



Downpayment Assistance Grant in Vermont!

New funds are now available to help low to moderate income persons buy a home in Vermont. The program provides downpayment grants of up to 20% of the purchase price of a home or \$40,000, whichever is lower. Funds are made available from the Vermont Housing and Conservation Board and must be applied for through Twin Pines Housing Trust. Funds are limited and are subject to availability.

Under this program, a buyer would find a home of his or her choice in his or her affordability range and the grant would be applied toward the purchase price. In exchange for the grant, the buyer would agree that if he or she were ever to sell the home, the sale would be to another income-eligible household and the grant would stay in the home to benefit the next buyer. This model is called shared-equity or limited-equity, and is intended to keep homes permanently affordable to future buyers.

RESALE FORMULA: Any home bought with assistance from the downpayment grant would be resold at the original purchase price minus the grant plus 25% of any increase in the market value of the home. In addition, a credit would be given equaling 100% of any capital improvements made to the home. For example, let's say the original price was \$160,000 and the buyer received a downpayment grant of \$32,000. When the homeowner is ready to sell, let's assume the market value of the home has increased to \$170,000. The homeowner would sell the home for \$160,000 + 25% of the appreciation (in this example, \$2500), or \$162,500, plus 100% of any capital improvements made to the home. The original grant of \$32,000 would be paid back to TPHT in order to benefit the next buyer.

FINANCING: First-time homeowners, defined as anyone who has not owned a home in the last three years, may qualify for Vermont Housing Finance Agency financing for their

purchase. These mortgage loans may provide additional funds to help with closing costs. Please visit VHFA's website at www.vhfa.org for more information.

In addition, USDA has a Rural Development program, which offers low interest and subsidized interest financing to income-qualifying buyers. To learn more about the RD program, please visit <http://www.rurdev.usda.gov/vt/> or contact Twin Pines Housing Trust.

There are also other mortgage programs for which you may qualify. Twin Pines Housing Trust will help you evaluate your ability to qualify for financing.

ELIGIBILITY: To qualify for the downpayment assistance grant, your income may not exceed 100% of Area Median Income. Asset limits apply as well.

<u>ORANGE COUNTY - 2010</u>		<u>WINDSOR COUNTY - 2010</u>	
Family Size	Income	Family Size	Income
1	\$42,800	1	\$44,700
2	\$48,900	2	\$51,100
3	\$55,000	3	\$57,500
4	\$61,100	4	\$63,800
5	\$66,000	5	\$69,000
6	\$70,900	6	\$74,100

TO APPLY: If you are interested in applying for this program, the first step is to complete a Twin Pines Housing Trust Buyer Application. To obtain an application form, please call us at (802) 291-7000 or visit our website at www.tphtrust.org. Please note on the application that you are applying for the downpayment assistance grant and that you have found a home you would like to buy.

Applicants will be required to take an approved homebuyer class from one of the following class providers prior to closing:

- ***Rockingham Area Community Land Trust***
RACLT classes are offered in Springfield and Windsor, VT. Please visit www.raclt.org or call (802) 885-3220 for a class schedule and to register. A \$50 class fee per household helps cover costs of the class materials, credit report and one-on-one meetings with a certificated homeownership counselor. This fee is refundable upon the purchase of a home.
- ***Central Vermont Community Land Trust***
Classes are in Barre, VT. Call (802) 476-4493 or visit www.cvclt.org for a class schedule. A \$80 class fee per household helps cover costs of the class materials, credit report and one-on-one meetings with a certificated homeownership counselor. A limited number of scholarships are available.

(10/8/10)

