

From: HBA CEO Dave Nielsen

To: HBA Board, State and National Directors, Councils, Committees and HBF Board  
cc: HBA Staff; Jon Chandler

HUD Secretary Shaun Donovan spoke at the NAHB Board meetings several of us from Portland attended in Washington, DC last week. During his discussion on Friday, Secretary Donovan announced HUD's plans to create ways to allow first-time home buyers to monetize (meaning use towards the down payment or towards closing costs) the \$8,000 first-time home buyers' tax credit on FHA mortgages.

While this in and of itself is just another step to helping make the tax credit more effective in encouraging people to purchase homes, it is an important one, both from a potential impact as well as the message it sends. State Housing Finance agencies, of which ten across the country have already created plans to monetize the tax credit, now have more direction and pressure to make this happen. Other non-profits, and even lending institutions (with some limitations), can also help borrowers monetize the tax credit.

We're still working on other local options to help make this effective here in Oregon, including efforts to get OHCS (our state's Housing Finance Agency) to create a pool of funds that can be used as short-term loans for borrowers eligible for the tax credit to apply to their home purchases. OHBA is taking the lead on this, and more details to follow.

In the meantime, if you'd like more information on HUD's announcement, visit this link: <http://www.hud.gov/news/release.cfm?content=pr09-072.cfm>