCC

- HOME BUCK \$

- HOME PLUS \$

- HOME +

- HOME BUCK \$2000

- MONEY BACK MORTGAGE

- HOME LOAN

- IT PAYS ...

(TO BE FIRST)

FirstHomes

TAX CREDIT

Every first home has its rewards



Rhode Island Housing
working together to bring you home

FirstHomes TAX CREDIT

Every first home has its rewards

LEARN HOW YOU COULD
RECEIVE
UP TO **\$2,000**
EACH YEAR

Rhode Island Housing's FirstHomes Tax Credit is a great option to help new homebuyers save a little extra money.

The FirstHomes Tax Credit:

- Offers extra tax savings for eligible borrowers
- Reduces a borrower's federal tax liability
- Can be claimed each year for the life of the mortgage
- Is also available to select, non first-time homebuyers (in targeted areas)



firsthomestaxcredit.org
401-457-1101





Rhode Island Housing
trabajando juntos para llevarlo a casa

FirstHomes TAX CREDIT

Cada primera casa tiene sus recompensas

ENTÉRESE CÓMO PODRÍA
RECIBIR
HASTA **\$2,000**
CADA AÑO

FirstHomes Tax Credit de Rhode Island Housing es una gran opción para ayudar a nuevos compradores de casas ahorrar un poco de dinero adicional.

The FirstHomes Tax Credit:

- Ofrece ahorros adicionales para los prestatarios que reúnen los requisitos
- Disminuye la responsabilidad del prestatario en sus impuestos federales
- Se puede reclamar de los impuestos cada año por la vida de la hipoteca
- También es asequible para ciertos prestatarios escogidos que no son compradores de casas por primera vez (en áreas específicas)



firsthomestaxcredit.org
401-457-1122



Where can I get a FirstHomes Tax Credit?

You are free to seek financing from any lender. However, the credit is only available through Rhode Island Housing or a FirstHomes Tax Credit Approved Lender (please visit firsthomestaxcredit.org for a complete list of lenders).

How does the FirstHomes Tax Credit work?

Here is an example of how the credit can make buying a home affordable for you:

- You obtain a mortgage loan of \$200,000 at 5.0% for 30 years with monthly principal and interest payments of \$1,074 and a credit rate of 20%.
- In the first year, you pay a total of \$10,000 in interest on your mortgage loan. Because you have a FirstHomes Tax Credit, you could receive a federal income tax credit of \$2,000 (20% of \$10,000). If your income tax liability is \$2,000 or greater, you will receive the full benefit of the tax credit. If the amount of your tax credit exceeds the amount of your tax liability, the unused portion can be carried forward (up to three years) to offset future income tax liability.
- The remaining 80% of mortgage interest, or \$8,000, qualifies as an itemized income tax deduction.
- To receive the immediate benefit of your FirstHomes Tax Credit, you would file a revised W-4 withholding form with your employer to reduce the amount of federal income tax withheld from your wages and increase your take home pay by \$167 per month (\$2,000 divided by 12).

Rhode Island Housing strives to ensure that all people who live or work in Rhode Island can afford a healthy, attractive home that meets their needs. A good home provides the foundation upon which individuals and families thrive, children learn and grow and communities prosper.

To achieve our mission we:

- Offer fair, affordable and innovative lending programs.
- Provide housing related education to consumers and others.
- Promote and finance sensible development that builds healthy, vibrant communities.
- Provide housing grants and subsidies to Rhode Islanders with the greatest need.
- Team up with partners to improve everything we do.

Rhode Island Housing uses all of its resources to provide low interest loans, grants, education and assistance to help Rhode Islanders find, rent, buy, build and keep a good home. Created by the General Assembly in 1973, Rhode Island Housing is a privately funded public purpose corporation.



Rhode Island Housing
working together to bring you home

44 Washington Street, Providence, RI 02903-1721
401-457-1101 • firsthomestaxcredit.org



FirstHomes TAX CREDIT

Every first home has its rewards



The **FirstHomes Tax Credit** is a great option to help new homebuyers save a little extra money



Rhode Island Housing
working together to bring you home



What is the FirstHomes Tax Credit Program?

The FirstHomes Tax Credit Program, also known as a “Mortgage Credit Certificate” was authorized by Congress in the 1984 Tax Reform Act as a means of providing housing assistance to families based on income and eligibility guidelines. As the state’s housing finance agency, Rhode Island Housing is an Issuer of Mortgage Credit Certificates.

The FirstHomes Tax Credit reduces the amount of federal income tax a homeowner pays by providing an annual federal income tax credit, not a tax deduction, that is in effect for the life of the loan, as long as the homeowner occupies the home as their principal residence. The value of the FirstHomes Tax Credit is applied directly to the homeowner’s tax liability.

The FirstHomes Tax Credit is available to homebuyers who meet household income and home purchase price limits established for the program, as well as other federal eligibility regulations.

How will a FirstHomes Tax Credit assist my home purchase?

The federal government allows each homeowner to claim an itemized federal income tax deduction for the amount of interest paid each year on a mortgage loan. For a homeowner with a FirstHomes Tax Credit, this benefit is even better: 20% of your annual mortgage interest (up to \$2,000) will be a direct federal tax credit, resulting in a dollar-for-dollar reduction of your annual federal income tax liability. The remaining 80% of your annual mortgage interest will continue to qualify as an itemized tax deduction.

The amount of your mortgage credit depends on the amount of interest you pay on your mortgage loan. However, the amount of your mortgage credit cannot exceed the amount of your annual federal income tax liability. Any unused mortgage credit can be carried forward for three years to offset future income tax liability.

How long does the FirstHomes Tax Credit last?

The annual credit will remain in effect for the life of your mortgage loan, so long as the home remains your principal residence. The amount of your annual mortgage credit will be calculated on the basis of 20% of the total interest paid on your mortgage loan for that year.

What are the requirements?

The FirstHomes Tax Credit requirements include the following:

- First-time Rhode Island homebuyers and non first-time homebuyers in select areas of Central Falls, Pawtucket, Providence and Woonsocket. To be considered a first-time homebuyer, you cannot have an ownership interest in a principal residence at any time in the last three years.
- The mortgage loan must be a new loan. You cannot be issued a FirstHomes Tax Credit for the acquisition, replacement or refinancing of an existing mortgage loan.
- The home you buy must be used as your principal residence after you obtain your mortgage. If it stops being your principal residence, your FirstHomes Tax Credit will be automatically revoked and you will no longer be entitled to claim the mortgage credit.
- The federal government considers the FirstHomes Tax Credit to be a subsidy. As such, you may be subject to federal “recapture tax” if (1) you sell your home within nine years, (2) you earn significantly more income than when you bought the home, and (3) you sell your home at a gain. All three of these criteria must be met for you to owe any recapture tax.
- A \$100 Reservation Fee begins the application process. Other processing fees apply; check with your lender for more details. Loans must be closed within 90 days of issuance of a FirstHomes Tax Credit Conditional Commitment.

Please contact Rhode Island Housing or a FirstHomes Tax Credit Approved Lender to learn more about program requirements.

What are the income and purchase price limits?

INCOME LIMITS:

Annual household income must be less than \$86,280 (for a 1-2 person household) or \$100,660 (for a 3+ person household).

PURCHASE PRICE LIMITS:

The FirstHomes Tax Credit can be used for homes with a maximum purchase price of \$417,000 for a one- to four-family home or eligible condominium.

SAVING WITH

FirstHomes TAX CREDIT



**5.00% FIXED RATE
30-YEAR MORTGAGE
OF \$200,000**



\$10,000 IN INTEREST
payments during the first year
of the mortgage

**\$2,000
CREDIT**

20%
X TOTAL FIRST YEAR
INTEREST PAYMENT

\$2,000 CREDIT



AVERAGE MONTHLY
SAVINGS OF \$166.67



Rhode Island Housing

firsthomestaxcredit.org

First Homes TAX CREDIT

Every first home has its rewards

RECEIVE

UP
TO **\$2,000**

EACH YEAR

SOLD



Rhode Island Housing
working together to bring you home



Jack Johnson
Crying Shame
In Between Dreams



Jack Johnson
In Between Dreams



FirstHomes
TAX CREDIT

Every first home has its rewards

RECEIVE
UP TO **\$2,000**
EACH YEAR



Rhode Island Housing



The Corcoran family is one of the many we've seen accomplish their homebuying dreams with the help of the FirstHomes Tax Credit. Featured in our 2014 Annual Report, Jason and Alison tell their story of opportunity and accomplishment...

BUILDING

OPPORTUNITY THROUGH THE AMERICAN DREAM OF HOMEOWNERSHIP

Homeownership supports families, enriches neighborhoods and helps build our economy.

Rhode Island Housing works with community and business partners to make homeownership possible for many Rhode Islanders. Through our network of Lender Partners and our Loan Center we offer loans at attractive interest rates with minimal down payments. We also offer extra assistance loans for borrowers needing help meeting down payments and closing cost requirements. Over the past 40 years, Rhode Island Housing has helped nearly 65,000 Rhode Island families buy their first home.

Since buying a home is one of the most important investments a person will ever make, we offer Homebuyer Education classes – both in-person and online – to help take the mystery out of the homebuying and homeownership processes. These classes, also offered by our partners at the Housing Network of RI, help ensure homebuyers have all the information necessary to make smart and informed decisions about buying and keeping the home that is right for them.

Our FirstHomes 100 and 100+ suite of mortgages provide flexible loans with up to 100% financing and additional money to complete repairs or improvements. All of our loans are serviced at our Providence headquarters, allowing us to provide the highest quality customer service.

JASON & ALISON

Jason and Alison Corcoran of Cumberland are a young couple with two young children – a 1-year-old son and 5-year-old daughter. Now, they are also the proud owners of their first home in Cumberland. It was an unexpected opportunity and a unique program that helped them make the transition from renting to homeownership.

The Corcorans bought their first home in September 2014, after renting for more than 10 years. With Jason's income as a social worker and Alison's as an administrative assistant, the couple wanted to own a home but the market and opportunity just did not allow it – until they learned of Rhode Island Housing's FirstHomes Tax Credit program.

"We had worked with Homestar Mortgage in the past, so when they told us we qualified for a Rhode Island Housing mortgage, we were thrilled," Jason said.

The couple took advantage of our new FirstHomes Tax Credit program, which helps income-eligible, first-time homebuyers save money at tax time. Launched in July 2014, the program is available statewide and enables homebuyers to save thousands of dollars through an annual federal tax credit of up to \$2,000 per year for the life of the loan.



The couple especially appreciated that they could keep working with a lender they already knew. "We felt more comfortable already having a relationship with this lender," Jason said.

The program is available through Rhode Island Housing's Loan Center and FirstHomes Tax Credit Approved Lenders – giving homebuyers the option to work with a lender they may already know. The tax credit does not have to be connected to a Rhode Island Housing loan, making it a benefit that all eligible homebuyers can tap into.

Getting a loan with a lower rate and an annual tax credit up to \$2,000 a year for the life of the loan meant the Corcorans could get the home of their dreams. "It meant we could put back into the mortgage the money we were saving each month," Jason said. "That was a plus for us!"

"Homeownership has many benefits," said Barbara Fields, Executive Director of Rhode Island Housing. "The introduction of our FirstHomes Tax Credit adds one more. Homeowners can use money they save on their taxes to fund upgrades to their home, purchase furniture or save for their future."

The FirstHomes Tax Credit program is designed to pave the way for more Rhode Islanders to buy a home. It provides a significant benefit to homebuyers and pumps thousands of dollars back into the economy.

The FirstHomes Tax Credit program is just one of many programs offered by Rhode Island Housing to help make homeownership a reality – strengthening families, neighborhoods and the state's economy.



2014 HIGHLIGHTS

In 2014 Rhode Island Housing:

- Provided more than \$132 million in loans to 827 homebuyers, representing an 84% increase over 2013 and the highest closing volume since 2008
- Provided loans to homebuyers in 37 cities and towns
- Provided extra assistance loans to 76% of all loans closed in the form of down payment and closing cost assistance
- Rolled out new FirstHomes Tax Credit Program in July and issued tax credit certificates to 361 first-time homebuyers, potentially generating more than \$500,000 in tax savings in the first year alone
- Provided homebuyer education (in-person and online) to 1,843 Rhode Island homebuyers
- Introduced our streamlined 203k loan program, allowing purchasers to include the expense of necessary repairs in the first mortgage
- Provided more than \$13 million in purchase and rehab loans



Members of the Coastway Community Bank mortgage loan team accept Rhode Island Housing's Participating Lender of the Year award at a breakfast for real estate professionals.

FOR IMMEDIATE RELEASE

Contact: Mary Kate Harrington, 401-450-1356, mharrington@rhodeislandhousing.org

Rhode Island Housing Launches FirstHomes Tax Credit Program
Governor Chafee joins agency to announce new program that offers yearly tax savings for eligible first-time homebuyers

Providence, R.I. (July 29, 2014) – Governor Lincoln D. Chafee joined Rhode Island Housing and their state lending and real estate partners to officially launch the agency’s new FirstHomes Tax Credit program, a tax credit savings program offered through Rhode Island Housing and their Lender Partners specifically designed to help first-time homebuyers save up to \$2,000 per year. The announcement was made at the agency’s downtown Providence offices this morning.

The FirstHomes Tax Credit program is not a loan. It is a tax credit – claimed by borrowers on their federal tax return annually. The credit is equal to 20% of a borrower’s total mortgage interest amount paid – saving eligible homebuyers as much as \$2,000 per year. This credit can be claimed each year for the life of the mortgage, as long as the borrower continues to live in the home. The tax credit is available to new homebuyers and those purchasing homes in select areas of the state only.

The FirstHomes Tax Credit Program, also known as a “Mortgage Credit Certificate” was authorized by Congress in the 1984 Tax Reform Act as a means of providing housing assistance to families based on income and eligibility guidelines. As the state’s housing finance agency, Rhode Island Housing is an Issuer of Mortgage Credit Certificates. However, because these tax credits reduce the state’s ability to issue tax exempt revenue bonds, it has not been used for many years.

“The savings derived from Rhode Island Housing’s new tax credit program will pave the way for more Rhode Islanders to buy a home,” Governor Lincoln D. Chafee said. “I commend Rhode Island Housing for joining with its lending partners and implementing a plan that invests in our cities and towns and will have an economic impact throughout the state.”

The announcement could not come at a better time for homebuyers, as Rhode Island is currently in the midst of a robust summer homebuying market. “The launch of our FirstHomes Tax Credit program comes at a very exciting time for us,” said Richard Godfrey, Executive Director of Rhode Island Housing. “With the support of our Lender Partners, our loan production for the first six months of 2014 is up 50% over 2013. This is a result of our lower cost and easier to process mortgages, expanded partnerships with lenders and dedication to helping homebuyers make smart purchasing decisions. When we saw the opportunity to save first-time homebuyers up to an additional \$2,000 per year, we were thrilled to offer the program to our borrowers directly and through our Lender Partners. We want all of our state’s first-time homebuyers to be aware of and have access to this incredible money saving opportunity. If we can bring more first-time buyers into the market it will stimulate sales all across the market.”

A buyer is eligible for the credit if they are a first-time homebuyer borrowing through Rhode Island Housing or a FirstHomes Tax Credit Approved Lender. Current Approved Lenders include: Anchor Financial Mortgage, Inc.; Bank of America; Coastway Community Bank; Eastern Bank; Fairway Independent Mortgage Corporation; Guaranteed Rate, Inc.; Homestar Mortgage, Inc.; Home Loan Investment Bank, FSB; Maverick Funding Corporation; Mortgage Master; NE Moves Mortgage, LLC; Primary Residential Mortgage, Inc.; Province Mortgage Associates, Inc.; Residential Mortgage Services, Inc.; Savings Institute Bank & Trust; Seacoast Mortgage Corporation; Semper Home Loans, Inc.; Shamrock Financial Corporation and Wave Federal Credit Union. Local lenders can join the Approved Lender list by meeting certain qualification requirements and entering into a participation agreement with Rhode Island Housing.

“The FirstHomes Tax Credit is an incredible added-value option for our clients,” said Stephen Tetzner, Vice President, Homestar Mortgage. “Having this program available to our team is a great asset for our loan officers and the clients we serve. We thank Rhode Island Housing for making this opportunity possible, and we look forward to passing the FirstHomes Tax Credit savings on to our customers.”

In addition to borrowing through an Approved Lender, homebuyers must also meet other criteria in order to be eligible for the credit. A borrower’s household income must fall within the following ranges: less than \$86,280 for a 1-2 person household; less than \$100,660 for a 3 or more person household. The maximum home purchase price is \$417,000. The tax credit is also available to non first-time homebuyers purchasing homes in select areas of Providence, Pawtucket, Central Falls and Woonsocket.

“The majority of our customers, and many of our Approved Lenders’ customers, will meet the eligibility criteria set for this program,” said Peter Walsh, Director of Homeownership and Customer Service for Rhode Island Housing. “This is not a coincidence; the FirstHomes Tax Credit was specifically designed to respond to the needs of our state’s first-time homebuyers. We are excited to offer this program and encourage any first-time homebuyer to visit our website or call our Loan Center for more information about this program.”

The FirstHomes Tax Credit will be available for the foreseeable future. As currently designed, Rhode Island Housing can provide FirstHomes Tax Credits for over \$93 million of mortgages on a first-come, first-serve basis among lenders and prospective borrowers. It is anticipated that we will be able to issue these credits through to the end of 2015. Applications for the program are currently being accepted by Rhode Island Housing and FirstHomes Tax Credit Approved Lenders.

Consumers may also become aware of the program through an advertising campaign that will broadcast throughout the summer months. Ads can currently be seen in several community newspapers throughout the state, and viewers browsing popular real estate and music streaming websites may see more information on the FirstHomes Tax Credit program.

To learn more about the FirstHomes Tax Credit program, visit www.firsthomestaxcredit.org or call Rhode Island Housing at 401-457-1101. To learn more about Rhode Island Housing's many other loan options and programs, visit www.loans.rhodeislandhousing.org

About Rhode Island Housing

Together with its partners, Rhode Island Housing works to ensure that all people who live and work in Rhode Island can afford a healthy, attractive home that meets their needs. Rhode Island Housing uses all of its resources to provide low-interest loans, grants, education and assistance to help Rhode Islanders find, rent, buy, build and keep a good home. Created by the General Assembly in 1973, Rhode Island Housing is a privately funded public purpose corporation.

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New Tax Credit Program Aimed At Encouraging First Time Home Buyers

July 29, 2014

By John Bender



Credit John Bender/RIPR

Rhode Island Housing Director Richard Godfrey at the event launching the program offering tax credits to first time home buyers.

A new program is launching to make it easier for first time homebuyers in the Ocean State. The program offers up to two-thousand dollars a year in tax credits for the life of a mortgage to eligible individuals.

The program is run through a partnership between the non-profit Rhode Island Housing, and various mortgage lenders. So far 41 people have applied for the program. Governor Lincoln Chafee says it will help Rhode Island on the road to economic recovery.

“Having that first ownership is a critical step out of the rental market into the ownership of their first home, and from there it leads, so often, into subsequent houses,” said Chafee.

Buyers do not need to be purchasing a home for the first time to be eligible for the program *if* they are buying in neighborhoods in certain parts of the state. Those places include areas of Pawtucket, Providence and Central Falls.

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Rhode Island Housing unveils tax-credit program for first-time homeowners

July 29, 2014

By W. Zachary Malinowski

Rhode Island Housing unveiled a tax credit program on Tuesday morning that will provide first-time home buyers with up to \$2,000 annually in tax savings.

Richard H. Godfrey Jr., longtime executive director of Rhode Island Housing, publicly announced the program at the agency's headquarters at 44 Washington St., and he said that 41 new homeowners have taken advantage of the tax break.

He said that about 17 percent of the applicants have bought homes in some of the states "hardest hit urban neighborhoods," in South Providence, Central Falls and Woonsocket.

Gov. Chafee and Stephen Tetzner, vice president of Homestar Mortgage, joined Godfrey at the news conference.

Godfrey said that a typical homebuyer with a \$200,000, 30-year mortgage would have his or her monthly payments reduced by \$166.67-a month through the tax credit program.

In a statement released from Rhode Island Housing, the agency said that The FirstHomes Tax Credit program is not a loan.

"It is a tax credit –claimed by borrowers on their federal tax return annually. The credit is equal to 20 percent of a borrower's total mortgage interest amount paid — saving eligible homeowners as much as \$2,000 per year."

The credit can be claimed annually for the life of the mortgage.

Chafee hailed to work of Godfrey and Rhode Island Housing for assisting first-time homebuyers and helping them transition from renters to homeowners.



State hopes new tax credit lures first-time homebuyers RI Housing offering up to \$2,000 incentive

RI Housing offering up to \$2,000 incentive

August 15, 2014

By JIM BARON

Saying "the recession is behind us," and noting that the state's unemployment rate has dropped "dramatically" in recent months, R.I. Housing Executive Director Richard Godfrey announced a new \$2,000 tax credit for first-time homebuyers on Tuesday.

Called the "First Homes Tax Credit," the program will give participants a federal income tax credit equal to 20 percent of the mortgage interest paid during the tax year, up to \$2,000.

The credit, which applies to condominiums as well as single- and multiple-family homes, is for first-time homebuyers using the home as a principal residence except in certain circumstances. Godfrey explained that the federal government allows the first-time homebuyer rule to be relaxed in certain census tracts with low-income populations. He said those areas include most of Central Falls, some neighborhoods in Pawtucket, "one or two in Woonsocket," and in South Providence.

Not only that, he said, but homebuyers can add the \$2,000 a year to their income in qualifying for a mortgage. If they don't want to wait until they file their tax return to get the credit ? it is called a "Mortgage Credit Certificate in tax parlance ? Godfrey said they can go to their employer to reduce their tax withholding so they get a portion of the money in each paycheck. The amount comes out to roughly \$166 a month, or \$40 a week.

Godfrey said he hopes the tax credit will help give a "jump start" to "spur and improve" the economy and housing market.

"If we can help first-time homebuyers find that first home, it will help existing homeowners if they sell, move up or buy their own home of their dreams.

"Right now," Godfrey said, the rent-tpown equation in Rhode Island very much favors home

ownership. The average two bedroom rent is about \$1,200 a month, the average three-bedroom rent right now is about \$1,400 a month, and certainly there are a lot of homes in Rhode Island that you can buy for just about that amount.

Gov. Lincoln Chafee was bullish on the program during brief remarks Tuesday.

The governor got an appreciative response when he asked: "Who remembers the first house that they bought?" raising his own hand with a smile.

"People are going to transfer out of that rental market into their first home. The step into home ownership is a great step and having programs like this is essential."

Steve Tetzner of Homestar Mortgage, Inc., one of the private lenders who is participating in the program, said programs like First Homes start a "domino effect," where current homeowners move up to their next home and so forth and so on. This program has the potential to increase the sales to the first-time homebuyer side of our market.

"Given the low-interest rate environment we have and the affordable price of housing in the state, there really is no better time for someone to become a homeowner in Rhode Island.

" Since the Great Recession hit in 2008, Godfrey said, "Rhode Island Housing has been adapting to a changing real estate market, to a housing finance market, and throughout the recession we have been able to offer loans continuously, we have also provided a lot of housing help to keep people in their homes."

Follow Jim Baron on Twitter @Jim_Baron
jbaron@pawtuckettimes.com

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State incentive for homebuyers seen boosting market

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By Patrick Anderson



PBN PHOTO/MICHAEL SALERNO

FINDING A PLACE: Previously renters in Providence, Scott and Heather Wade bought a home in Cranston and will benefit from a new tax credit for first-time homebuyers. They're pictured above with daughters Sadie, center left, and Siduri.

The \$1,500 tax credit adjunct university professor Scott Wade expects to claim next year as a result of Rhode Island's new incentive for first-time homebuyers wasn't the reason he bought a three-bedroom bungalow in Cranston last month.

After years renting in Providence, he and his wife were ready to own and the thousands of dollars they will save over the life of their mortgage because of Rhode Island Housing's new FirstHomes tax-credit program was just icing on the cake.

But given the tax windfall, Wade said the credits would have been a significant motivator if he had known about them and should be for other renters looking to make the jump to ownership.

"It's absolutely an incentive," said Wade, who teaches at both the University of Rhode Island and Roger Williams University. "There is a lot of extra cost to owning a home that we hadn't planned on, like maintenance, buying a lawnmower and that kind of stuff. This money is really going to help."

Now a few years into a steady, if slow, housing-market recovery, this would seem to be late timing for Rhode Island to launch a new real estate stimulus program.

After all, three years ago, both sales volume and median property prices were at their lowest levels in decades and needed a boost more than they do now.

But Rhode Island Housing Executive Director Richard Godfrey said even though it is improved, the housing market could still use a boost and FirstHomes was the best tool at the agency's disposal.

"We wanted to do something that will aid homebuyers and kick-start the overall real estate sector," Godfrey said. "Although this only applies to first-time buyers, that is the entry into the market that starts everything off. It is a real incentive and stimulus, and creates some enthusiasm."

He also acknowledged that the driver for the program's timing had to do with the vagaries of federal law and state finance more than strategic considerations.

The FirstHomes tax credits - which are worth 20 percent of a buyer's total annual mortgage interest - are made possible through Rhode Island's authority to issue tax-free private-activity bonds.

Because tax-free bonds cost the federal government lost revenue, it places a cap on how much each state can issue annually. (The limit on tax-free bonds for private activities, such as student loans and economic development loans, does not impact state bonding capacity for purely public projects.)

Because low interest rates have driven down demand for tax-free bonds over the last several years, this year Rhode Island ended up with \$75 million in excess space under the cap and traded some of that borrowing authority for the federal tax credits, Godfrey said. A dozen or so states have similar programs, with New Hampshire being the closest to Rhode Island.

The program launched for buyers who applied for a mortgage after July 1 and by next July 1. Rhode Island Housing hopes to help 500 buyers through credits on mortgages worth \$93 million, Godfrey said. At that volume, the overall value of the credits would end up worth about \$1 million in that first year.

The credits are available to first time, owner-occupant buyers throughout the state whose combined income for a one- or two-person household cannot exceed \$86,280 per year or \$100,660 for a household of three or more. The new properties cannot be worth more than \$417,000, but Godfrey said that is almost never expected to come into play because of the income limit.

In addition to first-time buyers throughout the state, the credits are open to repeat buyers in certain targeted census tracts in Providence, Pawtucket, Central Falls and Woonsocket.

Unlike the federal mortgage-interest deduction, the credit is dollar-for-dollar within its 20 percent limit and does not require the buyer to itemize their deductions. Recipients can claim the credit each year of their mortgage, with the amount they get back declining as they pay down the debt.

Buyers secure the credit through either a Rhode Island Housing loan or a loan through a growing list of participating lenders.

As of Aug. 1, 20 lenders had been cleared to participate and more were expected soon.

Securing the tax credit does involve filling out some paperwork with a mortgage application, but recent buyer Wade said it was only somewhat noticeable in the context of all the forms signed during the sale process.

There is also a \$100 credit "reservation" fee plus issuance fees of \$500 for loans going through Rhode Island Housing and \$750 through outside lenders.

Stephen Tetzner, founding partner of Homestar Mortgage, one of the lenders participating in the program, thinks the FirstHomes credit will have a similar impact to the federal first time buyer tax credit that ended in 2010. Those credits spurred a spike in sales, which then came crashing to a halt when it ended.

"When you are doing an analysis of 'should I rent or buy,' when you figure this in, more times than not a buyer will find it more economical to be an owner," Tetzner said. "It is one of the best opportunities around."

Since FirstHomes launched, Godfrey said many have asked about first-time buyers whose purchases came before July 1 and had no idea money would soon be passed out for doing what they already did.

Unfortunately, they are out of luck.

Another question is whether the government should be increasing subsidies for homeownership when reckless buying - and lending - contributed to the recent economic crisis.

"Now we are looking at low interest rates that are going to go up, and we could be looking at mid-5 percent or even 6 percent rates in two years - so it is a great time to buy," Godfrey said. "All the numbers show for many people the American dream is to own their own home. We want people to achieve those dreams." "More times than not a buyer will find it more economical to be an owner

PANDERSON@PBN.COM

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Housing agency offers tax credit program for first-time buyers

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By PBN Staff



PBN FILE PHOTO/MICHAEL SALERNO

Rhode Island Housing on Tuesday launched a new tax credit program for first-time homebuyers in the state. Above, Leida Miranda and her sons Ray, 15, left, and Elimelec, 13, in front of their house at 30 North County St. in East Providence. Miranda is a first-time homebuyer who bought the house through Rhode Island Housing in May.

Rhode Island Housing on Tuesday announced the launch of the agency's FirstHomes Tax Credit program designed to help first-time homebuyers save as much as \$2,000 annually on mortgage costs.

The tax credit, supported by Rhode Island Housing's lending partners, would allow eligible homebuyers to receive 20 percent of their total mortgage interest paid yearly – to a maximum of \$2,000 – as a federal tax credit. The credit can be claimed each year for the life of the mortgage, as long as the borrower continues to live in the home.

“The launch of our FirstHomes Tax Credit program comes at a very exciting time for us,” said Richard Godfrey, executive director of Rhode Island Housing. “We want all of our state’s first-time homebuyers to be aware of and have access to this incredible money saving opportunity. If we can bring more first-time buyers into the market, it will stimulate sales all across the market.”

A buyer is considered eligible for the tax credit if they are a first-time homebuyer borrowing through Rhode Island Housing or an approved lender. In addition, the borrower’s household income must be less than \$86,280 for a one- or two-person household and less than \$100,660 for a household of three or more people. The maximum home purchase price is \$417,000.

The tax credit is also available to non-first-time homebuyers purchasing homes in select areas of Providence, Pawtucket, Central Falls and Woonsocket.

As currently designed, Rhode Island Housing can provide FirstHomes Tax Credits for more than \$93 million in mortgages on a first-come, first-serve basis among lenders and prospective borrowers, the agency said.

“The majority of our customers, and many of our approved lenders’ customers, will meet the eligibility criteria set for this program,” said Peter Walsh, director of homeownership and customer service for Rhode Island Housing. “This is not a coincidence; the FirstHomes Tax Credit was specifically designed to respond to the needs of our state’s first-time homebuyers. We are excited to offer this program and encourage any first-time homebuyer to visit our website or call our loan center for more information about this program.”

To learn more about the FirstHomes Tax Credit program and view a list of approved lenders, visit www.firsthomestaxcredit.org or call Rhode Island Housing at (401) 457-1101.