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Michigan lenders, Realtors, state and local officials kick off new statewide MSHDA mortgage program aimed at spurring home sales

MI Next Home campaign launches to help repeat homebuyers get up to \$7,500 in down payment assistance

Grand Rapids, Mich. – More than 1 million Michigan homeowners could qualify for down payment assistance of up to \$7,500 toward the purchase of a new or existing home through a first-ever-program launched by the Michigan State Housing Development Authority (MSHDA).

MSHDA Executive Director Scott Woosley today joined Grand Rapids Mayor George Heartwell, state legislators and Michigan lenders and Realtors to announce the MI Next Home initiative, which targets existing homebuyers statewide who are looking to make their next move.

“Our state’s economy is making a strong comeback and we’re finding more singles, couples and families are ready to upgrade to a new home,” Woosley said during a press conference at Grand Rapids City Hall. “For many, a sizeable down payment has been a barrier, so MSHDA has come up with the MI Next Home program to help make moving possible.”

Assistance is based on income limits that vary by county but generally range from \$70,000-plus for a household of one or two people to just under \$100,000 for households of three or more. They will be eligible to receive up to \$7,500 (or 4 percent of the purchase price) in down payment assistance from MSHDA.

The initiative expands MSHDA’s popular MI First Home program for first-time buyers to include repeat purchasers of new or existing single-family homes. Other eligible properties may include new or existing multiple-section manufactured homes and condominiums.

MI Next Home eligibility requirements include:

- Any previous homeowner qualifies
- The applicant’s income must fall within income limit guidelines
- Sales price must fall within the sales price limits
- The buyers must occupy the home as their principal residence
- Asset restriction of \$7,500

“Increasing home sales will help Grand Rapids and Michigan,” Heartwell said. “A strong housing market helps make a strong city.”

The mayor said he would work with MSHDA and local nonprofit financial counseling agencies as well as Michigan business and civic leaders to bring awareness to the MI Next Home program.

“It’s clear that more and more buyers are choosing to purchase homes in Grand Rapids and other thriving neighborhoods across Michigan,” said Michigan Association of Realtors Board President Carol Griffith. “Realtors are always encouraged by new mortgage products that assist buyers with home purchasing. The new MSHDA program provides education and incentive for buyers purchasing another home – it’s a great combination for everyone involved.”

National trends show more repeat buyers are looking to invest in new homes in 2014, because home values are rising after five years of declines, and they are now more likely to get financing. Michigan currently ranks sixth in the nation for increasing home prices. Over the past year, the state has seen an 11 percent increase in homes prices, 27 percent more home sales and a rise in the number of housing permits issued.

MSHDA issued 40 percent more mortgage loans in 2013 over the previous year and had a nearly 70 percent increase in the total dollar amount of single-family loans.

Michigan’s lenders praised MSHDA’s introduction of MI Next Home as another valuable tool that will help bolster the state’s housing market recovery and economic rebound.

“More people want to live, work, play and raise families in Michigan,” said Michigan Bankers Association President and CEO Dennis Koons. “As lenders, one of our top priorities is a commitment to working with customers so they can achieve the dream of homeownership and improve the quality of life in our communities.”

For more information on how to apply to the MI Next Home program, please visit www.michigan.gov/mshda and click on Homeownership.

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*The Michigan State Housing Development Authority (MSHDA) provides financial and technical assistance through public and private partnerships to create and preserve decent, affordable housing for low- and moderate-income residents and to engage in community economic development activities to revitalize urban and rural communities.**

**MSHDA’s loans and operating expenses are financed through the sale of tax-exempt and taxable bonds as well as notes to private investors, not from state tax revenues. Proceeds are loaned at below-market interest rates to developers of rental housing, and help fund mortgages and home improvement loans. MSHDA also administers several federal housing programs.*

For more information, visit www.michigan.gov/mshda.