

“Today we bring many thousands of Americans closer to the great goal of owning a home. The American Dream Downpayment Initiative will help American families to achieve their goals, strengthen our communities, and our entire nation.”

President George W. Bush

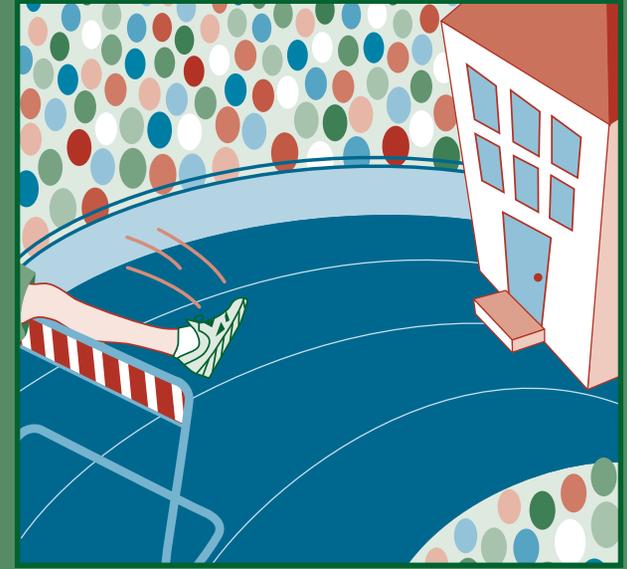


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Office of Affordable Housing Programs
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American Dream Downpayment Initiative



Jumping the Hurdle to Homeownership



Office of Community Planning and Development
Office of Affordable Housing Programs

What is the American Dream Downpayment Initiative?

- Obtaining the resources to meet upfront downpayment and closing costs is the most significant obstacle to homeownership among lower income families. Thirty percent of low-income buyers cannot afford to buy a modestly priced home solely because they lack sufficient funds for the downpayment and closing costs.
- By providing a dedicated stream of funding to cover the upfront costs of buying a home, the American Dream Downpayment Initiative would eliminate this obstacle for tens of thousands of families each year while enabling localities to increase homeownership rates, broaden their tax base, and stabilize neighborhoods.
- In 2003 and 2004, a combined \$162 million was provided for the American Dream Downpayment Initiative within the HOME program. These funds are expected to help an estimated 22,000 new homebuyers with an average of \$7,500 in assistance. Additional funding is expected to follow in subsequent years.

What are the goals?

- Increase the overall homeownership rate.
- Create greater opportunity for homeownership among lower income and minority households.
- Revitalize and stabilize communities.

What are the eligible uses of these funds?

- American Dream Downpayment Initiative funds may be used to pay the upfront costs of acquiring a principal residence, but not the entire cost of acquisition, and the reasonable and necessary costs incurred by the homebuyer, locality or lender associated with the purchase. These costs may include: private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, attorneys fees, and private appraisal fees.
- A limited percentage of the funds may be used for property rehabilitation.

Who is eligible?

- Families with incomes below 80% of the median income for their area, who are first-time homebuyers.
- To determine your income eligibility, please go to <http://www.hud.gov/offices/cpd/affordablehousing/training/calculator/calculator.cfm>

Who administers the Initiative?

- Administered by HUD's Office of Community Planning and Development under the HOME Investment Partnerships Program.
- The HOME Program has made affordable housing a reality for over one half million families since 1992. It is the largest federal block grant for affordable housing production.

- In addition to downpayment assistance, HOME Program funds may be used to assist low-income families to become homeowners by financing acquisition, construction or rehabilitation of the property. For information on how HOME Program funds can be used to assist you, contact your local HUD office.

Where can I obtain more information?

- To get more information on the Initiative, including assistance limits, or to request an application, contact your local HOME Program Participating Jurisdiction (PJ). A list of PJs can be found at <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/contacts/index2.cfm>
- For updates on the Initiative or for other information on the availability of other HUD homeownership assistance programs, please check the HUD website at <http://www.hud.gov>, or contact your local HUD office. A list of local HUD offices can be found at <http://www.hud.gov/directory/ascdir3.cfm>

