

Community Development Corporation of Utah

Established 1990

26 years of experience administering HUD dollars

Mission Statement

CDCU empowers residents to become and remain successful homeowners, creating vibrant, sustainable communities.

HUD **HOME** Impact Statement

Salt Lake City, Taylorsville, Salt Lake County – HOME Down Payment Assistance Funds Report Impact 2012 – 2016

Down payment assistance (DPA) funds are provided to low- and moderate-income households to help meet down payment requirements and cover closing costs for first-time home purchasers who will qualify for a mortgage, but may not have sufficient funds for these costs. Homebuyers are required to attend CDCU's homebuyer education class, participate in one-on-one housing counseling, and must contribute at least 1% of their own funds towards the purchase of their first home. The DPA is actually an interest- and payment-free loan, which is repaid if the home is sold during the exclusion period. These funds are then returned to the funding entity for reinvestment in the community.

Down payment assistance is a key factor in allowing lower income households with steady income purchase a home, which increases family stability, has demonstrated a positive impact for children's health and school performance, and improves communities by having a committed homeowner in the neighborhood.

CDCU has also leveraged the HOME funds by adding \$55,000 of private funds raised (beginning in 2012) to provide match grant funding to lower income families, enabling them to become and remain successful homeowners.

Salt Lake County Prior performance - During the past five years, CDCU has:

- Processed, underwritten, and closed **187 Salt Lake County DPA loans for a total of \$940,057**, which is an average of **31** households assisted per year, with the average award of **\$5,027**.
 - During the current year to date, 27 first time homebuyers have received down payment assistance through the County.
- **Returned \$275,287 (31% of total funds received) to Salt Lake County in recaptured loans.**
- Has enjoyed a loan-loss rate of only one percent. Of the 187 DPA loans provided since January 2012, only three have been foreclosed upon.

Salt Lake City Prior Performance - In the past five years, CDCU has:

- Processed, underwritten and closed **80 Salt Lake City DPA loans for a total of \$420,410**, which is an average of **13** households assisted per year, with an average award of **\$5,255**.
- **Returned \$250,874 (59% of total funds received) to Salt Lake City in recaptured funds.**
- The loan loss rate for this portfolio is also under 1% with only one foreclosure during the past five years.

Taylorsville City Prior Performance (2014-2016 only) – in the past three years, CDCU has:

- Processed, underwritten and closed **20 Taylorsville DPA loans for a total of \$102,712**, which is an average of **8** households assisted per year. Average award of **\$5,131**.
- Taylorsville has a five year maturity on their program, so no funds have been returned to the City in the past three years.

Down Payment Assistance Success Story

When Tom VanCleave began looking for a home, he was interested in a private space with a yard to garden. He had been living in a one bedroom apartment where the rent cost was high. As a disabled veteran, Tom's situation was unique. He wanted a private home, with room for a workshop in the garage, and space to call his own. Also, he needed space to maneuver his wheelchair and walker.

Tom went to CDCU's Homebuyer Education class and learned how to follow the steps to homeownership. CDCU also provided him individualized counseling to guide him through the homeownership pathway. Tom said, "I went through the homebuyer education class to prepare myself to buy a home." Tom then enlisted the help of CDCU's real estate agent who, step by step, searched for housing options across the Wasatch front. After an extensive search, he was able to find a house that met his needs at an affordable price. Even after repairing his credit, Tom did not have sufficient money saved for a down payment, so he applied and qualified for Salt Lake County DPA program.

His new home is in the city of Magna, and the house was rehabilitated by CDCU through HUD's ACA program. Tom moved into his home in September 2015, and he is thrilled to be a homeowner. Tom is able to maneuver through the neighborhood on his electric wheelchair and is finding his neighbors to be quite friendly.

