Oklahoma Housing Stability Program
Leads to Construction of Homes for Purchase

Oklahoma Housing Finance Agency
Homeownership / Encouraging New Construction

Overview

Recognizing a critical need for expanded housing opportunities statewide, the Oklahoma State Legislature passed legislation in 2023 creating the Oklahoma Housing Stability Program. Calling on the Oklahoma Housing Finance Agency's expertise, lawmakers entrusted the Agency with the development and administration of this new initiative. The state's investment of $215 million is the largest investment dedicated to housing in state history. The program represents a transformative commitment to increasing housing supply across the state.

Through the program, developers may apply for construction loans to build rental housing under the Increased Housing program or single-family homes for sale under the Oklahoma Homebuilder Program. This entry specifically highlights accomplishments under the Homebuilder Program.

The Oklahoma Homebuilder Program increases the supply of single-family homes available for purchase. The innovative program provides eligible homebuilders with 0% interest, 24-month construction loans of up to 90% of total development costs. First made available to developers in 2024, the innovative program has already demonstrated significant statewide impact, with awards that will lead to 455 new homes across 40 developments in 20 counties. In addition, the program also offers down payment assistance to homebuyers purchasing homes built through the program, further reducing barriers to homeownership.

Problem/Statewide Housing Need

Oklahoma faces a shortage of attainable entry-level housing, particularly in rural markets. Rising construction costs and limited builder access to affordable capital have constrained production. The Oklahoma Homebuilder Program directly addresses these barriers by removing construction interest expense, lowering equity hurdles, and aligning product features (size, price, energy performance, and accessibility) with consumer needs and program goals.

The program works to increase the amount of available for-sale housing in the following ways:

- Increase the number of Single-Family residences available for purchase across the State.
- Remove the barrier to homeownership for Oklahomans caused by the lack of available funds for down payment and closing costs associated with buying a home.

Innovation

The program combines a zero-interest construction financing model with standardized unit sizes and eligibility for non-traditional housing types, reducing development risk while encouraging efficient, modern construction practices. Program requirements for energy efficiency and accessibility features further enhance long-term affordability and accessibility for homebuyers.

Replicability
Uniform loan terms, underwriting standards, and inspection-based draw schedules allow the Homebuilder Program to be replicated across rural and urban communities. The model supports both subdivision and scattered-site development, enabling consistent implementation across multiple counties. This scalable model could be readily adopted by other Housing Finance Agencies through collaborative partnerships with elected officials and local developers.

Response to an Important State Housing Need
By financing new construction in both metropolitan and non-metropolitan areas while reserving a substantial portion of funds for rural communities, the program directly addresses this statewide housing need. To date, OHFA has held nine rounds of funding demonstrating sustained demand and the program's effectiveness in expanding housing opportunities across the state.

Oklahoma Homebuilder Program:
Funds awarded = $87,324,941
Number of Units to be constructed = 410
Average cost to produce each unit = $212,987.66

Benefits That Outweigh Costs
Public investment through the program yields lasting benefits, including increased housing supply, reduced financing costs for builders, and more attainable purchase prices for buyers. Loan repayment upon sale allows program dollars to revolve, extending the impact beyond the initial award. In creating this program, OHFA enacted core terms that ensure financial feasibility of the houses and the program:

- Zero percent interest, 24-month, collateralized recourse construction loan; interest accelerates to Prime + 4% after 24 months.
- Up to 90% of Total Development Costs financed; minimum 10% builder equity (cash, partner contribution, or appraised land value).
- OHFA maintains first-lien position, with no subordination.
- Construction starts within 180 days of award (single 90-day administrative extension available).
- Owner-occupancy for 3 years (deed restriction); HUD Section 234 purchase price limits at time of sale.
- Unit size: 1,000 – 2,000 sf conditioned area; minimum of five and maximum of 25 homes per application (scattered sites permitted).
- 75% of funds reserved for rural/non-MSA areas; remaining 25% is available in MSAs.

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Effective Use of Resources/Strategic Objectives

Program safeguards such as equity requirements, fee limits, contingencies, and inspection-based draws ensure that resources are deployed responsibly. The high percentage of funds already awarded and actively under construction reflects efficient utilization of available capital and strong demand for the program.

Each funded development must demonstrate market feasibility through third-party Broker's Price Opinions and adherence to HUD purchase price limits. Program success is measured through units delivered, geographic reach, construction progress, and repayment activity that allows funds to be reused for future housing production and reinforcing the program's revolving structure.

Effective Use of Partnerships

The program's success relies on collaboration among OHFA, homebuilders, local governments, inspectors, and market professionals. These partnerships support permitting, construction oversight, market alignment, and timely loan repayment. The Homebuilder Program's performance to date demonstrates its effectiveness and market acceptance. Ongoing construction activity and completed home sales further validate the program's impact.

Achievement of Strategic Objectives

By increasing homeownership opportunities, prioritizing rural investment, and establishing a revolving construction loan structure, the Oklahoma Homebuilder Program advances OHFA's strategic housing objectives and provides a sustainable model for long-term statewide impact.

Measurable Results

The impact of the program can already be seen in communities across the state.

- Total resources: $114.7 million (original $100.7 million allocation + ~$14 million accrued interest).
- Awards: Over $105 million awarded across 40 developments in 20 counties.
- Production: 455 homes funded; 27 developments closed and in construction; additional projects in closing.
- Revolving model activated: early homes completed and sold with repayments returning to the fund.

Visual Aids

Oklahoma Housing Stability Program web page

OHFA Blog Posts:

LIFT CAA Brings New Homes to Hugo, Thanks to Housing Stability Program
The Courts at Montevino: Brand New Homes in Kingfisher
Housing Stability Program Leads to 3 Homes in NE OKC
Dedication Held for Home Built Through Housing Stability Program

Social Media Post

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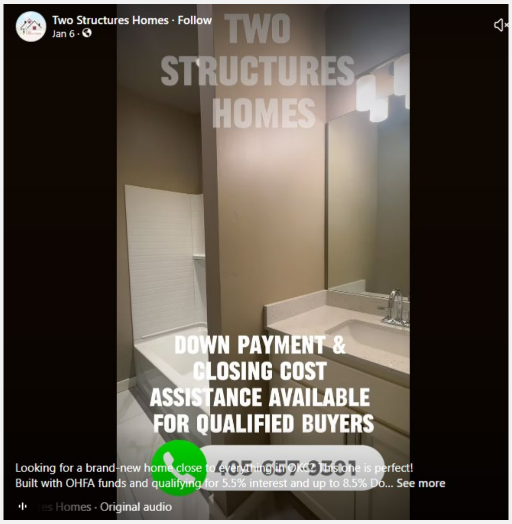

Developer's Social Media Video

Realtor's social media video tour of a home under construction

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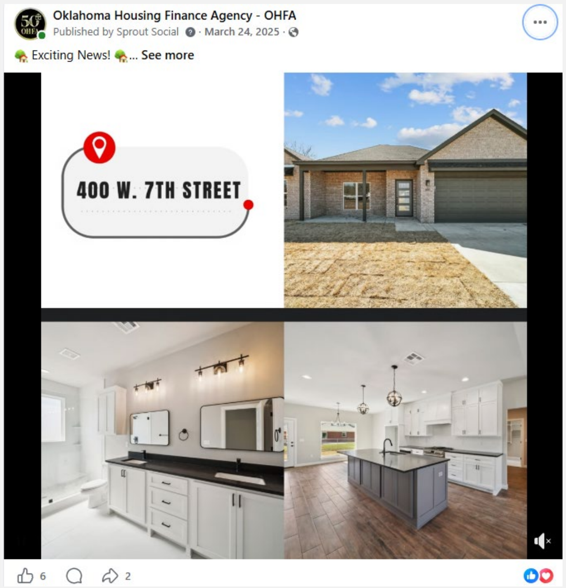
OHFA [social media video post](#) featuring homes in rural Kingfisher, OK



OHFA [social media video](#) featuring homes in rural Dewey, OK