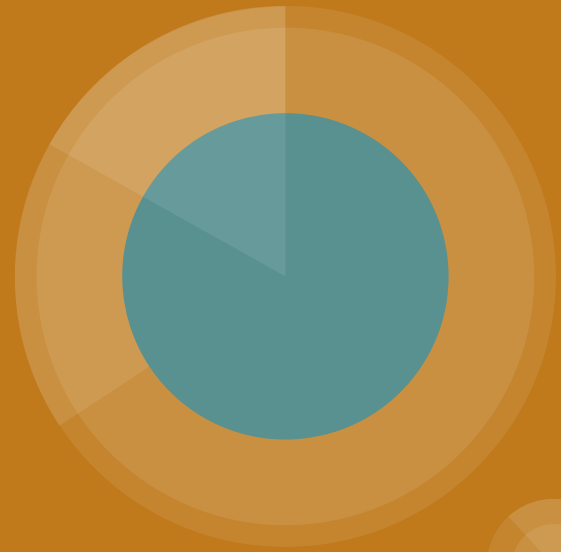


# Affordable Housing & Advocacy

How we can bridge the generational wealth and homeownership gap for Hoosiers.... and Boilermakers, Cardinals, Pilots (Bethel University)  
OH CRAP, HERE COME THE IRISH. They have lake effect snow with them!!!



**What comes  
to mind?**

A decorative pattern of vertical bars of varying heights and shades of orange, located at the bottom of the slide.



## Some common answers...

- Down payment assistance (DPA)
- Section 8
- FHA Loans
- Mortgage Credit Certificates

Technical answer?

- An affordable dwelling is one that a household can obtain for less than 30% of their income (FHLB Indianapolis 2022 Affordable Housing Project Implementation Plan)



# Housing Choice Voucher

- For potential homeowners who have been receiving Section 8 renters vouchers for at least a year
- The voucher can be used towards the monthly payment of a mortgage
- In general, the family's income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live. By law, a PHA must provide 75 percent of its voucher to applicants whose incomes do not exceed 30 percent of the area median income



# Mortgage Credit Certificate

Federal income tax credit, and can assist the borrower in..

- Reducing their federal income tax liability
- Increasing their qualifying income
- Must be a first-time homebuyer, unless the subject property is located in a qualified census tract or targeted area, or the borrower is a qualified veteran
- Can be combined with the Next Home Program
- Can be used with Ginnie, Fannie, or Freddie financing



# Down Payment Assistance Programs

- According to the 2018 Barriers to Accessing Homeownership report by the Urban Institute, 68 percent of U.S. renters see the inability to save for a down payment as one of the leading obstacles to homeownership.
- Borrowers are not always required to be first time homebuyers
- Many programs are well funded and active to this day, despite many homebuyers beliefs



# National Homebuyers Fund (NHF)

- NHF provides down payment and/or closing cost assistance (DPA), up to 5% of the mortgage loan amount
- Available to non first time homebuyers (FTHB)
- Conventional and government loans
- Only participating lenders

# Statewide Programs







# First Place Indiana

- Down Payment Assistance (DPA) of 6.0% of purchase price
- Not to exceed the appraised value
- Must be a first-time homebuyer, unless the subject property is located in a qualified census tract or targeted areas
- FHA, 30-year fixed loan
- Minimum FICO credit score of 640 with a DTI of less than 45.00%
- Minimum FICO credit score of 680 with DTI greater than 45.00%, but less than 50.00%



# Next Home Indiana

- Down Payment Assistance (DPA) of 3.5% of purchase price
- Not to exceed the appraised value
- Can be combined with the Mortgage Credit Certificate (MCC)
- FHA 30-year fixed loan
- Minimum FICO credit score of 640 with a debt -to-income ratio of less than 45%
- Minimum FICO credit score of 680 with debt -to-income ratio greater than 45%, but less than 50%

# Area Specific Programs



# Southern Indiana

## City of Bloomington Housing and Neighborhood Development (HAND )

- **Shared Equity Program** – up to \$50,000 down payment and \$8,000 allowance for closing costs
  - i. Second mortgage with \$0 payment
  - ii. Pretty strict guidelines as far as income and DTI ratio maximums, etc.
- **Down Payment Assistance Program** – up to \$10,000 total
  - i. Must be first-time homebuyer

## Hope of Evansville

- DPA that has purchase price limitations with matching funds options. Program also offers Home buyer prep course



# Northern Indiana

## Lake County Community Economic Development Department

- Homebuyers Assistance forgivable payment loan ( second MTG)
- Max of \$15,000 per single family owner occupied dwelling.
- Must be Low to moderate income

## Merrillville, IN Home Buyer Grant

- 620 Credit Score Required
- Grant is completely forgiven
- Grant can be used for down payments
- Seller Credit of 6% is allowed
- Gift funds are allowed Borrower not required to be a First Time Home Buyer
- Income limit is based on qualifying income used for transaction, not household income

## South Bend

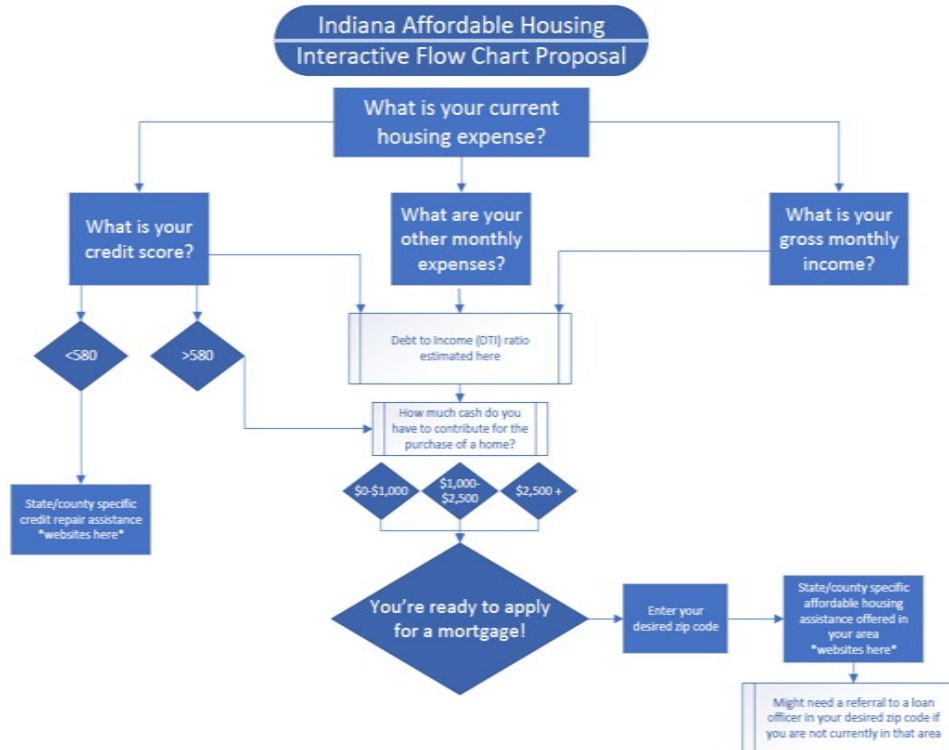
- Program that will forgive 20%



# Central Indiana

- The Indianapolis Housing Agency partners with Housing Resource Hub, Lakeview Loan Servicing, LLC and Stifel to offer a unique and extensive borrowing program for residents in Marion Count. The program is called Hoosier Homes. Hoosier Homes offers eligible participants up to 5% down payment assistance and an additional 1% more for first responders, k-12 teachers and US military members and veterans. Hoosier Homes is not limited to first time home buyers.
- The Corporation for Supportive Housing Supportive housing combines affordable housing with support services that help people who face the most complex challenges to live with stability, autonomy, and dignity
- Indianapolis Neighborhood Housing Partnership, INHP, offers several steps of the house purchasing program from credit repair and budgeting to connecting someone to the best home purchasing program - 1st time home buyer to conventional. They offer education classes that explain costs of a home such as repairs, maintenance, paying property taxes and homeowners insurance. They also offer loans after someone buys a property to help with repairs on a home.

# Our Proposal to the IMBA Affordable Housing Committee





# Education and Advocacy

- Many of our first time home buyers don't have a clue how the homebuying process works. If we start teaching kids earlier in life about credit and homeownership we can help so many people be more prepared for what to expect when they go to buy their first home.
- IMBA to post links to programs around Indiana that teach middle school and high school students about credit and homeownership so that members of the IMBA as well as Lender Members can get more involved in teaching youth all over Indiana.
  - Junior Achievement
- Working with Foster Success, an organization that works with teens and young adults that are transitioning out of Foster Care. They provide financial education and matching of some expenses for things such as school, rent, utilities and down payments for cars or homes.
- Education for our youth creates more prepared and empowered homebuyers for the future!
- Indiana Chambers



# Questions and Feedback

