Refugee Housing
SOLUTIONS

Innovative First-Time Homebuying Programs

www.refugeehousing.org

Overview

First-time homebuying can often be a daunting endeavor. Depending on the buyer's needs and wants, the list of tasks includes: considering the downpayment, looking at different homes, figuring out financing, finding out what interest rate can be afforded, and what types of insurance are necessary. However, many programs exist that can help.

Traditionally, first-time homebuying programs assist first-time homebuyers by providing no-interest loans to help with downpayments. Many of these programs allow these loans to be forgiven, usually after five years, as long as the homebuyer is still living in the home. Many require participants to take an eight-hour homeowner's course that reviews everything from pre-purchase to foreclosure. These programs oftentimes partner with lenders so that they are familiar with program requirements and timelines, allowing participants to receive pre-approval for loans.

Each first-time homebuyer program usually has the same fundamental structure. However, each program is extremely localized and has its own source of funding, unique aspects, and requirements that differentiate it from other programs. Developing an innovative first-time homebuying program can seem just as daunting as buying a first home. Studying other programs, replicating them, and refining them to ORR-eligible communities makes the process easier. These innovative programs recognize that one size does not fit all, and that many consumers will need additional, specialized support to be successful.

Case Studies

This resource reviews several case studies of innovative housing programs for first-time homebuyers across the United States, highlighting unique differences compared to traditional first-time homebuying programs.

Exploring case studies and innovative first-time homebuyer programs can be a valuable source of models to replicate and implement in communities serving individuals and families eligible for ORR programming and supports.

CALIFORNIA

Dream for All Loan

The California Dream for All Shared Application Loan program is an innovative down payment assistance program that has assisted thousands of Californians across the state and is expected to assist 2,000 more in 2026 with up to $300 million dollars.

The program itself works through a lottery system which chooses applicants at random to receive a voucher. Requirements include:

- One borrower must be a first-generation homebuyer.
- One borrower must be current resident of California.
- All borrowers must be first-time homebuyers.
- Combined household income must meet CalHFA Income Limits for the county you are purchasing in.

Education is also a component. Those that do receive a voucher then take a one-hour California Dream For All education course which covers what a shared appreciation is. Additionally, at least one occupying first-time borrower must complete a homebuyer education and counseling course. Acceptable courses can be found here.

The innovative aspect of California's program is that it offers and targets first-generation homebuyers with downpayment assistance of up to 20% of their home purchase price or appraised value instead of a set or maximum amount. In exchange, when the property is sold or refinanced, a portion of the home's appreciation is returned along with payment of the loan to the program. Those funds are then cycled back through to other applicants, creating a self-sustaining assistance model rather than a one-time grant program.

The program allows residents to look for homes they can afford in locations that they want to live instead of limiting individuals based on the amount of assistance provided by the state. It takes into account the ever-changing and fluctuating nature of homebuying, interest rates, market fluctuations, property values, and other factors that impact the value and price of a home.

Colorado Housing Finance Agency Down Payment Assistance Program

The Colorado Housing Finance Agency (CHFA) has been assisting low- to moderate-income Coloradans with homebuyer education, mortgage loan programs, and down payments assistance programs for 52 years without using state tax dollars; instead, they partner with a variety of lenders throughout the state. Residents can meet with a CHFA-approved lender to go over their finances and situation to see if they could be approved for any of CHFA's loan programs. Homebuyers using one of CHFA's first mortgage loan programs to finance their home purchase are eligible to use CHFA assistance options to help with down payment and/or closing costs. Even if applicants contribute towards a down payment, they may still be eligible.

To be eligible for any of CFHA's homebuyer programs, a borrower must have a credit score of 620 or higher, not exceed CHFA's income limits, complete a CHFA-approved homebuyer education course, and make a $1,000 minimum payment toward the home. Borrowers will still need to get approval for a loan from a CFHA-approved lender.

Down Payment Assistance Grant*

- Up to the lesser of $25,000 or three percent (3%) of your first mortgage**
  (Example: Get up to $6,000 on a $200,000 mortgage)
- No repayment required.

Second Mortgage Loan*

- Up to the lesser of $25,000 or four percent (4%) of your first mortgage**
  (Example: Get up to $8,000 on a $200,000 mortgage)
- Individuals living with a permanent disability or first-generation homebuyers can access specific programs offering up to $25,000 regardless of first mortgage amount.**
- Repayment of loan balance deferred until certain events, such as payoff of your first mortgage, the sale or refinance of the home, or if the home is no longer your primary residence.

** Higher interest rates apply*
*** For a 30-year, fixed-rate loan*

Borrowers can select which program best fits their situation, allowing for more flexibility, especially for first generation buyers by letting them choose between maximum affordability or long-term wealth building.

CFHA's innovative approach to down payment assistance has, once again, a one size does not fit all mentality. There are two options available: the Down Payment Assistance Grant or the Second Mortgage Loan. The Down Payment Assistance Grant option allows for up to $25,000 or 3% of the loan amount, whichever is less. There is no need to repay this amount as it is actually a grant and not a loan. The other option, the Second Mortgage Loan, is considered a second lien on the property. CHFA's Second Mortgage Loan gives individuals with a permanent disability or first-generation homebuyers the opportunity to access up to the full $25,000 regardless of the loan amount. Repayment of these loans is triggered only if the home is paid off or if the home is no longer a primary residence.

A **lien** is a right to keep possession of property belonging to another person until a debt owed by that person is discharged.

GEORGIA

Peach Plus Loan Program

Georgia's first-time homebuyer plan, the Peach Plus Loan Program, takes a different approach than the previous two case studies. While California's innovation centered around a lottery system with a flexible amount of assistance instead of a set number, and Colorado's focused on those with disabilities and first-generation homebuyers, Georgia's program focuses on job attraction and retention.

Similar to California and Colorado applicants, Georgia's Peach Plus Loan Program participants must complete a homebuyer education class to be approved for the program. Applicants must also first be approved for a loan by a partner lender. Once the primary loan is approved, the down payment loan is then prepared and completed before closing. Georgia's program also uses a one-size-does-not-fit-all approach. There are three different options for applicants to apply for based on their need:

- **Standard:** Three-and-a-half percent (3.5%) of the property purchase price or a maximum of $10,000, whichever is the lesser amount.
- **Protectors, Educators, and Nurses (PEN):** Four percent (4%) of the property purchase price or a maximum of $12,500, whichever is the lesser amount.
- **CHOICE:** Four percent (4%) of the property purchase price or a maximum of $12,500, whichever is the lesser amount. This option is specifically for those with disabilities.

Georgia focuses its additional assistance on specific sectors of the job force. The Protectors, Educators, and Nurses (PEN) option is exactly what it sounds like: it is reserved specifically for those working as educators, teachers, nurses, healthcare workers, first responders, and military personnel. This innovative aspect of Georgia's downpayment program attracts applicants from specific sectors and allows them to purchase a home close to where they work and stay in the communities that they serve. It also encourages those that are seeking homeownership to possibly enter these career fields.

Other states can use their job market data to focus on and customize the sectors that would most benefit from down payment assistance and/or sectors that are struggling to attract sufficient workforce as a way to both make housing more affordable for people in those sectors and attract people to those sectors who are exploring homebuying in the future.

Conclusion

Saving up for a down payment is often a significant barrier to buying a home. Downpayment assistance programs offer much-needed relief to individuals seeking first-time homeownership. Alongside providing funds for downpayment, some programs may forgive loans, defer payments, and even provide homeowner education classes as well as partner with lenders to make it easier for a first-time homebuyer to obtain their first home.

Programs that include innovative and unique components can serve more diverse populations and have an impact beyond buying a home. Innovations like recognizing that one size does not fit all and a set amount of assistance may not serve everyone equally, focusing on first generational homebuying, or even looking at the job market to see how it significantly impacts communities all contribute to increased homeownership. States, jurisdictions, and other nonprofits can examine these case studies as models to replicate or to help guide their own innovative programing when serving ORR-eligible populations, drawing from the resulting inspiration to develop new ideas that best assist the specific communities of immigrants and refugees in their communities.

Sources

California Dream For All:

- Shared Appreciation Loan
- Application Information

Colorado Housing Finance Authority (CHFA):

- How to Get a CHFA Program Loan
- Down Payment Assistance

Georgia Peach Plus Loan Program:

- Peach Plus Loan Program
- Informational Flyer

Additional Resources:

- A Guide to First-Time Home Buyer Loans and Programs (NerdWallet)
- First-Time Homebuyer Loans: Special Programs and How to Qualify (Investopedia)
- Buying a Home (HUD.gov)

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