

Products and Programs beyond the Scope of this Guide

RENTAL PROGRAMS

HFAs offer a variety of programs aimed at increasing rental and multifamily development within their states by working with developers that build or rehabilitate rental housing for low- and moderate-income families. Rental programs include below market financing options for developers and/or subsidy funds allocated directly to projects. Housing tax credits allow developers to raise private equity by selling federal tax credits to investors. Some HFAs also provide rental assistance directly to borrowers in the form of vouchers.

FUNDING SOURCES FOR SUB-RECIPIENTS AND PARTNERS OFFERING HOMEOWNERSHIP PROGRAMMING

Many HFAs provide funding for sub-recipients and partners within their states that deliver programming related to affordable homeownership. In many cases, these programs are funded by federal programs. HFAs act as umbrella organizations for their states and pass down these federal funds to sub-recipients, including local governments and housing-related nonprofit organizations. For example, many HFAs fund regionally based programming for homeownership counseling or down payment and closing cost assistance.

FORECLOSURE PREVENTION PROGRAMS

In addition to the foreclosure prevention counseling efforts described earlier, some HFAs provide short-term mortgage assistance loans or refinance loans designed to keep borrowers from foreclosure. Some HFAs restrict foreclosure prevention programming to existing HFA borrowers while others are open to all income-eligible homeowners.

HOME REPAIR AND REHABILITATION FOR EXISTING HOMEOWNERS

Many HFAs offer existing low- and moderate-income homeowners with home improvement loan options. HFAs offer a variety of rehabilitation products aimed at increasing the accessibility of the home for elderly or disabled homeowners, increasing the energy efficiency of the home and/or increasing the safety and/or the life of the home (roof repairs, etc.). Included among products to increase energy efficiency are weatherization programs that provide eligible recipients with free home assessments and weatherization services designed to increase the energy efficiency and thus decrease energy-related housing costs. The eligible purposes and terms and conditions of rehabilitation loans vary by state.

SMALL BUSINESS PROGRAMS

Some HFAs provide affordable small business loans and favorable financing through federally funded New Markets Tax Credits (NMTC), which are designed to fuel job creation and economic development within their states.

ADVICE FROM A COMMUNITY BANKER

“Don’t be afraid of the unknown. The information is out there, the support is out there. It also really helps to diversify your customer base, especially for a community bank. If you are not able to offer the wide range of products that are available, you are selling yourself short and potentially pushing your customers out the door and into the arms of another willing bank.”