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## **National Grant to New Mexico's Homewise Will Provide \$10,500 in Down Payment Assistance to 300 New Mexico Residents**

FOR IMMEDIATE RELEASE, Santa Fe, NM – New Mexico's Homewise, Inc. has received a multi-million dollar grant to provide \$10,500 mortgage down payment assistance to 300 low- to moderate-income homeowners throughout Bernalillo, Santa Fe, Sandoval, Valencia, Torrance, Colfax, Los Alamos, Mora, Rio Arriba, San Miguel and Taos counties.

Homewise received the *Project Reinvest: Homeownership* grant through a competitive, nationwide process and will begin administering the grants in April 2017. *Project Reinvest: Homeownership* grantees were selected from eligible Community Development Financial Institutions (CDFIs) to provide deferred (no interest) down payment assistance (DPA) loans to borrowers at 100 percent of Area Median Income (AMI) or less in urban, suburban, and rural communities in the U.S. and Puerto Rico. Eligible organizations were limited to nonprofit CDFIs with current certification by the U.S. Department of Treasury CDFI Fund (CDFI Fund) at the time of application. Eligible organizations had to demonstrate in their grant application the capacity to originate a high volume of DPA loans in conjunction with a first mortgage product within the two-year grant program period.

Homewise expects many of the homebuyers to be located New Mexico's three most populous counties – Bernalillo, Santa Fe and Sandoval. In 2015, 13 percent of home purchase loan applicants in Bernalillo and Sandoval counties were denied (compared to 9.4 percent nationally). For buyers with income at or below \$35,000, an average income for a Homewise client, the denial rate was almost twice as high at 25 percent. The most common reason for denial was debt-to-income ratio. *Project Reinvest: Homeownership* funds will directly address this affordability challenge by lowering the monthly payment through deferred financing. Homewise will combine these loans with home purchase preparation to address buyers' other financial obstacles such as credit profile and savings for a down payment. These services help clients better understand their finances to improve their credit scores, create a budget, build savings, and reduce consumer debt. Combining these services with the deferred down payment assistance is a powerful way to create new homeowners with excellent long-term prospects.

With a 31-year history in New Mexico, Homewise has experience administering similar programs such as the Albuquerque HomeLIFT program which, in 2015 in partnership with Wells Fargo, the City of Albuquerque and NeighborWorks America, provided \$4.1 million in down payment assistance to 221 Albuquerque homeowners.

*Project Reinvest: Homeownership* down payment assistance is designed to assist low- to moderate-income people to build assets through the purchase of homes while at the same time contributing to the local economy and stabilizing distressed communities. The loan amount is fixed at \$10,500 and is based solely on the borrower meeting the income requirements. The \$10,500 deferred loan would come due upon sale or transfer of title of the property.

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*Homewise, Inc. is a nonprofit organization that works throughout New Mexico to help create successful homeowners. Homewise empowers and supports clients on their path to homeownership through each step of the process with financial education and coaching, real estate services, affordable mortgage lending and down payment assistance, and refinance and home improvement lending. Since its founding in 1986, over 13,100 households have attended financial workshops. During that time over 3,600 people have purchased homes, over 2,000 have made energy efficient home improvements, more than 600 have refinanced their mortgages and the organization itself has built over 600 high-quality, affordable homes.*

[www.homewise.org](http://www.homewise.org)