



# NEWS

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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## **State housing agency releases \$81 million in first time homebuyer funds**

*30-year, fixed-interest rate mortgage loans include funds for  
down payment and closing cost assistance*

***The best place to own a home right now? TEXAS.***

*-- Kiplinger.com, May 2009*

(AUSTIN) — The Texas Department of Housing and Community Affairs (TDHCA) has released \$81 million in mortgage loan funds available to help qualifying households purchase their first home. Homeownership promotes stable families and neighborhoods, generates local economic development with construction jobs, and supports local governments with increased tax revenue.

Today's announcement by the state housing agency comes through its Texas First Time Homebuyer Program, a state initiative designed to help create mortgage loans serving low to moderate income first time homebuyers. The program provides 30-year, fixed-interest mortgage loans, coupled with down payment assistance, at a competitive interest rate of 6.25 percent.

All loans originated through this program come with a second-lien, 10-year deferred forgivable loan of up to 4 percent of the mortgage amount for down payment and closing cost assistance. Mortgage loans are available as of August 18 through a network of participating lending institutions with branch offices across the state and TDHCA expects these funds to assist approximately 675 households.

"As the state agency championing responsible homeownership, the Department is extremely excited about the availability of these homebuyer funds," said TDHCA Executive Director Michael Gerber. "For those families ready to take that big step, this represents a tremendous opportunity to purchase a home using safe, trusted lending products from the state. This is an excellent time to buy a home, and there is no better path toward homeownership than our First Time Homebuyer Program."

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To illustrate the state's vibrant housing market, Gerber cited a recent online article posted on Kiplinger.com detailing the strongest and weakest housing markets across the nation. "According to Kiplinger.com, the best place to own a home right now? Texas. This is another very strong endorsement for homeownership through TDHCA in the Lone Star State."

Gerber went on to explain that borrowers who act before December 1 of this year can combine TDHCA's homebuyer program with the federal first time homebuyer tax credit created through the American Recovery and Reinvestment Act of 2009.

"New provisions under the Act allow borrowers who have purchased their home through TDHCA's First Time Homebuyer program to also receive the \$8,000 tax credit," he said. "This is a one-time opportunity that makes the American Dream of homeownership even more affordable for many Texas households. I strongly encourage anyone interested who is prepared and ready to buy a home to learn more about this unique opportunity."

TDHCA's First Time Homebuyer Program offers low to moderate income households who have not owned a home in the previous three years an opportunity to qualify for a mortgage loan, coupled with down payment assistance, to create monthly payments that might otherwise be beyond their reach.

Qualifying households may earn up to 115 percent of the area median family income, depending on the number of individuals residing in the home. For certain regions of the state, such as those impacted by natural disaster, the income level increases to 140 percent of the area median family income.

Thirty percent of the total \$81 million in funds has been set aside for households earning less than 80 percent of the area median family income. Additionally, the Department is waiving the first time homebuyer status requirement for eligible veterans of the U.S. Armed Forces.

TDHCA creates these funds through the issuance of private activity bonds, which it sells to private investors. The proceeds from the sale of these bonds generate the funds the Department issues in the form of mortgage loans.

Due to the slowdown in the nation's economy, and an accompanying uncertainty among the investment community, this represents the first bond issuance by TDHCA since September 2007, Gerber noted. He stated that this was another example that the Texas economy is strong and that the state remains an excellent location in which to purchase a home.

Interested homebuyers may visit [www.myfirsttexashome.com](http://www.myfirsttexashome.com) or call (800) 792-1119 to learn more about eligibility requirements, program details, or to find a participating lender.

### **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.*