

**From:** RING Alexandra \* HCS  
**Sent:** Friday, June 24, 2022 9:33 AM  
**Subject:** RE: JARDHO DPA Questions Response

Below is the complete OHCS response, including ITIN and some minor changes for clarity to the veteran's response. Please let me know if you have any questions!

**Miguel Arellano Sanchez asked how OHCS is defining First-Generation Homebuyer:**

For OHCS's down payment assistance programs, we mirrored the definition of First-Generation Homebuyer from the Build Back Better Act as meaning an individual;

- (a) whose living parents or legal guardians do not, to the best of the individual's knowledge, have any present fee simple ownership interest in a principal residence in any state, excluding ownership of heir property;
- (b) who, if no parents or legal guardians are living upon acquisition of the eligible home to be acquired using such assistance, to the best of the individual's knowledge, their parents or legal guardians did not have any ownership interest in a principal residence in any state at the time of their death, excluding ownership of heir property; and,
- (c) whose spouse or domestic partner has not, during the three-year period ending upon acquisition of the eligible home to be acquired using such assistance had any present ownership interest in a principal residence in any state, excluding ownership of heir property, whether the individual is a co-borrower on the loan or not, OR
- (d) An individual who has at any time been placed in foster care or institutional care whose spouse or domestic partner has not, during the three-year period ending upon acquisition of the eligible home to be acquired using such assistance, had any ownership interest in a principal residence in any state, excluding ownership of heir property, whether such individuals are co-borrowers on the loan or not.

**Allan Lazo asked for more information about who is using Down Payment Assistance (DPA), what the average home cost is, and where are they purchasing homes:**

This is a complex question, but many components can be answered by looking at OHCS' [Homeownership dashboard](#).

- Down Payment Assistance Program Information: The [DPA page](#) shows race and ethnicity of homebuyers, urban vs rural, DPA amounts, mortgage amounts by race and ethnicity, and mortgage type. If you click further through the DPA data, you can see a breakdown of homebuyers that have received [DPA by county](#), unfortunately we don't have data on which county they buy in. You can also filter all this data by organization providing the DPA. Clicking even further, you can see data about homebuyers and their income and mortgage payments.
- Housing costs and homeownership rates: Our dashboard has a [reference tab](#) that shows population statistics, homeownership rates, and Home Mortgage Disclosure Act data by county. Last, [this page](#) offers a more detailed breakdown of housing affordability by race and income and county.

Our dashboard shows that 44% of homebuyers receiving DPA are people of color and 22% are Hispanic or Latino. DPA has been accessed by Oregonians in all but six Oregon counties. Historically, homebuyers have received an average of \$14,745 in DPA from our partners, but typically needed at least one additional source of funding averaging \$23,771. While it's too soon to say what the impact of the increase in DPA amounts will be, we know that it will help bridge gaps. However, in counties where housing costs are high, it may still not be enough.

**Loren Naldoza asked how we determine how much DPA an individual will receive and when does DPA layering occur:**

There are four different funding sources for down payment assistance programs: Homeowner Assistance Program (HOAP) DPA, HOAP-Veteran DPA, Construction Excise Tax (CET) DPA, Culturally Responsive Organization (CRO) DPA.

Homeowner Assistance Program (HOAP) funds and Construction Excise Tax (CET) DPA funds can be combined up to the maximum household amounts (see below) or 20% of purchase price, whichever is less, per funding source. HOAP or CET funds can be combined with CRO DPA Funds up to the maximum household amounts or 20% of purchase price, whichever is less, per funding source. CRO DPA Funds must remain a grant to homebuyer and any amount of HOAP or CET funds must be forgivable after five (5) years owner occupancy, recorded at time of purchase transaction. CET funds are awarded to organizations serving communities where the funds are locally collected for the purpose of providing down payment assistance within the existing Homeownership Assistance Program.

HOAP DPA and HOAP-Veteran DPA funds cannot be combined at any time. Additionally, no more than two (2) funding sources can be combined at any time.

Here are the maximum households amounts by focus population:

- First-generation homebuyers: \$60,000 maximum per eligible household or 20% of purchase price, whichever is less
- First Time Homebuyer: \$30,000 maximum per eligible household or 20% of purchase price, whichever is less
- Veteran, or Veteran Family: \$30,000 maximum reserved for purchase per veteran household. \$10,000 of this funding can be reserved after 12 months of ongoing coaching/counseling, up to 36 months

To more directly answer the question, if a non-veteran homebuyer is purchasing a \$450,000 house, the DPA provider could combine HOAP, CET, or CRO funds (any two of these) to reach 20% of the purchase price, amounting to \$90,000.

**Senator Manning asked how OHCS defines veteran, as it applies to HOAP and what coordination occurs with Oregon Department of Veterans Affairs (ODVA):**

For HOAP "Veteran" is defined in ORS 408.225:

(f) "Veteran" means a person who:

(A) Served on active duty with the Armed Forces of the United States:

(i) For a period of more than 90 consecutive days beginning on or before January 31, 1955, and was discharged or released under honorable conditions;

(ii) For a period of more than 178 consecutive days beginning after January 31, 1955, and was discharged or released from active duty under honorable conditions;

(iii) For 178 days or less and was discharged or released from active duty under honorable conditions because of a service-connected disability;

(iv) For 178 days or less and was discharged or released from active duty under honorable conditions and has a disability rating from the United States

Additionally, the program's definition includes a person who served in the military, naval, or air service that has been discharged or released from that service and has been determined by the United States Department of Veteran's Affairs to be eligible to receive any benefit from that Department. We are currently in the process of amending HOAP rules to include Veteran families using the following definition: Veteran Family means a spouse of a deceased Veteran and has been determined by the United States Department of Veteran's Affairs eligible to receive any benefit from that Department.

Previously, OHCS granted ODVA DPA funds in 2015 to help them compete with the Federal VA program, however ODVA faced barriers in dispersing funds due to program Area Median Income (AMI) limits, at the time the AMI limit was 80% and below. More recently, in an effort to work around those barriers OHCS has explored partnerships with other veteran-focused organizations in order to ensure that we are reaching Veterans in need of DPA. Currently, OHCS sends ODVA, as well as county veteran service offices, a list of organizations offering HOAP-Veteran DPA so staff know where they can refer veterans seeking DPA.

**Mary Vasquez asked if DPA is available to those with ITIN numbers:**

HOAP DPA does not exclude ITIN holders, however eligible applicants must be an income qualifying Oregon resident as defined by DOJ, which includes:

- Legal citizen of the US and resident of Oregon
- Must have permanent residency.

OHCS looks forward to continued conversations with stakeholders on the availability of OHCS resources to ITIN holders.

**Allan Lazo asked how the agency is thinking about handling rising interest rates for mortgages and how the Flex Lending Program might address this:**

Rising interest rates are of concern to all as inflation and affordability have greatly affected a borrower's purchasing power in the past 12 months. OHCS's mission as Oregon's Housing Finance Agency is to help meet the affordable housing needs of Oregonians and we will continue to work to

address those needs as best possible in any interest rate environment. The topic of rising interest rates and their effect on affordability is the subject of a number of discussions here at OCHS. The Flex Lending program, as with any mortgage program, will not be immune to changes in market interest rates.