

PHI



ENIX

2024

**Expanding Pathways to
Homeownership for Persons
of Color and Other Borrowers**

Panelists

Jordan Moskowitz

Managing Director of Single Family Programs | New Jersey Housing and Mortgage Finance Agency

Patricia Harriman

Director of Homeownership | MaineHousing

Ellen Martin

Director of Homeownership | California Housing Finance Agency

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Manager of Home Ownership Rehabilitation and Compliance | North Carolina Housing Finance Agency

Discussion Leader

Jon Rogers

Manager of Home Ownership Rehabilitation and Compliance | North Carolina Housing Finance Agency



First-Generation Down Payment Assistance (DPA):
Making Homeownership Accessible for Historically Marginalized Groups

Presentation Overview

Housing Market Context

Legislative Background

Program Overview

Policy Impact



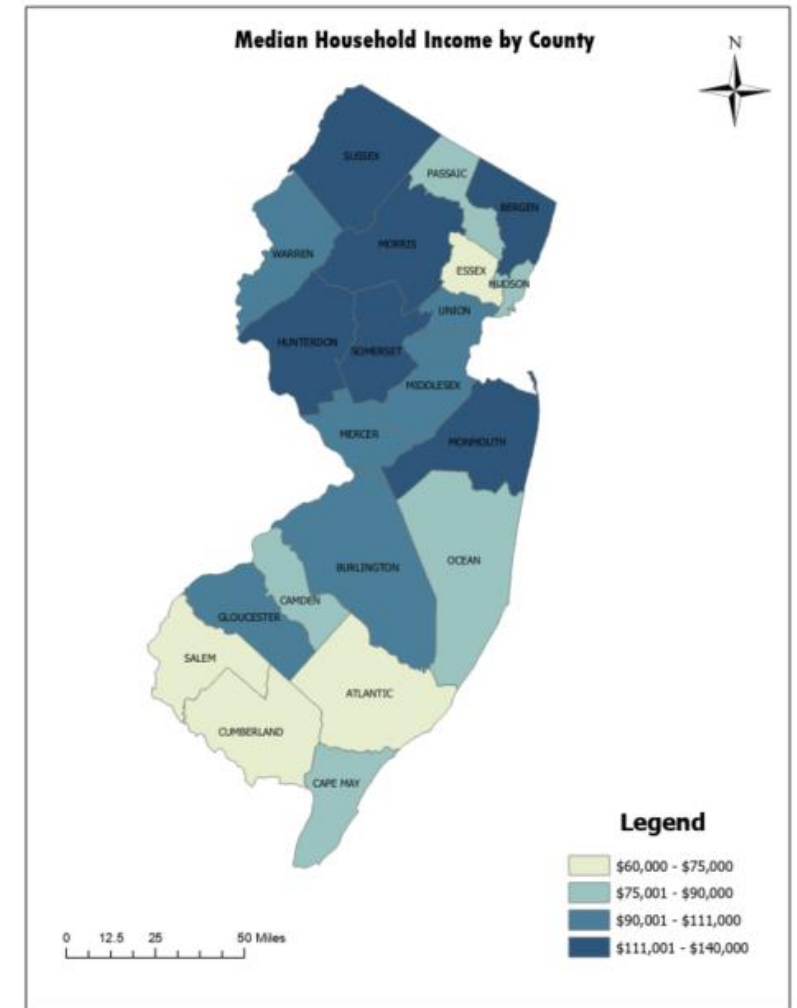


New Jersey Context

High Income, High Density, and High Home Prices

NJ Demographic Information

- **Population:** 9.25 million people
- **Population Density:** Over 1,250 people per square mile; some NYC-proximate towns/cities have densities of over 50,000
 - Most densely populated state
- **Race & Ethnicity:**
 - 53.5% White
 - 12.7% Black or African American
 - 10.2% Asian
 - 22.7% Identify as Hispanic or Latino
- **Median Household Income:** \$99,781, the second highest income after Maryland; income varies widely by county



Source: US Census American Community Survey 2023 1-Yr Estimates



NJ Homeownership and Wealth

- **Homeownership Rate:** 63.9% all NJ households (64.8% nationally)
 - 75.6% of White households (72.4%)
 - 41.3% of Black or African American households (44.7%)
 - 63.4% of Asian households (64.5%)
 - 40.4% of Hispanic or Latino households (51%)
- **Median Home Value:** \$461,000 all NJ householders (\$340,200 nationally)
 - \$467,500 White householders (\$337,500)
 - \$355,900 Black or African American householders (\$265,300)
 - \$586,600 Asian householders (\$613,200)
 - \$428,500 Hispanic or Latino householders (\$333,000)
- **Home Equity**
 - Homeowners in NJ have a median home equity equal to \$300,000
 - U.S. median home equity is \$198,000



- **Wealth Gap**
 - New Jersey Institute of Social Justice (NJISJ) estimates that non-Hispanic, White households in NJ have a median net wealth of \$322,500
 - Compare to \$17,700 for Black households and \$26,100 for Hispanic and Latino households

Sources: US Census American Community Survey 2023 1-Yr Estimates; US Census Wealth, Asset Ownership, & Debt of Households Detailed Tables: 2022; New Jersey Social Justice Institute https://njisj.org/press_releases/institute_releases_brief_on_racial_wealth_gap_and_other_financial_disparities/



NJ Housing Market Snapshot

Home Sales Price

- **Median Sales Price of SF Homes:** \$545,000
- **Percent of List Price Received:** 102% to 103%

Housing Inventory

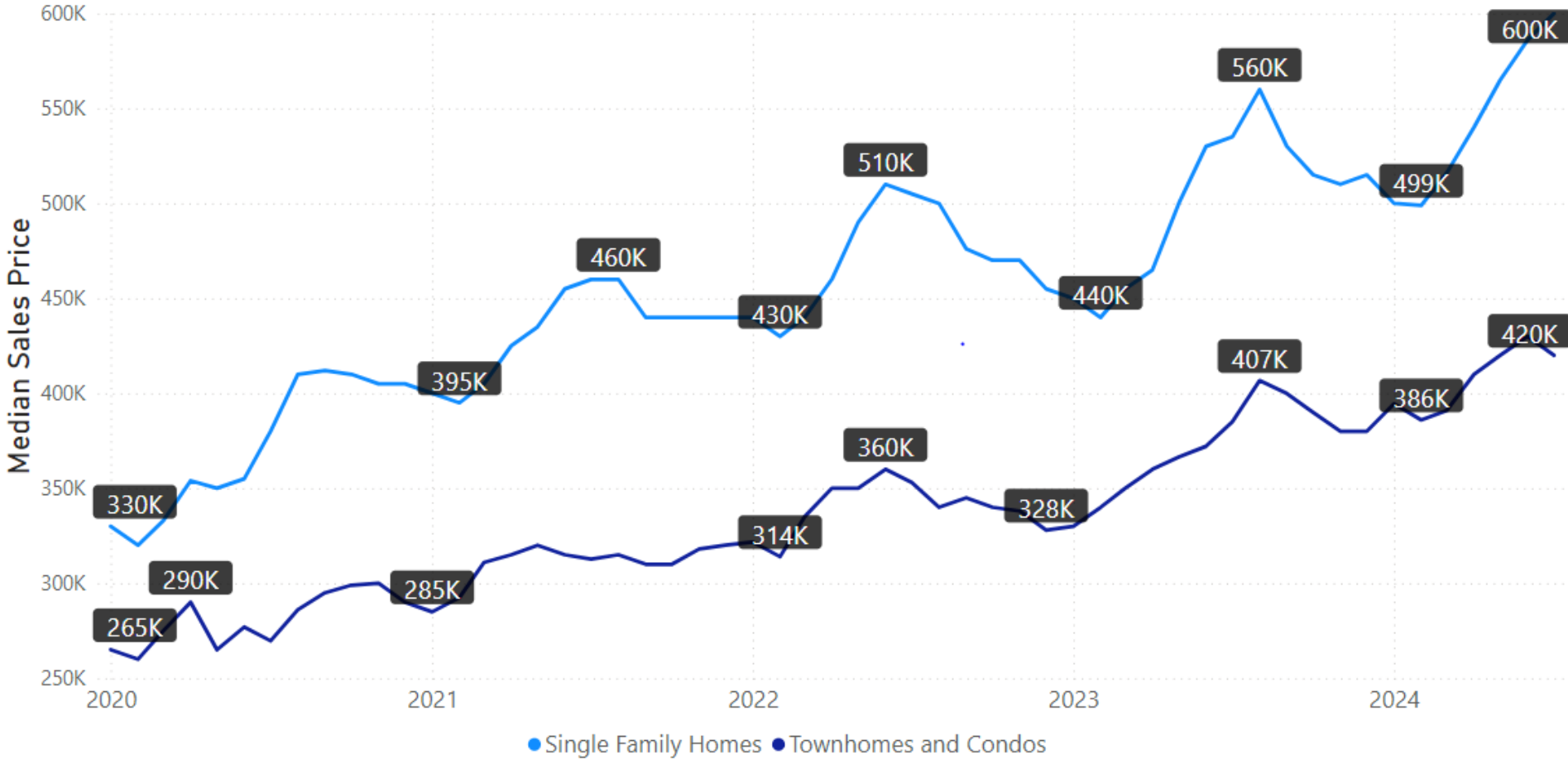
- **Housing Inventory:** 19,929
 - 46,000 pre-COVID
- **Days on Market:** 34
 - More than 60 days pre-COVID
- **Months Supply of Inventory:** ~3 Months

Source: NJ Realtors data; author's calculations
*Figures represent 12-month averages (August 2023 through July 2024)



NJ Housing Market Snapshot

Median Home Sales Price



Source: New Jersey Realtors data





Legislative Initiative
Building Support for First-Gen DPA

First-Generation DPA Legislation



In 2017, NJHMFA relaunched the DPA Program primarily using Hardest Hit Fund (HHF) dollars.

From 2017-2022, granted 8,139 DPA awards for \$86 million in assistance. Funding sources expanded to include Agency funds and bond proceeds.

The NJ Legislature included the DPA Program as a line item in the FY 2022 and FY 2023 State budgets.

In May of 2023, the legislature introduced a bill codifying the existing DPA Program and creating a supplementary First-Generation Program.

The First-Generation DPA Program was signed into law on June 30, 2023 and launched on October 20, 2023.



FY 2022
• \$20M



FY 2023
• \$25M



FY 2024
• \$40M



FY 2025
• \$40M

Making It Happen

Demonstrate Workability

The NJ Legislature had interest in codifying the existing and very successful First-Time Homebuyer Down Payment Assistance (DPA) Program. By framing First-Gen as a supplement to and codifying it alongside the original program, it presented as a moderate change.

Highlight Compatibility

The Governor had recently created a Wealth Disparity Task Force. First-Gen was offered as a way to address the disparity, by targeting those without intergenerational wealth.

Identify Influential Sponsors

Collaborating with the right sponsors was critical to getting the bill through the Legislature. The sponsors were enthusiastic about creating more homeownership opportunities and held influential positions in the NJ Senate and Assembly.

Mobilize Advocates

A number of external groups had already been calling attention to the great wealth disparity in NJ. These groups advocated for the First-Gen legislation in public hearings, communicating the need and desire for First-Gen DPA.

Point to Sources of Credibility

When President Biden's Build Back Better Plan proposed a similar program, NJHMFA referenced the Plan as evidence of program credibility. Citing the successes of other states' programs provided a frame of reference for lawmakers to seriously consider a first-gen homebuyer program.



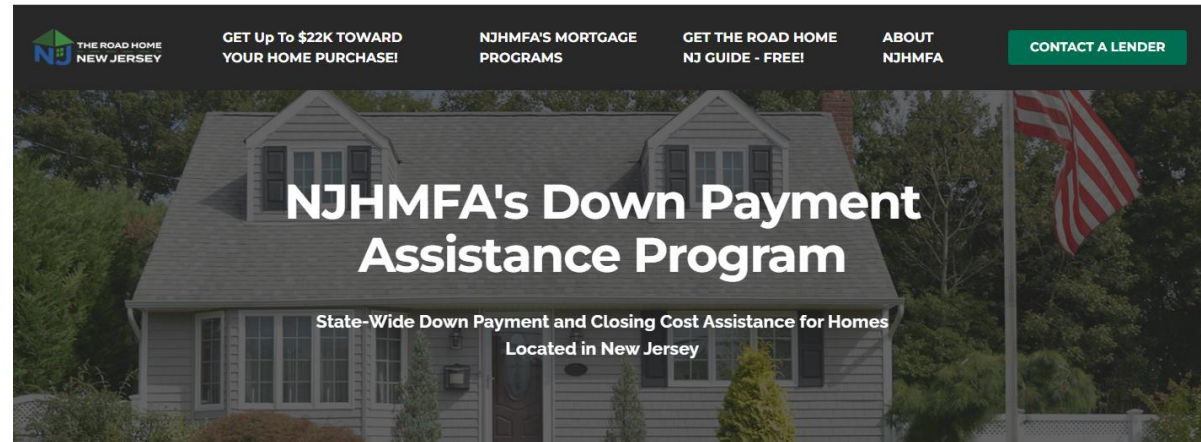


Program Overview

Guidelines and Administration

Down Payment Assistance (DPA) Program

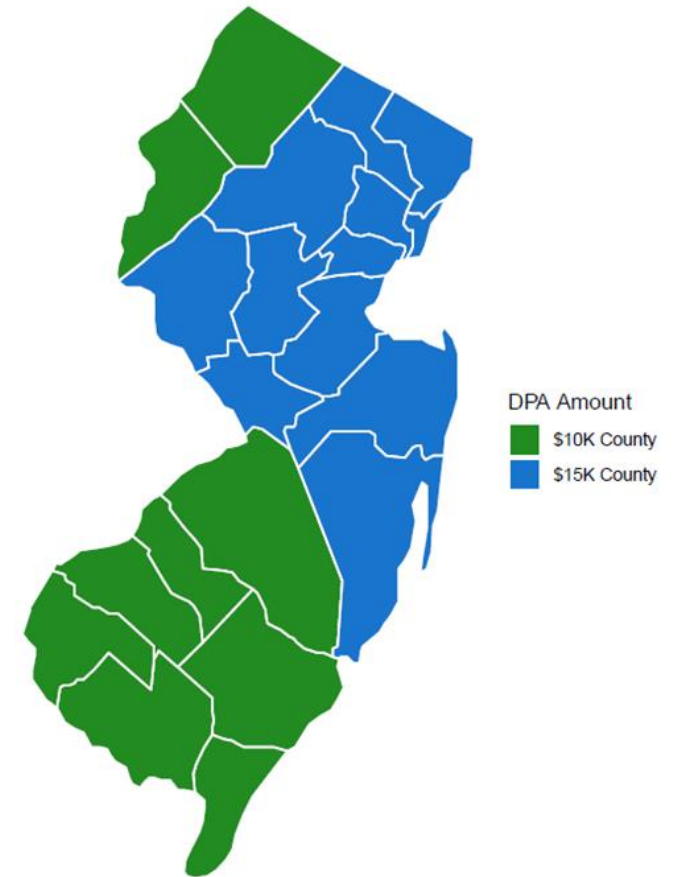
- New Jersey's [Down Payment Assistance Program](#) provides qualified homebuyers with a forgivable, zero interest loan of \$10,000 to \$22,000 to put towards the down payment and/or closing costs for the purchase of a primary residence in New Jersey.
- The Agency created the initial program in 2017. The program has been funded by the legislature since FY2022 and was codified in 2023.
- The DPA Program consists of **two components**:
 - **First-Time Homebuyer DPA** (a.k.a. Base DPA)
 - **First-Generation Homebuyer DPA** (a.k.a. First-Gen)



Down Payment Assistance (DPA) Program

County Split in Base DPA Amount

- A homebuyers' **first-generation** and **first-time buyer status** and their home purchase **location** determine the precise amount of DPA purchasers may receive.
- **First-Time Homebuyer Status:** Homebuyers must be first-time homebuyers to qualify for any amount of DPA. The **location** of the home determines the base amount.
 - Purchasers in higher cost counties can receive **\$15,000**.
 - Purchasers in lower cost counties can receive **\$10,000**.
- **First-Gen Status:** First-time homebuyers that are also first-generation homebuyers can receive **an additional \$7,000** in First-Generation DPA.



Down Payment Assistance (DPA) Program

- A first-time, first-generation homebuyer purchasing in a high cost county can receive a **maximum of \$22,000** in DPA.

COUNTY LIST	Amount of Smart Start DPA	First Generation Homebuyer	Total Amount
Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Union	\$15,000	\$7,000	\$22,000
Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Salem, Sussex, Warren	\$10,000	\$7,000	\$17,000



First-Gen DPA Administration



Administrative Considerations	NJHMFA's Approach
How should First-Gen be defined for this type of program?	<ul style="list-style-type: none">• Parents/legal guardians cannot own any real property• Spouse/partner cannot own a primary residence in last 3 years• Lived in foster care or designated as homeless, unaccompanied youth
What additional documentation should an HMFA require of First-Gens?	<ul style="list-style-type: none">• Self-attestation
What additional work will be needed from lenders? What should HMFAs make sure to communicate?	<ul style="list-style-type: none">• Due diligence on application documents• Clear communication of eligibility standards
How does the addition of First-Gen DPA impact the day-to-day of running the Program?	<ul style="list-style-type: none">• Avg. # of underwriting conditions: 6.5 First-Gen, 5.8 all others• Avg. days submission to approval: 8.8 First-Gen, 8.3 all others• Avg. days submission to purchase: 7.0 First-gen, 8.1 all others
What were some decision points that helped to keep the Program manageable?	<ul style="list-style-type: none">• Attestation vs. evidencing first-generation• Third party tools (e.g., FraudGuard)• Definition and determination of a "parent"





Policy Impact

Expanding Ownership in Historically Excluded Communities

New Jersey Down Payment Assistance (DPA) Dashboard

First-Generation DPA Award and Homebuyer Data



*NJHMFA data updated through August 30, 2024

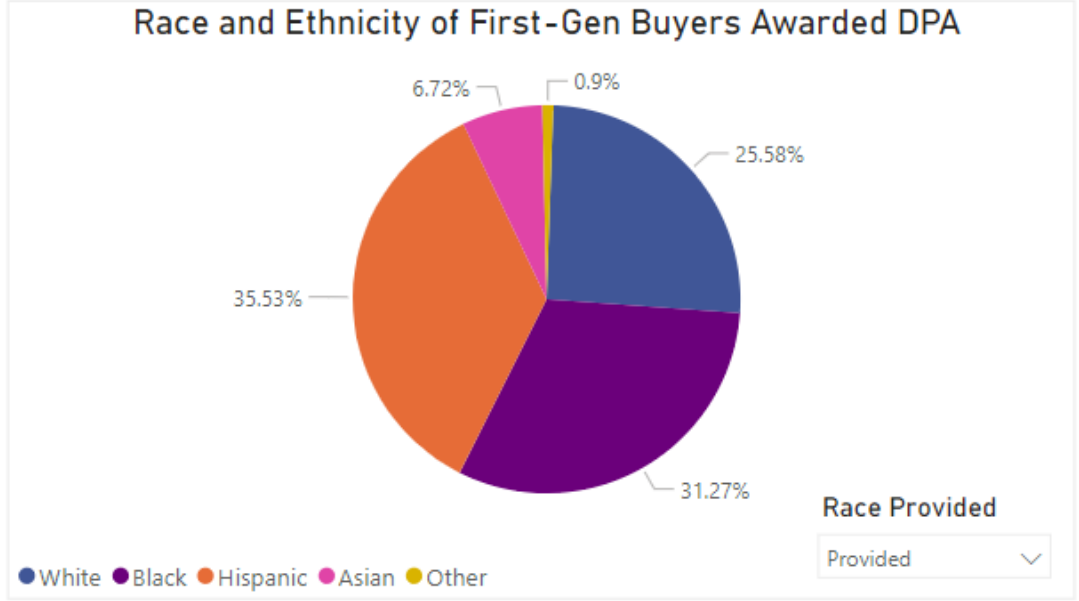
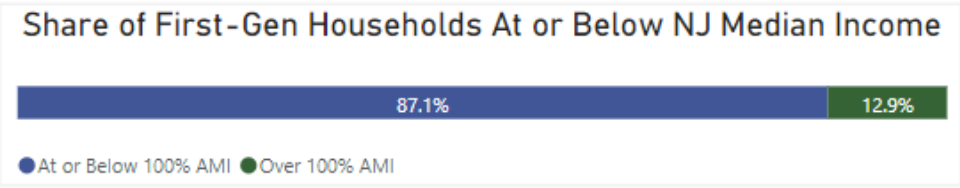
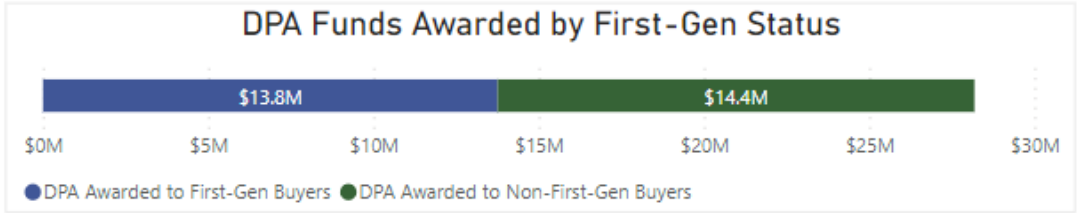
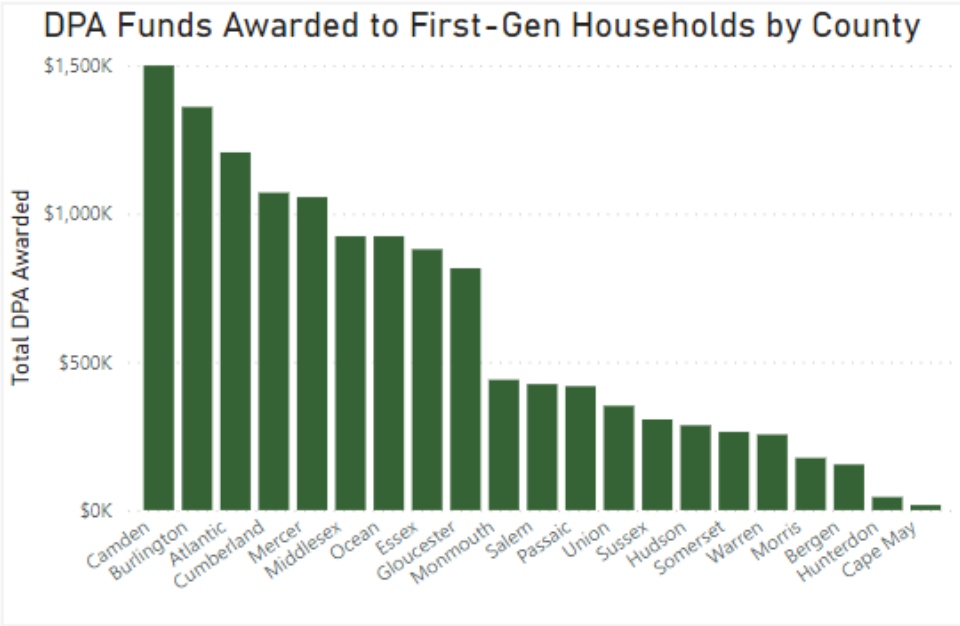
Year

730
Number of First-Gen Awards

1,015
Number of First-Gen Homebuyers

\$13.76M
Total Funds to First-Gen Buyers

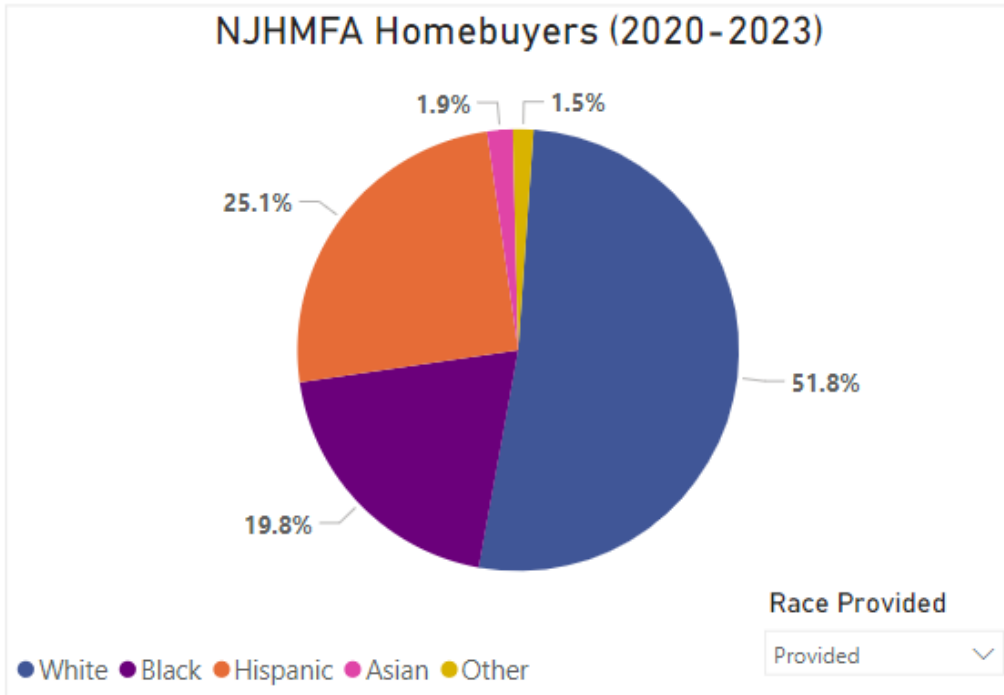
\$285,000
Median First-Gen Home Price



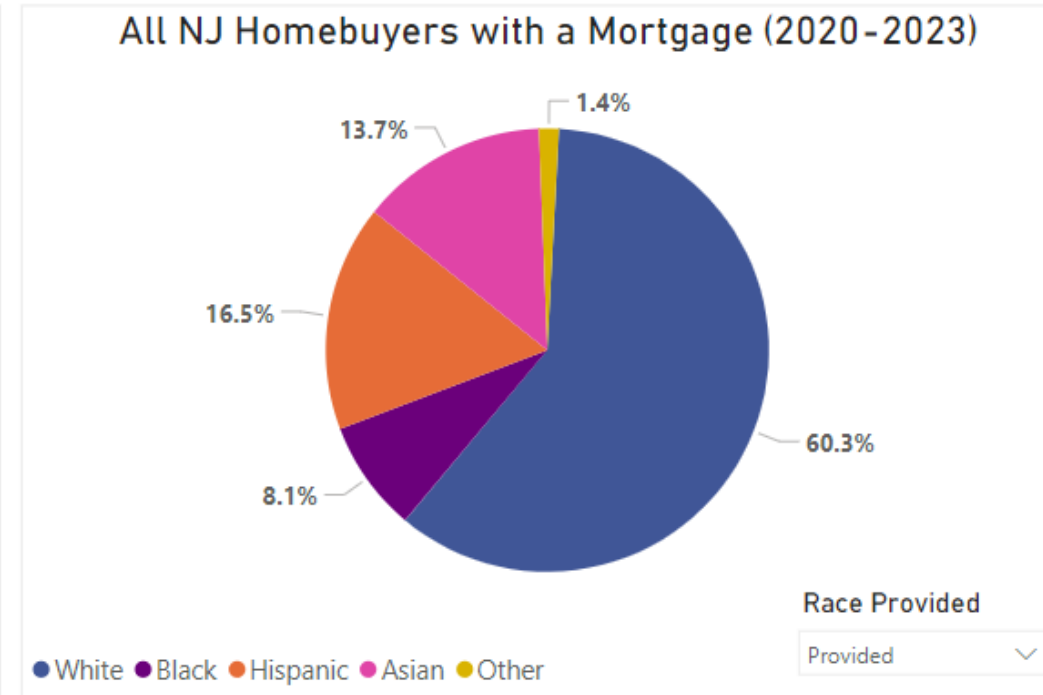
Targeting Underserved Buyers with DPA (Prior to First-Gen)



NJHMFA Homebuyers (2020-2023)



All NJ Homebuyers with a Mortgage (2020-2023)

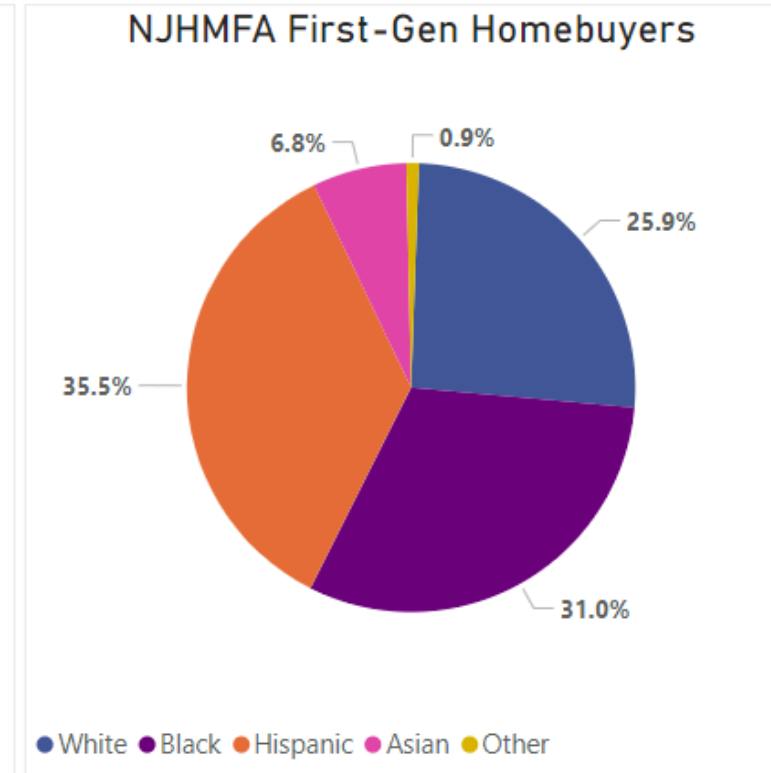
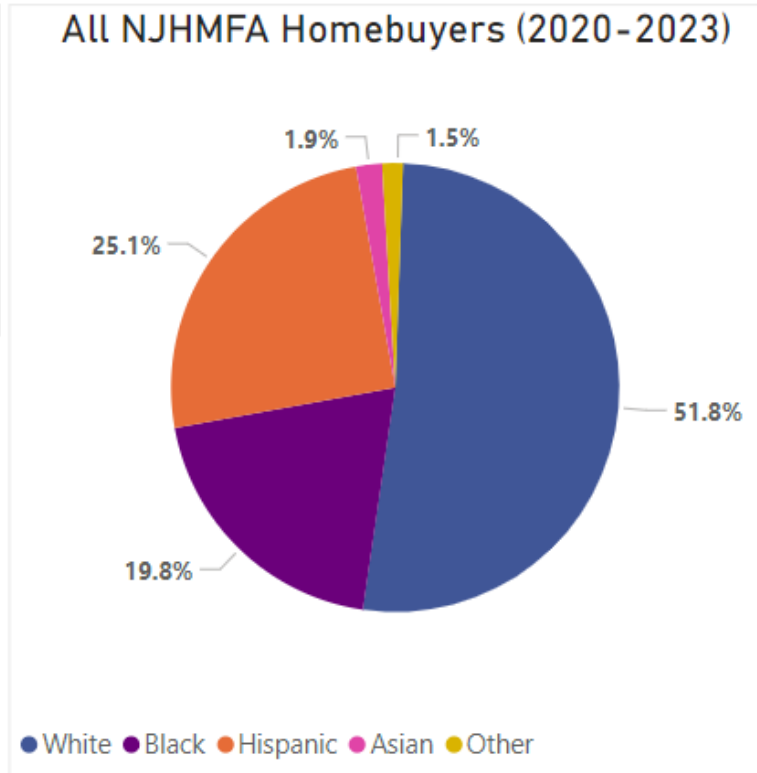


Total NJ Homebuyer Market Source: Home Mortgage Disclosure Act (HMDA) Data

Accelerating Progress with First-Gen DPA



First-Gen Buyer	NA	Yes
White	52%	26%
Black	20%	31%
Hispanic	25%	35%
Asian	2%	7%
Other	1%	1%
Total	100%	100%





Resources

NJHMFA First-Generation Data and Documents

DPA Resources

[First-Generation Program Factsheet](#)

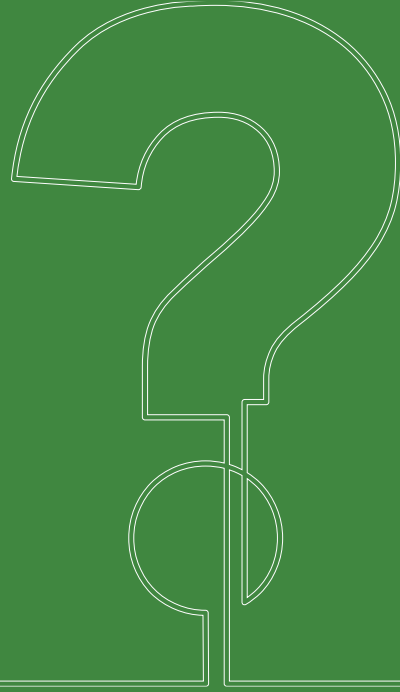
[Participating Lender's Resource Site & Guide](#)

[First-Generation Homebuyer Affidavit](#)

[Down Payment Assistance Legislation](#)

[NJHMFA DPA Dashboard](#)





Questions & Answers



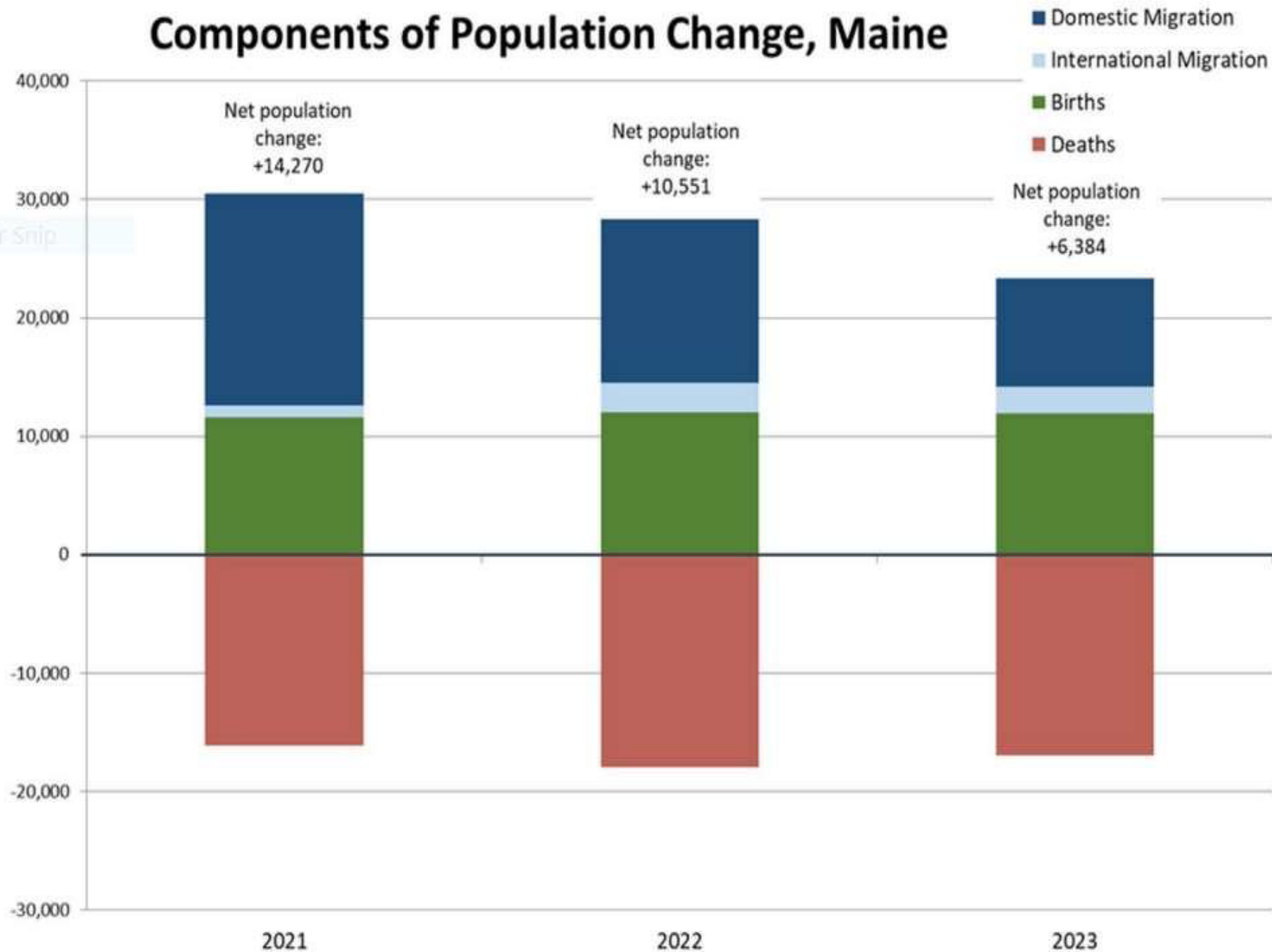
MaineHousing's New Hopes and Homes for New Generations



- Median household income (2022) \$69,543
- Average salary (per forbes) \$55,960
- Average household size 2.31
- Total population (2023) 1,395,722
- Unemployment rate (6/24) 2.8%
- 31% of Maines population will be over 60 by 2030
- Ethnic breakdown
- Rural vs urban



Components of Population Change, Maine



Population increase of 2.6% from 2010-2020 (42nd in U.S.)

Population increase of 2.4% from 2020-2023 (14th in U.S.)

2023 Total Population: 1,395,722

Source: U.S. Census Bureau, Population Estimates Program, 2023 vintage

August in Maine - 2024



**Home values up 7.53% year over year
to a median sales price of \$400,000**

**1.66% increase in sales
compared to August 2023**

Source: Maine Real Estate Information System, Inc. (d/b/a Maine Listings).

Maine Median Home Prices - August 2023 vs 2024



<u>Augusta</u>	
2023:	\$268,950
2024:	\$275,000
Change:	+2.25%

<u>Auburn</u>	
2023:	\$235,000
2024:	\$320,000
Change:	+36.17%

<u>Saco</u>	
2023:	\$439,000
2024:	\$510,950
Change:	+16.39%

<u>Kennebunk</u>	
2023:	\$685,000
2024:	\$615,000
Change:	-10.22%

<u>Houlton</u>	
2023:	\$143,000
2024:	\$209,767
Change:	+46.69%

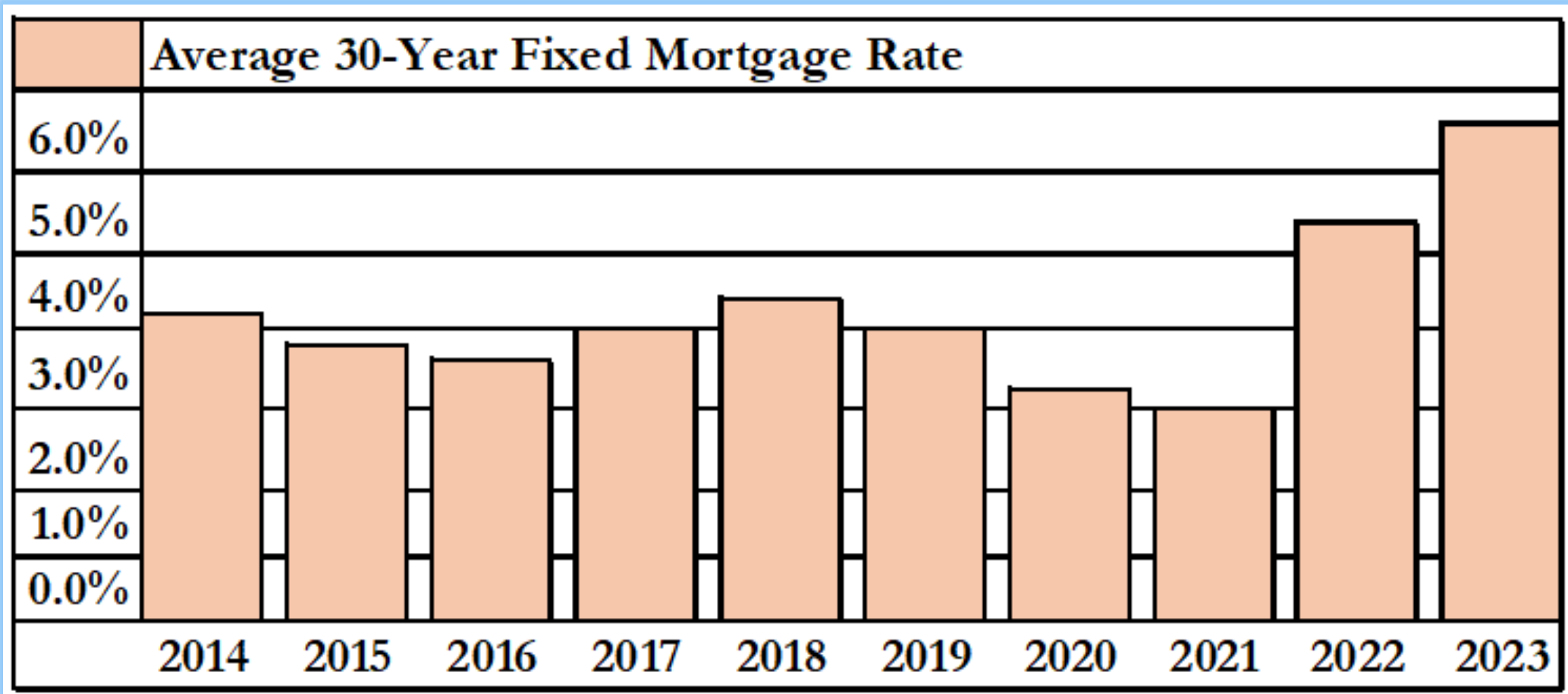
<u>Bangor</u>	
2023:	\$289,900
2024:	\$270,000
Change:	-6.86%

<u>Brunswick</u>	
2023:	\$510,000
2024:	\$543,750
Change:	+6.62%

<u>Portland</u>	
2023:	\$545,000
2024:	\$579,000
Change:	+6.64%

Mortgage Rates in Maine

Mortgage rates were steady from the middle part of the last decade through the pandemic, when things bottomed out. Since then, the rate has increased to its highest point since 2001, largely in an attempt to curb inflation. But unlike in 2001, the cost of houses is much higher.

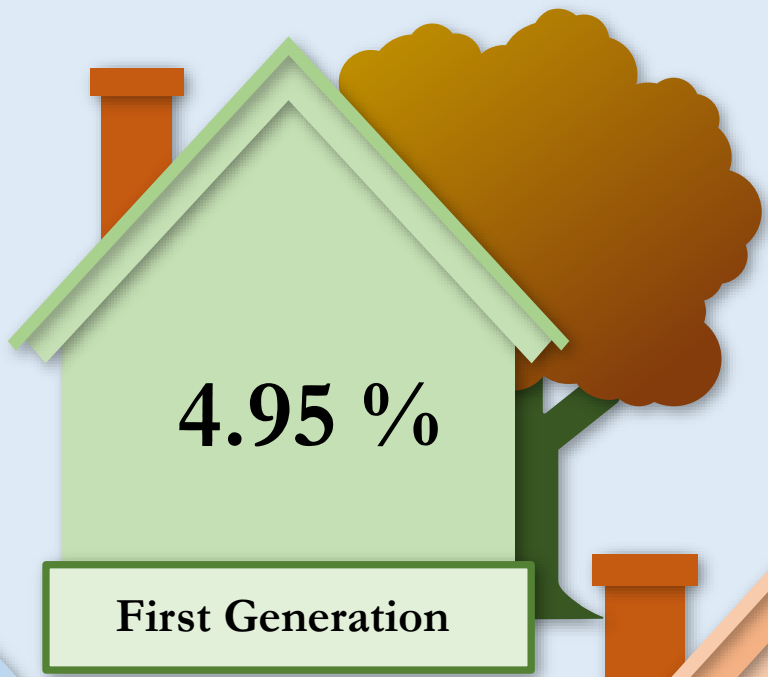


SOURCE: Freddie Mac = STAFF GRAPHIC/JAKE LAWS

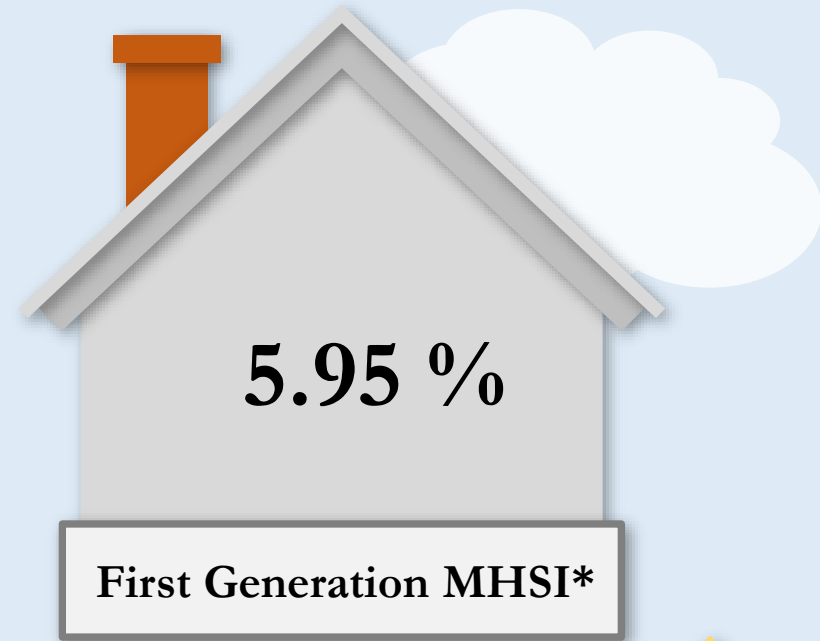
First Time Homebuyer Program Rates and Points



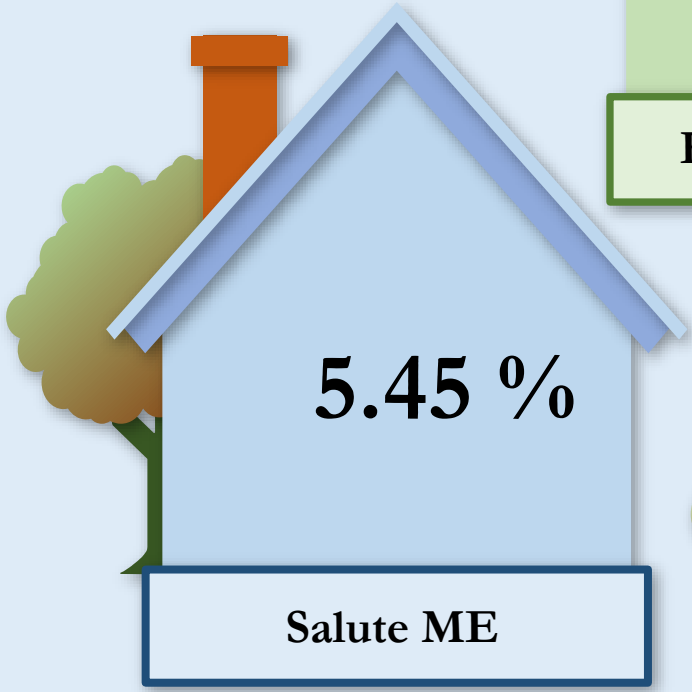
5.95 %
30 Year Fixed Rate



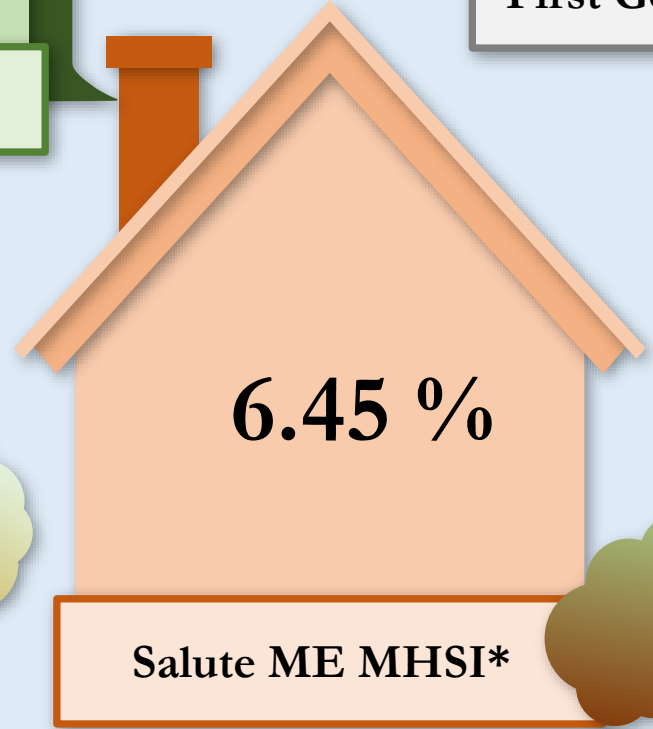
4.95 %
First Generation



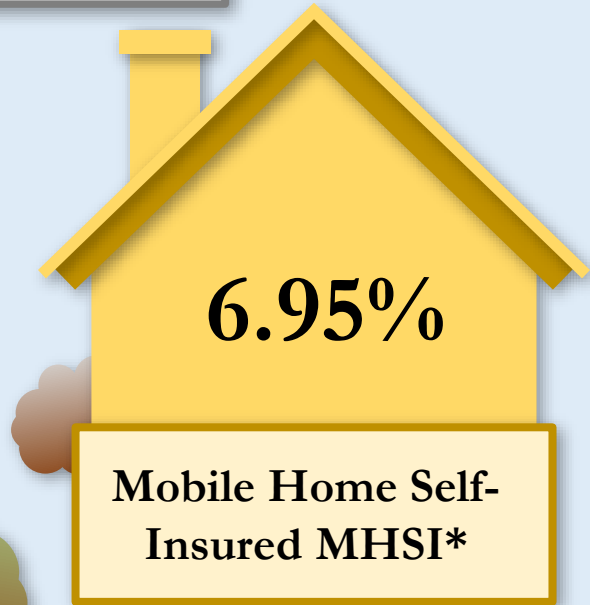
5.95 %
First Generation MHSI*



5.45 %
Salute ME



6.45 %
Salute ME MHSI*



6.95%
Mobile Home Self-Insured MHSI*

*MHSI – MaineHousing Self-Insured

How did we choose the target market?

Increase homeownership where multigenerational inequities have stymied wealth building, thus making purchasing one's first home more difficult.



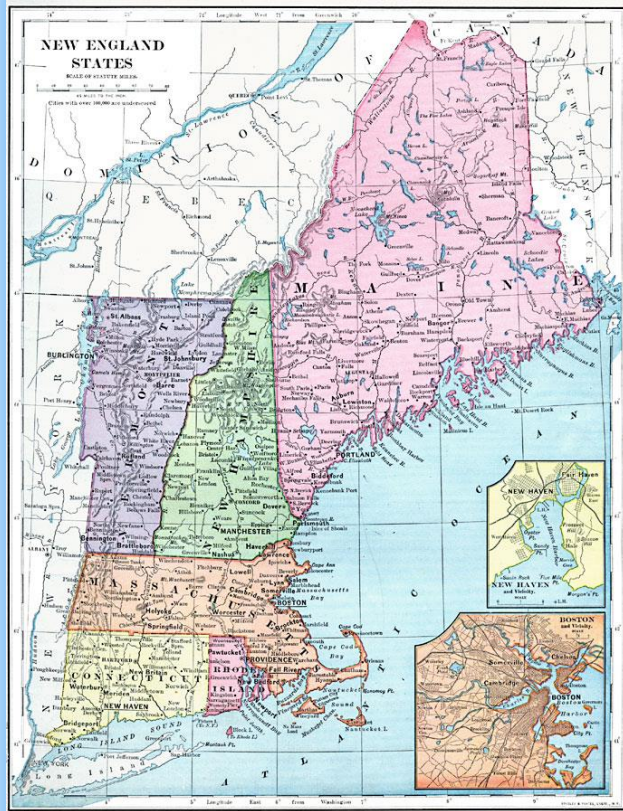
Bring homeownership within reach by making monthly mortgage payments more affordable and offering additional homebuyer education to take the mystery and fear out of owning a home.

How did we choose the target market?



Educate first generation homebuyers who may not think homeownership is within their reach and the inability of their parents to help financially due to their lack of wealth building from homeownership.

How did we choose the target market?



Vermont and Rhode Island First Gen programs were models for to design MaineHousing's First Gen program.

Was designed for existing Maine residents who did not have families with equity to assist with down payment and closing costs.



First Generation Program

Benefits of First Generation Program

- 1% Lower Interest Rate – currently 4.95%
- \$10,000 Grant
- Must take two classes for grant
 - ✓ Financial Literacy
 - ✓ Homebuyer Education



FIRST GENERATION PROGRAM

Your First
Home is Key

Are you interested in **\$10,000** in down payment assistance and a low interest rate?
The First Generation Program may be able to help.

First Generation Program



Eligibility for First Gen

- Borrower has never lived in a home owned by their biological parents or legal guardians during the borrower's lifetime
- At least one Borrower was in foster care at some point during their childhood

Homebuyer Education

A Maine organization, hoMEworks, is a nonprofit group dedicated to consumer homebuyer education. hoMEworks believes the best place to start the home buying process is in the classroom. hoMEworks was founded in 1998.



MaineHousing has agreed to subsidize 116 Homebuyer Education Classes and 18 Landlord Classes across the state for 2024.

www.mainehomeworks.org

What Will I Learn?

The class covers all aspects of buying a home:

- Assessing homeownership readiness
- Understanding credit
- Managing finances
- All costs associated with purchasing and owning a home
- Shopping for a home, a real estate agent, and a lender
- Choosing the mortgage option that's best for you
- Special programs for first time buyers
- The mortgage process
- Maintaining your home and your finances after purchase

Homebuyer Education Classes

First Home Loan/First Generations Applicants must complete a hoMEworks approved homebuyer education class prior to closing.

If the applicant doesn't select a hoMEworks class, they will complete an online self-paced class from eHomeAmerica. This course has tests through-out.

The one hour follow up session must be completed by an approved agency. This class is also offered in Spanish.



Aroostook County Action Program
Areas Served: Aroostook County



Avesta Housing
Areas Served: Cumberland County



Coastal Enterprises Inc.
Areas Served: Cumberland County



Community Concepts
Areas Served: Androscoggin, Franklin and Oxford Counties



Kennebec Valley Community Action Program
Areas Served: Kennebec County



Penquis/MaineStream Finance
Areas Served: Mid-Coast and Downeast



York County Community Action Corporation
Areas Served: York County

MaineHousing Approved First Generation Education Classes

MaineHousing Approved First Generation Education Classes

Financial Literacy Classes

Attendees must complete a Financial Literacy Class from the approved organizations listed below either through an in-person class or virtual class. All classes require advance registration. The attendee will obtain a certificate after completion of the class. This certificate will be required by the lender when applying for The First Generation Homebuyer Program. A certificate is required for each borrower.

New Ventures- My Money Works

This course is completed over 5 weeks and is entitled "My Money Works". It is held over Zoom with a live-instructor here in Maine. The schedule is currently set until May. Sessions include money attitude, current situation, credit/debit, income/expenses, saving for emergencies and creating an action plan for the future. This class is free.

Click here to register: [Choose a Class | New Ventures Maine](#)

Contact Lisa Sweet at lisa.sweet@maine.edu or 207-799-5025.

Penquis- Money Matters 101

This Financial Literacy Course is completed over 6 weeks. "Money Matters 101" will be offered in-person through Penquis. Penquis can offer these classes in a variety of languages and will utilize interpreters. You will learn about creating and setting goals, opening and maintaining checking/savings accounts, tracking your income and expenses, creating spending and savings plans, credit/debt, and prepare for the unexpected. This class is free.

To sign for the course, please email moneymatters101@penquis.org or leave a message at (207) 974-2459

ProsperityME - Basic Money Management

This course is completed over 5 weeks and is entitled "Basic Money Management". ProsperityME is able to offer this class in a variety of languages. When you take this course through Zoom, you will learn how to set financial goals/establish wise spending habits, open and maintain a bank account, create and follow a budget, and build good credit. This class is free.

Click here to register: [REGISTER FOR CLASS | prosperity-me](#)

Telephone: 207-797-7890 175 Lancaster Street Suite 216A Portland, ME 04101

Healthy Homeworks- Renter 2 Owner

The Renter 2 Owner Financial Literacy/Homeownership class is locally based in Lewiston, Maine and covers the types of housing available in Lewiston while connecting students with local real estate and financing professionals who can help them move forward with your home ownership goals. This course is completed in-person in downtown Lewiston.

<https://www.healthyhomeworks.org/s2o/homeowner-class/>

Click here to register for this class:
[HealthyHomeworks](#)

Text: (207) 415-4245 118 Pine Street Lewiston Maine 04240

eHome America- Money Management

Money Management is a self-paced course you complete in segments with helpful quizzes throughout. Money Management is comprehensive in teaching consumers how to improve cash flow, decrease debt, improve credit scores and plan for unexpected expenses. Clients must complete a follow-up call with an approved counseling agency once the course is complete. The fee for this course is \$50.

Click here to register: [eHome America](#)
Telephone: 1-844-243-4663

Homebuyer Education Classes

Attendees must complete a Homebuyer Education Class from the approved organizations listed on the hoMEworks website. Attendees must complete one or more sessions totaling 8 hours to receive a certificate for Homebuyer Education either through an in-person class or through Zoom. All classes require advance registration.



Click here to register for a hoMEworks approved class:
<http://www.mainehomeworks.org/classes>

MaineHousing's Homeownership Department

Program Statistics: First Generation Pilot Program

Loans Purchased Through December 31, 2023

April 2023 – December 2023

Total Number of Loans	74
Average Purchase Price	\$264,992
Average Income	\$77,754
Average Age	34
Average Family Size	3

Gender	#	%
Female	41	55%
Male	31	42%
Info Not Provided	2	3%

Guarantor	#	%
FHA	38	51%
RD	20	27%
Arch	7	9%
Self-insured	3	4%
VA	3	4%
Uninsured	3	4%

Ethnicity	#	%
White/Non-Hispanic	53	72%
Black/Non-Hispanic	10	14%
Info Not Provided	4	5%
Hispanic	3	4%
Native American	1	1%
Asian/Pacific Islander	1	1%

Property Type	#	%
Single Family	51	69%
Multi-Unit	14	19%
Mobile Home	7	9%
Condo	2	3%

Marital Status	#	%
Unmarried	58	78%
Married	15	20%
Info Not Provided	1	1%

Qualifying Condition	#	%
Parent/Legal Guardian	23	31%
Foster Care	1	1%

MaineHousing's Homeownership Department

Program Statistics: First Generation Pilot Program

Loans Purchased Through September 3, 2024

January 2024 Through September 3, 2024

Total Number of Loans	121
Average Purchase Price	\$260,456
Average Income	\$84,416
Average Age	35
Average Family Size	3

Gender	#	%
Female	50	41%
Male	67	55%
Info Not Provided	4	3%

Guarantor	#	%
FHA	58	48%
PMI	5	4%
RD	38	31%
Self-Insured	5	4%
Uninsured	10	8%
VA	5	4%

Ethnicity	#	%
White/Non-Hispanic	85	70%
Black/Non-Hispanic	15	12%
Info Not Provided	15	12%
Hispanic	4	3%
Native American	0	0%
Asian/Pacific Islander	2	2%

Property Type	#	%
Single Family	97	80%
Multi-Unit	9	7%
Mobile Home	11	9%
Condo	3	2%

Marital Status	#	%
Unmarried	77	64%
Married	44	36%
Info Not Provided	0	0%

Qualifying Condition	#	%
Parent/Legal Guardian	75	62%
Foster Care	9	7%

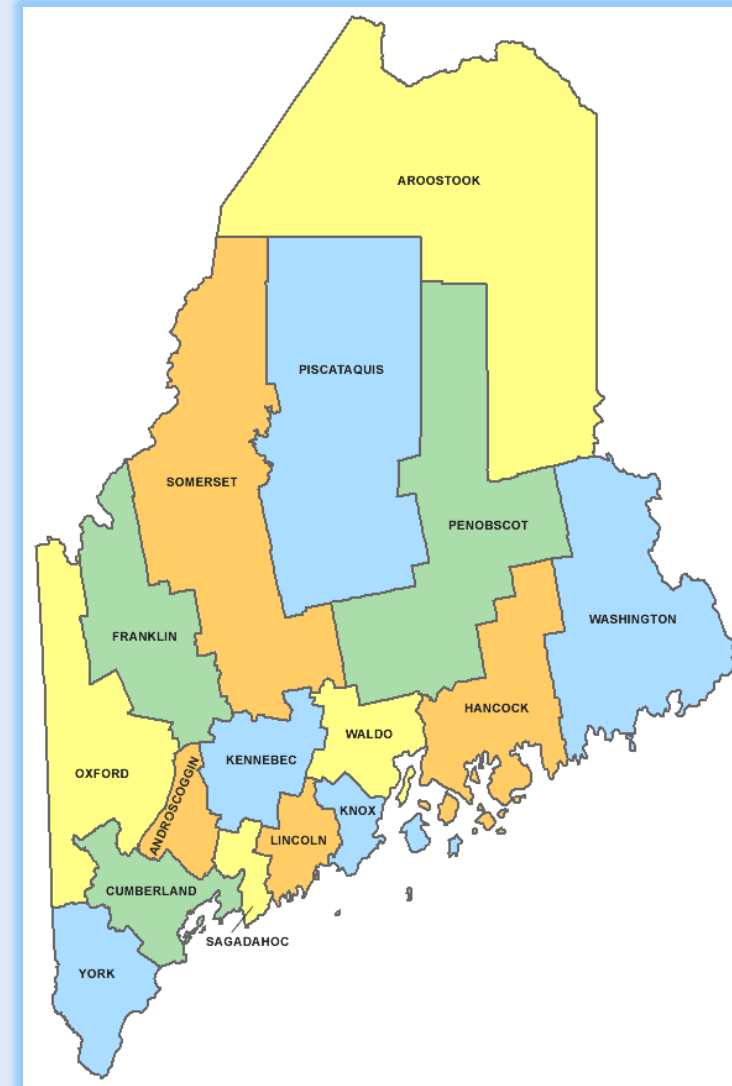
MaineHousing's Homeownership Department

Program Statistics: First Generation Pilot Program

Loans Purchased Through September 3, 2024

January 2024 Through September 3, 2024

Loans By County	Dist.	#
Androscoggin	2	21
Aroostook	2	2
Cumberland	1	14
Franklin	2	1
Hancock	2	1
Kennebec	1,2	21
Knox	1	1
Lincoln	1	1
Oxford	2	17
Penobscot	2	15
Piscataquis	2	2
Sagadahoc	1	2
Somerset	2	7
Waldo	2	2
Washington	2	2
York	1	12



Overall Challenges

- Language barrier
- Inventory
- Purchase prices (increase)
- Awareness – get info out so people know if available



How did we overcome the challenges?

- **RFP for translation services**
- **Classes offered in**
 - Arabic
 - French
 - Lingula
 - Portuguese
 - Spanish
- **Classes offered virtually and in-person.**



How did we overcome the challenges?



- Inventory - current inventory 3.2 months, need to be at 6
- Buyers are finding home with loan sizes of \$260,456 vs. average purchase price of \$400,000
- Awareness through outreach and partner engagement

“It has allowed me to have stability for the first time in my life. My mom and I moved so much that each year we were living in a new town, or area. I did not want to move again. I wanted something that was 100% mine and I did not have to relocate because a landowner wanted more money. The security of owning has made me feel safe and able to sleep better. I am a single woman who did all of this on my own.”

Tina D.

“Without the First Gen Program, I would not have been able to afford the down payment and closing costs. Living alone and having to pay for all of the bills on one income made it hard to save money. Two years ago, my rent was \$900 a month and then in July 2023 my rent doubled to \$1,800. The First Generation Program really made buying a home a reality.”

Liam H.

“Becoming a homeowner was an important goal of mine because I never felt that I was truly ‘at home’ when living in someone else’s space. There was a sense of not wanting to personalize a space, or truly settle in because I knew I wouldn’t be staying. There have been instances in my life where I faced housing insecurity. For example, during the time of my closing, the apartment building I live in was sold. I was almost faced with needing to move out, rehome my well-behaved pets, or adjust to a rent increase as required by the new owners. As a mother, one of my biggest goals is permanency and moving as infrequently as possible. It is hard to accomplish this as a renter. As a homeowner I no longer worry about unexpectedly losing my housing. I also feel closer to reaching my goal of financial security as I can build equity in my home.”

Shannon C.

“I grew up in Maine with my family living on poverty wages. We were a state case and received many benefits. I always dreamed of homeownership. It was impossible to save with the cost of rent. I was living in my friend’s basement trying to save up to buy a home. This program save me. This process was seamless.”

Amanda A.

My partner and I were homeless in a tent, then a care with a 6-year-old, 3 dogs, and a baby on the way and we thought it would be easier and faster than the apartment hunting game.”

Mery S.

“The First Generation Homeowner grant was so helpful for me. I grew up living in an old, rented trailer in Litchfield; born, like many central Mainers, from a long line of impoverished people. Inequitable wealth distribution has been on my mind for a long time – especially as I got older and could see how intergenerational wealth affects one’s opportunities, such as purchasing a home. The fact that I was one of the first borrowers for this program speaks volumes for me, where I come from, and more importantly, what the State and programs like yours are aiming to accomplish. Thank you and MaineHousing for helping me attain a permanent home, and all the benefits part and parcel: an intergenerational gift to share.”

Nick H.



Liam Takes Ownership

Meet Liam who became a first-time homeowner and the first in his family to own a home with MaineHousing's First Generation Loan Program.

Future of Program



- Adapted to Language changes in classes
- Maintain below market rate
- Continue to offer \$10,000 down payment and closing costs assistance
- Increase homebuyer classes
 - ✓ Manufactured home
 - ✓ Pre- and post-closing
- Still have a strong pipeline for First Gen borrowers – 59 loans

Things to Keep In Mind.....

Housing costs increased sharply as demand outstripped supply and then interest rate hikes made mortgages more expensive, locking people into existing lower-rate mortgages but there may be some improvement in the future as interest rates come down and more housing is building.

Inflation has eased, and expectations for this year are for the Fed to start lowering its target rate (possibly three 25 basis point reductions in 2024).

Migration into Maine continued in 2023 as population patterns nationally returned to normal.

Maine has a robust Budget Stabilization Fund (nearly \$970 million – statutory maximum) and spending from pandemic-era infusion of federal funds is ongoing, with much of the infrastructure spending starting this year, which will help Maine weather any potential slowdown.

Economic uncertainty remains elevated, especially with geopolitical upheaval and a presidential election.

First Generation Information and Resources

The Maine State Housing Authority (MaineHousing)

<https://www.mainehousing.org>

hoMEworks Homebuyer Education

<https://www.mainehomeworks.org>

Financial Literacy

[first-generation---financial-literacy-classes.pdf \(mainehousing.org\)](#)

First Generation Program Description and Program Summary

[First Generation Program \(mainehousing.org\)](#)

MaineHousing Procedural Guide

[home-mortgage-procedural-guide.pdf \(mainehousing.org\)](#)



**Thank you
for your
participation!**

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MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Lauren Bustard, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330-4633, Telephone Number (207) 626-4600 or 1-800-452-4668 (voice), or Maine Relay 711.



California Dream for All Shared Appreciation Loan Program

September 30, 2024

Ellen Martin

Director of Homeownership



The California Challenge



\$886,000

Median Price of Existing Single-Family Home



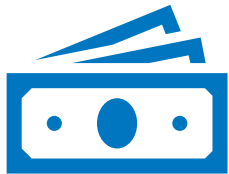
2.9 Months

Unsold Inventory



14%

Of Californians can afford median priced home



\$180,000

Minimum Qualifying Income for Condo/Townhome

Race/Ethnicity	Homeownership Rate
American Indian or Alaskan Native	54.56%
Asian American/Pacific Islander	
Asian Indian	64.36%
Cambodian	48.61%
Chinese	72.09%
Filipino	63.19%
Guamanian	42.35%
Hawaiian	46.97%
Japanese	71.10%
Korean	53.32%
Laotian	51.24%
Pacific Islander	60.45%
Samoan	39.17%
Vietnamese	65.10%
Black or African American	39.30%
Hispanic/Latino	46.35%
White	66.20%
Total California	55.41%



California Dream For All

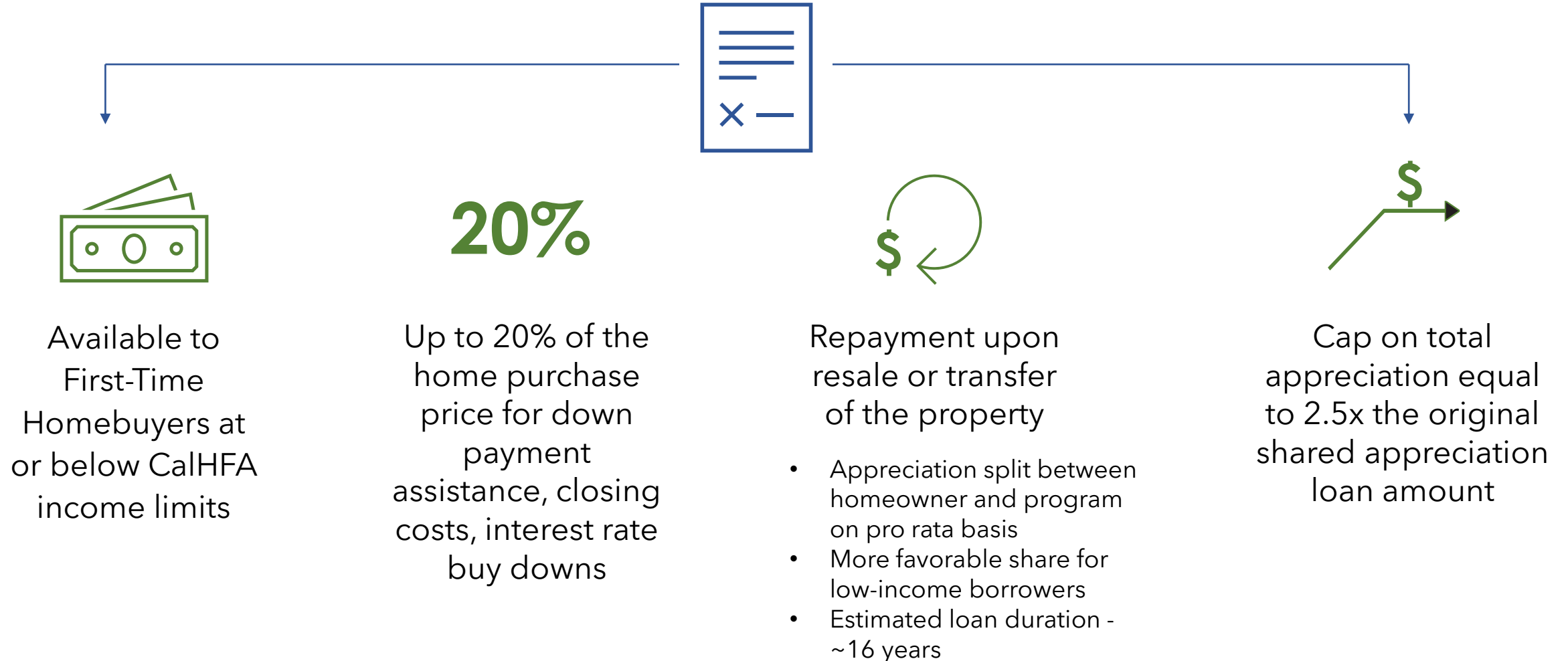
Dream For All Program

- A revolving, **shared appreciation loan program** that provides loans for a down payment to qualified homebuyers. Upon sale or transfer of the home, the homebuyer repays the original down payment loan, plus a share of the appreciation in the value of the home.
- **Simple Example**
 - Dream For All fund provides a loan for 20% of the home purchase price.
 - The homeowner pays back the original loan amount plus 20% of any appreciation in the value of the home.





Dream For All Shared Appreciation Loan Terms - Phase 1





Phase 1 Outcomes



2,200

Total Loans



\$113,000

Average DFA Loan



\$567,000

Average Home Price



55%

BIPOC



Phase 2 Program

Funding Available

- Approximately \$260 million (new allocation + fallout)
- Estimated 2,000 DFA loans

Goals and Objectives



Provide potential first-generation homebuyers more time to access program assistance and maximize opportunity for new buyers to enter market



Narrow eligibility to target funds to aid mortgage ready homebuyers that most need assistance



Increase program uptake in Black/African American community, and maintain solid program uptake in Latino, AAPI, and Tribal communities



Build on improved uptake in hard-to-serve areas such as Los Angeles, Central Coast, Orange County, and San Diego



Key Changes for Phase 2

- Loan Delivery and Reservation Process
 - Registration portal, lottery, vouchers
- Geographic Balance
- First Generation Eligibility Criteria
 - The borrower has not owned a home in the United States in the last 7 years
 - The borrower's parents do not presently, or did not at the time of their death, own a home in the United States OR the borrower grew up in foster care
- Target Lower Income Borrowers
 - Income limits
 - \$150,000 cap
 - 95% CLTV minimum

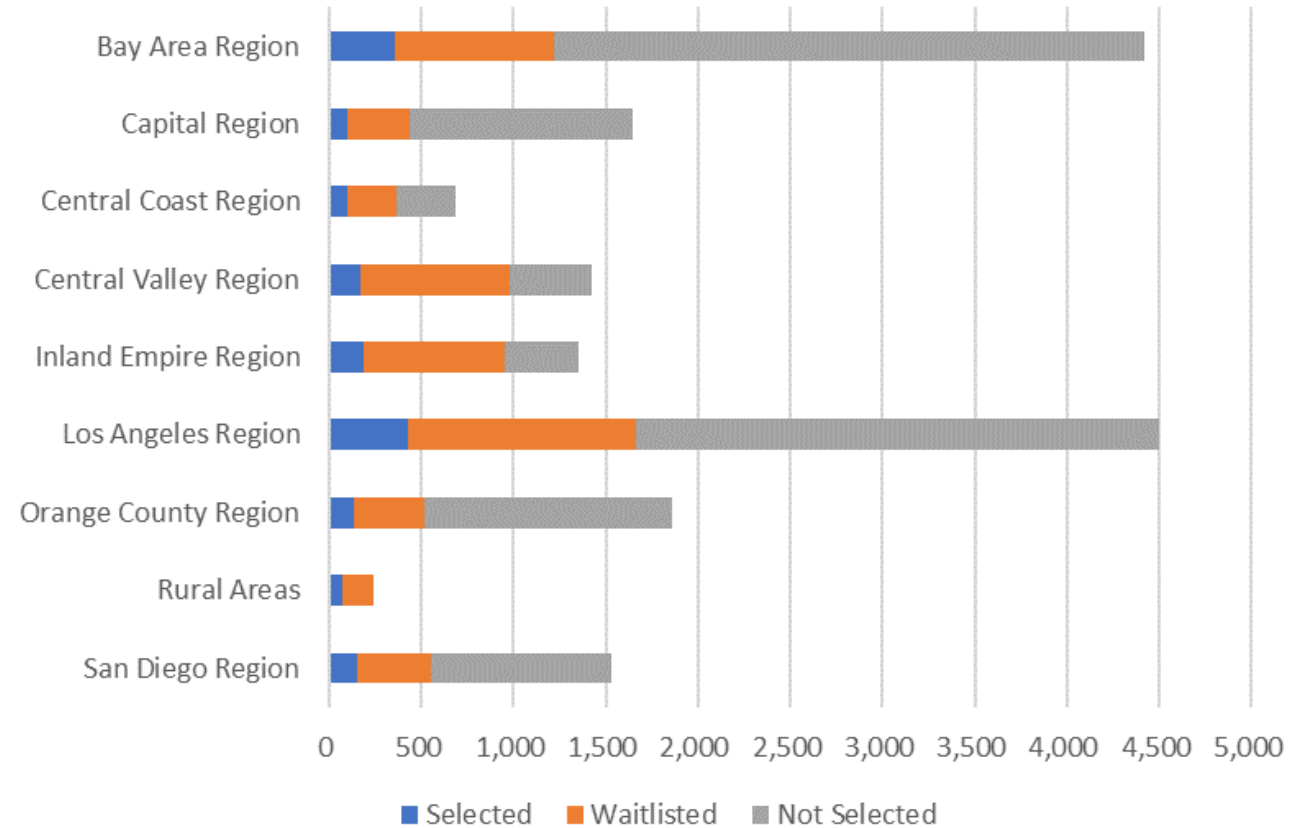




Preregistration System and Statistics

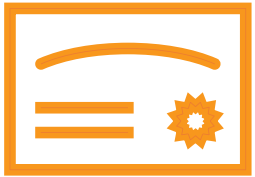
- Nearly 18,000 eligible registrants
 - Bay Area and Los Angeles (most populous regions) led the way.
 - All regions exceeded their projected allocation of vouchers
- Lottery
 - 1,700 Selected, 4,500 Waitlisted
- First Generation Status Audit
 - Random selection
 - 95% pass rate
- Voucher Issuance
 - 1,700 initially, based on maximum loan amount
 - Additional vouchers to be issued as loan amounts come in
- Borrowers have 90 days to find a home
 - Plus up to 180 days to close loan
 - Extensions available

Applications by Region





Phase 2 Preliminary Outcomes



1,932

Total Active
Vouchers



\$118,000

Projected Average
DFA Loan



\$600,000

Average Home Price



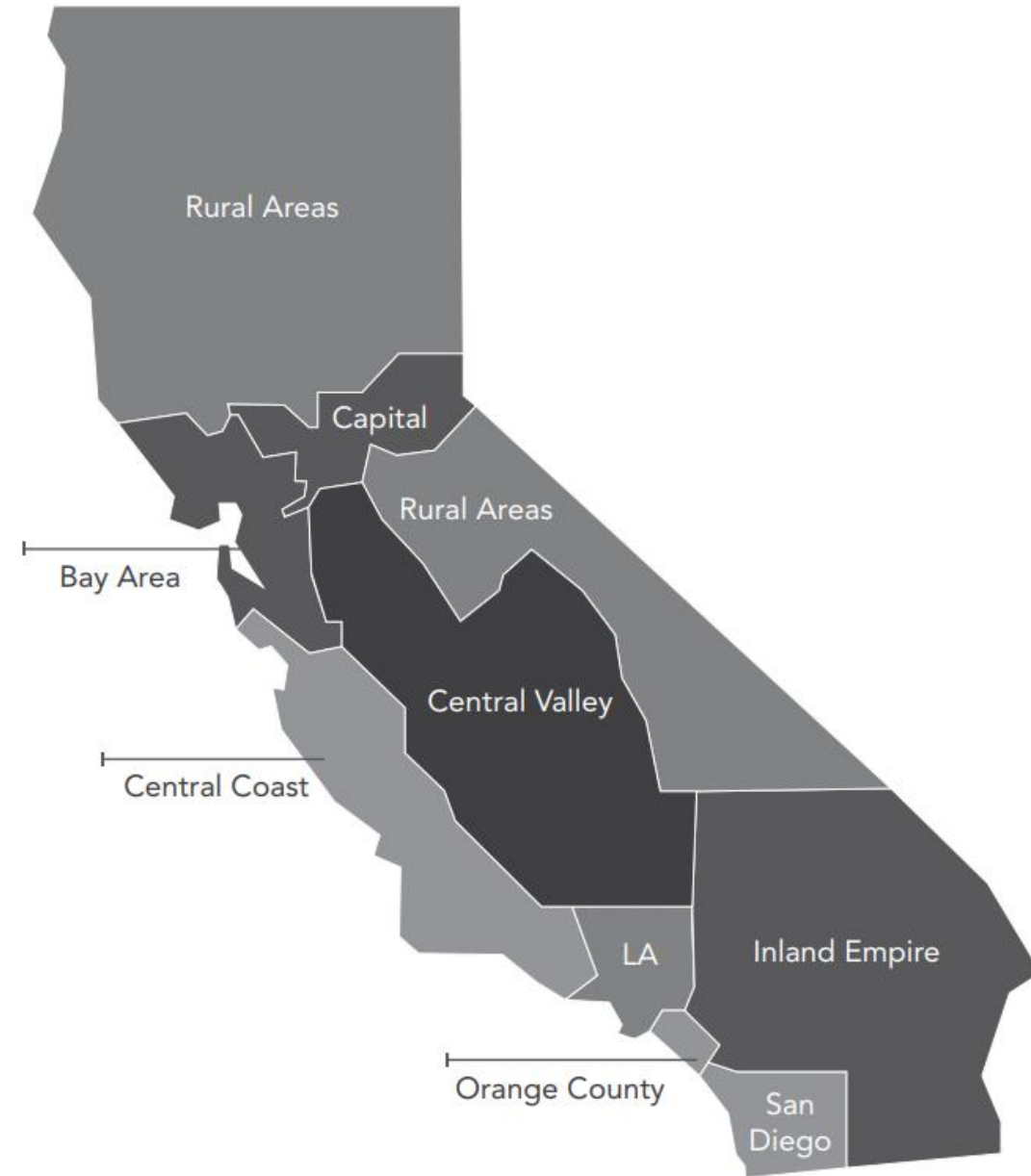
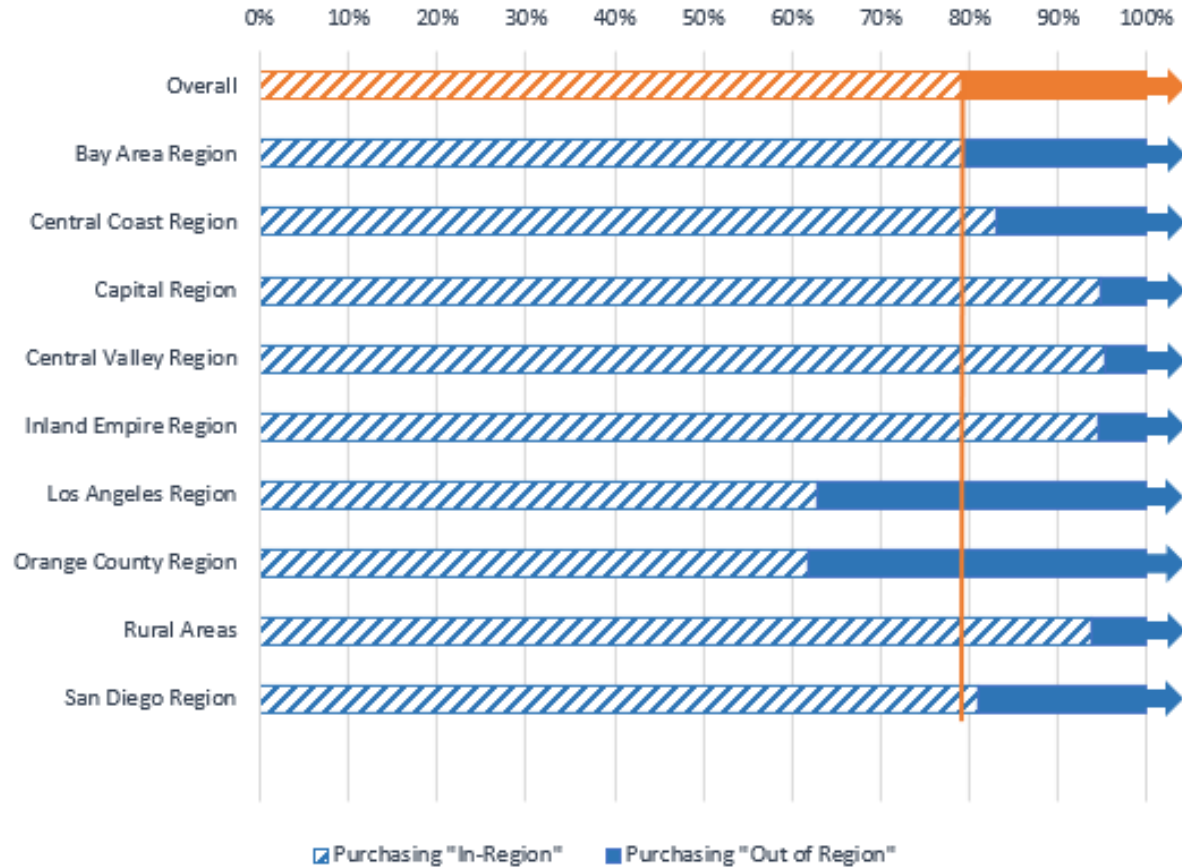
> 70%

BIPOC Voucher
Holders
(Estimated)

Data current as of 9/3/2024 and subject to change



“In-Region” Versus “Out-of-Region” Purchases To Date





Demographics Preliminary Detail

Ethnicity/Race	CA Households	DFA Registrants *	DFA Voucher Recipients	DFA Loans Closed
ETHNICITY		PRELIMINARY**		<i>To Be Determined</i>
Hispanic or Latino	30%	39%	39%	
Not Hispanic or Latino	70%	61%	61%	
TOTAL	100%	100%	100%	
RACE (INCLUDES HISPANIC/LATINO ETHNICITY)				
American Indian or Alaska Native	1%	1%	1%	
AAPI	15%	28%	29%	
Black or African American	7%	8%	8%	
White	55%	32%	31%	
Other/Not Provided	23%	29%	30%	
TOTAL	100%	100%	100%	

* Weighted distribution based on projected number of vouchers per region.

** May shift based on final loan amounts and associated number of vouchers per region.

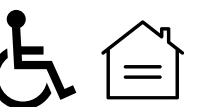
Data current as of 9/15/2024 and subject to change.

Community Partners Loan Pool

North Carolina Housing Finance Agency

Michael Handley

Manager of Home Ownership Rehabilitation and Compliance

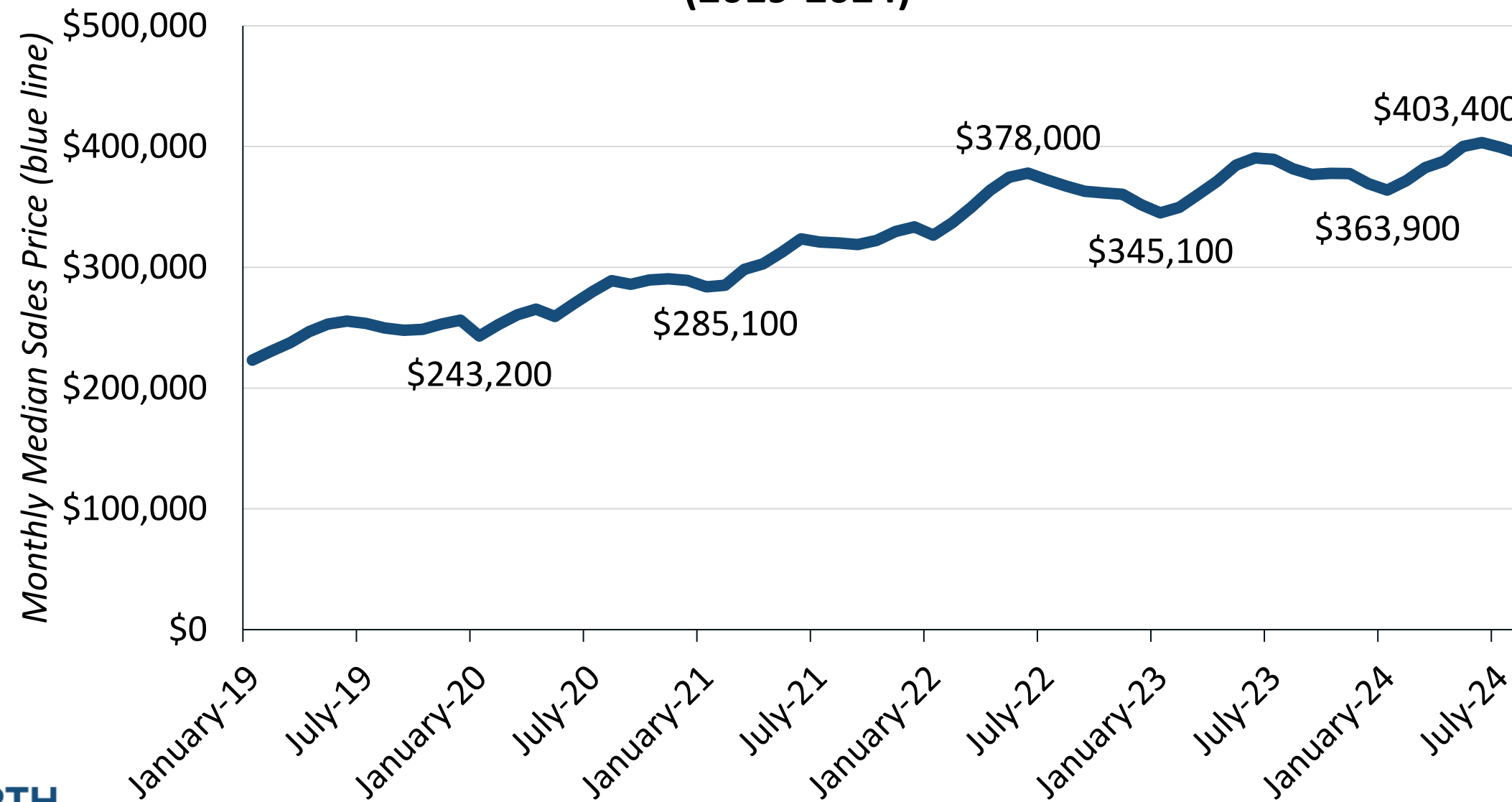


Homeownership continues to be unaffordable in North Carolina due to **high prices, high interest rates, growing demand**, and an **insufficient supply** of affordable homes.

North Carolina Housing Market Trends

MEDIAN HOME PRICES REMAIN HIGH

SINGLE FAMILY MEDIAN HOME SALES PRICE IN NORTH CAROLINA
(2019-2024)

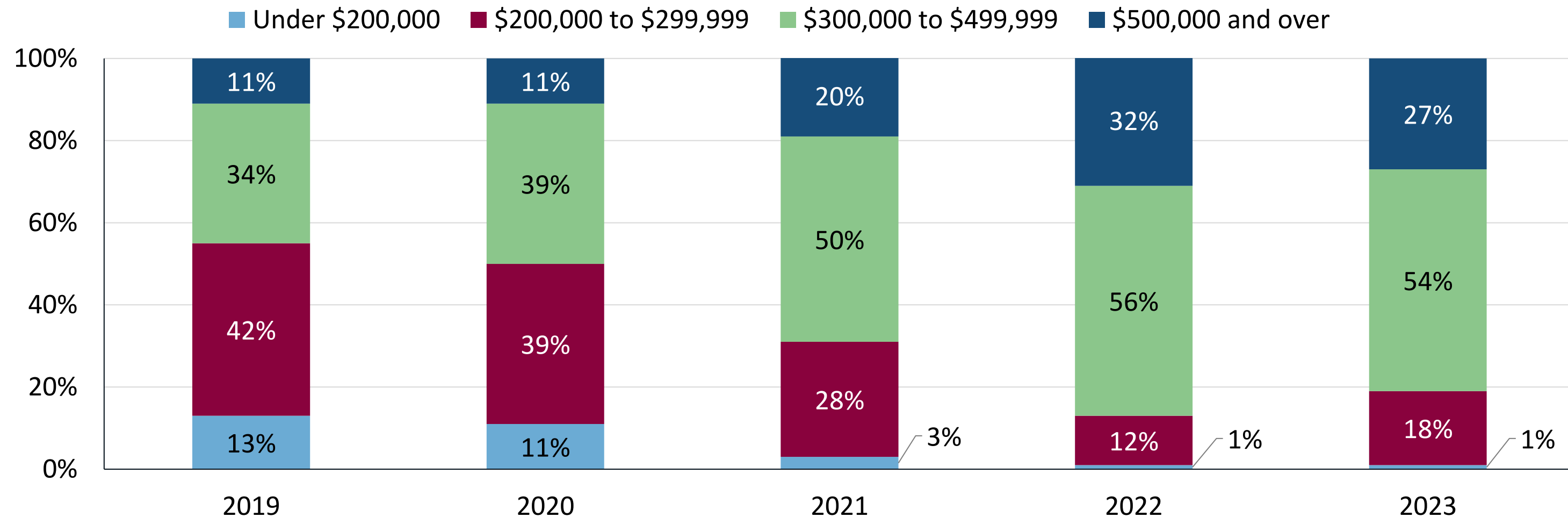


- NC's median home sales price hit an all-time high in June 2024 (\$403K)
- The annual increase in median home sales price has slowed in 2024 (between 3% and 6% each month) – compared to double-digit increases seen in 2020, 2021, and 2022

North Carolina Housing Market Trends

AN INCREASINGLY SMALL SHARE OF NEW HOMES ARE MODESTLY PRICED

NEW HOUSES SOLD BY SALES PRICE IN THE SOUTH (2019-2023)



Source: NCHFA tabulations of U.S. Census Bureau and U.S. Department of Housing and Urban Development, Survey of Construction, 2019-2023. Table Q4. New Houses Sold by Sales Price: South. Accessed March 7, 2024. <https://www.census.gov/construction/nrs/data/series.html>

Community Partners Loan Pool (CPLP)

PROGRAM BASICS

HISTORY

- Founded in 2013
- Primarily funded with HOME, including HOME PI and HOME Match

FINANCING

- Provides qualified home buyers with down payment assistance:
 - Up to 25% of the sales price, not to exceed \$50,000, when combined with a NC Home Advantage Mortgage™
 - Up to 10% of the purchase price when combined with a USDA's Section 502 loan
- 0% interest, deferred second mortgage
- Term of the CPLP loan matches the term of the first mortgage
 - No monthly payment; typically repaid when the home is sold or at the end of the loan term
- Borrowers apply for assistance through a CPLP Member (an approved nonprofit or local government agency)



Community Partners Loan Pool (CPLP)

PROGRAM BASICS

CPLP is a **down payment assistance program** for low- and moderate-income homebuyers. Families work closely with nonprofit housing counselors and local government agencies to prepare for homeownership. They receive homebuyer education and counseling credits to become eligible and take advantage of homeownership products offered by the NC Housing Finance Agency.

CORE OBJECTIVE

- To assist qualified households at or below 80% of AMI to become homeowners
- To increase homeownership opportunities in underserved communities
- To increase the capacity of housing nonprofits and local governments housing programs to produce more affordable homes
- To leverage other public and private investment and,
- To encourage the production of healthy, energy efficient homes through the application of advanced building science.

Community Partners Loan Pool (CPLP)

PROGRAM BASICS

ELIGIBLE HOME BUYERS

- Household income cannot exceed 80% of AMI
- Minimum credit score of 640
- Debt-to-Income ratio may not exceed 45%
- Home buyer education course + at least two hours of in-person housing counseling

ELIGIBLE HOMES

- Newly constructed and existing homes
- All existing homes must pass a home inspection + local housing code inspection
- Any deficiencies identified that threaten the health or safety of the property or borrower must be repaired before CPLP assistance can be approved



Community Partners Loan Pool (CPLP)

GENERAL PROGRAM IMPACTS (2013-2023)



2,100 families assisted



\$63 million in funding

\$384 million in property value



\$14 million in state and local tax revenue

3,990 jobs supported

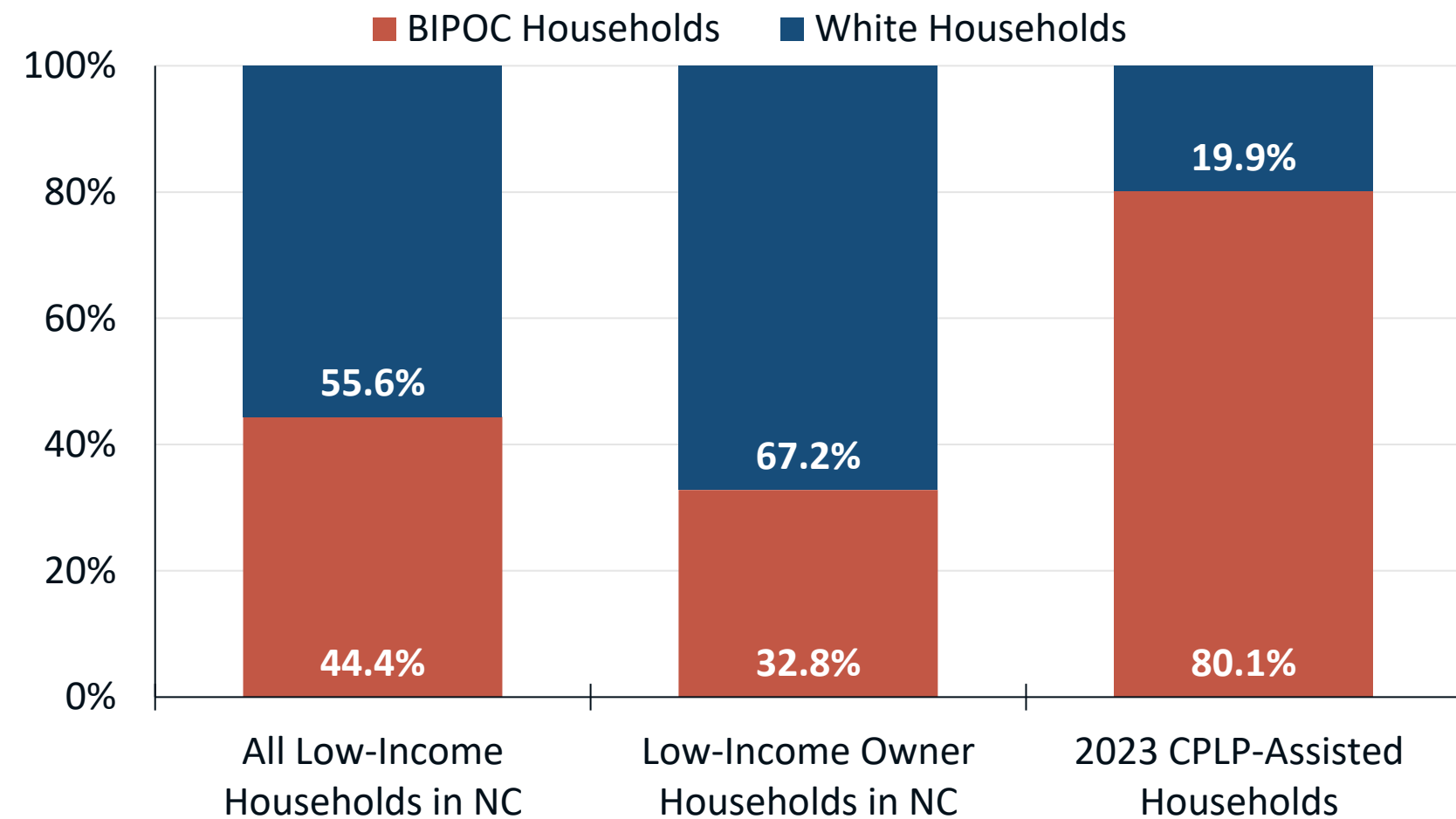


Community Partners Loan Pool (CPLP)

EXPANDING PATHWAYS TO HOME OWNERSHIP

- Like much of the U.S., NC has a home ownership gap across race and ethnicity
 - While **44.4%** of the state's low-income households are Black, Indigenous, and People of Color (BIPOC), only **32.8%** are homeowners
- CPLP is particularly adept at reaching underserved potential buyers and can help narrow the racial home ownership gap in NC
 - Mortgage product design
 - Can be combined with local funds, the NC 1st Home Advantage DPA, and the NC Home Advantage Tax Credit
 - CPLP member organizations support qualified buyers entering the market

Comparison of Low-Income North Carolinians and CPLP Borrowers by Race



Source: NCHFA analysis of 2022 1-year PUMS data.

*This data represents the race of the head of household or primary borrower—the person or one of the people in each household in whose name the home is owned or being bought. Black, Indigenous, and People of Color (BIPOC) includes households that identify their race as American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, Black or African American, other race, or two or more races.

Community Partners Loan Pool (CPLP)

COVID-19 PANDEMIC ERA CHALLENGES

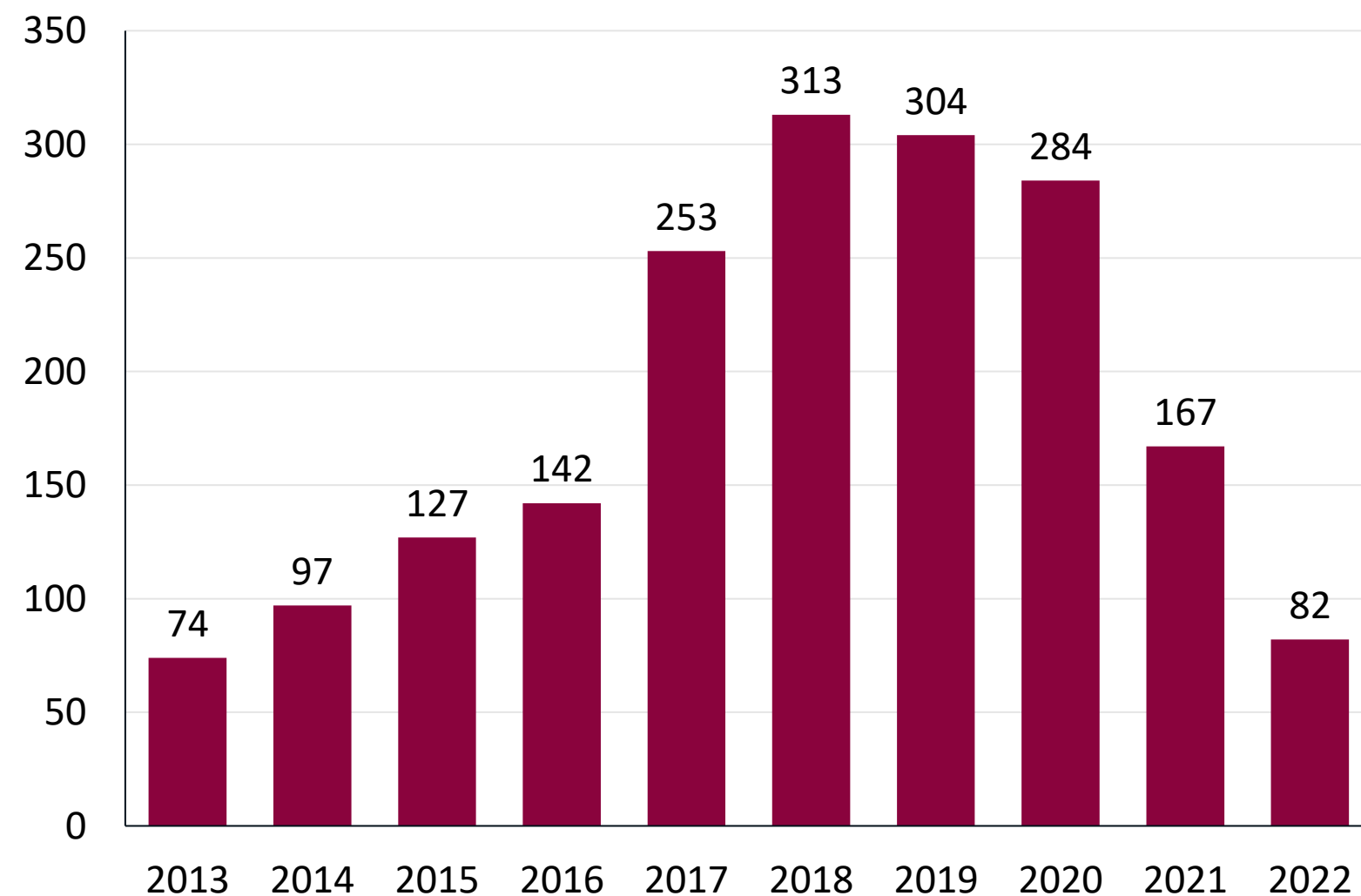
HOUSING MARKET BROADLY

- North Carolina has outpaced national trends in **home price increases** and **investor buyouts** of single family homes in recent years
- On top of historic home price growth, **interest rate hikes** in early 2022 further eroded affordability of home ownership in NC, especially for first-time buyers

CPLP

- Supply of sales price-eligible homes plummeted (both existing and new construction)
- Number of CPLP loans dropped substantially in 2021 and 2022

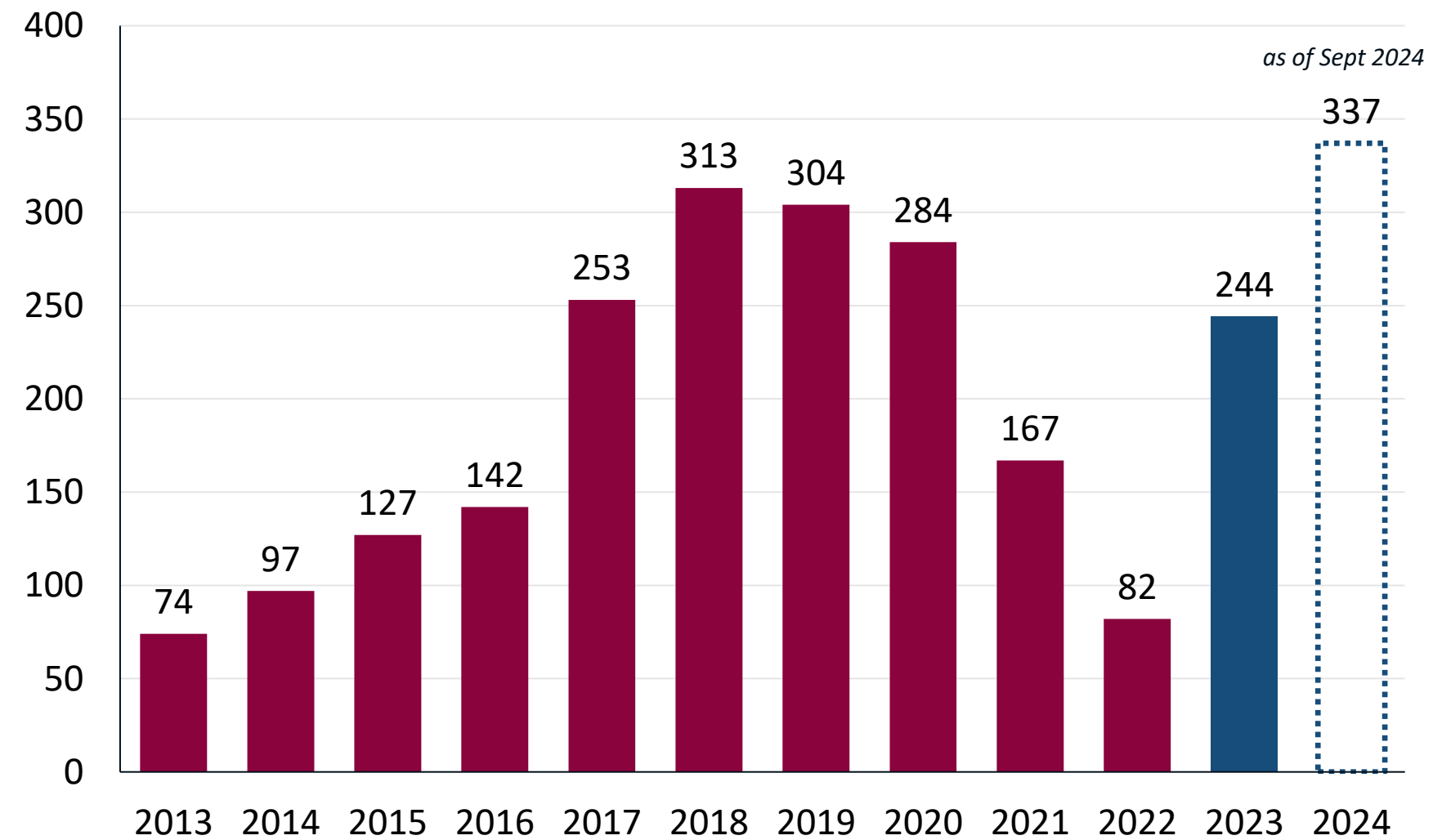
Number of CPLP Loans per Year
(2013-2022)



Community Partners Loan Pool (CPLP) PROGRAMMATIC RESPONSE

- Increased DPA maximum to \$50,000 (from \$35,000) for 2023 and 2024
 - Increased access and affordability by providing the necessary front-end funds and by lowering the loan principal financed at these higher interest rates
- Renewed marketing and communication efforts + local partner outreach
- Immediate results following this change
 - Program demand rebounded
 - Program median sales price and distribution also rebounded
 - Allowed CPLP to continue assisting borrowers traditionally underserved by the market

Number of CPLP Loans per Year (2013-Sept 2024)



QUESTIONS?

NC Housing Finance Agency: <https://www.nchfa.com>

Community Partners Loan Pool: <https://www.nchfa.com/home-ownership-partners/community-partners/community-programs/community-partners-loan-pool>

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Michael Handley

Manager of Home Ownership Rehabilitation and Compliance | North Carolina Housing Finance Agency

Discussion Leader

Jon Rogers

Manager of Home Ownership Rehabilitation and Compliance | North Carolina Housing Finance Agency