



Champlain Housing Trust

Manufactured Housing Down Payment Loan Program 2014 Highlights

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Program Summary:

Champlain Housing Trust (CHT) and funding partners successfully advocated for state homeownership tax credits to be increased in order to fund the replacement of dilapidated mobile homes with new Energy Star Rated manufactured homes. CHT's Manufactured Housing Down Payment Loan Program became available to consumers on November 1, 2012. The program provides 0% interest second mortgages to help borrowers place a new home on owned land or in a park. Loan amounts are \$27,500 for traditional manufactured homes and \$35,000 for Vermods. Borrowers must meet income, affordability, and credit guidelines, and must be able to qualify for a first mortgage for the balance of the acquisition cost through another lender. They must also contribute \$2,500 to the transaction, using personal funds or home equity. Home Buyer Education and counseling are provided to participating households by members of the NeighborWorks® Alliance of Vermont, to enable the program to provide comprehensive service throughout the state.

Highlights:

- 37 Loans have been closed through 12/31/2014 in 10 different counties of Vermont.
- \$1,127,864 in loans allowed borrowers to leverage an additional \$2,842,184 in financing from other sources including borrower savings, first mortgages from other institutions, Vermont Disaster Relief Fund, and the Community Development Block Grant Disaster Recovery program.
- The program was so popular that we had to close our pipeline in the summer of 2014 because all funding had been committed.
- We have just officially re-launched the product with slight revisions, and already have 6 new applications in process.
- Two customers used loans to purchase Vermods. One in a private park that is expected to become a co-op and another in a nonprofit park.

Funding:

The additional \$200,000 in State Homeownership Tax Credits is critical to provide financing for mobile home replacements and green alternatives. We have been able to sell these credits at an excellent rate of 92 cents on the dollar and therefore this has created \$920,000 in new funding each year to help some of the lowest-income Vermonters attain safe, energy efficient, and affordable housing.

The \$300,000 in foreclosure settlement funds from the State has helped to cover program start up and staff costs, and also allowed us to bridge financing while the tax credits are syndicated. Without these funds we would have incurred a monthly financing fee of up to \$2,000 to borrow the funds needed to make the loans upfront.

Distribution of loans by county and town:

2014 Households Served:

Addison:	1
Chittenden:	3
Franklin	2
Lamoille	1
Orange	1
Washington	9
Windsor	1

Distribution of loans by lot type:

Private Parks: 13

Nonprofit parks: 10

Owned land: 14

Gross annual household income of borrowers:

Median: \$34,000

Lowest: \$17,500

74% of borrowers earned less than \$40,000