



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

FOR IMMEDIATE RELEASE
May 6, 2010

Contact: Gordon Anderson 512.475.4743
Jill McFarren 512.475.2844

TDHCA down payment program results in \$111.3 million in mortgage loans, 854 new homeowners

(AUSTIN) — As the month of April drew to a close, so too did the offer of an \$8,000 federal first time homebuyer tax credit for qualified borrowers. Lower income Texans strongly responded to this offer, thanks to an innovative program from the Texas Department of Housing and Community Affairs (TDHCA) that proved to be a resounding success.

TDHCA in 2009 launched two separate programs designed to help qualifying homebuyers take advantage of the federal tax incentive. The programs provided short-term loans for down payment and closing cost assistance – which often are barriers to homeownership for lower income families – in exchange for them filing for and receiving the federal tax credit to repay the loan.

The result was an unqualified triumph. TDHCA helped 854 low to moderate income families purchase their first home, providing \$4.5 million in down payment assistance and helping create an estimated \$111.3 million worth of mortgage loans. Most of these down payment funds have been repaid, enabling TDHCA to recycle the dollars and make additional homeowner loans.

Equally important, the state is providing increased stability to these families and the neighborhoods in which they live, while helping fortify the area tax base that finances school districts and other essential local services.

“This is an excellent example of the type of program innovation we strive to bring homebuyers and all residents of Texas in delivering our services,” said C. Kent Conine, TDHCA Board Chair. “The Department has made a significant and positive impact on the lives of these new homeowners, and we will remain committed to increasing homeownership rates in the state through safe, responsible lending products.”

“Texas Realtors have been working with TDHCA since 2004 to promote the Department’s excellent programs for Texans who are striving to afford and – equally important, keep – their first home,” said Bill Jones, Chairman, Texas Association of Realtors. “We applaud TDHCA for its leadership in creating more opportunities for affordable and sustainable homeownership in Texas, and look forward to many more years of our successful partnership helping Texas families.”

- 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

TDHCA salutes its lending partners without whom this success would not be possible, the hundreds of members of the Texas Association of Realtors who helped promote these innovative programs at the local level, and most of all, the Texas homebuyers who took the initiative and secured the American Dream for themselves and their families.

Texas is a better place for the combined efforts of all involved.

For those Texans who did not take advantage of the federal tax credit, TDHCA still has funds available through its two primary homebuyer assistance programs: The Texas Mortgage Credit Program, which provides a dollar for dollar reduction of a borrower's tax liability for the life of the mortgage loan, not to exceed \$2,000 annually; and the Texas First Time Homebuyer Program, providing 30-year, fixed-interest mortgage loans, coupled with down payment assistance, at a competitive interest rate.

And later this month, the Department is set to release \$500 million in funding through the Texas First Time Homebuyer Program, the single largest release of homebuyer funds in the 27-year history of the program.

To learn more about TDHCA's homebuyer programs and how to qualify for assistance, please call toll-free 1-800-792-1119 or visit on the Web at 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 \$2 billion through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.