

Homebuyer Assistance Programs Help Sellers, Too

by Stacy Schwan

When it comes to marketing your seller's property, you could be using every tool in the box, and still the property refuses to sell. Before you resort to the hatchet (*i.e.* price cut) here's one more tool to consider.

Homebuyer assistance programs that are funded by the seller can potentially create a win-win solution for all parties—the buyer, the seller, the lender, and you. While these programs vary greatly in detail, the primary feature is that they provide assistance to buyers. The seller makes a contribution to a charitable organization, which is used to fund future participants (a modest portion is used to cover operating expenses). By agreeing to make this contribution, the buyer makes their property marketable to current participants.

The buyer benefits by receiving funds for down payment, closing costs, even mortgage payments during the first two years, enabling them to clear the biggest hurdle toward getting into a new home. The seller benefits by being able to sell the home in a shorter period of time and without lowering the asking price. The lender benefits by being able to close more deals involving clients who qualify for a loan but lack the money for the above-mentioned expenses. And you (the REALTOR® or Broker) benefit by tapping into a greatly expanded pool of potential buyers.

Three examples of such programs are AmeriDream® Inc. (www.AmeriDream.com), The Nehemiah Program® (www.nehemiahcorp.org), and Monthly Mortgage Assistance Program (MMAP) Inc. (www.mmaphome.com). AmeriDream and The Nehemiah Program provide buyers (first time or not) with gift funds of up to ten percent of the sales price of a home for down payment or closing costs. AmeriDream also offers a five-year mortgage payment protection program which guarantees that

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mortgage payments will be covered in case of disability or involuntary unemployment.

MMAP bills itself not as a competitor, but as a program that fills a gap left in other homebuyer assistance programs. MMAP provides mortgage payment assistance in amounts ranging from \$250 to \$1,000 per month for up to two years. Only a year old, MMAP is growing rapidly in the Bay Area and throughout California. The program provides free training and certification for licensed agents at its facility in Pleasanton.

All three programs offer free marketing tools for REALTORS® and free homebuyer education courses. The Nehemiah Program also has its own listing system.

Other details of these programs vary, and it's important to examine their contingencies from all angles to determine their suitability for your clients' needs. But, for their potential to generate and target an expanded market of eligible purchasers, these tools are worth investigating. ★