




LOCAL  
IMPLEMENTATION

Implemented on Cape Cod

## OVERVIEW

Also known as mortgage buy-down programs, these are initiatives designed to help homebuyers (usually first-time homebuyers) by providing a subsidy at the time of home purchase to reduce the overall amount of a mortgage needed and hence monthly mortgage payments. Typically, government agencies, non-profits, and sometimes private entities offer these programs. As with many other financial assistance programs, there are usually income limits for a household to be eligible (generally 80% of the area median income). In exchange for the assistance, some programs require a deed restriction to be placed on the property to ensure it remains affordable into the future.

## CHALLENGES ADDRESSED

-  Not Allowed to Build Multi-family Housing
-  Too Expensive to Build New Housing
-  Too Expensive to Secure or Maintain Housing
-  Hard to Find Year-round Housing

## POTENTIAL BENEFITS & CONSIDERATIONS

- A buy-down program can lower the monthly mortgage payments, by lowering the total mortgage amount, making homeownership more accessible for individuals or families who might have otherwise struggled to qualify for a mortgage
- By targeting first-time homebuyers it can specifically help households to enter the housing market
- Depending on the housing market, availability of affordable units may still prove challenging, even with the subsidy
- If funds are provided as a grant or subsidy, it does not require the recipient to repay the money as a loan would

## RESOURCES & EXAMPLES

***Provincetown Down Payment & Closing Cost Program*** - This program offers up to \$30,000 for each eligible buyer (earning up to 100% of the area median income) to put towards down payment and closing costs for the purchase of an eligible affordable housing unit. It is funded through Community Preservation Act funds.

***MassHousing Down Payment Assistance*** - MassHousing provides up to \$30,000 for down payment assistance for eligible first-time homebuyers.

### CASE STUDY: WELLFLEET BUY DOWN PROGRAM

The Town of Wellfleet provided up to \$175,000 as a subsidy to low- or moderate-income households. In exchange for the subsidy, a deed restriction is placed on the property, restricting it as affordable in perpetuity, which limits its resale value. The purchase amount of a home eligible for this program is also limited based on a household's income.

Learn more about the Wellfleet Buy Down Program [here](#).

