



Barriers to Accessing Homeownership

Down Payment, Credit, and Affordability

September 2018

Laurie Goodman, Alanna McCargo, Edward Golding, Bing Bai, and Sarah Stochak



ABOUT THE URBAN INSTITUTE

The nonprofit Urban Institute is a leading research organization dedicated to developing evidence-based insights that improve people's lives and strengthen communities. For 50 years, Urban has been the trusted source for rigorous analysis of complex social and economic issues; strategic advice to policymakers, philanthropists, and practitioners; and new, promising ideas that expand opportunities for all. Our work inspires effective decisions that advance fairness and enhance the well-being of people and places.

Contents

Acknowledgments	iv
Executive Summary	v
Barrier 1. Down Payments	1
Consumer Perceptions of Barriers to Homeownership	2
Consumer Perceptions of Down Payments	3
Down Payment Amount at Origination	4
Agency LTV Distributions and First-Time Homebuyer Shares	5
Barrier 2. The Credit Box	6
Historic Credit Scores and Agency Distributions	7
Historic DTI and Agency Distributions	8
Loan Type by Credit Score and Loan-to-Value Ratio	9
GSE Low-Down Payment Programs	10
Median DTI Ratios and Credit Scores by State	11
Credit Availability by State	12
Barrier 3. Affordability	13
National Mortgage Affordability over Time	14
Ownership versus Rental Affordability by State	15
Mortgage and Rental Affordability by MSA	17
Sizing Millennial Homeownership Potential	18
Sizing the Mortgage-Ready Millennial Population	19
Affordability for Mortgage-Ready Millennials	21
Affordability for Mortgage-Ready Millennials by Race or Ethnicity	22
Access to Down Payment Assistance	23
Programs and HFAs and Agencies by State	24
Down Payment Assistance by MSA (by Loan Type)	25
Conclusion: What's Next?	29
Appendix A	30
Appendix B	31
Appendix C	32
About the Authors	36
Statement of Independence	37

Acknowledgments

The Housing Finance Policy Center (HFPC) was launched with generous support at the leadership level from the Citi Foundation and John D. and Catherine T. MacArthur Foundation. Additional support was provided by The Ford Foundation and The Open Society Foundations.

Ongoing support for HFPC is also provided by the Housing Finance Innovation Forum, a group of organizations and individuals that support high-quality independent research that informs evidence-based policy development. Funds raised through the forum provide flexible resources, allowing HFPC to anticipate and respond to emerging policy issues with timely analysis. This funding supports HFPC's research, outreach and engagement, and general operating activities.

This report was funded by Down Payment Resource and Freddie Mac. Freddie Mac provided the data for the Sizing Millennial Homeownership Potential section. Down Payment Resource provided the data for the Access to Down Payment Assistance section. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at www.urban.org/support.

Executive Summary

Saving for a down payment is a considerable barrier to homeownership. With rising home prices, rising interest rates, and tight lending standards, the path to homeownership has become more challenging, especially for low-to-median-income borrowers and potential first-time homebuyers. Yet most potential homebuyers are largely unaware that there are low-down payment and no-down payment assistance programs available at the local, state, and federal levels to help eligible borrowers secure an affordable down payment. This report updates and expands a [November 2017 report](#) by the same name. This report provides charts and commentary to articulate the challenges families face in becoming homeowners, as well as the options available to help them. This report is accompanied by an [interactive map](#).

Barrier 1. Down Payments

- Consumers often think they need to put more money down to purchase a home than is actually required. In a 2017 survey, 68 percent of renters cited saving for a down payment as an obstacle to homeownership. Thirty-nine percent of renters believe that more than 20 percent is needed for a down payment, and many renters are unaware of low-down payment programs.
- Contrary to consumer perceptions, most borrowers do not put down 20 percent. The national median loan-to-value (LTV) ratio for purchase money mortgages was 95 percent in 2017. As the share of low-down payment lending has increased in the postcrisis period (since 2008), the standard Federal Housing Administration (FHA) down payment has been 3.5 percent. Moreover, the government-sponsored enterprises (GSEs) have expanded their 3 percent down programs in recent years.
- Median LTV ratios and the share of borrowers taking out FHA and US Department of Veterans Affairs (VA) loans vary considerably by state.
- Not all down payment programs are available from all lenders, and there are constraints in the availability of down payment funding and minimum eligibility requirements. This report includes additional information about general eligibility by state.

Barrier 2. The Credit Box

- Access to homeownership is not limited by down payments alone. Credit access remains tight by historic standards. Accordingly, the median credit score of new purchase mortgage originations has increased considerably since 2008. The median credit score for purchase mortgages is 738 as of April 2018. Before the crisis, in 2005 and 2006, median credit scores were between 696 and 705. Borrowers with lower credit scores are more heavily concentrated in the FHA channel.
- One credit dimension that has loosened in recent years is the debt-to-income (DTI) ratio. DTI ratios have been drifting up since 2013.
- Median credit scores and DTI ratios, like LTV ratios, vary by state and by loan type. Credit availability continues to be a headwind for homeownership in most states.

Barrier 3. Affordability

- Our metric for determining affordability is based on median family income, median home values, and prevailing interest rates. Because of home price appreciation in the past five years, national home price affordability, while still reasonable in a historical context, has declined. The decline would have been larger had it not been for the cushion provided by low interest rates, a cushion that is quickly eroding. If mortgage interest rates reach 5.1 percent, national affordability will return to 2001–03 levels.
- Nationally, it is more affordable to buy a home than to rent. But the buy-versus-rent affordability equation varies by state and metropolitan area. In the state-by-state data tool accompanying this report, we compare mortgage affordability at both 3.5 percent and 20 percent down versus rental affordability and compare each state's mortgage affordability with national affordability given a 3.5 percent down payment. Although lower down payments reduce the barriers to purchasing a home, they can increase monthly payments.

Millennial Homeownership Potential

- Millennials make up the largest generation in history and face significant obstacles to homeownership. We identify mortgage-ready millennials in 31 metropolitan statistical areas (MSAs) by looking at non-mortgage holders ages 40 and younger who have credit profiles strong enough to qualify for a mortgage. This is 25 to 45 percent of the millennial population.
- Mortgage-ready millennials can generally afford single-family homes in most MSAs, though affordability in some high-cost regions is threatened.

Access to Down Payment Assistance

- Low-down payment mortgages and other down payment assistance programs provide grants or loans to potential homeowners. There are 2,527 active programs across the country, and 1,304 agencies and housing finance agencies offering them at the local, state, and national levels. One of the major challenges of the offerings in each state is that they are not standard, eligibility requirements vary, and not all lenders offer the programs. Pricing for the programs also varies, so counseling and consumer education may be necessary to ensure consumers understand how the program works and any additional costs that may be incurred.
- Low-down payment loans are considered higher risk and require private mortgage insurance or FHA mortgage insurance. Consumers who receive down payment assistance should understand how their mortgage insurance works and what it costs. You can learn more about mortgage insurance in our 2017 report and data summary on the history of private mortgage insurance.
- Eligibility for down payment assistance programs is determined by such factors as loan amount, homebuyer status, borrower income, and family size. Assistance is available for many loan types, including conventional, FHA, VA, and US Department of Agriculture (USDA) loans. The share of people eligible for assistance in select MSAs ranged from 22 to 51 percent in 2017, and eligible borrowers could qualify for 3 to 14 programs with down payment assistance ranging from \$2,000 to more than \$39,000.

Because of the tight credit environment, many borrowers have been shut out of the market and have not been able to take advantage of low interest rates and affordable home prices. As the credit box opens, educating consumers about low-down payment mortgages and down payment assistance is critical to ensuring homeownership is available to more families.

Barrier 1. Down Payments

More than two-thirds of renters view down payments as a barrier to owning a home.



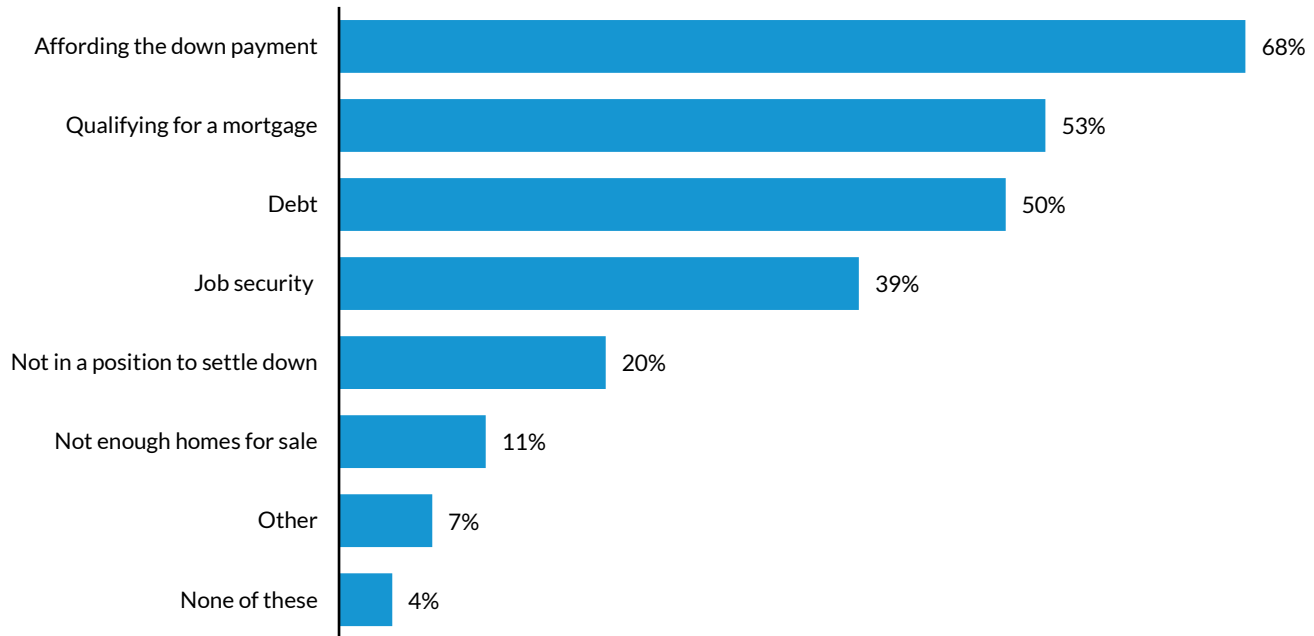
Photo by Kickstand/iStock.com.

Consumer Perceptions of Barriers to Homeownership

Renters see the inability to save for a down payment as one of the leading obstacles to homeownership. More than two-thirds of renters surveyed indicated that affording the down payment was a barrier to becoming a homeowner.

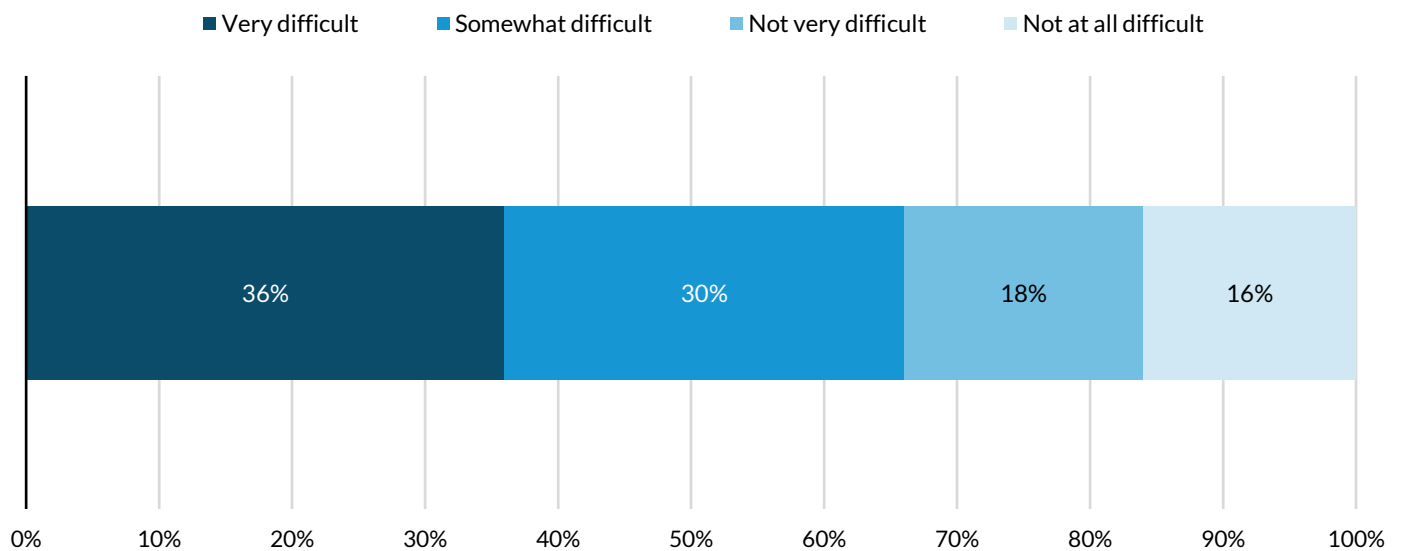
Corroborating this, the bottom figure shows that 36 percent of consumers find it very difficult to save for a down payment, and another 30 percent find it somewhat difficult. Only 16 percent of renters said that it was not at all difficult to save for a down payment.

What Are the Major Barriers to Homeownership?



Sources: 2018 Zillow Housing Aspirations Survey and the Urban Institute.

How Difficult Is It to Save for a Down Payment?

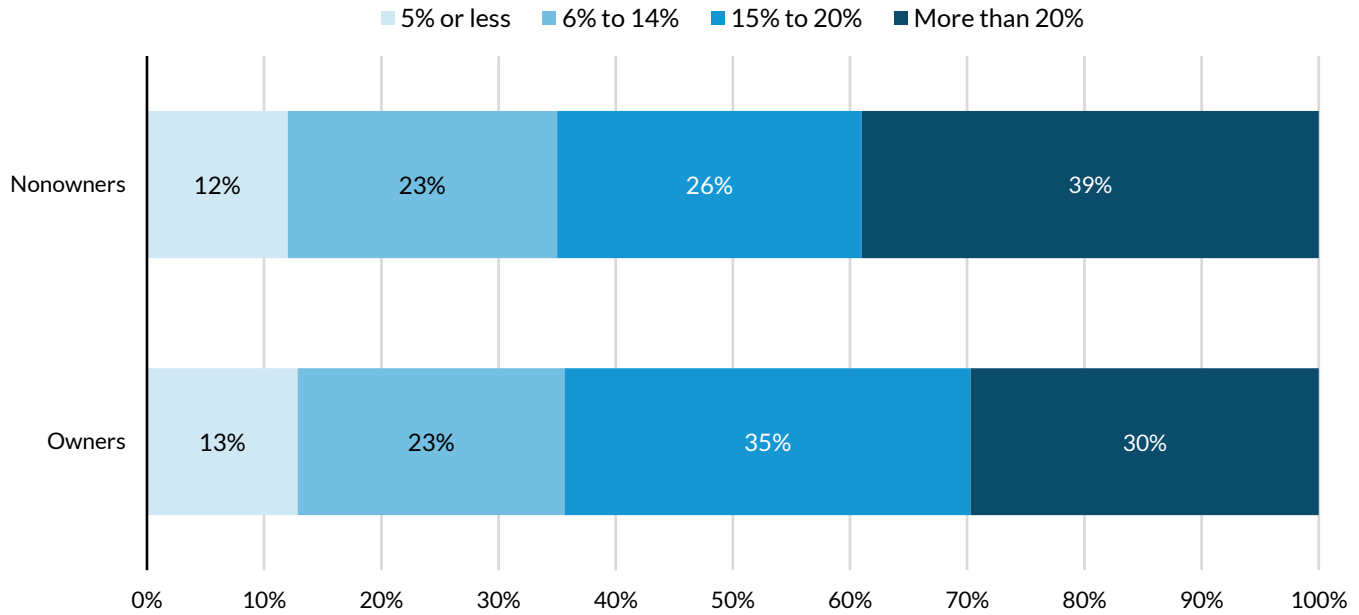


Sources: National Association of Realtors Aspiring Homebuyers Profile from the third quarter of 2017 and the Urban Institute.

Consumer Perceptions of Down Payments

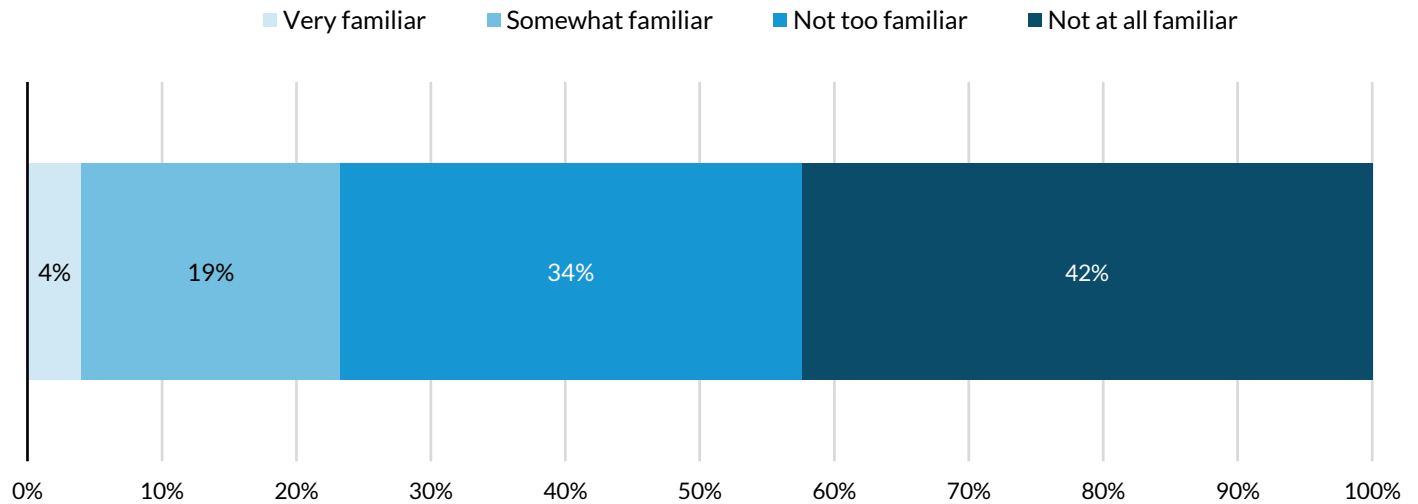
A survey among renters and owners confirms that only 12 to 13 percent believe a down payment of 5 percent or less is adequate. Thirty percent of homeowners and 39 percent of renters believe that you need more than 20 percent for a down payment. The bottom figure shows that only 23 percent of consumers were at least somewhat familiar with low-down payment programs.

What Percentage Is Needed for a Down Payment?



Sources: National Association of Realtors and the Urban Institute.

How Familiar Are Consumers with Low-Down Payment Programs?

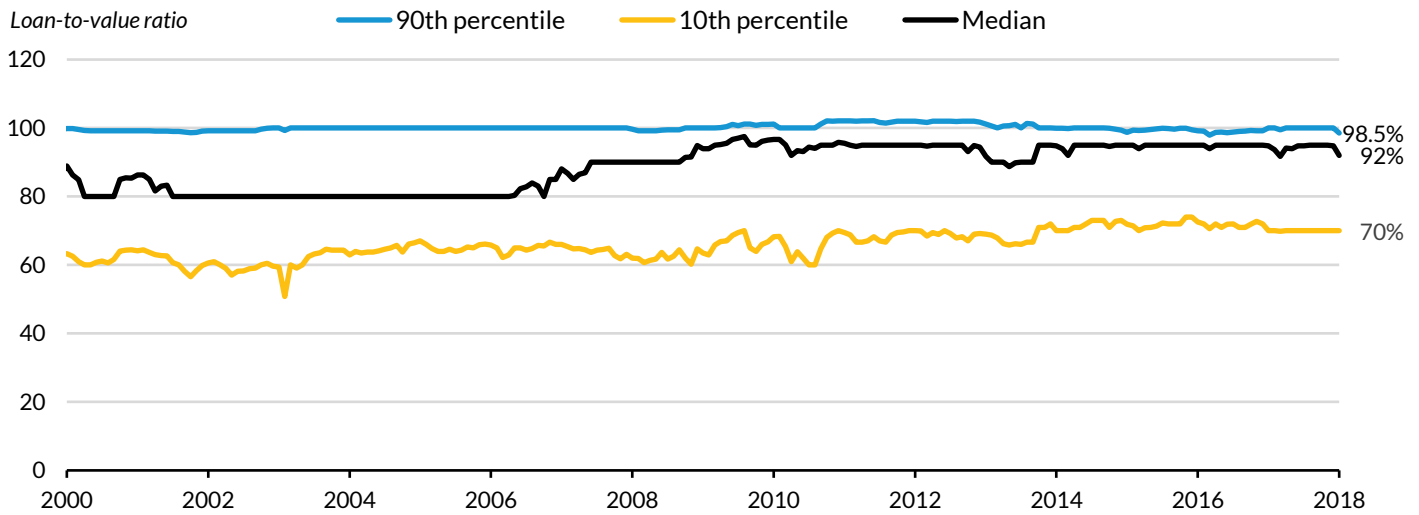


Sources: 2015 Fannie Mae American Housing Survey and the Urban Institute.

Down Payment Amount at Origination

Since 2008, low-down payment mortgages have become more important, as fewer consumers can save or access liquid resources for large down payments. More borrowers are taking advantage of low-down payment programs through Freddie Mac, Fannie Mae, the Federal Housing Administration (FHA), and the US Department of Veterans Affairs (VA). The median loan-to-value (LTV) ratio for purchase money mortgages has increased from 80 percent in 2006 to around 95 percent in 2017. Although the national median LTV ratio for loans originated in 2017 is 95 percent, there are significant variations by state. Some high-cost regions, such as California, Massachusetts, and New York, have lower median LTV ratios of 90 percent because of a higher share of jumbo loans that require larger down payments.

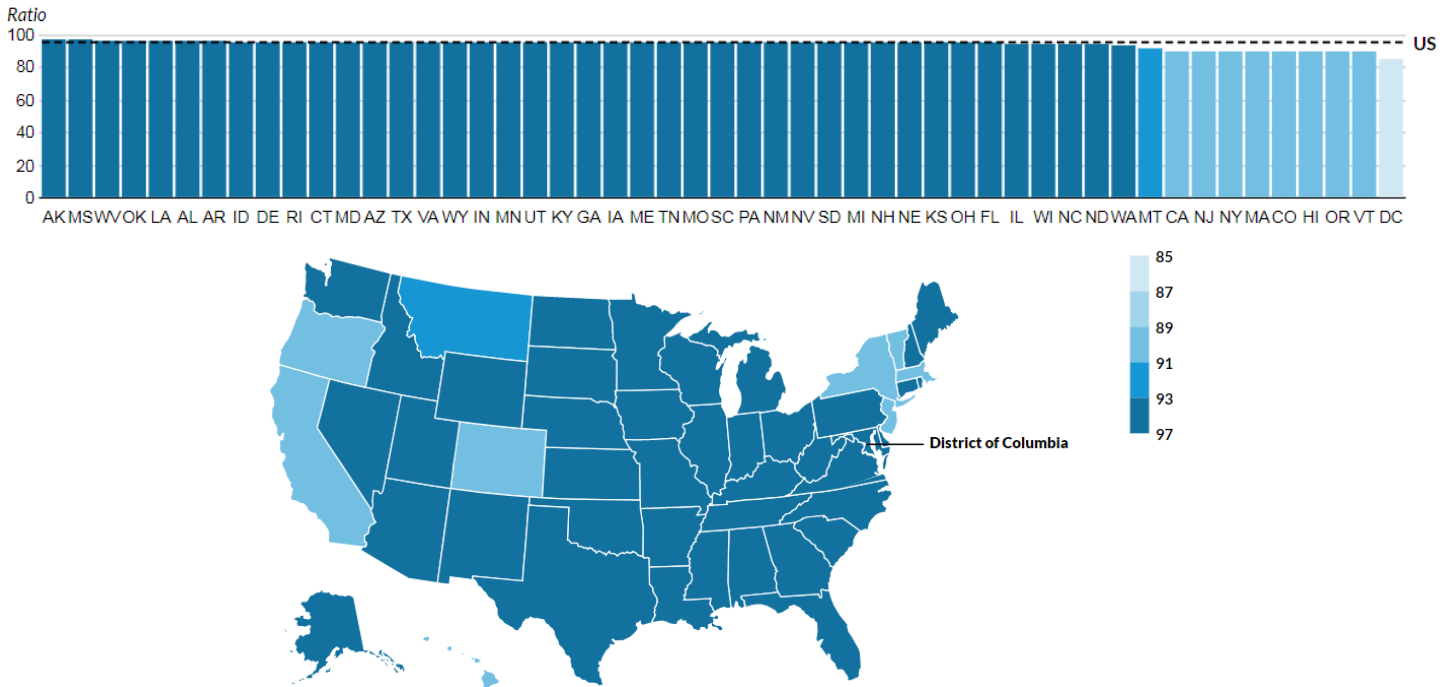
Combined Loan-to-Value Ratio at Origination



Sources: Black Knight, eMBS, Home Mortgage Disclosure Act, the Securities Industry and Financial Markets Association, and the Urban Institute.

Notes: Includes owner-occupied purchase loans only. Data are current as of April 2018.

Median Loan-to-Value Ratio at Origination, by State



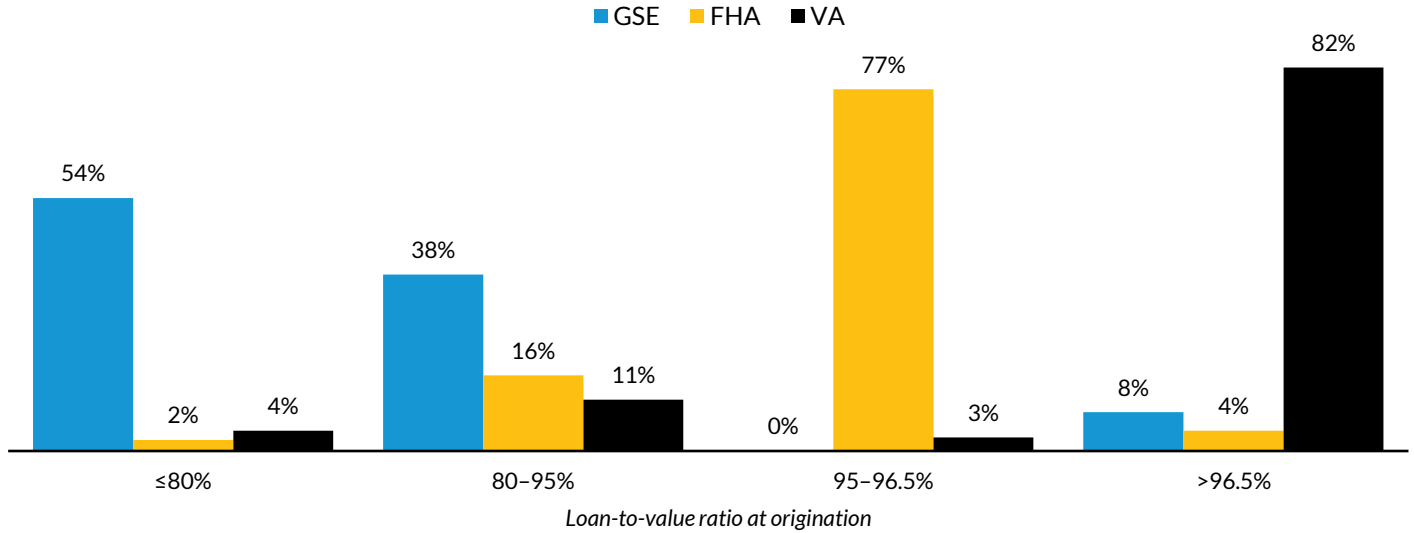
Sources: eMBS and the Urban Institute.

Note: Based on purchase money agency originations in 2017.

Agency LTV Distributions and First-Time Homebuyer Shares

Loan-to-value ratios vary across the agencies and generally represent how much borrowers are putting down when they take out a loan. While the GSE share of high-LTV loans has been growing rapidly, the FHA and VA channels capture more of the loans with less than a 5 percent down payment. The first-time homebuyer share of loans has trended higher over the past 10 years for both the FHA and the GSEs, at 83.5 percent and 49.3 percent, respectively. The combined first-time homebuyer share for FHA and GSE purchase mortgages now stands at 60 percent, which is 20 percentage points above the precrisis average. The first-time homebuyer share of GSE purchase loans has increased from about 25 percent during the early 2000s, showing greater participation by the GSEs in serving first-time homebuyers and offering higher-LTV lending programs to meet demand.

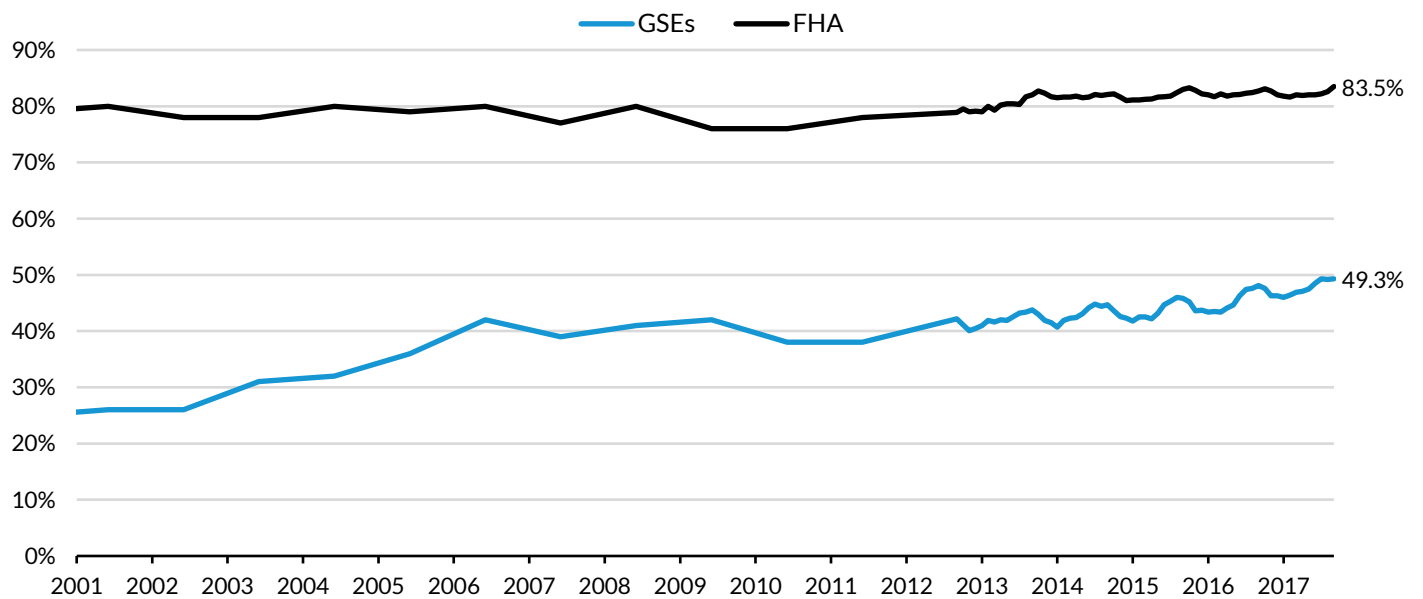
Combined Loan-to-Value Ratio at Origination



Sources: eMBS and the Urban Institute.

Notes: FHA = Federal Housing Administration; GSE = government-sponsored enterprise; VA = US Department of Veterans Affairs. Based on purchase money agency originations in 2017.

First-Time Homebuyer Share



Sources: eMBS, the FHA, and the Urban Institute.

Notes: FHA = Federal Housing Administration; GSE = government-sponsored enterprise. All series measure the first-time homebuyer share of purchase loans for principal residences.

Barrier 2. The Credit Box

The median credit score for mortgages has increased 20 points over the past decade, preventing many potential homebuyers from obtaining mortgages.

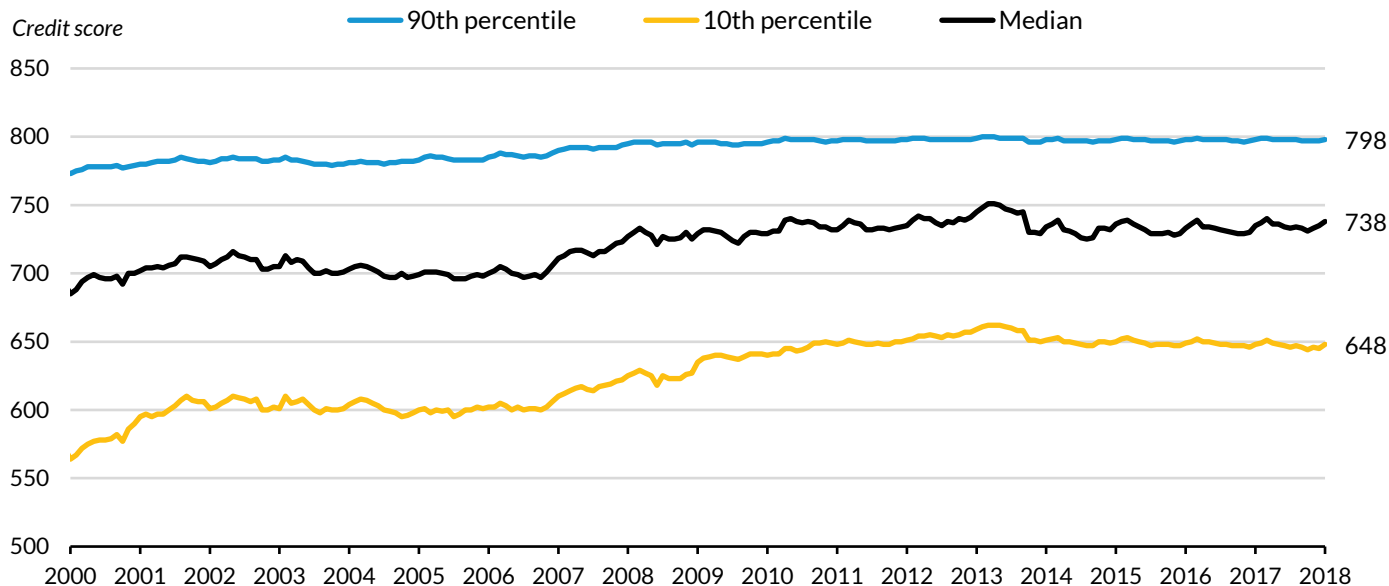


Photo by Jacob Lund/iStock.com.

Historic Credit Scores and Agency Distributions

Borrowers with low credit scores have difficulty getting a mortgage. The median credit score on new purchase originations has increased 20 points over the past decade and stood at 738 in April 2018. The FHA and the VA serve more borrowers at the lower end of the credit score spectrum. In 2017, 21 percent of FHA originations were to borrowers with credit scores below 640, compared with just 1 percent for the GSEs. Although 49 percent of GSE originations went to borrowers with credit scores above 760, the FHA's share was 7 percent and the VA's share was 27 percent.

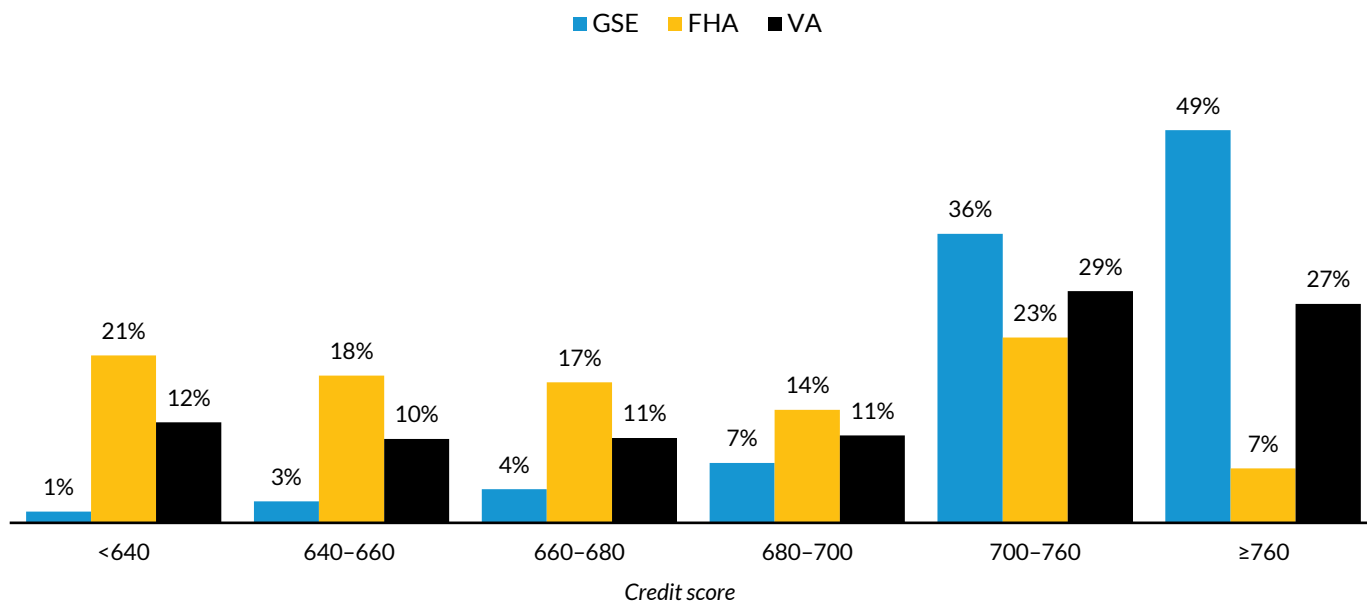
Credit Score at Origination



Sources: Black Knight, eMBS, Home Mortgage Disclosure Act, the Securities Industry and Financial Markets Association, and the Urban Institute.

Notes: Includes owner-occupied purchase loans only. This represents the FICO scores for all new purchase originations, including both agency originations, and other bank originations, including private-label securities and portfolio.

Agency Credit Distributions



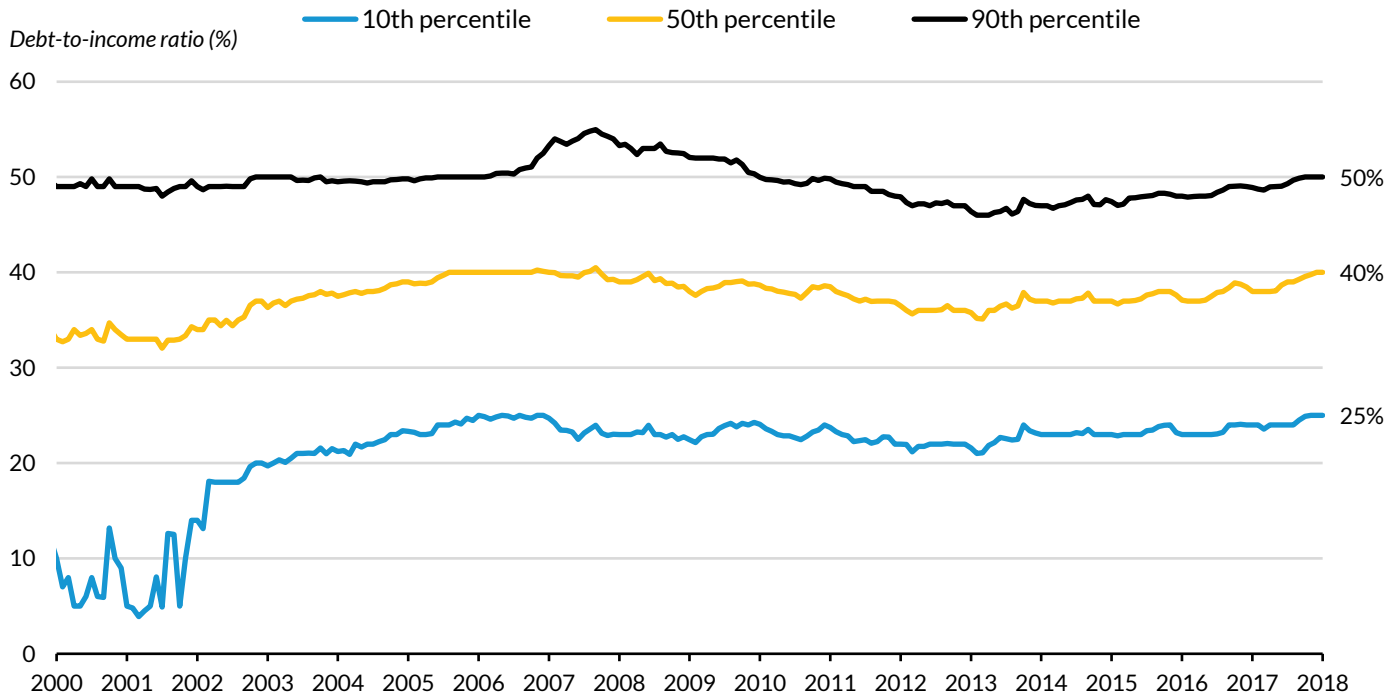
Sources: eMBS and the Urban Institute.

Notes: FHA = Federal Housing Administration; GSE = government-sponsored enterprise; VA = US Department of Veterans Affairs. Based on purchase money agency originations in 2017.

Historic DTI and Agency Distributions

Debt-to-income ratios have loosened, the expected result of higher home prices and higher interest rates. In April 2018, the median DTI ratio was 40 percent, up 5 percentage points from 35 percent in 2013. The FHA and VA both capture a larger share of loans with DTI ratios over 45 percent, with 42 and 34 percent, respectively. The GSEs accounted for 15 percent of loans with DTI ratios over 45 percent.

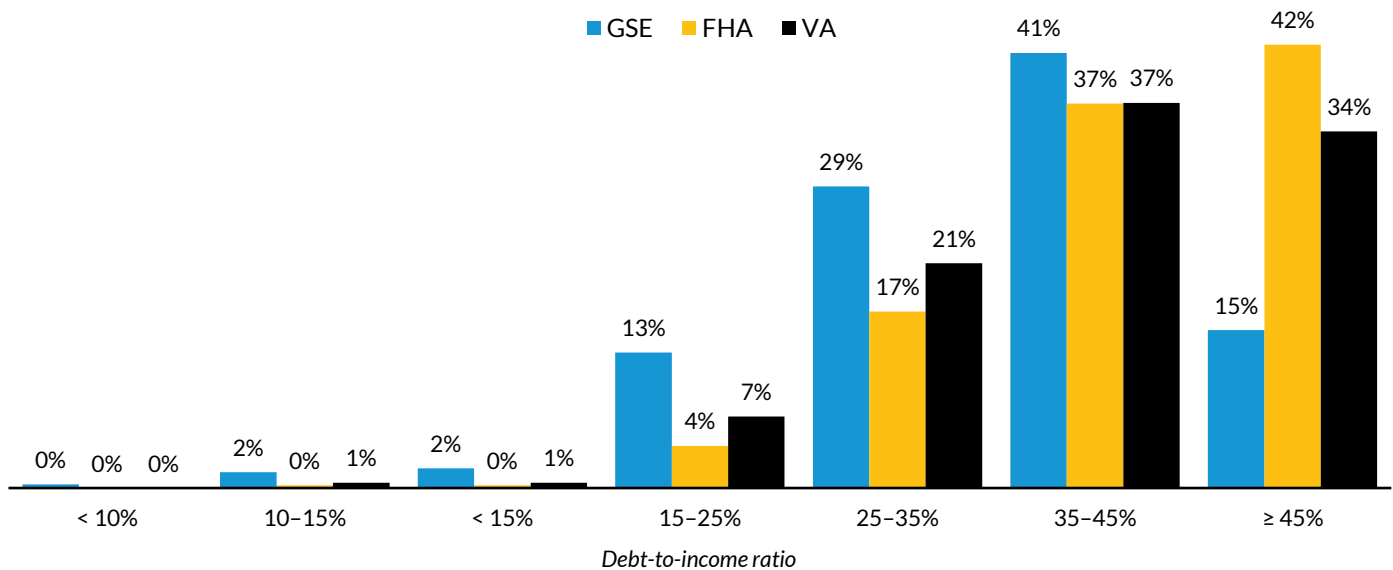
Debt-to-Income Ratio at Origination



Sources: CoreLogic, eMBS, and the Urban Institute.

Notes: Includes owner-occupied purchase loans only. Data as of April 2018.

Agency Debt-to-Income Distributions



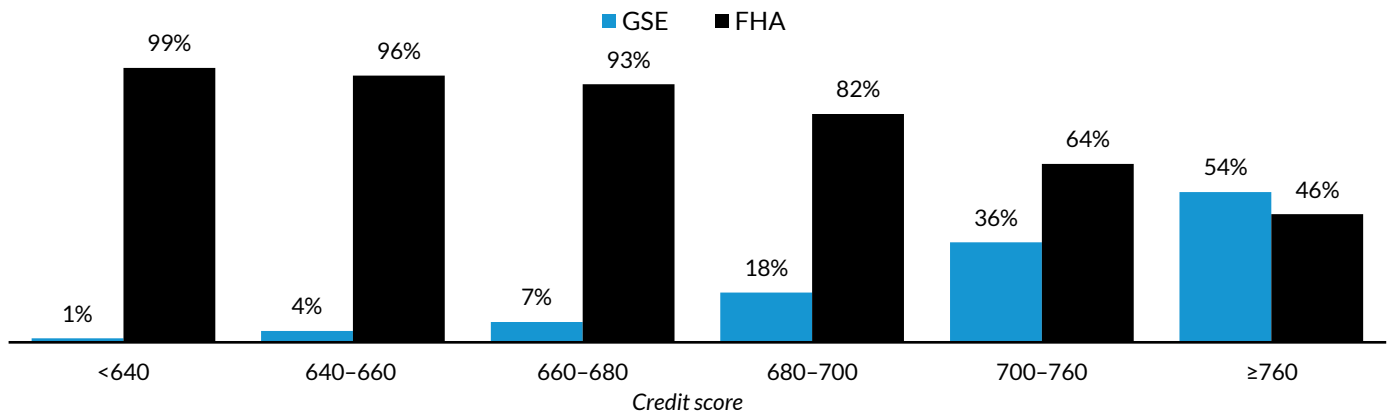
Sources: eMBS and the Urban Institute.

Notes: FHA = Federal Housing Administration; GSE = government-sponsored enterprise; VA = US Department of Veterans Affairs. Based on purchase money agency originations in 2017.

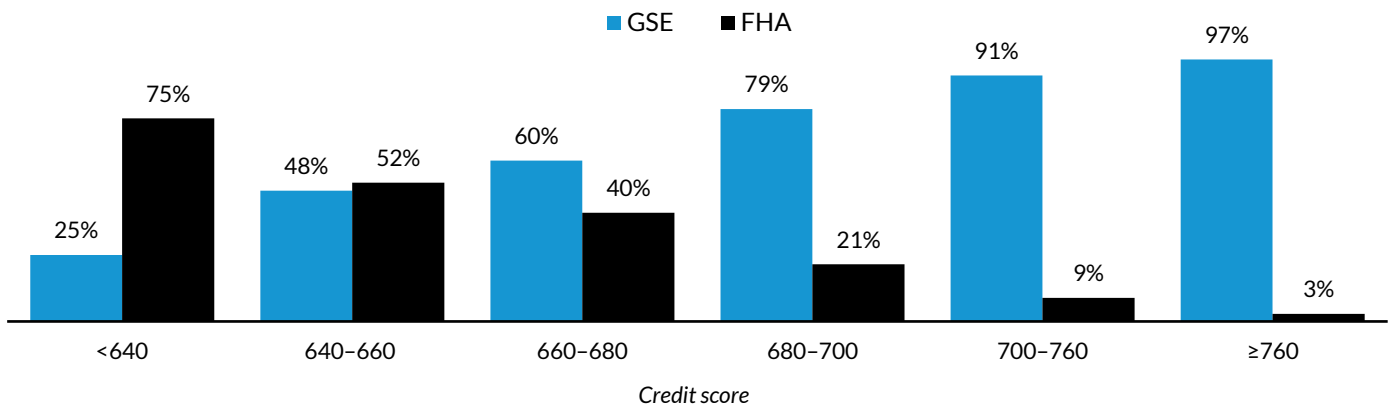
Loan Type by Credit Score and Loan-to-Value Ratio

The FHA captures borrowers with lower FICO scores and higher LTV ratios, as shown in the three figures below. For loans with a down payment between 5 and 20 percent, FHA loans make up 75 percent of those with FICO scores below 640 but only 3 percent of those with FICO scores above 760.

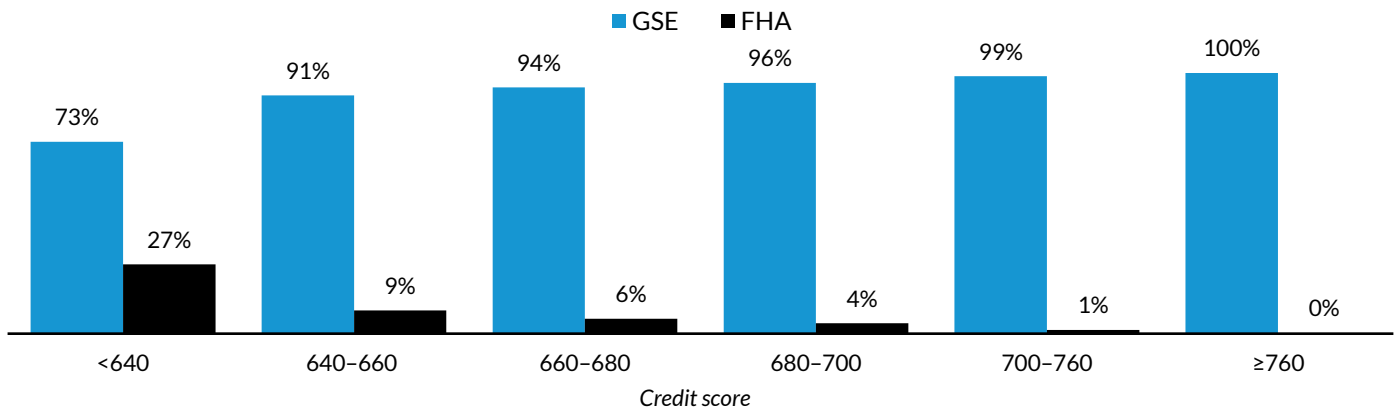
Channel Choice by Credit Score When Down Payment Is 3.00 to 4.99 Percent



Channel Choice by Credit Score When Down Payment Is 5.00 to 19.99 Percent



Channel Choice by Credit Score When Down Payment Is 20 Percent or More



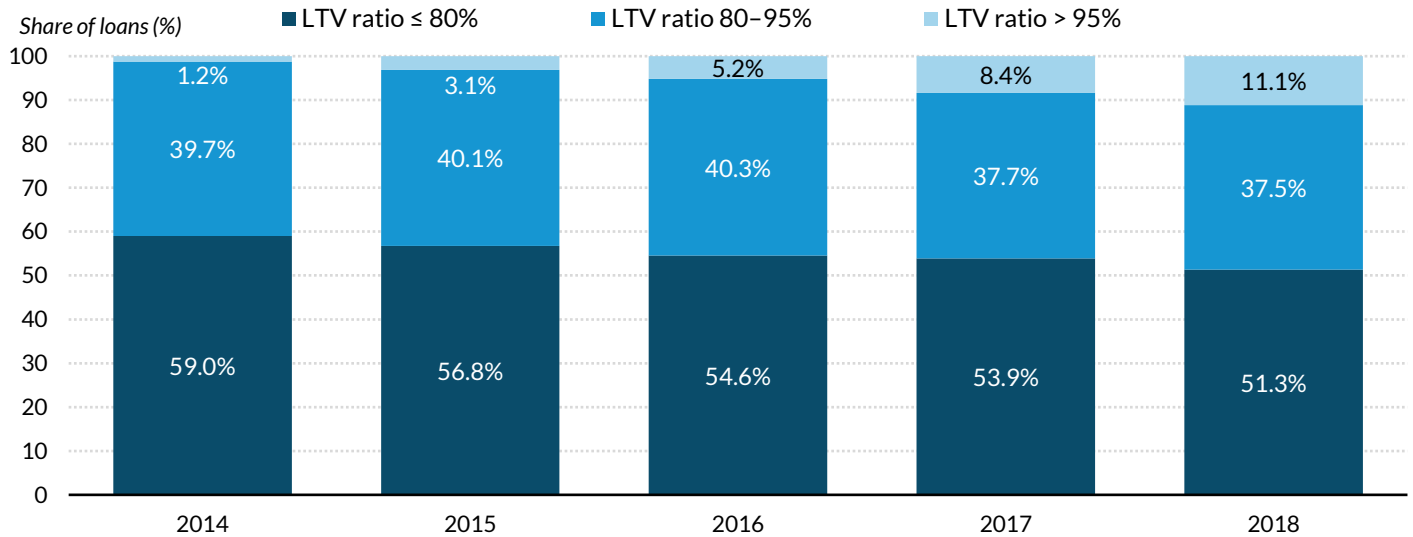
Sources: eMBS and the Urban Institute.

Notes: FHA = Federal Housing Administration; GSE = government-sponsored enterprise. Based on purchase money agency originations in 2017.

GSE Low-Down Payment Programs

Fannie Mae and Freddie Mac have expanded their role in high-LTV production. In 2014, only 1.2 percent of purchase money loans were originated with an LTV ratio over 95 percent. That share has increased nearly tenfold and stood at 11.1 percent in the first half of 2018. Borrowers with high LTV ratios tend to have lower FICO scores and higher DTI ratios than borrowers with lower LTV ratios.

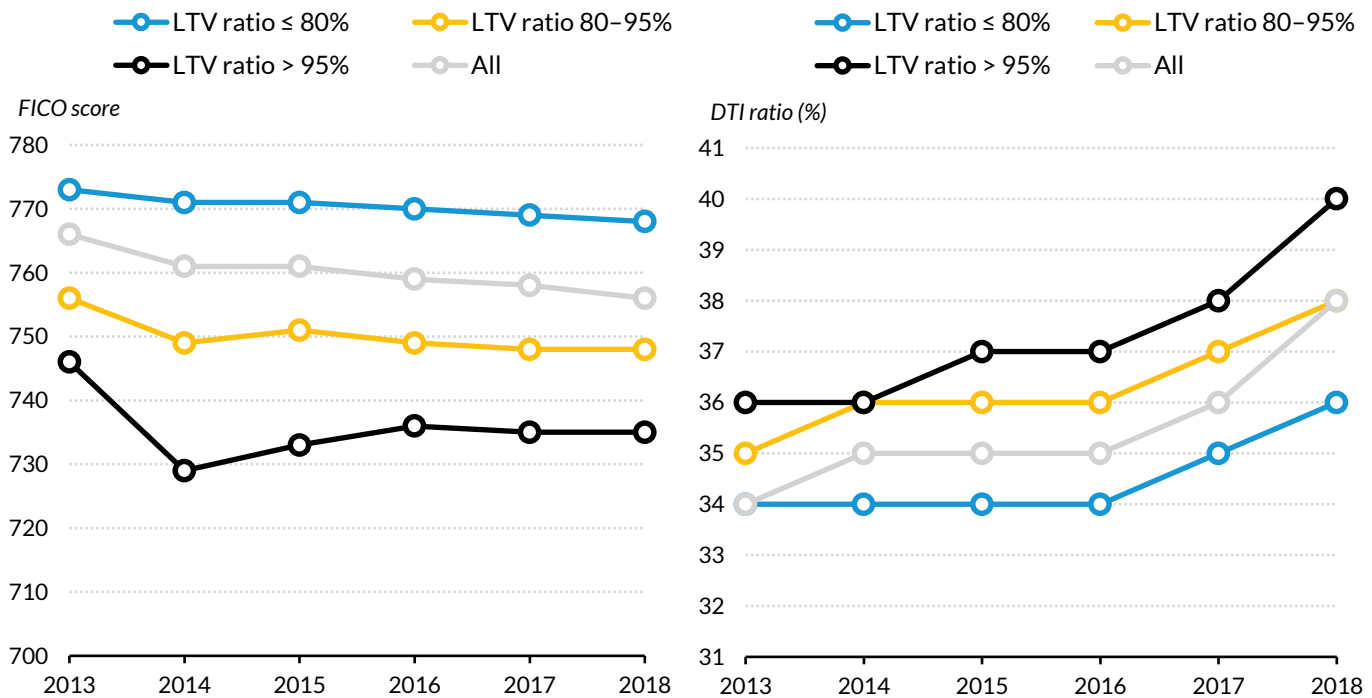
Share of GSE Loans by LTV Ratio



Sources: eMBS and the Urban Institute.

Notes: GSE = government-sponsored enterprise; LTV = loan-to-value. Based on purchase money originations. 2018 data are through the first six months.

Credit Characteristics of High-LTV GSE Loans



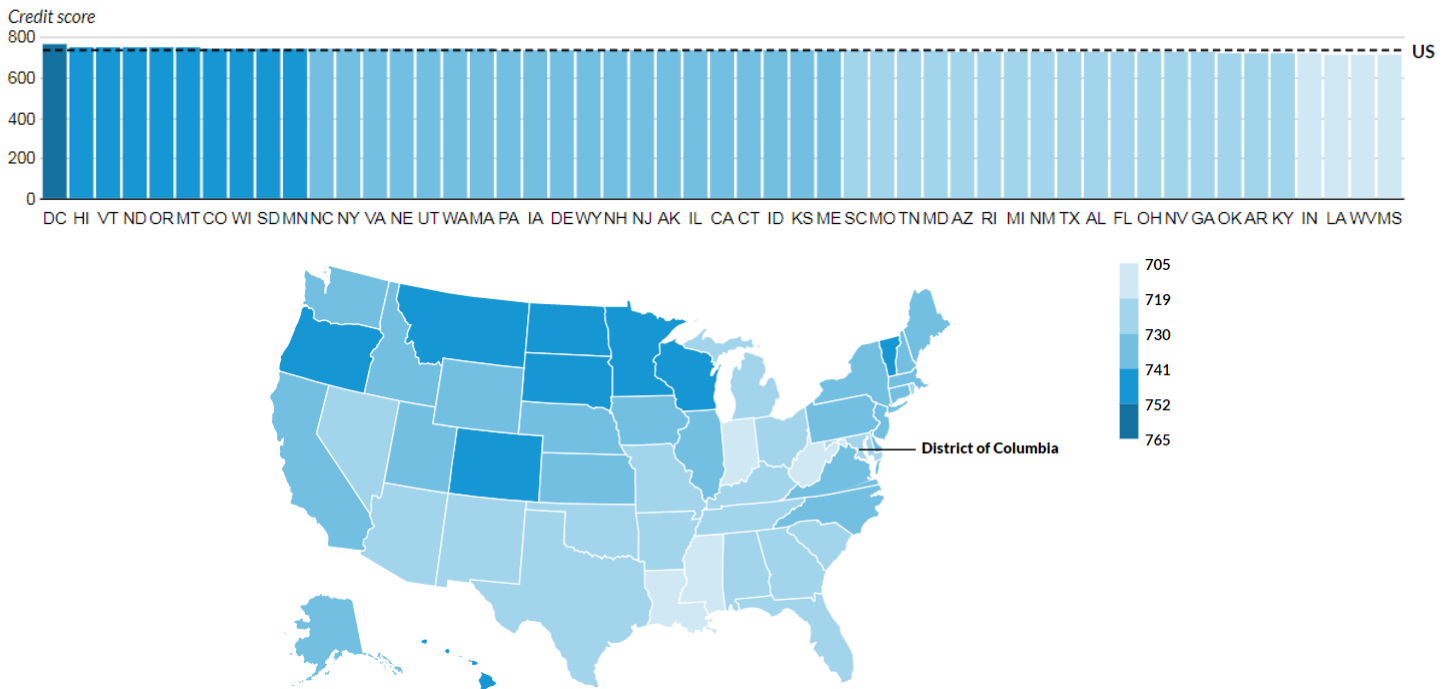
Sources: eMBS and the Urban Institute.

Notes: DTI = debt-to-income; GSE = government-sponsored enterprise; LTV = loan-to-value. Based on purchase money originations. 2018 data are through the first six months.

Median DTI Ratios and Credit Scores by State

The national median credit score was 730 for all purchase money originations in 2017, but the state medians ranged from 708 in Mississippi to 764 in the District of Columbia. The national median DTI ratio was 38.6 percent for all purchase money originations in 2017, but the state medians ranged from 35.2 percent in Iowa to 42.0 percent in Hawaii.

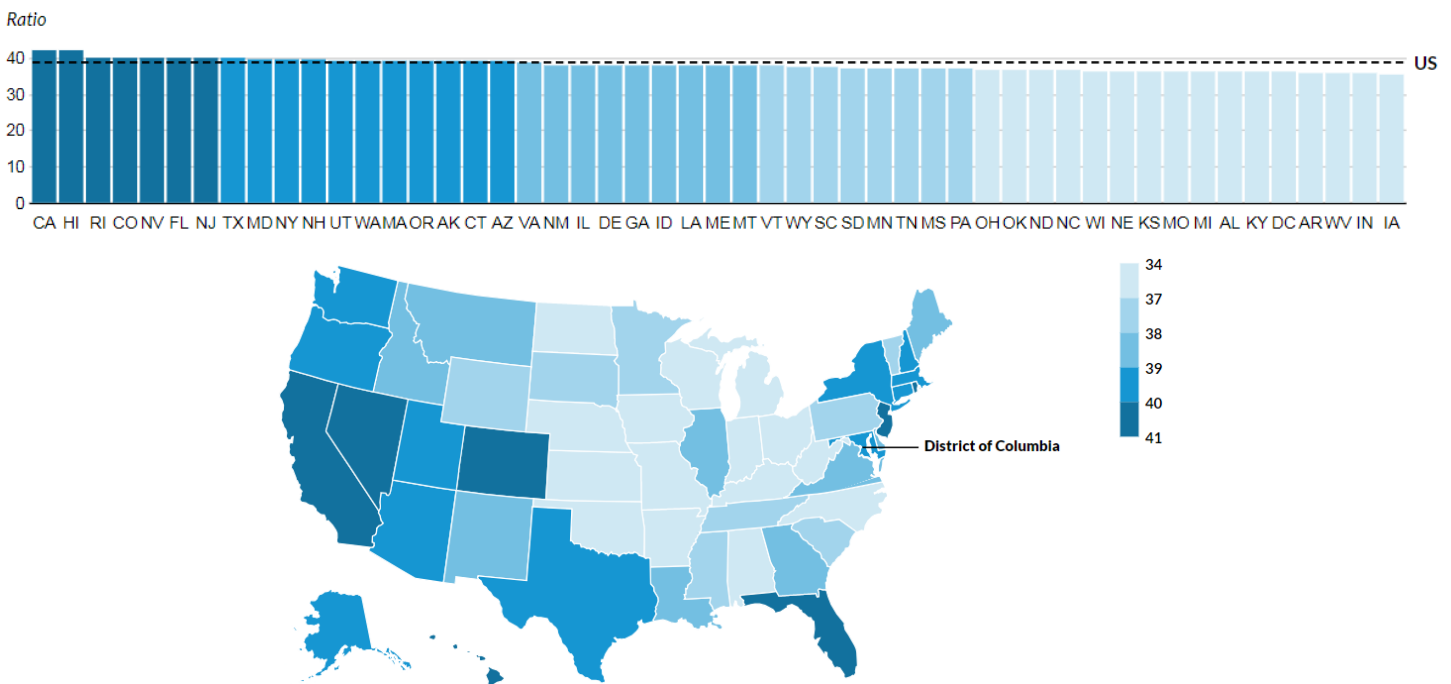
Median Credit Score by State



Sources: eMBS and the Urban Institute.

Note: Based on purchase money agency originations in 2017.

Median Debt-to-Income Ratio by State



Sources: eMBS, the Federal Housing Administration, and the Urban Institute.

Note: Based on purchase money agency originations in 2017.

Credit Availability by State

Nationally, credit is tight by historic standards. The national median credit score in 2017 was 730, and the median LTV ratio was 95 percent. The share of borrowers with LTV ratios over 95 percent and credit scores below 700 is 23 percent. Some states have lower median credit scores and higher LTV ratios, and the share of borrowers with high LTV ratios and low credit scores ranges from 6 to 36 percent. The share of first-time homebuyers is about 53 percent nationally and ranges from 43 to 65 percent.

Credit Availability by State

State	Credit score	LTV (%)	DTI (%)	LTV > 95% and credit score < 700	First-time homebuyer share
National	730	95.0	38.6	23.0%	52.5%
Alabama	724	96.5	36.0	29.9%	49.7%
Alaska	735	97.0	39.0	25.6%	50.6%
Arizona	727	95.0	39.0	22.2%	48.6%
Arkansas	720	96.4	35.9	30.4%	50.7%
California	732	90.0	42.0	18.9%	55.3%
Colorado	743	90.0	40.0	18.6%	46.8%
Connecticut	732	95.0	39.0	21.4%	61.8%
Delaware	736	95.0	38.0	24.5%	49.6%
District of Columbia	764	85.0	36.0	6.0%	64.7%
Florida	724	95.0	40.0	22.9%	50.8%
Georgia	722	95.0	38.0	28.8%	53.2%
Hawaii	750	90.0	42.0	12.9%	52.0%
Idaho	731	95.0	38.0	22.4%	43.9%
Illinois	732	94.0	38.0	20.7%	57.5%
Indiana	718	95.0	35.9	29.5%	52.9%
Iowa	736	95.0	35.2	20.4%	49.2%
Kansas	731	95.0	36.0	24.0%	49.9%
Kentucky	719	95.0	36.0	29.5%	52.9%
Louisiana	714	96.5	38.0	32.4%	56.2%
Maine	731	95.0	38.0	24.5%	48.2%
Maryland	729	95.0	39.6	27.4%	58.9%
Massachusetts	737	90.0	39.0	17.1%	58.0%
Michigan	726	95.0	36.0	22.5%	52.4%
Minnesota	741	95.0	37.0	18.1%	51.5%
Mississippi	708	96.7	37.0	36.2%	54.6%
Missouri	729	95.0	36.0	26.0%	49.6%
Montana	744	91.6	38.0	17.3%	43.3%
Nebraska	738	95.0	36.0	20.2%	51.5%
Nevada	722	95.0	40.0	22.5%	52.0%
New Hampshire	736	95.0	39.6	20.0%	52.3%
New Jersey	735	90.0	40.0	18.8%	59.9%
New Mexico	724	95.0	38.0	27.7%	53.0%
New York	739	90.0	39.6	17.1%	62.5%
North Carolina	739	94.0	36.5	20.6%	46.4%
North Dakota	746	94.0	36.6	16.3%	46.5%
Ohio	723	95.0	36.7	26.5%	55.3%
Oklahoma	720	96.5	36.6	29.7%	49.4%
Oregon	745	90.0	39.0	16.1%	47.0%
Pennsylvania	736	95.0	37.0	22.6%	57.5%
Rhode Island	727	95.0	40.0	26.0%	59.5%
South Carolina	729	95.0	37.5	25.6%	46.0%
South Dakota	741	95.0	37.0	20.0%	50.0%
Tennessee	729	95.0	37.0	25.5%	46.5%
Texas	724	95.0	39.8	26.4%	51.4%
Utah	738	95.0	39.0	20.3%	48.3%
Vermont	748	90.0	38.0	14.6%	48.3%
Virginia	738	95.0	38.8	24.1%	54.5%
Washington	737	93.6	39.0	19.9%	52.5%
West Virginia	714	96.5	35.9	31.7%	55.9%
Wisconsin	741	94.0	36.0	18.4%	51.2%
Wyoming	736	95.0	37.5	23.7%	44.5%

Sources: eMBS and the Urban Institute.

Notes: DTI = debt-to-income ratio; LTV = loan-to-value ratio. Based on purchase money agency originations in 2017.

Barrier 3. Affordability

For a mortgage with 20 percent down, monthly payments would make up 23 percent of the median borrower's income. With rising interest rates and home prices, this share will continue to increase.

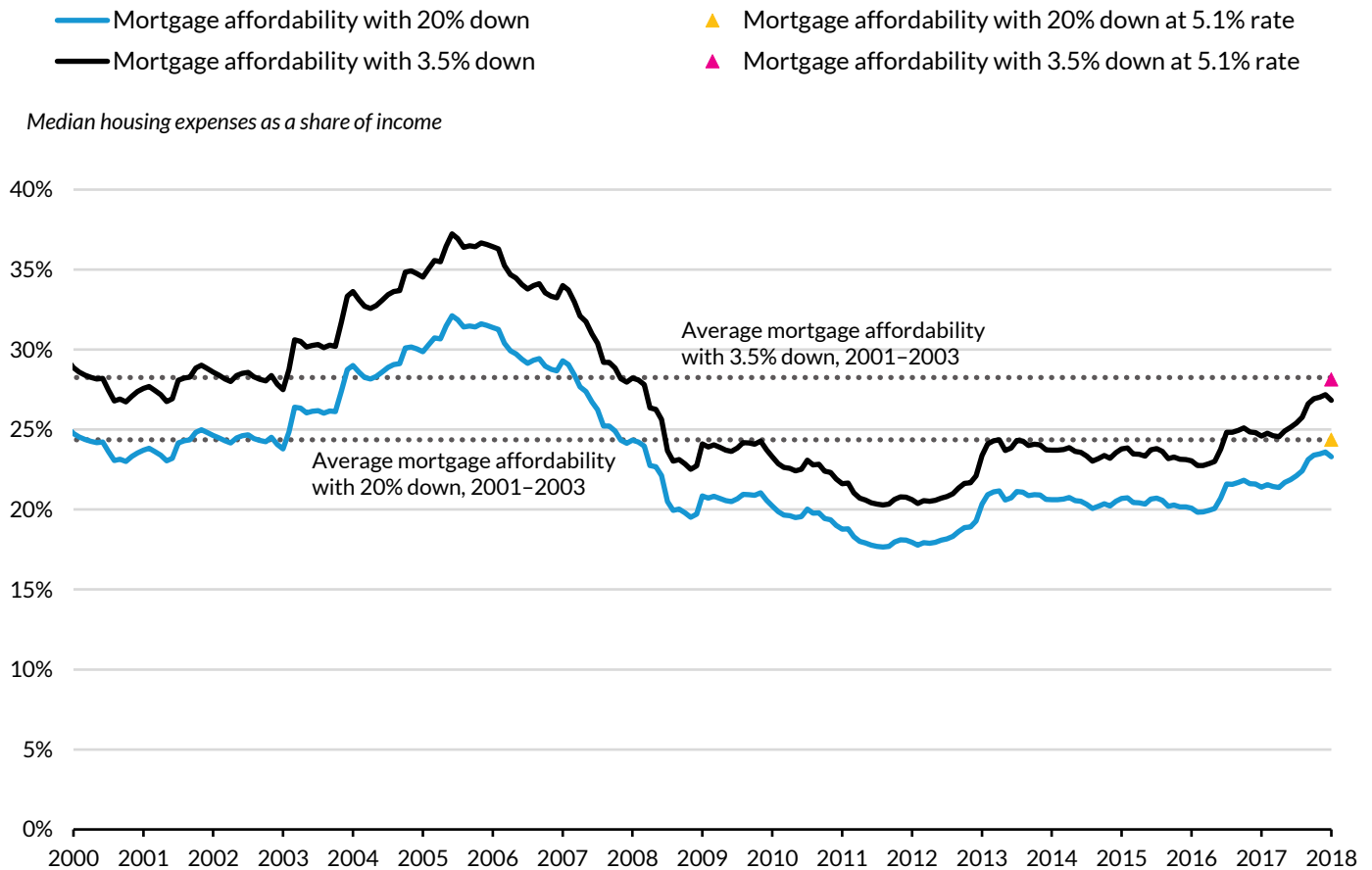


Photo by Peeterv/iStock.com.

National Mortgage Affordability over Time

Immediately after the crisis, interest rates were low and home prices were affordable. But home price appreciation in the past five years and the recent increase in mortgage rates has brought national affordability closer to historic levels. As of June 2018, the share of median income needed for the monthly payment with 20 percent down on a median home stood at 23.3 percent, up from 18 percent six years ago. If mortgage rates rise to 5.1 percent, the share would increase to the 2001–03 average of 24.4 percent. The mortgage affordability index with a 3.5 percent down payment shows an even higher share of income devoted to monthly payments but yields the same trend.

National Mortgage Affordability over Time



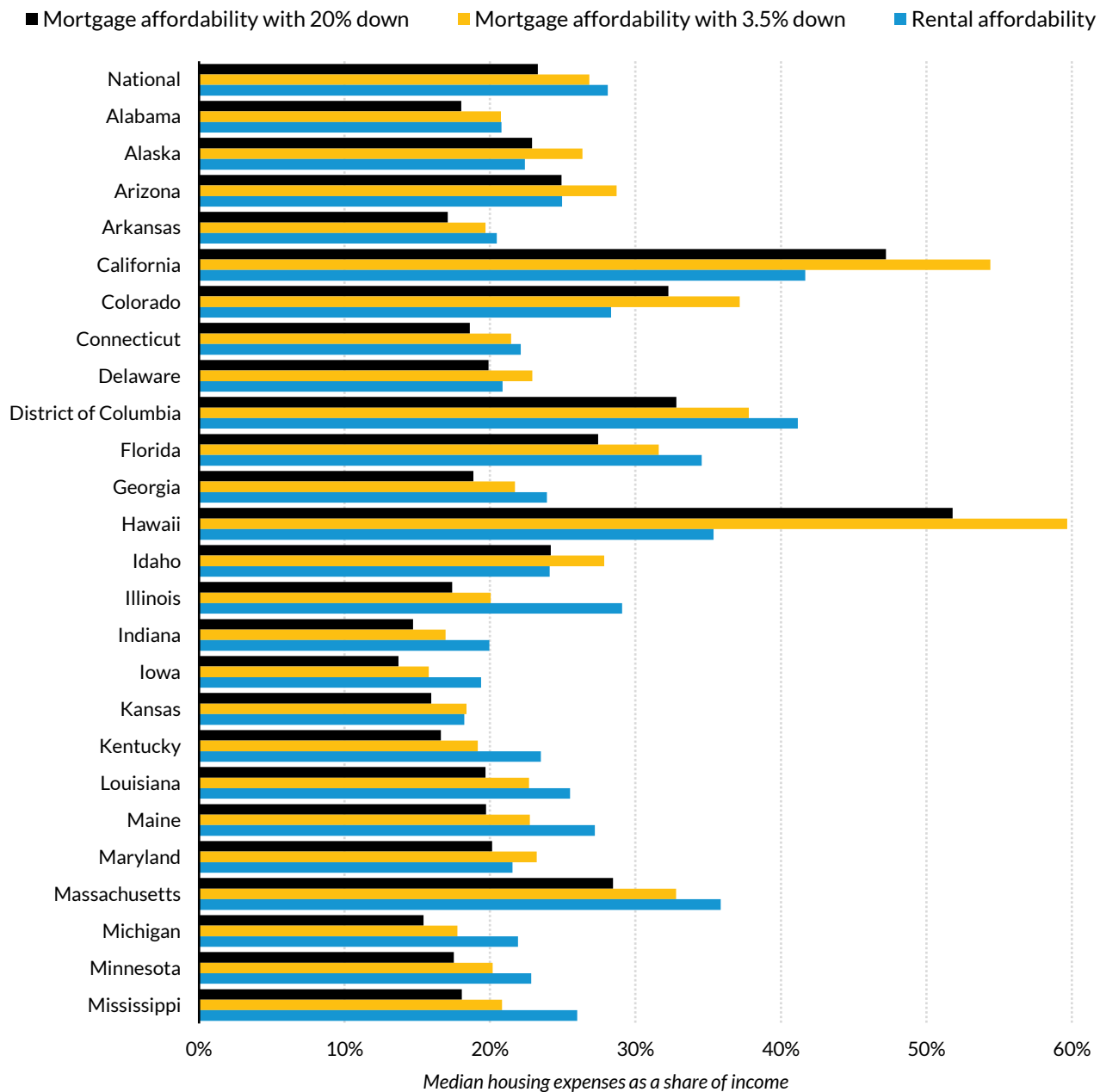
Sources: National Association of Realtors, US Census Bureau, Current Population Survey, American Community Survey, Moody's Analytics, Freddie Mac Primary Mortgage Market Survey, and the Urban Institute.

Notes: Mortgage affordability is the share of median family income devoted to the monthly principal, interest, taxes, and insurance payment required to buy the median home at the Freddie Mac prevailing rate for a 30-year fixed-rate mortgage and property tax and insurance at 1.75 percent of the housing value. Data as of June 2018.

Ownership versus Rental Affordability by State

Nationally, owning a home with a mortgage is more affordable than renting. The median family spends 28.1 percent of its income to pay rent but spends only 26.8 percent of its income to afford the monthly mortgage payment, including taxes and insurance, given a 3.5 down payment; this share of income is even lower for families who made a 20 percent down payment. There are 32 states where the median rent is higher than the monthly payment on the median house with a 3.5 percent down payment. Hawaii requires the highest share of income (59.7 percent) devoted to a monthly mortgage payment with 3.5 percent down; Iowa requires the lowest (15.8 percent). Nine states have less affordable rents than the national level, including many states with large populations.

State Mortgage and Rental Affordability

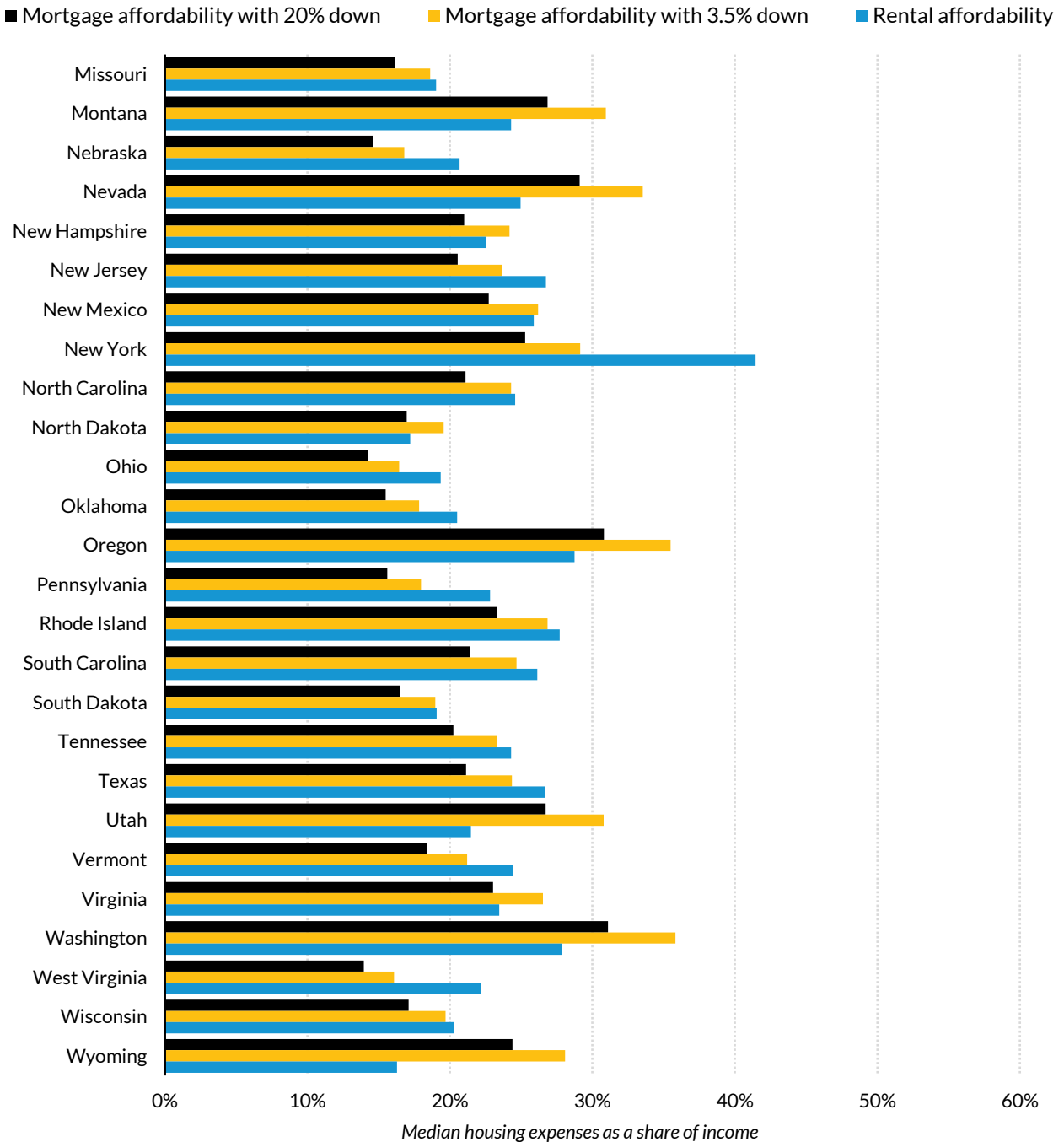


Sources: National Association of Realtors, US Census Bureau, Current Population Survey, American Community Survey, Moody's Analytics, Freddie Mac Primary Mortgage Market Survey, Zillow, and the Urban Institute.

Notes: Mortgage affordability is the share of median family income devoted to the monthly principal, interest, taxes, and insurance payment required to buy the median home at the Freddie Mac prevailing rate for a 30-year fixed-rate mortgage and property tax and insurance at 1.75 percent of the housing value. Rental affordability is the share of median family income devoted to the median rent for a three-bedroom house. Based on June 2018 data.

Ownership versus Rental Affordability by State

State Mortgage and Rental Affordability (continued)



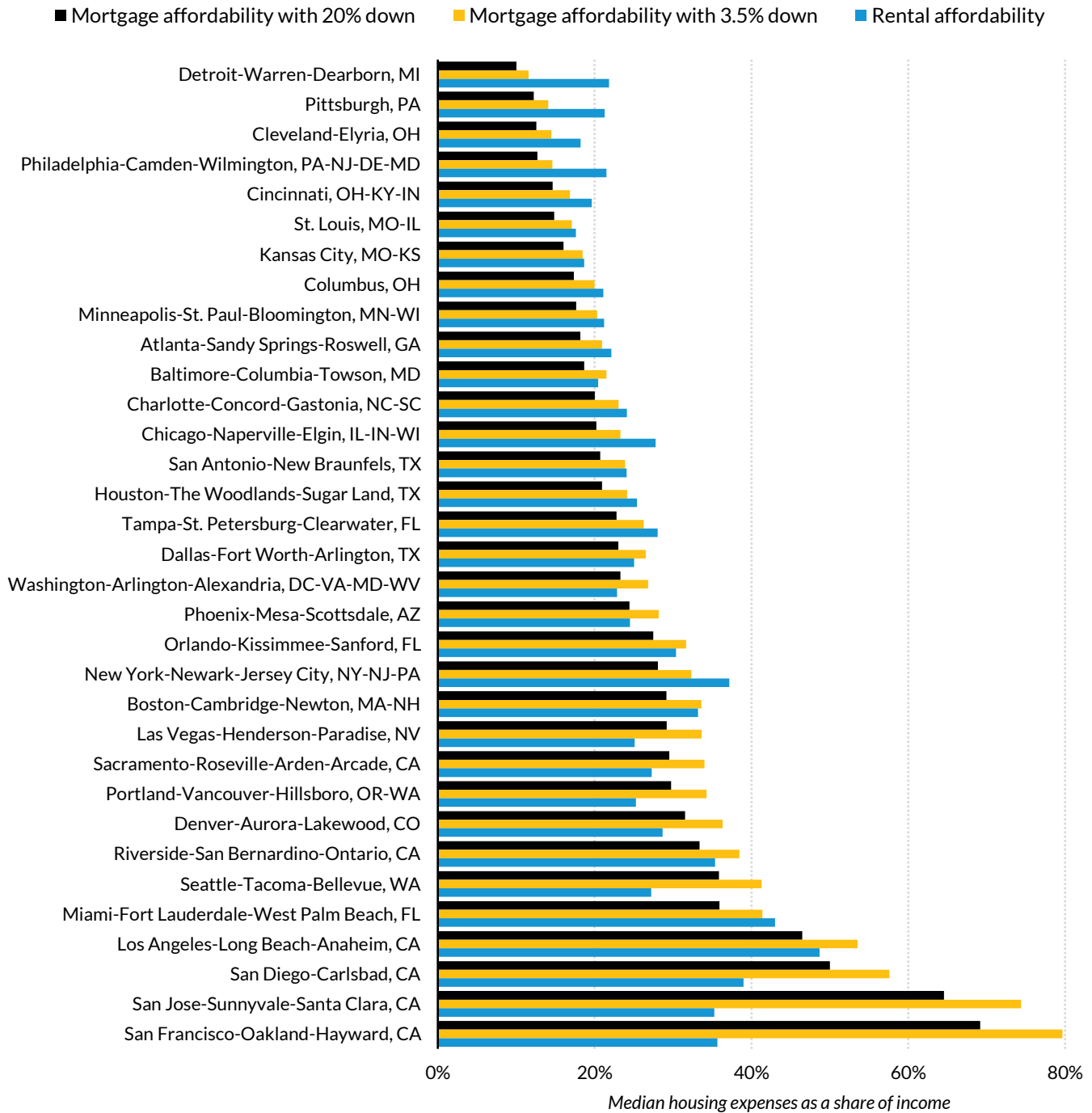
Sources: National Association of Realtors, US Census Bureau, Current Population Survey, American Community Survey, Moody's Analytics, Freddie Mac Primary Mortgage Market Survey, Zillow, and the Urban Institute.

Notes: Mortgage affordability is the share of median family income devoted to the monthly principal, interest, taxes, and insurance payment required to buy the median home at the Freddie Mac prevailing rate for a 30-year fixed-rate mortgage and property tax and insurance at 1.75 percent of the housing value. Rental affordability is the share of median family income devoted to the median rent for a three-bedroom house. Based on June 2018 data.

Mortgage and Rental Affordability by MSA

The figure below ranks the 33 largest metropolitan statistical areas (MSAs) by mortgage affordability, with the least affordable at the bottom. The 12 least affordable MSAs require a third or more of the median family income to pay for monthly mortgage costs with 3.5 percent down. For MSAs with more affordable mortgage payments, renting is often more expensive, yet many potential homebuyers cannot enter the market because of the down payment barrier.

Metropolitan Statistical Area Mortgage and Rental Affordability



Sources: National Association of Realtors, US Census Bureau, Current Population Survey, American Community Survey, Moody's Analytics, Freddie Mac Primary Mortgage Market Survey, Zillow, and the Urban Institute.

Notes: Mortgage affordability is the share of median family income devoted to the monthly principal, interest, taxes, and insurance payment required to buy the median home at the Freddie Mac prevailing rate for a 30-year fixed-rate mortgage and property tax and insurance at 1.75 percent of the housing value. Rental affordability is the share of median family income devoted to the median rent for a three-bedroom house. Based on June 2018 data.

Sizing Millennial Homeownership Potential

Many millennials are prepared for homeownership based on their credit profiles. In most cities, millennials with strong credit profiles often earn enough to afford the median home in their area.



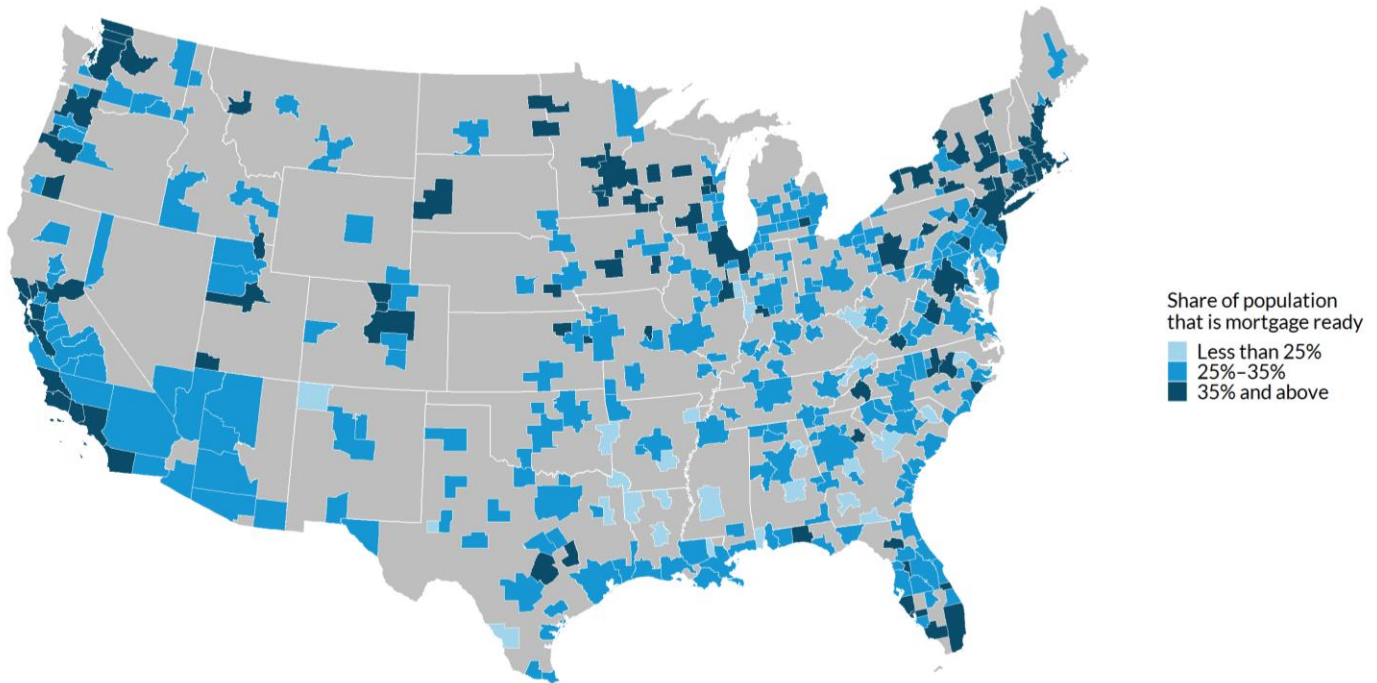
Photo by Tempura/iStock.com.

Sizing the Mortgage-Ready Millennial Population

In the years following the financial crisis, homeownership rates have continued to decline. The fastest-growing population of potential homebuyers, millennials, particularly those ages 26 to 35, have been slow to transition into homeownership partly because of high unemployment, persistent underemployment, stagnant wage growth, and high rents that make it difficult to save for homeownership. Many potential millennial homebuyers could qualify for a mortgage in today's marketplace based on their credit scores: they are *mortgage ready*.

A consumer is mortgage ready if he or she is 40 or younger and *does not* have a mortgage but has the credit characteristics to qualify for a mortgage. Using basic underwriting criteria, we size the mortgage-ready millennial population by MSA in the map below. In many metropolitan areas along the coasts, and in southern and midwestern states, more than 35 percent of millennials are mortgage ready.

Share of the Millennial Population That Is Mortgage Ready, by Metropolitan Statistical Area



Source: Freddie Mac calculations using anonymized credit bureau data.

Notes: A consumer is mortgage ready if he or she does not have a mortgage, is 40 or younger, has a FICO score of 620 or above, has a debt-to-income ratio not exceeding 25 percent, has no foreclosures or bankruptcies in the past 84 months, and has no severe delinquencies in the past 12 months. Based on September 2016 data.

Sizing the Mortgage-Ready Millennial Population

The table below sizes the mortgage-ready millennial population by race or ethnicity in 31 metropolitan statistical areas across the country. The share of the population that is mortgage ready ranges from 25 to 45 percent, with an average of 34 percent. In general, black and Hispanic borrowers have a slightly lower mortgage-ready share than white borrowers.

Sizing the Mortgage-Ready Millennial Population by MSA, by Race or Ethnicity

Population in thousands

MSA			White		Black		Hispanic		Other	
	Age ≤ 40	MR	Age ≤ 40	MR	Age ≤ 40	MR	Age ≤ 40	MR	Age ≤ 40	MR
Atlanta-Sandy Springs-Roswell, GA	2,540	769	1,099	400	899	177	297	77	199	97
Austin-Round Rock, TX	927	329	518	211	34	8	294	70	58	31
Baltimore-Columbia-Towson, MD	1,232	388	639	235	371	67	102	29	90	45
Boston-Cambridge-Newton, MA-NH	2,002	891	1,304	611	119	29	266	87	210	119
Buffalo-Cheektowaga-Niagara Falls, NY	406	153	301	122	48	8	21	6	22	11
Charlotte-Concord-Gastonia, NC-SC	982	303	547	192	245	49	118	27	54	29
Chicago-Naperville-Elgin, IL-IN-WI	3,961	1,463	2,025	866	637	106	882	280	277	148
Cincinnati, OH-KY-IN	877	262	667	212	121	19	36	7	34	17
Dallas-Fort Worth-Arlington, TX	3,243	1,015	1,615	578	425	74	888	211	246	126
Denver-Aurora-Lakewood, CO	1,296	461	845	333	61	15	289	70	62	28
Detroit-Warren-Dearborn, MI	1,734	577	1,075	403	413	64	76	25	103	56
Houston-The Woodlands-Sugar Land, TX	2,932	943	1,210	449	413	71	1,014	271	232	127
Indianapolis-Carmel-Anderson, IN	875	230	585	171	162	23	76	14	36	17
Las Vegas-Henderson-Paradise, NV	844	249	438	138	53	9	281	73	49	21
Los Angeles-Long Beach-Anaheim, CA	6,058	2,551	2,054	936	283	65	2,662	984	872	481
Memphis, TN-MS-AR	549	138	214	73	281	47	32	8	17	8
Miami-Fort Lauderdale-West Palm Beach, FL	2,669	972	850	358	466	94	1,158	433	95	46
Minneapolis-St. Paul-Bloomington, MN-WI	1,473	566	1,118	440	91	20	81	25	128	60
Nashville-Davidson-Murfreesboro-Franklin, TN	780	248	532	183	135	29	66	16	34	15
New Orleans-Metairie, LA	507	152	245	91	180	37	51	12	19	10
New York-Newark-Jersey City, NY-NJ-PA	8,480	3,784	3,830	1,914	1,132	316	2,052	746	1,126	646
Orlando-Kissimmee-Sanford, FL	1,122	352	543	195	159	23	335	97	50	25
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2,437	851	1,432	571	515	97	226	57	183	95
Phoenix-Mesa-Scottsdale, AZ	1,724	519	1,025	339	44	9	516	116	90	39
Riverside-San Bernardino-Ontario, CA	1,902	594	765	244	79	14	925	279	95	45
St. Louis, MO-IL	1,214	391	846	307	252	37	40	11	42	22
San Antonio-New Braunfels, TX	998	295	416	149	40	9	497	118	27	14
San Diego-Carlsbad, CA	1,537	621	796	338	38	10	534	187	121	65
Seattle-Tacoma-Bellevue, WA	1,673	677	1,127	450	60	17	182	61	235	124
Tampa-St. Petersburg-Clearwater, FL	1,177	376	736	257	138	22	217	61	49	24
Washington-Arlington-Alexandria, DC-VA-MD-WV	2,830	1,087	1,243	544	638	164	516	167	345	173

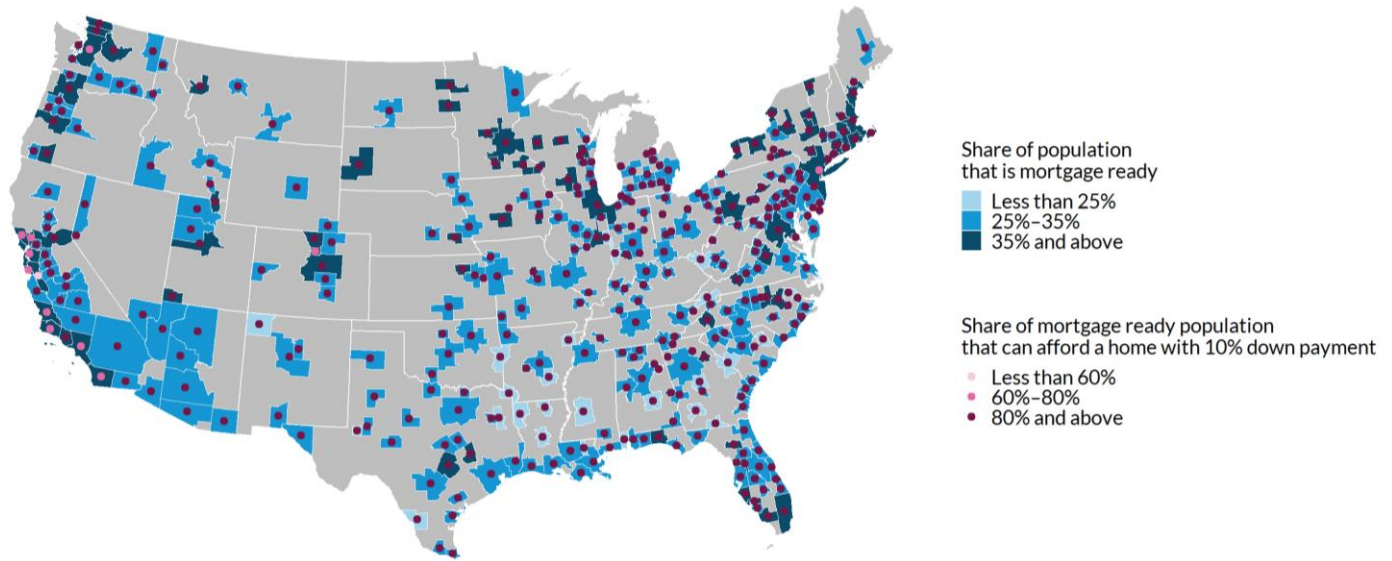
Sources: Freddie Mac and the Urban Institute.

Notes: MR = mortgage ready; MSA = metropolitan statistical area. A consumer is mortgage ready if he or she does not currently have a mortgage, is 40 or younger, has a FICO score of 620 or above, has a debt-to-income ratio not exceeding 25 percent, has no foreclosures or bankruptcies in the past 84 months, and has no severe delinquencies in the past 12 months. Based on September 2016 data.

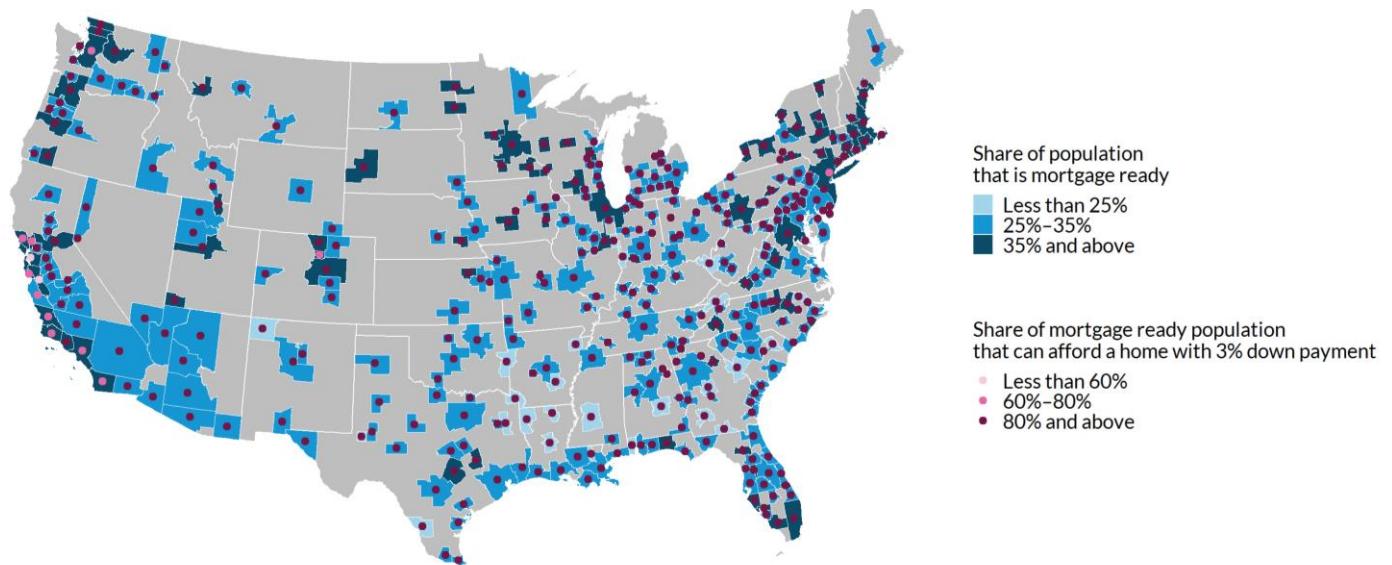
Affordability for Mortgage-Ready Millennials

Below, we examine affordability for mortgage-ready millennials by looking at the share that can afford a median-priced single-family home with 10 percent or 3 percent down payments. Most mortgage-ready millennials earn enough to afford a typical house in their MSA. A few metropolitan areas along the coasts, such as in California and New York, have large mortgage-ready populations, but given rising house prices, mortgage-ready millennials might still struggle with affordability. A 3 percent down payment increases the monthly payment, which is noticeable in high-cost areas such as California, shown in the bottom map.

Share of Mortgage-Ready Millennials That Can Afford a Home with a 10 Percent Down Payment



Share of Mortgage-Ready Millennials That Can Afford a Home with a 3 Percent Down Payment



Source: Freddie Mac calculations using anonymized credit bureau data.

Notes: A consumer is mortgage ready if he or she does not have a mortgage, is 40 or younger, has a FICO score of 620 or above, has a debt-to-income ratio not exceeding 25 percent, has no foreclosures or bankruptcies in the past 84 months, and has no severe delinquencies in the past 12 months. According to the National Association of Realtors' methodology, if a consumer's quarterly household income is greater than or equal to the annual mortgage payment on a median-priced house (assuming a 10 percent or 3 percent down payment, 4 percent mortgage rate, and 30-year contract), that house is affordable. Based on September 2016 data.

Affordability for Mortgage-Ready Millennials by Race or Ethnicity

The table below looks at the share of the mortgage-ready population that can afford the median-priced home with a 10 percent down payment, by race or ethnicity. In every MSA, most mortgage-ready millennials can afford a home, but this varies by race or ethnicity; for example, in New York-Newark-Jersey City, only 66 percent of black mortgage-ready millennials can afford to own, while 71 percent of Hispanic millennials, 73 percent of millennials of other races, and 79 percent of white millennials can afford to own.

Affordability for the Mortgage-Ready Population by MSA by Race or Ethnicity

MSA	MR share	Share of MR that can afford	White		Black		Hispanic		Other	
			MR share	Share of MR that can afford	MR share	Share of MR that can afford	MR share	Share of MR that can afford	MR share	Share of MR that can afford
Atlanta-Sandy Springs-Roswell, GA	30%	97%	36%	97%	20%	96%	26%	96%	49%	96%
Austin-Round Rock, TX	35%	91%	41%	91%	24%	92%	24%	88%	54%	91%
Baltimore-Columbia-Towson, MD	31%	95%	37%	96%	18%	93%	28%	92%	50%	95%
Boston-Cambridge-Newton, MA-NH	45%	85%	47%	87%	24%	82%	33%	74%	57%	81%
Buffalo-Cheektowaga-Niagara Falls, NY	38%	99%	40%	99%	17%	98%	28%	94%	49%	99%
Charlotte-Concord-Gastonia, NC-SC	31%	98%	35%	98%	20%	96%	23%	96%	53%	98%
Chicago-Naperville-Elgin, IL-IN-WI	37%	96%	43%	97%	17%	93%	32%	94%	54%	96%
Cincinnati, OH-KY-IN	30%	99%	32%	99%	16%	98%	20%	99%	48%	100%
Dallas-Fort Worth-Arlington, TX	31%	98%	36%	98%	17%	98%	24%	96%	51%	98%
Denver-Aurora-Lakewood, CO	36%	88%	39%	89%	24%	84%	24%	84%	45%	88%
Detroit-Warren-Dearborn, MI	33%	99%	37%	99%	16%	99%	32%	97%	55%	99%
Houston-The Woodlands-Sugar Land, TX	32%	98%	37%	98%	17%	97%	27%	97%	55%	99%
Indianapolis-Carmel-Anderson, IN	26%	98%	29%	98%	14%	99%	18%	98%	46%	99%
Las Vegas-Henderson-Paradise, NV	29%	96%	31%	97%	17%	91%	26%	95%	43%	95%
Los Angeles-Long Beach-Anaheim, CA	42%	78%	46%	78%	23%	74%	37%	78%	55%	82%
Memphis, TN-MS-AR	25%	99%	34%	99%	17%	99%	26%	99%	46%	100%
Miami-Fort Lauderdale-West Palm Beach, FL	36%	93%	42%	95%	20%	91%	37%	93%	49%	94%
Minneapolis-St. Paul-Bloomington, MN-WI	38%	95%	39%	96%	22%	93%	31%	89%	47%	94%
Nashville-Davidson-Murfreesboro-Franklin, TN	32%	96%	34%	96%	21%	93%	25%	93%	45%	94%
New Orleans-Metairie, LA	30%	98%	37%	99%	20%	95%	23%	97%	49%	99%
New York-Newark-Jersey City, NY-NJ-PA	45%	75%	50%	79%	28%	66%	36%	71%	57%	73%
Orlando-Kissimmee-Sanford, FL	31%	96%	36%	96%	15%	94%	29%	95%	49%	99%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	35%	97%	40%	97%	19%	97%	25%	95%	52%	97%
Phoenix-Mesa-Scottsdale, AZ	30%	95%	33%	96%	21%	91%	22%	94%	43%	96%
Riverside-San Bernardino-Ontario, CA	31%	94%	32%	94%	17%	92%	30%	93%	48%	94%
St. Louis, MO-IL	32%	99%	36%	99%	15%	97%	28%	99%	53%	98%
San Antonio-New Braunfels, TX	30%	98%	36%	98%	22%	97%	24%	97%	50%	100%
San Diego-Carlsbad, CA	40%	78%	42%	78%	27%	71%	35%	76%	53%	82%
Seattle-Tacoma-Bellevue, WA	40%	80%	40%	81%	27%	72%	33%	75%	53%	79%
Tampa-St. Petersburg-Clearwater, FL	32%	98%	35%	98%	16%	93%	28%	96%	49%	99%
Washington-Arlington-Alexandria, DC-VA-MD-WV	38%	83%	44%	83%	26%	81%	32%	83%	50%	82%

Sources: Freddie Mac and the Urban Institute.

Notes: MR = mortgage ready; MSA = metropolitan statistical area. A consumer is mortgage ready if he or she does not have a mortgage, is 40 or younger, has a FICO score of 620 or above, has a debt-to-income ratio not exceeding 25 percent, has no foreclosures or bankruptcies in the past 84 months, and has no severe delinquencies in the past 12 months. According to the National Association of Realtors' methodology, if a consumer's quarterly household income is greater than or equal to the annual mortgage payment on a median-priced house (assuming a 10 percent down payment, 4 percent mortgage rate, and 30-year contract), that house is affordable. Based on September 2016 data.

Access to Down Payment Assistance

Nationwide, 2,527 programs provide grants and loans to make homeownership more attainable.

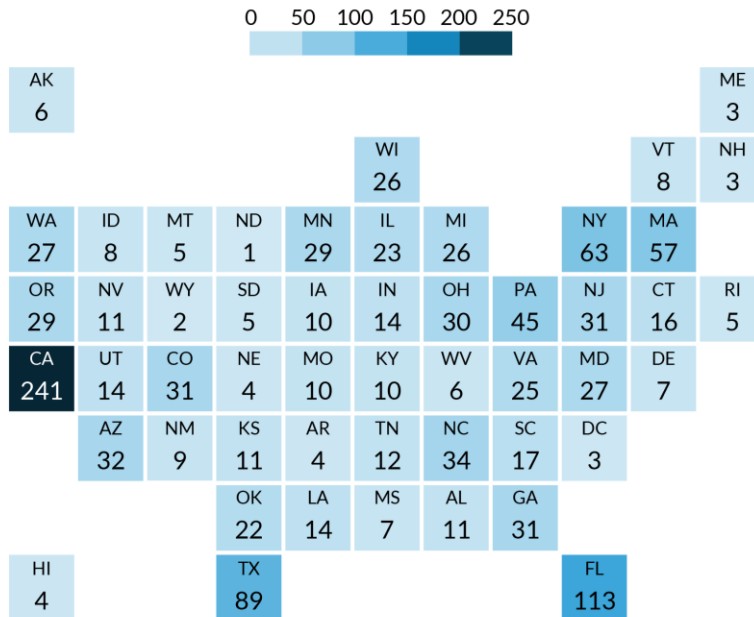


Photo by Shape Charge/iStock.com.

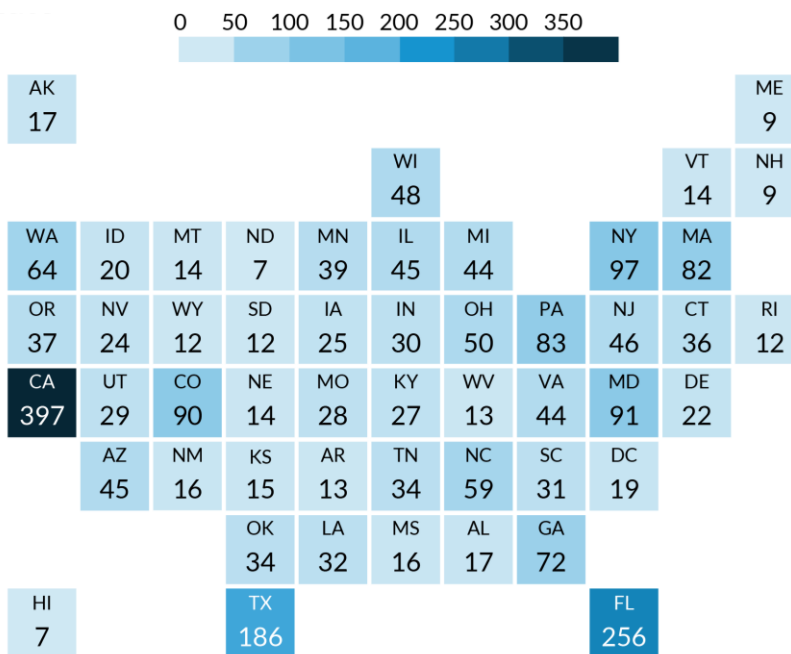
Programs and HFAs and Agencies by State

The maps below show the number of active programs in each state and the number of state agencies and state housing finance agencies (HFAs) offering them. There are 2,527 active programs offered by 1,304 agencies at the state, local, and national levels. Detailed information can be found on the state HFA websites in our [state interactive map](#). In addition, 44 programs offered by 33 agencies at national and regional levels are available in more than one state.

Number of Housing Finance Agencies



Number of Active Programs



Sources: Down Payment Resource and the Urban Institute.

Down Payment Assistance by MSA (by Loan Type)

The table below shows the number of 2017 purchase mortgage originations in 31 MSAs and the number of these loans that are eligible for potential down payment assistance (DPA) programs. In the New York-Newark-Jersey City, NY-NJ-PA, MSA, 28 percent of loans are eligible for at least one DPA program, and on average, borrowers are eligible for 3.7 programs. These borrowers qualify for an average assistance of \$13,546. This differs across loan types, with 62 percent of FHA loans eligible for down payment assistance, versus 23 percent of conventional loans. Although not broken out separately, the numbers for first-time homebuyers are substantially higher, as many programs include a first-time homebuyer requirement. A breakdown by race or ethnicity is included in appendix C.

MSA	Loan type	Loans eligible for assistance	% eligible for assistance	Median loan amount (\$)	Median income (\$)	Average programs eligible for assistance	Average DPA (\$)
New York-	All	38,578	28%	343,000	114,000	3.7	13,546
Newark-Jersey	Conventional	24,085	23%	356,000	125,000	3.8	13,579
City, NY-NJ-PA	FHA	15,347	62%	309,000	90,000	3.4	13,602
	VA	1,247	35%	340,000	99,000	3.3	13,019
	USDA	260	79%	185,000	68,000	2.8	9,210
Chicago-	All	41,121	37%	217,000	84,000	8.1	7,228
Naperville-Elgin,	Conventional	22,611	28%	233,000	96,000	8.0	7,312
IL-IN-WI	FHA	18,749	73%	184,000	65,000	8.7	7,131
	VA	1,760	40%	230,000	79,000	7.3	6,938
	USDA	304	78%	141,000	52,000	5.7	5,660
Dallas-Fort	All	38,472	38%	238,000	94,000	8.3	2,436
Worth-	Conventional	19,506	29%	254,000	105,000	8.0	2,441
Arlington, TX	FHA	16,466	73%	206,000	74,000	8.9	2,509
	VA	3,520	39%	258,000	90,000	7.9	2,208
	USDA	522	79%	186,000	64,000	10.0	2,112
Atlanta-Sandy	All	26,223	29%	214,000	77,000	3.1	8,227
Springs-Roswell,	Conventional	9,734	18%	244,000	95,000	3.1	8,296
GA	FHA	15,518	58%	179,000	59,000	3.3	8,417
	VA	2,004	25%	232,000	76,000	2.8	8,074
	USDA	1,398	76%	146,000	50,000	1.5	5,769
Washington-	All	31,556	37%	364,000	110,000	7.7	14,112
Arlington-	Conventional	15,774	29%	382,000	123,000	7.2	17,263
Alexandria, DC-	FHA	12,264	72%	301,000	81,000	9.6	10,932
VA-MD-WV	VA	3,825	31%	421,000	120,000	6.0	8,177
	USDA	1,125	79%	237,000	71,000	7.2	3,583
Phoenix-Mesa-	All	32,151	39%	226,000	73,000	2.6	12,104
Scottsdale, AZ	Conventional	15,053	29%	239,000	82,000	2.6	12,080
	FHA	14,856	72%	202,000	60,000	2.8	12,123
	VA	3,389	38%	249,000	74,000	2.2	12,069
	USDA	261	78%	178,500	56,500	1.9	13,825
Los Angeles-	All	30,621	38%	485,000	127,000	6.6	21,171
Long Beach-	Conventional	20,026	31%	500,000	138,000	6.4	19,885
Anaheim, CA	FHA	10,358	78%	432,000	99,000	7.0	25,956
	VA	1,463	45%	492,000	109,000	6.5	23,364
	USDA	14	79%	200,500	71,000	10.2	33,571

Sources: HMDA, Down Payment Resource, and the Urban Institute.

Notes: DPA = down payment assistance; FHA = Federal Housing Administration; HMDA = Home Mortgage Disclosure Act; USDA = US Department of Agriculture; VA = US Department of Veterans Affairs. Based on 2017 HMDA purchase originations. Down payment assistance eligibility assumes household size of three and first-time homebuyer shares to be 47 percent for conventional loans, 82 percent for FHA loans, 53 percent for VA loans, and 79 percent for USDA loans.

Down Payment Assistance by MSA (by Loan Type)

MSA	Loan type	Loans eligible for assistance	% eligible for assistance	Median loan amount (\$)	Median income (\$)	Average programs eligible for assistance	Average DPA (\$)
Houston-The Woodlands-Sugarland, TX	All	30,416	39%	216,000	92,000	9.0	2,906
	Conventional	12,759	26%	239,000	110,000	8.4	2,812
	FHA	16,396	73%	187,000	70,000	9.8	3,087
	VA	2,452	40%	239,000	89,000	8.4	2,543
	USDA	251	78%	175,000	62,000	9.8	2,796
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	All	23,299	37%	225,000	85,000	4.3	5,070
	Conventional	10,481	25%	252,000	101,000	4.3	4,865
	FHA	12,269	71%	182,000	63,000	4.4	5,364
	VA	1,261	37%	247,000	81,000	4.1	5,253
	USDA	884	77%	192,000	66,000	5.1	4,867
Seattle-Tacoma-Bellevue, WA	All	13,207	22%	373,000	108,000	8.4	17,860
	Conventional	7,252	16%	402,000	120,000	8.9	18,429
	FHA	4,785	53%	309,000	83,000	8.1	17,078
	VA	1,715	30%	343,000	90,000	7.1	16,204
	USDA	282	74%	280,500	75,000	7.8	18,882
Minneapolis-St. Paul-Bloomington, MN-WI	All	20,181	35%	225,000	80,000	2.8	9,672
	Conventional	11,300	27%	233,000	89,000	2.7	9,651
	FHA	7,819	71%	206,000	63,000	3.1	9,739
	VA	1,162	35%	249,000	77,000	2.6	9,663
	USDA	845	78%	182,000	60,000	2.5	9,517
Miami-Fort Lauderdale-West Palm Beach, FL	All	20,096	36%	260,000	82,000	4.3	8,199
	Conventional	8,975	24%	268,000	96,000	4.3	8,128
	FHA	11,420	69%	245,000	67,000	4.3	8,443
	VA	950	32%	307,000	84,000	3.8	7,053
	USDA	0	0%	0	0	0.0	0
Detroit-Warren-Dearborn, MI	All	15,957	30%	171,000	72,000	2.3	6,979
	Conventional	8,691	22%	184,000	80,000	2.3	7,010
	FHA	7,095	63%	137,000	54,000	2.3	6,885
	VA	640	28%	195,000	71,000	2.2	7,090
	USDA	556	72%	153,000	54,000	2.1	7,118
Boston-Cambridge-Newton, MA-NH	All	14,498	27%	360,000	112,000	0.9	7,499
	Conventional	9,688	22%	368,000	122,000	0.9	7,500
	FHA	4,431	61%	331,000	85,000	0.9	7,498
	VA	713	35%	354,000	94,000	0.9	7,496
	USDA	198	78%	232,000	75,000	1.0	7,490

Sources: HMDA, Down Payment Resource, and the Urban Institute.

Notes: DPA = down payment assistance; FHA = Federal Housing Administration; HMDA = Home Mortgage Disclosure Act; USDA = US Department of Agriculture; VA = US Department of Veterans Affairs. Based on 2017 HMDA purchase originations. Down payment assistance eligibility assumes household size of three and first-time homebuyer shares to be 47 percent for conventional loans, 82 percent for FHA loans, 53 percent for VA loans, and 79 percent for USDA loans.

Down Payment Assistance by MSA (by Loan Type)

MSA	Loan type	Loans eligible for assistance	% eligible for assistance	Median loan amount (\$)	Median income (\$)	Average programs eligible for assistance	Average DPA (\$)
Riverside-San Bernardino-Ontario, CA	All	24,088	48%	307,000	84,000	8.9	11,642
Riverside-San Bernardino-Ontario, CA	Conventional	9,120	34%	320,000	95,000	8.7	11,830
	FHA	12,733	75%	285,000	73,000	9.4	11,505
	VA	2,568	43%	355,000	86,000	8.1	11,492
	USDA	273	79%	162,000	51,000	12.3	11,307
Tampa-St. Petersburg-Clearwater, FL	All	15,798	33%	200,000	71,000	3.2	5,712
Tampa-St. Petersburg-Clearwater, FL	Conventional	7,056	24%	200,000	80,000	3.4	6,052
	FHA	7,536	64%	183,000	58,000	2.9	5,452
	VA	1,751	28%	239,000	76,000	2.7	4,981
	USDA	162	72%	179,500	59,000	2.3	4,183
Charlotte-Concord-Gastonia, NC-SC	All	11,544	27%	215,000	77,000	2.5	9,033
Charlotte-Concord-Gastonia, NC-SC	Conventional	5,997	20%	232,000	88,000	2.5	9,270
	FHA	4,604	61%	175,000	58,000	2.5	8,996
	VA	778	24%	243,000	76,000	2.3	8,488
	USDA	844	74%	150,000	48,000	2.3	7,153
St. Louis, MO-IL	All	16,108	42%	169,000	72,000	4.8	4,040
St. Louis, MO-IL	Conventional	7,104	30%	185,000	85,000	4.5	3,809
	FHA	7,114	75%	143,000	55,000	5.2	4,090
	VA	1,369	39%	193,000	75,000	5.2	4,600
	USDA	1,122	79%	129,500	49,000	4.5	5,136
Orlando-Kissimmee-Sanford, FL	All	12,329	34%	223,000	73,000	2.9	6,622
Orlando-Kissimmee-Sanford, FL	Conventional	4,947	23%	230,000	86,000	3.0	6,798
	FHA	6,815	66%	208,000	60,000	2.9	6,577
	VA	1,125	31%	256,000	75,000	2.5	6,107
	USDA	329	76%	178,500	55,000	2.9	5,687
Baltimore-Columbia-Towson, MD	All	14,735	42%	278,500	90,000	14.0	3,786
Baltimore-Columbia-Towson, MD	Conventional	6,172	30%	295,000	104,500	13.6	3,895
	FHA	7,273	73%	231,000	69,000	14.9	3,746
	VA	1,525	37%	342,000	98,000	13.4	3,428
	USDA	286	79%	249,000	70,000	9.7	3,655
Austin-Round Rock, TX	All	13,613	39%	256,000	97,000	7.8	5,889
Austin-Round Rock, TX	Conventional	7,323	30%	273,000	110,000	7.3	5,759
	FHA	4,806	76%	224,000	73,000	8.9	6,166
	VA	1,315	42%	271,000	90,000	7.5	5,654
	USDA	653	79%	200,000	66,000	10.5	6,297

Sources: HMDA, Down Payment Resource, and the Urban Institute.

Notes: DPA = down payment assistance; FHA = Federal Housing Administration; HMDA = Home Mortgage Disclosure Act; USDA = US Department of Agriculture; VA = US Department of Veterans Affairs. Based on 2017 HMDA purchase originations. Down payment assistance eligibility assumes household size of three and first-time homebuyer shares to be 47 percent for conventional loans, 82 percent for FHA loans, 53 percent for VA loans, and 79 percent for USDA loans.

Down Payment Assistance by MSA (by Loan Type)

MSA	Loan type	Loans eligible for assistance	% eligible for assistance	Median loan amount (\$)	Median income (\$)	Average programs eligible for assistance	Average DPA (\$)
Nashville-	All	38,578	28%	238,000	76,000	3.7	13,546
Davidson-	Conventional	24,085	23%	252,000	86,000	3.8	13,579
Murfreesboro-	FHA	15,347	62%	210,000	63,000	3.4	13,602
Franklin, TN	VA	1,247	35%	265,000	76,000	3.3	13,019
	USDA	260	79%	172,000	52,000	2.8	9,210
San Antonio-	All	41,121	37%	207,000	79,000	8.1	7,228
New Braunfels, TX	Conventional	22,611	28%	208,000	90,000	8.0	7,312
	FHA	18,749	73%	180,000	65,000	8.7	7,131
	VA	1,760	40%	241,000	84,000	7.3	6,938
	USDA	304	78%	186,000	60,000	5.7	5,660
Indianapolis-	All	38,472	38%	165,000	69,000	8.3	2,436
Carmel-	Conventional	19,506	29%	180,000	81,000	8.0	2,441
Anderson, IN	FHA	16,466	73%	143,000	53,000	8.9	2,509
	VA	3,520	39%	185,000	70,000	7.9	2,208
	USDA	522	79%	125,000	47,000	10.0	2,112
Cincinnati, OH-	All	26,223	29%	162,000	71,000	3.1	8,227
KY-IN	Conventional	9,734	18%	178,000	85,000	3.1	8,296
	FHA	15,518	58%	135,000	55,000	3.3	8,417
	VA	2,004	25%	189,000	70,000	2.8	8,074
	USDA	1,398	76%	139,000	52,000	1.5	5,769
San Diego-	All	31,556	37%	452,000	119,000	7.7	14,112
Carlsbad, CA	Conventional	15,774	29%	451,000	130,000	7.2	17,263
	FHA	12,264	72%	432,000	102,000	9.6	10,932
	VA	3,825	31%	475,000	104,000	6.0	8,177
	USDA	1,125	79%	321,000	92,500	7.2	3,583
Memphis, TN-	All	32,151	39%	182,000	71,000	2.6	12,104
MS-AR	Conventional	15,053	29%	205,000	90,000	2.6	12,080
	FHA	14,856	72%	160,000	57,000	2.8	12,123
	VA	3,389	38%	222,000	75,000	2.2	12,069
	USDA	261	78%	146,000	49,000	1.9	13,825
New Orleans-	All	30,621	38%	199,000	75,000	6.6	21,171
Metairie, LA	Conventional	20,026	31%	228,000	92,000	6.4	19,885
	FHA	10,358	78%	167,000	60,000	7.0	25,956
	VA	1,463	45%	220,000	78,000	6.5	23,364
	USDA	14	79%	143,000	49,000	10.2	33,571

Sources: HMDA, Down Payment Resource, and the Urban Institute.

Notes: DPA = down payment assistance; FHA = Federal Housing Administration; HMDA = Home Mortgage Disclosure Act; USDA = US Department of Agriculture; VA = US Department of Veterans Affairs. Based on 2017 HMDA purchase originations. Down payment assistance eligibility assumes household size of three and first-time homebuyer shares to be 47 percent for conventional loans, 82 percent for FHA loans, 53 percent for VA loans, and 79 percent for USDA loans.

Conclusion: What's Next?

This report shows the availability of down payment assistance programs for conventional and government-guaranteed loans across the nation. With rising home prices, access to sustainable mortgage credit is often possible only with low-down payment loans. In addition, many borrowers need to be able to access down payment assistance beyond that available through high-LTV loans. Down payment assistance programs, offered through state housing finance agencies and by many lenders, can help more people achieve homeownership. Although few data have been collected about historic use and types of programs, borrower loan data show that many consumers are not taking advantage of programs that could provide greater access to credit and homeownership. These programs' benefits and costs are often not sought out, referred to, or communicated to potential homebuyers in a standardized way.

We need to increase the visibility of these programs and ensure mortgage borrowers know about available assistance. Not all down payment assistance programs are created equal—they come in different forms with different eligibility criteria. These programs often require consumer education or housing counseling that ensure potential borrowers understand whether homeownership is right for them. Homebuyers need to be better educated so they can make an informed decision as to whether they have the financial ability to purchase and sustain homeownership. Knowledge about the wide array of programs available could, in particular, make the difference for a first-time homebuyer in a high-cost city with sufficient income but who needs down payment assistance because of high housing costs. The GSEs, the FHA, and the Consumer Financial Protection Bureau could play a bigger role in first-time homebuyer access to credit by offering more education about the programs and by working with lenders, HFAs, and the real estate industry to expand consumer knowledge of low-down payment lending programs.

Appendix A

Loan Types by State

State	Conventional	FHA	VA
National	60.3%	24.8%	11.2%
Alabama	48.4%	27.8%	15.3%
Alaska	41.8%	19.1%	30.5%
Arizona	62.6%	23.8%	12.2%
Arkansas	47.1%	26.5%	12.7%
California	64.3%	25.5%	9.4%
Colorado	65.1%	19.7%	13.9%
Connecticut	62.8%	29.1%	6.1%
Delaware	58.3%	26.5%	9.9%
District of Columbia	84.6%	8.6%	6.8%
Florida	58.9%	26.8%	12.8%
Georgia	53.1%	29.4%	14.0%
Hawaii	60.2%	6.7%	27.5%
Idaho	62.7%	20.8%	11.8%
Illinois	68.0%	24.0%	5.9%
Indiana	55.8%	29.0%	8.2%
Iowa	69.7%	16.0%	8.6%
Kansas	58.0%	24.9%	12.7%
Kentucky	51.6%	27.9%	10.7%
Louisiana	48.0%	29.3%	11.1%
Maine	56.7%	22.2%	12.0%
Maryland	52.1%	31.4%	12.8%
Massachusetts	71.1%	22.0%	5.5%
Michigan	67.6%	21.3%	6.3%
Minnesota	69.9%	19.2%	6.6%
Mississippi	38.3%	33.6%	14.4%
Missouri	56.1%	26.1%	10.3%
Montana	64.5%	15.2%	13.6%
Nebraska	64.1%	19.6%	12.0%
Nevada	58.7%	26.5%	13.9%
New Hampshire	63.4%	23.1%	9.8%
New Jersey	65.4%	29.2%	4.3%
New Mexico	52.2%	29.8%	15.9%
New York	67.1%	25.8%	5.6%
North Carolina	62.0%	17.2%	15.5%
North Dakota	67.8%	15.0%	13.5%
Ohio	58.2%	28.5%	9.0%
Oklahoma	46.4%	28.8%	14.7%
Oregon	68.8%	17.4%	10.5%
Pennsylvania	60.3%	28.3%	7.6%
Rhode Island	54.6%	38.5%	6.4%
South Carolina	56.4%	22.5%	15.7%
South Dakota	56.0%	18.2%	13.0%
Tennessee	53.7%	24.2%	13.7%
Texas	57.5%	28.4%	12.8%
Utah	63.6%	25.4%	7.3%
Vermont	73.4%	12.7%	8.0%
Virginia	51.3%	22.7%	22.0%
Washington	64.6%	18.6%	14.7%
West Virginia	45.3%	23.5%	14.8%
Wisconsin	73.8%	14.9%	7.5%
Wyoming	52.3%	18.0%	17.5%

Sources: eMBS and the Urban Institute.

Notes: FHA = Federal Housing Administration; VA = US Department of Veterans Affairs. Based on purchase money agency originations in 2017.

Appendix B

State Home Prices

	10th Percentile			50th Percentile			90th Percentile		
	Home value	3.5% down payment	20% down payment	Home value	3.5% down payment	20% down payment	Home value	3.5% down payment	20% down payment
National	114,065	3,992	22,813	235,000	8,225	47,000	469,152	16,420	93,830
Alabama	90,000	3,150	18,000	176,189	6,167	35,238	340,000	11,900	68,000
Alaska	172,414	6,034	34,483	288,000	10,080	57,600	469,997	16,450	93,999
Arizona	139,525	4,883	27,905	234,500	8,208	46,900	411,250	14,394	82,250
Arkansas	83,512	2,923	16,702	156,420	5,475	31,284	300,000	10,500	60,000
California	214,890	7,521	42,978	404,062	14,142	80,812	700,000	24,500	140,000
Colorado	189,500	6,633	37,900	333,500	11,673	66,700	534,975	18,724	106,995
Connecticut	130,000	4,550	26,000	235,000	8,225	47,000	440,000	15,400	88,000
Delaware	144,618	5,062	28,924	250,535	8,769	50,107	422,500	14,788	84,500
District of Columbia	270,000	9,450	54,000	453,880	15,886	90,776	767,606	26,866	153,521
Florida	126,500	4,428	25,300	229,148	8,020	45,830	408,750	14,306	81,750
Georgia	115,385	4,038	23,077	209,797	7,343	41,959	407,224	14,253	81,445
Hawaii	255,000	8,925	51,000	520,000	18,200	104,000	800,000	28,000	160,000
Idaho	125,900	4,407	25,180	215,000	7,525	43,000	380,626	13,322	76,125
Illinois	91,250	3,194	18,250	204,842	7,169	40,968	405,000	14,175	81,000
Indiana	77,778	2,722	15,556	153,783	5,382	30,757	309,000	10,815	61,800
Iowa	80,000	2,800	16,000	164,000	5,740	32,800	331,842	11,614	66,368
Kansas	79,295	2,775	15,859	174,152	6,095	34,830	348,315	12,191	69,663
Kentucky	86,500	3,028	17,300	161,504	5,653	32,301	315,651	11,048	63,130
Louisiana	110,881	3,881	22,176	193,298	6,765	38,660	348,721	12,205	69,744
Maine	114,000	3,990	22,800	214,830	7,519	42,966	390,000	13,650	78,000
Maryland	157,895	5,526	31,579	299,419	10,480	59,884	523,301	18,316	104,660
Massachusetts	179,900	6,297	35,980	340,000	11,900	68,000	572,973	20,054	114,595
Michigan	81,000	2,835	16,200	167,000	5,845	33,400	339,900	11,897	67,980
Minnesota	125,000	4,375	25,000	224,742	7,866	44,948	405,000	14,175	81,000
Mississippi	87,000	3,045	17,400	165,556	5,794	33,111	294,737	10,316	58,947
Missouri	84,530	2,959	16,906	166,900	5,842	33,380	329,900	11,547	65,980
Montana	138,000	4,830	27,600	245,000	8,575	49,000	402,000	14,070	80,400
Nebraska	93,953	3,288	18,791	172,414	6,034	34,483	334,000	11,690	66,800
Nevada	159,148	5,570	31,830	263,918	9,237	52,784	425,678	14,899	85,136
New Hampshire	147,059	5,147	29,412	254,737	8,916	50,947	423,000	14,805	84,600
New Jersey	145,000	5,075	29,000	294,500	10,308	58,900	539,492	18,882	107,898
New Mexico	114,851	4,020	22,970	192,746	6,746	38,549	360,000	12,600	72,000
New York	103,638	3,627	20,728	273,750	9,581	54,750	598,667	20,953	119,733
North Carolina	112,028	3,921	22,406	215,005	7,525	43,001	406,752	14,236	81,350
North Dakota	127,000	4,445	25,400	236,667	8,283	47,333	385,882	13,506	77,176
Ohio	75,364	2,638	15,073	152,332	5,332	30,466	315,000	11,025	63,000
Oklahoma	86,130	3,015	17,226	164,362	5,753	32,872	310,000	10,850	62,000
Oregon	177,000	6,195	35,400	305,263	10,684	61,053	491,667	17,208	98,333
Pennsylvania	91,192	3,192	18,238	192,500	6,738	38,500	390,063	13,652	78,013
Rhode Island	158,876	5,561	31,775	239,332	8,377	47,866	415,000	14,525	83,000
South Carolina	109,988	3,850	21,998	202,000	7,070	40,400	381,967	13,369	76,393
South Dakota	105,000	3,675	21,000	189,130	6,620	37,826	336,000	11,760	67,200
Tennessee	105,936	3,708	21,187	205,724	7,200	41,145	395,896	13,856	79,179
Texas	129,341	4,527	25,868	230,397	8,064	46,079	420,751	14,726	84,150
Utah	164,986	5,775	32,997	268,000	9,380	53,600	442,000	15,470	88,400
Vermont	124,000	4,340	24,800	225,000	7,875	45,000	395,000	13,825	79,000
Virginia	139,961	4,899	27,992	280,000	9,800	56,000	550,000	19,250	110,000
Washington	177,000	6,195	35,400	316,000	11,060	63,200	571,429	20,000	114,286
West Virginia	79,302	2,776	15,860	159,894	5,596	31,979	295,000	10,325	59,000
Wisconsin	93,000	3,255	18,600	180,000	6,300	36,000	347,000	12,145	69,400
Wyoming	136,667	4,783	27,333	229,420	8,030	45,884	388,000	13,580	77,600

Sources: eMBS and the Urban Institute.

Note: Based on agency purchase money originations in 2017.

Appendix C

The table below shows the number of 2017 purchase mortgage originations in 31 MSAs and the number of loans eligible for potential down payment assistance (DPA) programs. For example, in the New York-Newark-Jersey City, NY-NJ-PA, MSA, 28 percent of loans are eligible for at least one DPA program, and on average, borrowers are eligible for 3.7 programs. These borrowers qualify for an average assistance of \$13,546. This differs by race or ethnicity; 47 percent of black applicants were eligible for at least one program and 46 percent of Hispanic applicants were eligible for at least one program, but only 25 percent of both white and Asian applicants were eligible. A higher share of black and Hispanic borrowers is eligible for DPA primarily because of their lower incomes.

Down Payment Assistance by MSA (by Race or Ethnicity)

MSA	Loan type	Loans eligible for assistance	% eligible for assistance	Median loan amount (\$)	Median income (\$)	Average programs eligible for assistance	Average DPA (\$)
New York-	All	38,578	28%	343,000	114,000	3.7	13,546
Newark-Jersey City, NY-NJ-PA	Black	4,167	47%	310,000	94,000	3.8	14,163
	Hispanic	7,404	46%	293,000	89,000	3.7	14,058
	White	18,587	25%	341,000	122,000	3.6	12,982
	Asian	5,287	25%	398,000	117,000	4.1	14,642
	Other/Unknown	3,835	23%	375,018	131,781	3.7	13,266
Chicago-Naperville-Elgin, IL-IN-WI	All	41,121	37%	217,000	84,000	8.1	7,228
	Black	4,716	56%	170,000	67,000	9.7	7,409
	Hispanic	9,151	56%	176,000	60,000	9.6	7,376
	White	22,848	33%	228,000	92,000	7.5	7,088
	Asian	2,561	30%	265,000	101,000	7.8	7,632
	Other/Unknown	2,386	30%	244,046	101,400	7.9	7,319
Dallas-Fort Worth-Arlington, TX	All	38,472	38%	238,000	94,000	8.3	2,436
	Black	4,459	52%	226,000	81,000	8.8	2,533
	Hispanic	7,634	52%	182,000	66,000	9.6	2,834
	White	19,060	35%	247,000	101,000	7.8	2,237
	Asian	3,377	32%	295,000	105,000	7.7	2,388
	Other/Unknown	4,061	35%	249,325	99,910	8.0	2,485
Atlanta-Sandy Springs-Roswell, GA	All	26,223	29%	214,000	77,000	3.1	8,227
	Black	8,411	44%	187,000	63,000	3.7	8,773
	Hispanic	2,784	46%	178,000	54,000	3.8	9,315
	White	10,966	25%	225,000	86,000	2.4	7,347
	Asian	1,504	22%	251,000	84,000	4.1	9,972
	Other/Unknown	3,157	25%	231,341	85,671	3.2	8,275
Washington-Arlington-Alexandria, DC-VA-MD-WV	All	31,556	37%	364,000	110,000	7.7	14,112
	Black	6,973	51%	322,000	92,000	10.7	11,092
	Hispanic	5,007	54%	297,000	76,000	9.2	14,467
	White	12,242	32%	387,000	124,000	6.1	13,588
	Asian	3,296	33%	393,000	112,000	6.8	19,715
	Other/Unknown	4,485	33%	394,199	122,610	7.0	14,989
Phoenix-Mesa-Scottsdale, AZ	All	32,151	39%	226,000	73,000	2.6	12,104
	Black	1,312	47%	225,000	69,000	2.4	12,008
	Hispanic	8,515	56%	189,000	55,000	3.1	12,244
	White	18,856	35%	237,000	78,000	2.4	12,170
	Asian	1,081	31%	260,000	85,000	2.6	12,074
	Other/Unknown	2,708	35%	235,896	80,327	2.8	11,690

Sources: HMDA, Down Payment Resource, and the Urban Institute.

Notes: DPA = down payment assistance; HMDA = Home Mortgage Disclosure Act; MSA = metropolitan statistical area. Based on 2017 HMDA purchase originations. Down payment assistance eligibility assumes household size of three and first-time homebuyer shares to be 47 percent for conventional loans, 82 percent for Federal Housing Administration loans, 53 percent for US Department of Veterans Affairs loans, and 79 percent for US Department of Agriculture loans.

Down Payment Assistance by MSA (by Race or Ethnicity)

MSA	Loan type	Loans eligible for assistance	% eligible for assistance	Median loan amount (\$)	Median income (\$)	Average programs eligible for assistance	Average DPA (\$)
Los Angeles-Long Beach-Anaheim, CA	All	30,621	38%	485,000	127,000	6.6	21,171
	Black	1,374	51%	421,000	106,000	6.8	30,114
	Hispanic	9,249	57%	404,000	94,000	7.4	26,775
	White	10,835	32%	545,000	149,000	6.0	18,093
	Asian	6,442	37%	473,000	126,000	6.7	19,090
	Other/Unknown	3,300	34%	527,206	142,783	6.1	18,913
Houston-The Woodlands-Sugar Land, TX	All	30,416	39%	216,000	92,000	9.0	2,906
	Black	4,074	52%	208,000	80,000	9.3	2,818
	Hispanic	9,201	54%	177,000	69,000	10.1	3,355
	White	11,870	32%	234,000	106,000	8.2	2,635
	Asian	2,482	32%	249,000	101,000	8.6	2,703
	Other/Unknown	2,911	35%	230,869	99,770	8.7	2,798
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	All	23,299	37%	225,000	85,000	4.3	5,070
	Black	3,934	58%	167,000	61,000	4.7	5,128
	Hispanic	1,978	56%	163,000	56,000	4.5	5,464
	White	14,240	34%	235,000	90,000	4.2	5,054
	Asian	1,369	30%	267,000	95,000	4.3	4,732
	Other/Unknown	2,182	32%	237,785	93,821	4.3	5,016
Seattle-Tacoma-Bellevue, WA	All	13,207	22%	373,000	108,000	8.4	17,860
	Black	758	37%	321,000	83,000	8.5	16,991
	Hispanic	1,007	35%	314,000	84,000	8.7	17,512
	White	8,041	24%	356,000	104,000	8.2	17,728
	Asian	1,836	16%	440,000	122,000	9.1	18,803
	Other/Unknown	1,761	19%	394,629	117,210	8.6	17,848
Minneapolis-St. Paul-Bloomington, MN-WI	All	20,181	35%	225,000	80,000	2.8	9,672
	Black	1,188	51%	213,000	62,000	3.3	9,849
	Hispanic	1,127	51%	204,000	59,000	3.6	9,565
	White	14,920	33%	227,000	82,000	2.7	9,655
	Asian	1,444	38%	224,000	72,000	3.2	9,854
	Other/Unknown	1,451	31%	234,214	88,821	2.8	9,619
Miami-Fort Lauderdale-West Palm Beach, FL	All	20,096	36%	260,000	82,000	4.3	8,199
	Black	3,528	53%	231,000	66,000	4.4	8,184
	Hispanic	9,597	41%	255,000	75,000	4.3	9,386
	White	5,411	27%	281,000	100,000	4.3	6,528
	Asian	494	29%	270,000	89,500	4.3	7,635
	Other/Unknown	1,118	28%	279,511	96,768	4.3	7,705
Detroit-Warren-Dearborn, MI	All	15,957	30%	171,000	72,000	2.3	6,979
	Black	1,726	44%	134,000	60,000	2.4	6,938
	Hispanic	439	31%	164,000	72,000	2.4	6,888
	White	11,933	29%	171,000	72,000	2.2	6,982
	Asian	395	14%	250,000	95,000	2.2	6,940
	Other/Unknown	1,475	29%	167,588	72,626	2.5	7,031
Boston-Cambridge-Newton, MA-NH	All	14,498	27%	360,000	112,000	0.9	7,499
	Black	973	45%	334,000	84,000	0.8	7,500
	Hispanic	1,686	45%	338,000	80,000	0.9	7,500
	White	9,330	26%	356,000	117,000	0.9	7,500
	Asian	1,231	23%	395,000	116,000	0.8	7,500
	Other/Unknown	1,314	22%	384,179	125,649	0.9	7,496
Denver-Aurora-Lakewood, CO	All	17,783	34%	330,000	93,000	12.1	10,935
	Black	811	50%	299,000	75,000	13.3	10,739
	Hispanic	3,069	52%	290,000	70,000	13.4	10,938
	White	11,387	31%	339,000	98,000	11.8	10,962
	Asian	947	34%	338,000	90,000	12.0	10,836
	Other/Unknown	1,609	31%	341,964	99,542	11.9	10,904

Sources: HMDA, Down Payment Resource, and the Urban Institute.

Notes: DPA = down payment assistance; HMDA = Home Mortgage Disclosure Act; MSA = metropolitan statistical area. Based on 2017 HMDA purchase originations. Down payment assistance eligibility assumes household size of three and first-time homebuyer shares to be 47 percent for conventional loans, 82 percent for Federal Housing Administration loans, 53 percent for US Department of Veterans Affairs loans, and 79 percent for US Department of Agriculture loans.

Down Payment Assistance by MSA (by Race or Ethnicity)

MSA	Loan type	Loans eligible for assistance	% eligible for assistance	Median loan amount (\$)	Median income (\$)	Average programs eligible for assistance	Average DPA (\$)
Riverside-San Bernardino-Ontario, CA	All	24,088	48%	307,000	84,000	8.9	11,642
	Black	1,377	51%	323,000	86,000	8.5	11,407
	Hispanic	10,450	59%	283,000	73,000	9.5	11,578
	White	8,480	43%	312,000	92,000	8.7	11,765
	Asian	1,919	40%	350,000	94,000	8.4	11,663
	Other/Unknown	1,929	42%	338,996	94,087	8.3	11,643
Tampa-St. Petersburg-Clearwater, FL	All	15,798	33%	200,000	71,000	3.2	5,712
	Black	1,350	42%	199,000	64,000	2.5	5,211
	Hispanic	3,376	46%	180,000	56,000	2.7	5,700
	White	9,349	31%	204,000	75,000	3.4	5,798
	Asian	417	25%	225,000	84,000	3.1	5,621
	Other/Unknown	1,432	30%	210,617	78,507	3.2	5,631
Charlotte-Concord-Gastonia, NC-SC	All	11,544	27%	215,000	77,000	2.5	9,033
	Black	2,030	39%	190,000	63,000	2.7	9,742
	Hispanic	1,203	42%	168,000	52,000	2.7	9,788
	White	7,029	25%	220,000	81,000	2.4	8,677
	Asian	420	19%	255,000	94,000	2.7	10,087
	Other/Unknown	922	22%	236,726	87,122	2.7	8,951
St. Louis, MO-IL	All	16,108	42%	169,000	72,000	4.8	4,040
	Black	1,536	57%	131,000	55,500	6.1	3,881
	Hispanic	342	44%	153,000	65,000	5.5	4,196
	White	13,048	41%	170,000	73,000	4.6	4,068
	Asian	332	30%	229,000	90,000	4.5	3,400
	Other/Unknown	769	37%	181,960	79,367	5.1	4,073
Orlando-Kissimmee-Sanford, FL	All	12,329	34%	223,000	73,000	2.9	6,622
	Black	1,470	47%	210,000	60,000	2.9	6,937
	Hispanic	4,530	48%	206,000	60,000	3.0	6,651
	White	5,182	28%	232,000	83,000	2.9	6,511
	Asian	426	26%	249,000	84,000	2.8	6,843
	Other/Unknown	959	29%	233,382	81,751	2.9	6,588
Baltimore-Columbia-Towson, MD	All	14,735	42%	278,500	90,000	14.0	3,786
	Black	3,288	55%	240,000	75,000	15.0	3,909
	Hispanic	875	53%	244,000	68,000	14.9	4,047
	White	7,995	39%	285,000	96,000	13.6	3,602
	Asian	985	36%	315,000	94,000	13.9	4,644
	Other/Unknown	1,626	38%	292,532	97,879	13.9	3,804
Austin-Round Rock, TX	All	13,613	39%	256,000	97,000	7.8	5,889
	Black	680	53%	240,000	81,000	8.2	5,755
	Hispanic	3,081	54%	215,000	72,000	9.2	6,362
	White	7,313	36%	265,000	103,000	7.5	5,771
	Asian	1,031	34%	296,000	110,000	6.4	5,352
	Other/Unknown	1,567	36%	268,676	102,205	7.7	5,763
Las Vegas-Henderson-Paradise, NV	All	17,437	51%	240,000	71,000	5.1	14,853
	Black	1,254	55%	241,000	68,000	5.1	14,880
	Hispanic	4,638	63%	200,000	54,000	6.1	14,801
	White	8,239	47%	252,000	79,000	4.7	14,894
	Asian	1,871	49%	251,000	71,000	5.1	14,875
	Other/Unknown	1,446	45%	261,699	79,837	4.8	14,769
Nashville-Davidson-Murfreesboro-Franklin, TN	All	12,124	36%	238,000	76,000	3.4	34,881
	Black	1,167	51%	223,000	64,000	3.4	35,000
	Hispanic	685	49%	195,000	53,000	3.7	35,000
	White	9,025	35%	239,000	77,000	3.3	35,000
	Asian	387	33%	250,000	72,000	3.6	35,000
	Other/Unknown	922	30%	262,147	85,838	3.5	34,103

Sources: HMDA, Down Payment Resource, and the Urban Institute.

Notes: DPA = down payment assistance; HMDA = Home Mortgage Disclosure Act; MSA = metropolitan statistical area. Based on 2017 HMDA purchase originations. Down payment assistance eligibility assumes household size of three and first-time homebuyer shares to be 47 percent for conventional loans, 82 percent for Federal Housing Administration loans, 53 percent for US Department of Veterans Affairs loans, and 79 percent for US Department of Agriculture loans.

Down Payment Assistance by MSA (by Race or Ethnicity)

MSA	Loan type	Loans eligible for assistance	% eligible for assistance	Median loan amount (\$)	Median income (\$)	Average programs eligible for assistance	Average DPA (\$)
San Antonio-New Braunfels, TX	All	12,035	37%	207,000	79,000	9.9	10,050
	Black	719	37%	228,000	82,000	9.7	10,908
	Hispanic	5,389	48%	182,000	68,000	10.6	11,241
	White	4,629	32%	222,000	88,000	9.2	8,694
	Asian	356	32%	233,000	85,000	9.7	10,869
	Other/Unknown	1,027	32%	218,077	85,942	9.7	9,192
Indianapolis-Carmel-Anderson, IN	All	12,954	40%	165,000	69,000	4.8	4,130
	Black	1,197	56%	151,000	54,500	6.2	4,715
	Hispanic	637	55%	139,000	49,000	6.0	4,846
	White	9,804	39%	167,000	71,000	4.5	3,971
	Asian	624	42%	160,000	55,000	5.7	4,946
	Other/Unknown	847	36%	177,577	76,675	4.7	4,087
Cincinnati, OH-KY-IN	All	12,944	42%	162,000	71,000	5.6	3,610
	Black	887	56%	137,000	58,000	6.1	2,970
	Hispanic	300	46%	158,000	64,000	5.9	3,531
	White	10,534	42%	161,000	72,000	5.6	3,656
	Asian	334	31%	211,000	84,000	5.7	3,140
	Other/Unknown	879	37%	171,335	78,000	5.5	3,836
San Diego-Carlsbad, CA	All	11,415	37%	452,000	119,000	7.3	8,261
	Black	390	45%	431,000	106,000	7.2	7,779
	Hispanic	2,527	51%	409,000	96,000	7.8	8,312
	White	5,583	34%	468,000	126,000	7.2	8,321
	Asian	1,407	36%	465,000	121,000	7.0	8,159
	Other/Unknown	1,493	34%	471,352	125,810	7.0	8,140
Memphis, TN-MS-AR	All	4,756	35%	182,000	71,000	3.9	15,006
	Black	1,572	49%	167,000	59,000	4.1	15,000
	Hispanic	239	50%	151,500	52,500	4.4	16,607
	White	2,657	30%	189,000	78,000	3.7	14,901
	Asian	107	23%	225,000	84,000	3.8	14,977
	Other/Unknown	267	32%	182,534	74,370	4.0	14,732
New Orleans-Metairie, LA	All	4,396	39%	199,000	75,000	5.1	39,220
	Black	1,066	55%	162,000	59,000	5.8	40,000
	Hispanic	307	50%	168,000	59,000	5.0	40,000
	White	2,543	35%	212,000	82,000	4.9	40,000
	Asian	134	36%	203,000	72,000	5.2	40,000
	Other/Unknown	378	36%	205,317	76,533	5.5	38,898
Buffalo-Cheektowaga-Niagara Falls, NY	All	4,316	42%	140,000	66,000	2.9	10,018
	Black	230	53%	114,000	50,000	2.9	10,261
	Hispanic	112	48%	132,000	56,000	2.8	10,111
	White	3,466	41%	142,000	67,000	2.8	9,988
	Asian	140	39%	138,000	54,000	2.9	10,292
	Other/Unknown	351	41%	143,325	68,274	3.1	10,024

Sources: HMDA, Down Payment Resource, and the Urban Institute.

Notes: DPA = down payment assistance; HMDA = Home Mortgage Disclosure Act; MSA = metropolitan statistical area. Based on 2017 HMDA purchase originations. Down payment assistance eligibility assumes household size of three and first-time homebuyer shares to be 47 percent for conventional loans, 82 percent for Federal Housing Administration loans, 53 percent for US Department of Veterans Affairs loans, and 79 percent for US Department of Agriculture loans.

About the Authors

Laurie Goodman is a vice president at the Urban Institute and codirector of its Housing Finance Policy Center.

Alanna McCargo is a vice president at the Urban Institute and codirector of its Housing Finance Policy Center.

Ed Golding is a nonresident fellow in the Housing Finance Policy Center.

Bing Bai is a research associate with the Housing Finance Policy Center.

Sarah Stochak is a research assistant in the Housing Finance Policy Center.

STATEMENT OF INDEPENDENCE

The Urban Institute strives to meet the highest standards of integrity and quality in its research and analyses and in the evidence-based policy recommendations offered by its researchers and experts. We believe that operating consistent with the values of independence, rigor, and transparency is essential to maintaining those standards. As an organization, the Urban Institute does not take positions on issues, but it does empower and support its experts in sharing their own evidence-based views and policy recommendations that have been shaped by scholarship. Funders do not determine our research findings or the insights and recommendations of our experts. Urban scholars and experts are expected to be objective and follow the evidence wherever it may lead.



2100 M Street NW
Washington, DC 20037

www.urban.org