



MEMORANDUM

Prepared for: Task Force on Addressing Racial
Disparities in Home Ownership

Date: July 22, 2019 (update)

By: Melissa Leoni, Analyst

Re: Home Ownership Programs

LPRO: LEGISLATIVE POLICY AND RESEARCH OFFICE

The Task Force Co-Chairs have requested background information on existing home ownership programs, including a description of the programs and for whom they are available, to help the Task Force begin to identify gaps.

SUMMARY

The following is the updated draft of a compilation of home ownership programs offered by public and private organizations. It is not an exhaustive list of all programs available in Oregon, and is organized by whether it is a national, state, or local program. Many of these programs are designed for first-time homebuyers with low to moderate incomes and often are administered by or partnered with culturally-specific organizations.

SECTION 184 INDIAN HOME LOAN GUARANTEE PROGRAM¹ (NATIONAL)

The Section 184 Indian Home Loan Guarantee Program is a home mortgage product specifically designed for American Indian and Alaska Native families, Alaska villages, tribes, or tribally designated housing entities. Congress established this program in 1992 to facilitate homeownership and increase access to capital in Native American communities.

With Section 184 financing borrowers can purchase a home with a low down payment and flexible underwriting. Section 184 loans can be used, both on and off native lands, for new construction, rehabilitation, purchase of an existing home, or refinance.

The Office of Loan Guarantee within the U.S. Department of Housing and Urban Development's Office of Native American Programs, guarantees the Section 184 home mortgage loans made to Native borrowers. The loan guarantee assures the lender that its investment will be repaid in full in the event of foreclosure.

The borrower applies for the Section 184 loan with a participating lender and works with the tribe and Bureau of Indian Affairs if leasing tribal land. The lender then evaluates the necessary loan documentation and submits the loan for approval to HUD's Office of Loan Guarantee. The loan is limited to single-family housing (1-4 units), and fixed-rate loans for 30 years or less; maximum loan limits vary by county.

American and Alaskan Natives who are members of a federally recognized tribe are eligible. Only one borrower must be a member. Tribally designated housing entities and Indian Housing

¹ Housing and Urban Development. *Section 184 Indian Home Loan Guarantee Program*.
https://www.hud.gov/program_offices/public_indian_housing/ih/homeownership/184, visited October 16, 2018.

Authorities are also eligible. Native Hawaiians can access homeownership loans through the Section 184A Program.

SINGLE FAMILY HOUSING DIRECT HOME LOANS (NATIONAL)²

The U.S. Department of Agriculture Rural Development offers Single Family Direct Home Loans, also known as the Section 502 Direct Loan Program, to assist low- and very-low-income applicants obtain decent, safe, and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability.

Applicants must have an adjusted income that is at or below the applicable low-income limit for the area where they wish to buy a housing and they must demonstrate a willingness and ability to repay the debt.³ Applicants must meet other criteria and the maximum loan amount is based on repayment ability and the area loan limit for the county in which the property is located.⁴ Borrowers must repay all or a portion of the payment subsidy received over the life of the loan when the property is transferred or the borrower is no longer living in the dwelling.

Loans have a fixed interest rate based on current market rates at loan approval or loan closing, whichever is lower and a payback period of up to 33 years (38 years for very low-income applicants who can't afford the 33-year term). No down payment is typically required, although applicants with assets higher than program asset limits may be required to use a portion of those assets.

(NEW) NATIVE AMERICAN VETERAN DIRECT LOAN (NATIONAL)⁵

Since 1992, the Native American Veteran Direct Loan (NAVDL) program has provided eligible Native American Veterans and their spouses the opportunity to use their Department of Veterans Affairs (VA) home loan guaranty benefit on Federal trust land. The VA provides direct home loans to eligible Native American Veterans to finance the purchase, construction or improvement of homes on Federal Trust Land, or to refinance a prior NAVDL to reduce the interest rate. To obtain a NAVDL, the tribal government must have signed a Memorandum of Understanding (MOU) with the Secretary of Veterans Affairs that spells out the conditions under which the program will operate on its trust lands.

(NEW) HOME INVESTMENT PARTNERSHIPS PROGRAM (NATIONAL)⁶

The Housing and Urban Development (HUD) HOME Investment Partnerships Program is a block grant for housing assistance allocated by formula to state and local governments. The

² U.S. Department of Agriculture Rural Development (USDA). *Single Family Housing Direct Home Loans*. <https://www.rd.usda.gov/programs-services/single-family-housing-direct-home-loans>, visited November 20, 2018.

³ USDA Rural Development. *Rural Development Single Family Housing Direct Loan Program*. <https://www.rd.usda.gov/files/RD-DirectLimitMap.pdf>, visited November 20, 2018.

⁴ USDA Rural Development. *Rural Development Single Family Housing – Area Loan Limits*. <https://www.rd.usda.gov/files/RD-SFHAreaLoanLimitMap.pdf>, visited November 20, 2018.

⁵ U.S. Department of Veterans Affairs. VA Home Loan: Native American Direct Loan. <https://benefits.va.gov/HOMELOANS/nadl.asp>, last visited July 22, 2019.

⁶ U.S. Housing and Urban Development. *HOME Investment Partnerships Program*. https://www.hud.gov/program_offices/comm_planning/affordablehousing/programs/home/, last visited July 22, 2019..

program allows HOME funds to be used for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

The eligibility of households for HOME assistance varies by use of the funds. For rental housing and rental assistance, at least 90 percent of benefiting families must have incomes that are no more than 60 percent of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20 percent of the units must be occupied by families with incomes that do not exceed 50 percent of the HUD-adjusted median family income. The incomes of households receiving HUD assistance must not exceed 80 percent of the area median income. HOME income limits are published each year by HUD.

Some special conditions apply to the use of HOME funds. Participating jurisdictions must match HOME funds used with 25 percent from nonfederal sources, which may include donated materials, labor, or property value; proceeds from bond financing; and other resources. Participating jurisdictions must reserve at least 15 percent of their allocations to fund housing to be owned, developed, or sponsored by experienced, community-driven nonprofit groups designated as Community Housing Development Organizations. Participating jurisdictions must ensure that HOME-funded housing units remain affordable in the long term (20 years for new construction of rental housing; 5-15 years for construction of homeownership housing and housing rehabilitation, depending on the amount of HOME subsidy). Participating jurisdictions have two years to commit funds and five years to spend funds.

From 1992 to 2015, nearly \$300 million in HOME funds have been used in Oregon to support 7306 completed units, including 4932 rental units (68 percent), 1860 homebuyer units (25 percent), and 514 homeowner rehab units (seven percent).⁷

(NEW) HUD HOUSING CHOICE VOUCHER (NATIONAL)⁸

The HUD Housing Choice Voucher (HCV) homeownership program allows families that are assisted under the HCV program to use their voucher to buy a home and receive monthly assistance in meeting homeownership expenses. The HCV homeownership program is available only to families that have been admitted to the HCV program and it is not offered by every Public Housing Agency (PHA). PHAs have discretion to determine whether to implement the HCV homeownership program in their jurisdictions. In Oregon, 12 PHAs have used the HCV program since 2013 (Table 1).

To participate in the HCV homeownership program, the HCV family must meet specific income and employment requirements (the employment requirement does not apply to elderly and disabled families), be a first-time homeowner as defined in the regulation, attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by the PHA, and meet any additional eligibility requirements set by the PHA.

⁷ Data compiled by Legislative Policy and Research Office from HOME Funded Activity by 114th Congressional Districts. <http://hud.maps.arcgis.com/apps/Solutions/s2.html?appid=014121b42f574f05aa13a302df9c9173>, last visited July 22, 2019.

⁸ U.S. Housing and Urban Development. *Homeownership Vouchers*. https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/homeownership, last visited July 19, 2019.

The HCV homeownership regulations included a down payment grant option, but funding has not been appropriated for this purpose and this regulatory provision has never been implemented.

Table 1: HCV Homeownership Enrollments (Contract Years 2013 – 2017)

Public Housing Agency Name	2013	2014	2015	2016	2017
Housing Authority of Portland	14	13	9	8	6
Housing Authority of Douglas County	4	4	4	3	3
Housing Authority & Community Services of Lane County	22	21	18	16	16
Housing Authority of the City of Salem	6	5	5	4	4
Housing Authority of Jackson County	12	11	13	12	12
Housing Authority of Yamhill County	12	15	18	22	22
Housing Authority of Washington County	5	5	5	3	4
Mid-Columbia Housing Authority	1	1	1	1	1
Housing Authority of Malheur County	7	6	6	5	4
Northwest Oregon Housing Authority	5	7	7	5	10
Northeast Oregon Housing Authority	24	24	23	21	21
Central Oregon Regional Housing Authority	14	16	19	20	22

Source: Legislative Policy & Research Office using data from the U.S. Housing and Urban Development.

(NEW) GOOD NEIGHBOR NEXT DOOR SALES PROGRAM (NATIONAL)⁹

Law enforcement officers, pre-Kindergarten through 12th grade teachers, firefighters, and emergency medical technicians can contribute to community revitalization while becoming homeowners through HUD's Good Neighbor Next Door Sales Program. HUD offers a substantial incentive in the form of a discount of 50 percent from the list price of the home. In

⁹ U.S. Housing and Urban Development. *Good Neighbor Next Door*. https://www.hud.gov/program_offices/housing/sfh/reo/goodn, last visited July 16, 2019.

return the homebuyer must commit to live in the property for 36 months as their sole residence.

Eligible single-family homes located in revitalization areas are listed exclusively for sale through the Good Neighbor Next Door Sales program. Properties are available for purchase through the program for seven days. Prospective homebuyers check the listings and follow the instructions to submit an interest in purchasing a specific home. If more than one person submits an offer on a single home a selection will be made by random lottery. Participants are required to certify every year that they are living in the property. HUD requires that buyers sign a second mortgage and note for the discount amount. No interest or payments are required on this "silent second" provided that they fulfill the three-year occupancy requirement.

(NEW) NATIVE AMERICAN HOMEOWNERSHIP INITIATIVE¹⁰ (PRIVATE/LOCAL)

The Native American Homeownership Initiative (NAHI) is a down payment and closing cost assistance program offered by Federal Home Loan Bank (FHLB) of Des Moines to qualifying Native American, Native Alaskan and Native Hawaiian home buyers through member financial institutions. FHLB Des Moines is one of 11 regional Banks that make up the Federal Home Loan Bank System. The FHLB Des Moines lists Oregon participating members as Citizens Bank, First FS & LA of McMinnville, InRoads Federal Credit Union, Oregon State Credit Union, Pacific NW Federal Credit Union, Umpqua Bank, Unitus Community Credit Union, and Willamette Valley Bank.

According to the FHLB Des Moines program materials,¹¹ in 2019 the Bank will make \$500,000 available on a first-come first-served basis to eligible members that have executed a Down Payment Subsidy Agreement. Funds may be used to provide down payment, closing cost, counseling, and/or rehabilitation assistance to eligible Native American, Native Alaskan, or Native Hawaiian households including Native Americans or Alaska Natives who are enrolled members of a Federally Recognized Tribe, a member or stockholder of an Alaska Village or Regional Corporation, or Native Hawaiians that are purchasing owner occupied units located within the Bank's district.

An eligible household may receive up to \$15,000 under this program. An owner-occupied unit that is purchased under the NAHI must be located within the Bank's district. All homebuyers that are First-time Homebuyers must complete a Financial Literacy Program prior to closing. Total annual household income as of the Enrollment Date may not exceed 80 percent of the area median income. Acquisition cost of all properties purchased by eligible households must be at or below the maximum purchase price limit for the locality established by the applicable State Housing Finance Agency.

HABITAT FOR HUMANITY (NATIONAL AND LOCAL)

¹⁰ Federal Home Loan Bank (FHLB) of Des Moines. Native American Homeownership Initiative <https://www.fhlbdm.com/products-services/affordable-housing/nahi/>, last visited July 19, 2019.

¹¹ Federal Home Loan Bank (FHLB) of Des Moines. Native American Homeownership Initiative (NAHI) Program Guidelines. https://www.fhlbdm.com/webres/File/products-services/CID_NAHI_Program_Guidelines_Definitions_Acronyms.pdf, last visited July 16, 2019.

Habitat for Humanity is a global, nonprofit housing organization with local affiliates to meet the basic human need for safe, decent, responsible, and affordable housing. There are currently 30 Oregon Habitat for Humanity affiliates.¹² Local affiliates work with prospective homeowner (partner) families, with the additional help of community volunteers, to build and rehabilitate houses. These houses are sold to partner families at no profit and are financed with affordable, no-interest loans. Habitat works to carefully select partner families who are not able to qualify for traditional home financing, who would be able to repay the loan, who are willing to become partners in the program, and who need decent housing.

In addition to affordable monthly mortgage payments, each homeowner family invests a minimum of 300-500 hours of their own labor (sweat equity) into building their house and the houses of others. The mortgage payments received by Habitat are then invested into a revolving fund, which is used to build more houses.

Habitat recently began partnering with community-focused banks to provide affordable mortgages to Habitat homebuyers. The funds Habitat receives at closing can then be immediately invested in creating additional homeownership opportunities.

OREGON HOUSING AND COMMUNITY SERVICES (STATE)

The Oregon Housing and Community Services (OHCS) Homeownership Section assists very low to moderate income families [at or below 100% Area Median Income (AMI)] by partnering with Homeownership Centers across Oregon. OHCS has the following programs.

Oregon Bond Residential Loan Program¹³

OHCS periodically issues mortgage revenue bonds to fund lower than market interest rate mortgage loans to help Oregon households buy their first home. The Oregon Bond Residential Loan Program provides below-market rates helping eligible families increase their home purchasing power and keep their monthly house payments affordable. The program offers eligible borrowers a choice between closing cost assistance or the best rate. For both loan options, the eligibility and program requirements are the same.

- **Cash Advantage.** Borrowers get a low fixed interest rate on their home loan and closing cost assistance equal to three percent of their loan amount. This assistance helps reduce the total out-of-pocket closing costs needed to purchase the home.
- **Rate Advantage.** Eligible borrowers will get the lowest fixed rate possible to maximize their home purchasing power with an affordable payment.

A qualified homebuyer cannot have an annual gross household income that exceeds program limits by county.¹⁴ To qualify, an applicant must be a first-time homebuyer, which means not having owned and occupied a primary residence at any time during the three-year period prior to the date of signing the mortgage and note. Purchase price limits also exist by county.

¹² Habitat for Humanity of Oregon. *Oregon Habitat Offices*. <http://habitatoregon.org/affiliates/>, visited October 16, 2018.

¹³ Oregon Housing and Community Services. *Buy a Home – Residential Loan Program*. <https://www.oregon.gov/ohcs/Pages/oregon-bond-program-low-interest-home-loans.aspx>, visited October 18, 2018.

¹⁴ Oregon Housing and Community Services. *Income Limits*. https://www.oregon.gov/ohcs/HD/SFF/forms/oregon_bond_program_income_limits.pdf, visited October 18, 2018.

Certain counties and cities have been designated as “Targeted-Areas” with higher purchase price limits and a waiver of the first-time homebuyer requirement, if the borrower transfers any residential property previously owned prior to program loan closing.¹⁵

Down Payment Assistance Programs for First Time Homebuyers¹⁶

Program funds are awarded to qualified Oregon organizations to create, continue, or expand down payment assistance programs. Homebuyers who have completed a homeownership education program may qualify for up to \$15,000 for down payment and/or closing costs. This program is funded with the Home Ownership Assistance Program (HOAP) and awarded to Oregon organizations through a competitive application process. HOAP is funded with a percentage of the Document Recording Fees submitted to the State.

Local Innovation and Fast Track (LIFT) Homeownership¹⁷

OHCS was awarded \$80 million in Article XI-Q Bonds for the LIFT program, which will be allocated to OHCS through two bond sales (2018 and 2019) and used to support rental housing and homeownership opportunities. One primary goal of the LIFT program is to serve historically underserved communities, including rural communities with fewer than 25,000 people and communities of color. OHCS has currently awarded \$6.1 million to homeownership projects to support the development of 84 homes or condos.¹⁸

Construction Excise Tax¹⁹

In 2016, the Oregon Legislature approved the use of a Construction Excise Tax (CET) for affordable housing. A local government may now levy a tax of up to one percent of the permit valuation for residential construction permits. CET is an optional affordable housing revenue source decided by local government. The revenue from a residential construction excise tax must go to incentives for developers to create affordable housing (50 percent), affordable housing programs (35 percent), and to OHCS to be used for programs providing down payment assistance (15 percent). OHCS returns the amount collected from a certain jurisdiction to existing homeownership programs for down payment assistance in those communities.

OREGON INDIVIDUAL DEVELOPMENT ACCOUNT INITIATIVE (STATE)

The Oregon Individual Development Account Initiative (IDA)²⁰ invests in the personal and financial growth of individuals to build strong communities throughout Oregon. The Initiative was created in 1999 by the Oregon State Legislature to bring state agencies, private non-profit and tribal partners, and private contributors together to create opportunity in Oregon. The

¹⁵ Oregon Housing and Community Services. *Property Purchase Price Limits*.

<https://www.oregon.gov/ohcs/HD/SFF/forms/Property-Purchase-Price-Limits.pdf>, visited November 20, 2018.

¹⁶ Oregon Housing and Community Services. *Down Payment Assistance Programs for First Time Homebuyers*.

<https://www.oregon.gov/ohcs/Pages/oregon-bond-program-down-payment-assistance.aspx>, visited October 18, 2018.

¹⁷ Oregon Housing and Community Services. *Local Innovation and Fast Track Housing Program*.

<https://www.oregon.gov/ohcs/DO/lift/resources/LIFT%20Summary.pdf>, visited October 18, 2018.

¹⁸ Stoenner, Nicole. “Suggested Edits- Home Ownership Programs Memorandum.” Email message to Melissa Leoni, November 15, 2018.

¹⁹ Oregon Housing and Community Services. *Residential Construction Excise Tax*.

<https://www.oregon.gov/ohcs/HD/SFF/forms/07-10-2018-Residential-Construction-Excise-Tax.pdf>, visited October 18, 2018.

²⁰ Oregon IDA Initiative. *About the Oregon IDA Initiative*. <https://oregonidainitiative.org/overview/>, visited October 16, 2018.

Oregon Housing and Community Services Department works with Neighborhood Partnerships to manage the Initiative. Neighborhood Partnerships contracts with ten Initiative Partners²¹ to work directly with clients in all parts of the state.

Clients save for a defined goal and receive support, training, and coaching from Initiative Partners, such as home buying education or business plan development, as they shift their financial habits. When clients reach their savings goal and meet benchmarks of their savings plan, their savings are matched with Initiative resources to purchase their home, education, small business inventory, or other asset.

Oregon residents twelve years of age and older who have low incomes and modest net worth may be eligible for the program. Residents work with a local partner to define and reach their goals.

The Oregon IDA Initiative is fueled by the contributions of individuals and businesses from all corners of the state, including the Oregon IDA Tax Credit. In 2015, the Tax Credit was renewed until 2022. The renewing legislation (ORS 315.271) also specified a state contribution of \$7.5 million. Contributions have a tax credit rate not to exceed 70% and there is a \$500,000 limit on tax credits an individual can claim.

HOMEBUYER EDUCATION (STATE AND LOCAL)

Oregon Homeownership Centers across the state provide a variety of pre-purchase homebuyer education, financial coaching, pre-purchase homebuyer counseling, and financial literacy education services. The following is the current list from OHCS:²²

- ACCESS (www.accesshelps.org)
- African American Alliance for Homeownership (www.aaah.org)
- Community Action Program of East Central Oregon (www.capeco-works.org)
- Community Connection Housing Resource Center (www.ccno.org)
- Community in Action (www.communityinaction.info)
- Hacienda Community Development Corporation (www.haciendacdc.org)
- Housing Authority of Yamhill County (www.hayc.org)
- Klamath & Lake Homeownership Center (www.klccas.org)
- Mid-Columbia Housing Resource Center (Columbia Cascade Housing) (www.MidColumbiaHousingCenter.org)
- Native American Youth & Family Center (NAYA) (www.nayapdx.org)
- Neighborhood Economic Development Corporation (NEDCO) (www.nedcocdc.org)
- NeighborImpact Homeownership Center (www.neighborimpact.org)
- NeighborWorks Umpqua (Umpqua CDC) (<http://www.nwumpqua.org>)
- Northwest Oregon Regional Housing Center (<http://www.cat-team.org>)
- Open Door Counseling Center (www.odhw.org)

²¹ Oregon IDA Initiative. *Oregon IDA Initiative Leaders and Partner Organizations*. <https://oregonidainitiative.org/overview/our-ida-partners/>, visited October 18, 2018.

²² Oregon Housing and Community Services. *Oregon Homeownership Centers*. <https://www.oregon.gov/ohcs/HD/SFF/brochures/Oregon-Housing-Centers.pdf>, Revised September 26, 2018.

- Portland Housing Center (www.portlandhousingcenter.org)
- Willamette Neighborhood Housing Services (www.w-nhs.org)

The Task Force heard from representatives from Community Action Program of East Central Oregon, NAYA, NEDCO, NeighborWorks Umpqua, and Portland Housing Center at the November 2018 and January 2019 meetings around the work they do and the barriers to home ownership for Oregon's communities of color.

CITY OF PORTLAND HOUSING BUREAU (LOCAL)

The Portland Housing Bureau (PHB) offers direct assistance to homeowners and funds a variety of other programs administered by local non-profit organizations.

Down Payment Assistance Loan²³

The Down Payment Assistance Loan (DPAL) is designed with favorable terms to help first-time homebuyers purchase a home in Portland's Interstate Corridor and Lents Town Center Urban Renewal Areas. The Down Payment Assistance Loan is a second mortgage loan funded by the PHB, and it is used in conjunction with a first mortgage loan from a participating lender.

PHB has partnered with Portland Community Reinvestment Initiatives (PCRI) and the Minority Homeownership Assistance Collaborative (MHAC) to identify and select eligible households for the program.

To qualify, an applicant must be a first-time homebuyer (defined as not having owned a home in the past three years), maintain the home as primary residence, have an annual household income at or below 80% of Portland's Area Median Income (AMI 2018), adjusted for family size, complete a homebuyer education course, and meet other certain requirements.

Mortgage Credit Certificate²⁴

The PHB partners with local lenders to offer eligible first-time homebuyers a federal tax credit called a Mortgage Credit Certificate (MCC). The MCC is an IRS-approved tax credit which reduces homebuyers' federal income taxes owed for as long as they keep the loan, continuously occupy the home as their principal residence, have a tax liability, and utilize the MCC when they file their taxes.

The tax credit helps homebuyers increase their disposable income and therefore more comfortably afford their monthly house payment. The maximum amount of the MCC tax credit equals 20 percent of the annual mortgage interest paid on the homebuyers' first mortgage loan. For underwriting purposes and depending on the type of loan utilized, the amount of the monthly tax credit can either be added to homebuyers' income or subtracted from their qualifying monthly house payment resulting in increased buying power for homebuyers.

The program has annual borrower and co-borrower income limits (\$81,400 for one to two persons and \$93,610 for three or more persons) and the borrower must meet mortgage

²³ Portland Housing Bureau. *Down Payment Assistance Loan*. <https://www.portlandoregon.gov/phb/74634>, visited October 16, 2018.

²⁴ Portland Housing Bureau. *Mortgage Credit Certification*. <https://www.portlandoregon.gov/phb/74636>, visited October 16, 2018.

lender's criteria for underwriting, credit, and down payment requirements. Borrowers must occupy the property as a "principal residence" within 60 days of purchasing the home and must complete a homebuyer education course prior to closing. Property must be single-family units, including condos and townhomes, be located within the Portland city limits, and have a maximum purchase price of \$454,177.

Portland Home Purchase Assistance Program²⁵

The PHB Home Purchase Assistance Program (HPAP) allows approved mortgage lenders the ability to offer home buyers financial assistance that can be used for down payment, closing costs, and prepaid mortgage insurance in exchange for charging an increased interest rate on their 30-year mortgage.

For example, compared to a 4% rate on a standard conventional loan, a homebuyer could accept a 5% rate on a conventional loan and receive \$17,460 in assistance on a \$300,000 purchase. The increase in interest rate would equate to an increase of about \$173 per month in the principal and interest portion of their payment. The actual difference in the total monthly payment will depend on the borrower's credit scores, loan type, and mortgage insurance amount. The assistance amount gets wrapped into a silent second mortgage which is forgiven over 10 years. Homebuyers who are under 80% AMI will receive an additional \$1,500, and those under 50% AMI an additional \$2,500 cash assistance in the form of a grant, without further raising in the interest rate.

The HPAP is for buyers with incomes that exceed the limits of current assistance programs and have limited savings available for the home purchase. It is also for those homeowners who would like to purchase outside of urban renewal areas.

This is a Freddie Mac pilot product only offered to lenders who partner with a Housing Finance Agency (HFA), which is a government authority established to help meet the affordable housing needs of the residents in its jurisdiction.

North/Northeast Neighborhood Housing Strategy²⁶

The N/NE Neighborhood Housing Strategy is a City initiative to begin addressing the legacy of displacement in North and Northeast Portland through investments to create new affordable housing, opportunities for first-time homebuyers, and home retention programs for longtime residents of the area. The initiative began in 2014 with the development of a community-driven \$20 million housing plan. The City's funding commitment to the N/NE Neighborhood Housing Strategy has since grown to more than \$100 million. A central feature of the strategy is the N/NE Preference Policy, which gives priority for the City's affordable housing investments in the Interstate Corridor Urban Renewal Area to current and former residents of the N/NE Portland community.

²⁵ Portland Housing Bureau. *Home Purchase Assistance Program*. <https://www.portlandoregon.gov/phb/77077>, visited October 16, 2018.

²⁶ Portland Housing Bureau. *N/NE Neighborhood Housing Strategy*. <https://www.portlandoregon.gov/phb/72705>, visited October 16, 2018.

CLACKAMAS HOMEBUYER ASSISTANCE PROGRAM²⁷ (LOCAL)

The Clackamas Homebuyer Assistance Program (CHAP) helps first-time homebuyers pay for down payment and reasonable closing costs up to \$14,000 maximum (6% of sales price). CHAP loans are zero-percent interest deferred-payment loans, recorded as a second mortgage, due upon sale, transfer of title, change of use or refinance. First-time homebuyers must be low-income, demonstrate a financial need for CHAP assistance, and complete an approved homebuyer education program.

²⁷ Clackamas County. *Clackamas Homebuyer Assistance Program (CHAP)*
<https://www.clackamas.us/communitydevelopment/homebuyers.html>, visited October 16, 2018.