

\$2.1 million grant to ACFCU will help 200 families achieve homeownership
Downpayment assistance loans can be difference between renting, owning

GRAY, TN – Two hundred low and moderate-income families each will receive a \$10,500 downpayment assistance loan to help them with home purchases thanks to a \$2.1 million grant awarded to Appalachian Community Federal Credit Union (ACFCU).

ACFCU will partner with multiple housing-related organizations across 30 counties in Tennessee, Virginia and Kentucky, and plans to complete the program over two years starting this month.

“Homeownership is one of the most effective paths to building wealth and financial security, and for many



Ron Scott
President and CEO
ACFCU

low and moderate-income families it is the only path,” ACFCU CEO Ron Scott said. “ACFCU provides members with tools to manage their finances and improve their credit scores. We provide a variety of fair lending options. But many deserving families still cannot muster the initial resources required for homeownership, so we’re grateful for this opportunity to help radically change peoples’ lives for the better.”

ACFCU was one of fewer than 20 recipients in a highly competitive national grant process for the “Project Reinvest” program. The credit union is a federally certified Community Development Financial Institution (CDFI), a status reserved for financial institutions dedicated to responsible, affordable lending to help low-income, low-wealth and other disadvantaged people and communities join the economic mainstream.



Adam Dickson
CDFI Resource
Coordinator

Adam Dickson, ACFCU’s CDFI resource coordinator, said the grant allows ACFCU to enter a new chapter in its work as a CDFI, and to strengthen regional partnerships.

“We greatly respect the region’s community development sector and their focus on affordable housing,” Dickson said. “Being a CDFI, we want to leverage our designation to be of the greatest impact for the needs of Central Appalachia. Using this funding together with partners to change families’ lives for the better is one way we see ourselves as good stewards and effective collaborators.”

Families with incomes at or below the area annual median may qualify for the program. For a family of four, that equates to around \$50,000 in most



Houses under construction in the Tri-Cities that fit the affordability range for families who will benefit from Project Reinvest.

of the Tri-Cities, and \$46,375 in most of the rural counties ACFCU serves, including 16 in south-east Kentucky.

In that income range, with good credit and not too much other debt, a family could afford to borrow up to \$150,000 using very conservative estimates. At a family income of \$36,000, the amount is still about \$110,000.

Yet many families in these income ranges still struggle to become homeowners, according to Retha Patton, Executive Director of Eastern Eight Community Development Corp., which is one of ACFCU's primary partners in the effort. The non-profit housing agency informed ACFCU leaders about the grant last fall.

"It's going to be a huge game-changer for the people we work with," said Patton.



Retha Patton
*Executive Director
Eastern Eight CDC*

Eastern Eight helps low and moderate-income families achieve homeownership across eight Northeast Tennessee counties, but limited affordable housing stock and other hurdles still leave many families who otherwise qualify unable to achieve ownership.

Patton said a significant minority of Eastern Eight clients lack the upfront funds to close on a home.

"Many of those families are in what we call the zone," Patton said. "It's not about not being able to make the mortgage payment for 30 years. They can do that. It's about upfront money."

Other families' income levels leave them with a very small number of homes they can afford – and even fewer that are of good quality. They often can't access the types of loans that would allow them to buy and renovate a house that is affordable.

"Without some kind of extra help, it can be pretty difficult to find a new home that will meet a family's needs for the payment many of the families we work with can afford," Patton said. "We're hopeful Project Reinvest will also open up opportunities for people in these categories."

All families who receive the loans – which are payable only if the owner sells or refinances the home – will have completed eight hours of homeownership training. "Project Reinvest isn't just about getting families into their own homes," Scott said. "We want the families who benefit to be prepared for the various 'bumps in the road' that homeownership entails."

ACFCU will work with a variety of realtors, lenders, non-profits and others to find potentially eligible families and help them achieve the American Dream. It is a dream that continues to elude the grasp of many families with adequate income who don't have the upfront resources to buy, Patton said. Several other funding sources that help families bridge the gap in the Tri-Cities are depleted before the end of each year.

"This really could be the difference between turning families away or saying, 'wow, with this extra resource we can get you into a home finally,'" Patton said.

An income eligibility sheet is attached. Potential buyers, realtors and others needing further information about program participation should contact Curtis Montgomery, ACFCU's Partner Support Coordinator, at (423) 230-2648 or cmontgomery@myacfcu.org.

Project Reinvest Downpayment Assistance Program Income Guidelines

County	Household Size							
	1	2	3	4	5	6	7	8
Tennessee								
Carter	34875	39875	44875	49812	53813	57813	61813	65813
Greene	32500	37125	41750	46375	50125	53813	57563	61250
Hancock	32500	37125	41750	46375	50125	53813	57563	61250
Hawkins	35500	40563	45625	50688	54750	58813	62875	66938
Johnson	32500	37125	41750	46375	50125	53813	57563	61250
Sullivan	35500	40563	45625	50688	54750	58813	62875	66938
Washington	34875	39875	44875	49812	53813	57813	61813	65813
Unicoi	34875	39875	44875	49812	53813	57813	61813	65813
Virginia								
Lee	36625	41875	47125	52313	56500	60688	64875	69063
Scott	35500	40563	45625	50688	54750	58813	62875	66938
Washington	35500	40563	45625	50688	54750	58813	62875	66938
Wise	36625	41875	47125	52313	56500	60688	64875	69063
Kentucky								
Bell	32500	37125	41750	46375	50125	53813	57563	61250
Clay	32500	37125	41750	46375	50125	53813	57563	61250
Clinton	32500	37125	41750	46375	50125	53813	57563	61250
Estill	32500	37125	41750	46375	50125	53813	57563	61250
Harlan	32500	37125	41750	46375	50125	53813	57563	61250
Jackson	32500	37125	41750	46375	50125	53813	57563	61250
Knox	32500	37125	41750	46375	50125	53813	57563	61250
Laurel	32500	37125	41750	46375	50125	53813	57563	61250
Leslie	32500	37125	41750	46375	50125	53813	57563	61250
Letcher	32500	37125	41750	46375	50125	53813	57563	61250
Madison	40125	45875	51625	57313	61938	66500	71125	75688
McCreary	32500	37125	41750	46375	50125	53813	57563	61250
Owsley	32500	37125	41750	46375	50125	53813	57563	61250
Pulaski	32500	37125	41750	46375	50125	53813	57563	61250
Rockcastle	32500	37125	41750	46375	50125	53813	57563	61250
Wayne	32500	37125	41750	46375	50125	53813	57563	61250
Whitley	32500	37125	41750	46375	50125	53813	57563	61250