

**AMERICAN DREAM DOWNPAYMENT INITIATIVE (ADDI)
- SIDE-BY-SIDE COMPARISON OF DOWNPAYMENT ASSISTANCE REQUIREMENTS -
BY SOURCE OF FUNDS**

	ADDI FY 2003 Funds (2003 HUD Appropriations Act)¹	ADDI FY 2004-2007 Funds (ADDI Legislation)¹	HOME Allocation (NAHA)¹
FORMULA	Need ² for, and prior commitment to, assistance to homebuyers	Need ² by state; then, by local PJ. Funds to local PJs w/populations of more than 150,000 or allocation greater than \$50,000 only	HOME Formula
INELIGIBLE PJs³		The Commonwealth of Puerto Rico and local PJs in Puerto Rico;	
ELIGIBLE HOMEBUYERS	Must be “first-time” homebuyer	Must be “first-time” homebuyer	No “first-time” homebuyer requirement
ELIGIBLE USES OF FUNDS	Downpayment assistance	Downpayment assistance and rehabilitation. Rehabilitation must be completed within one year of purchase	All HOME eligible activities. Rehabilitation property standards must be met within 2 years of purchase
USE OF FUNDS FOR ADMIN COSTS⁴	Not eligible to pay admin costs; included in calculating HOME 10% admin limit	Not eligible to pay admin costs; not included in calculating 10% HOME admin limit	10% of HOME funds may be used for HOME admin, and the costs of administering ADDI
ASSISTANCE CAPS	Subject to HOME maximum per-unit subsidy	Per-family limit: The greater of \$10,000 or 6% of purchase price; Also subject to HOME maximum per-unit subsidy when used in combination with HOME	Subject to HOME maximum per-unit subsidy
MATCH	Match requirement	No match	Match requirement
URA	Subject to URA	Not subject to URA	Subject to URA

PROGRAM INCOME	Program income generated under ADDI treated as HOME program income	Program income generated under ADDI treated as HOME program income	HOME program income requirements
REALLOCATIONS	No reallocation of funds is possible since the 3-year statutory limit on availability of appropriations will result in any funds recaptured after 24 months for failure to meet the commitment deadline being returned to Treasury	Funds reallocated as part of the next fiscal year's ADDI formula distribution	HOME reallocation requirements
CHDO	Not subject to CHDO set-aside; not an eligible use of set-aside funds	Not subject to CHDO set-aside; not an eligible use of set-aside funds	15 % of HOME allocation set aside for CHDO projects; D/A not an eligible CHDO set-aside activity
CONSOLIDATED PLAN	2004 Action Plan must address the use of these FY 2003 ADDI funds	Two new narratives ("outreach" and "suitability") required beginning with the 2004 Action Plan in order to be eligible for ADDI funding; the Action Plan must also address the use of ADDI funds	No change

¹. Statutory source of requirements.

². "Need": The percentage of low-income households residing in rental housing based on census data.

³. NOTE: Insular Areas are not included in the definition of PJ in the HOME Program. Therefore, Insular Areas will not receive ADDI funding in FY 2004 and subsequent allocations. Funds allocated to Insular Areas in FY 2003 were 0.2% of the combined HOME/ADDI appropriation.

⁴. NOTE: Project soft-costs for the delivery of ADDI-funded downpayment assistance and (except for FY 2003 ADDI funding) rehabilitation are an eligible use of ADDI funds.