



Office of
Jason Crowell State
Senator

The Crowell Connection



Senator Jason Crowell – Serving Bollinger, Cape Girardeau, Madison, Mississippi, Perry, and Scott Counties.

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Record Funding for First Time Homebuyers

With the holidays coming to a close and the regular patterns of daily life returning, many families will be looking towards the future weeks, months, and even years. For some of these families, that will include looking at purchasing their first new home—an investment towards their future. However, the U.S. housing market, once considered one of the most stable areas for investment, is suffering from a slump as prices continue to decline. In Missouri, we don't want anyone to be discouraged from taking the first steps towards owning their own homes, and this is why the state makes funding available to first time homebuyers. In fact, the amount of funding that has been made available to assist first time homebuyers in Missouri has surpassed totals not seen in 15 years.



The effort to provide this higher funding has taken a collaborative effort between the Missouri Department of Economic Development (DED) and the Missouri Housing Development Commission (MHDC). The Department of Economic Development allocates tax exempt bond authority to eligible issuers for a variety of economic development activities. One of those activities allows the DED and MHDC to help developers create affordable housing for Missouri families in need. The \$145 million allocated in 2007 has helped provide \$300 million in home loans to about 3,000 first time homebuyers. Both low interest loans and down payment assistance are parts of the program that help families who might otherwise not

be able to own a home.

Throughout 2007, DED provided MHDC with \$145 million worth of tax exempt funding, the highest amount in the last 15 years. Missouri Housing Development Commission used the \$145 million with other funding sources to issue about \$300 million in bonds. The funds helped provide \$300 million in home loans during 2007. Most first time homebuyers also



receive three percent down payment assistance. To qualify for these loans, homebuyers need to be income-eligible, have qualifying credit, and have not owned (or had principle interest in) a residence during the past three years. Loans offered through the program are standard fixed rate mortgages guaranteed by the Federal Housing Administration (FHA), Veterans Administration (VA), U.S. Department of Agriculture Rural Development Program (RD), or Fannie Mae/Freddie Mac. These types of loans are safe in that they help protect homeowners from the gimmick or sub-prime loans that could hurt them in the future. More information on MHDC programs for homebuyers and tips for new homebuyers is available at <http://www.mhdc.com/> by following the “Homeownership” link or by calling 816-759-6600.

This was also an exceptional year for multi-family housing with the total tax exempt funds exceeding \$111 million. Funding for both single family and multi-family homes reflects the state’s commitment to helping Missouri families find safe and affordable homes.

Every Missourian should be able to have a safe place to call home. Through this funding, we have made it possible for more families to afford a home and more children to grow up in a secure and stable environment. Keeping families safe in Missouri is a priority that will continue to be a focus during the upcoming Legislative session.

Contact Me

As always, I appreciate hearing your comments, opinions and concerns. Please feel free to contact me in Jefferson City at (573) 751-2459. You may write to me at Jason Crowell; Missouri Senate; State Capitol; Jefferson City, MO 65101, or email me at: jcrowell@senate.mo.gov or visit me on the web at <http://www.jasoncrowell.com>.

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