



# NEWS

---

## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

---

FOR IMMEDIATE RELEASE  
July 7, 2009

Contact: Gordon Anderson 512.475.4743  
Jill McFarren 512.475.2844

**NOTE TO EDITOR:** Read a one page side-by-side recap of TDHCA's new loan programs at:  
[www.tdhca.state.tx.us/homeownership/fthb/docs/dpa-infosheet.pdf](http://www.tdhca.state.tx.us/homeownership/fthb/docs/dpa-infosheet.pdf)

### **State releases \$7.5 million for down payment loans in advance of homebuyer federal tax credit**

*Second-lien loans provide down payment, closing cost assistance;  
buyers can repay with their federal tax credit funds*

(AUSTIN) — Do you consider yourself a would-be first time homebuyer eager to take advantage of current market conditions and the new federal homebuyer tax credit but don't have enough ready cash on hand to make a down payment? The Texas Department of Housing and Community Affairs (TDHCA) has a solution for you.

TDHCA announced today two new initiatives that will provide hundreds of low to moderate income households immediate access to down payment and closing cost assistance, thereby helping them quickly achieve the American Dream of homeownership.

The Department is releasing a total of \$7.5 million through two separate second-lien mortgage programs designed to help qualifying first time homebuyers take advantage of the federal homebuyer tax incentive. The programs offer short term loans until homebuyers file and receive their federal tax credit. The loans offered through TDHCA can be used for down payment and/or closing costs and the tax credit payment can be used to repay the loan.

However Texans are encouraged to act quickly, as the buyer must close on the home purchase no later than December 1, 2009.

According to Michael Gerber, TDHCA Executive Director, potential homebuyers are seeing three exceptional circumstances coming together to make home ownership possible: low home prices, low mortgage rates, and down payment/closing cost assistance that can be repaid without interest from a federal tax credit refund.

“Promoting homeownership is a key mission of the Department, and these programs will help many Texans overcome two of the greatest obstacles to buying a home: coming up with the down payment and paying closing costs,” Gerber said. “Millions of Americans have experienced increased stability, security, and personal wealth as a result of owning their own home, and we are excited to extend this opportunity to even greater numbers of residents of this great state.”

- more -

---

221 E. 11TH • AUSTIN, TEXAS 78701 • (800) 525-0657 • (512) 475-3800

Visit us on the world wide web at: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

TDHCA's \$2.5 million Mortgage Assistance Program (MAP) offers qualifying first time homebuyers loans of 5 percent of their first lien mortgage amount up to a maximum of \$6,000. Loans through this program are interest free for the first 120 days. The Department estimates that the MAP will help an estimated 420 households purchase a home of their own.

The Department's \$5 million 90-Day Down Payment Assistance Program (DPAP) offers qualifying first time homebuyers a loan of 5 percent of their first-lien mortgage amount up to a maximum of \$7,000. Loans through DPAP are interest free for the first 90 days. The Department estimates that it will help 715 households purchase a home of their own through DPAP.

Both programs are structured to give the borrower a simple way to access their federal income tax credit payment and use those funds to repay the loan. By repaying within the "interest free" period, the buyer's down payment will not have to come out of pocket.

Funds are available on a first come, first served basis to qualified buyers who complete a pre-purchase homebuyer education course and purchase their home by December 1, 2009.

TDHCA is targeting these programs at individuals and families buying their first home or who have not owned a home in the previous three years. MAP loans are available in conjunction with FHA, VA, USDA, or conventional mortgage loans through a statewide network of participating banks and mortgage companies who have agreed to participate with TDHCA in these initiatives. DPAP is only available in conjunction with FHA loans.

TDHCA's programs use strict and conservative underwriting standards, Gerber noted, providing safe, secure mortgages.

"The second-lien mortgage programs are another set of helpful yet responsible tools that TDHCA offers to qualifying Texas households who are prepared to be homeowners," he said. "These are great programs, and we are excited to bring them to our fellow Texans. If you are ready to take that step toward homeownership, the state is ready to help you."

For more information on either of these second-lien mortgage programs, or to locate the nearest participating lender, please call TDHCA's Texas Homeownership Division toll free at (800) 792-1119 or visit the program's website at [www.myfirsttexashome.com](http://www.myfirsttexashome.com).

### **About The Texas Department of Housing and Community Affairs**

*The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community services, energy assistance, colonia housing programs, and disaster recovery housing programs. It currently administers over \$1 billion through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.*