



SOUTHEAST TEXAS HOUSING FINANCE CORPORATION

TO: Mayor Jerry Mouton, Jr.
City Council Members
City of Deer Park

FROM: Troy Cothran, Director/President
The Southeast Texas Housing Finance Corporation (SETH)

DATE: February 18, 2020

RE: SETH Activities Report

I would like to update the Mayor and City Council on the activities of The Southeast Texas Housing Finance Corporation.

SINGLE FAMILY HOMEOWNERSHIP PROGRAMS:

TOTAL Deer Park Homebuyers Assisted: 122 (10/15/12—12/31/19)

Down Payment & Closing Costs Assistance Provided: \$881,339

TOTAL Mortgage Funds Provided: \$18,285,000

Average Assistance per Household: \$7224.00

Average Sales Price: \$150,000

Because of Market Conditions, SETH has implemented several new homeownership programs that use a Grant or a 3, 7, & 10 year Second Lien that is forgiven over time if the homeowner remains in their home during the time limit. It also assist SETH in providing low Mortgage Rates.

SETH's Mortgage Credit Certificate (MCC) Program has been FREE since 1/1/19 to all eligible first-time homebuyers. The MCC allows the homeowner a direct tax credit up to \$2000 per year in the amount of mortgage interest. The MCC is allowable as long as the homeowner remains in the house.

All homebuyers that participate in any of SETH's single family programs are required to complete SETH's Homebuyers Education Course. In CY 2019, the total individuals educated were 7510. SETH is proud to be the first housing agency in the Country to require homebuyer's education since 1998!

SETH organized and trained over 4700 Lenders and Realtors in 2019 pertaining to our Single Family Programs Guidelines.

MULTIFAMILY PROGRAMS:

SETH continues to increase its Multifamily Portfolio. Currently, SETH is in the ownership structure of the following Communities:

- Gateway at Lake Jackson—Lake Jackson—160 units—Family
- Sweetwater—Wharton—56 units—Family
- Heritage Crossing—Santa Fe—72 units—Senior
- Birdsong Place Villas—Baytown—96 units—Senior
- Stonegate—Alvin—160 units—Family

SETH will have a groundbreaking early this Summer for a 119-unit Senior development in Bay City named Monarch at Bay Prairie. It will be 65% affordable and 35% market units.

SETH also purchased property in Sealy last year and will begin the development of an approximately 100-unit Senior development within the next 18 months.

Deer Park has a census track that has been designated as a Federal Opportunity Zone (OZ). SETH implemented a new multifamily program that provides incentives to developers to build affordable housing within any OZ in our jurisdictions. More information can be obtained at www.sethfc.com/multifamily.

SETH continues to monitor compliance on 9 multifamily developments that were financed with tax-exempt bonds. The total amount of bonds issued were over \$110 Million.

HOMEBUYER ASSISTANCE PROGRAMS IN YOUR COMMUNITY



Program provides Down Payment and Closing Costs Assistance. Government Loan Types include FHA, VA, USDA and are a Community 2nd and forgiven in 3 years. Grants provided with Conventional Options.



www.sethgoldstar.com

Program provides Larger Amounts of Down Payment and Closing Costs Assistance in the form of a Community Second. Buyers can choose between Forgiveness Terms of 7 or 10 Years.

No First Time Homebuyer Requirement

Max Sales Price \$331,200 for FHA/ \$484,350 USDA, VA, Conv.

Qualify for a Mortgage Loan with a Participating Lender

Borrower must not exceed the following income limits for Deer Park: \$107,940

SETH Homebuyer Education Course is Required and Free for Lower Income Limits

No Repayment of DPA after Community Second Forgiveness Terms



SETH HomeCredit

Mortgage Credit Certificate (MCC) Program

Our MCC Program provides eligible First Time Homebuyers a Federal Tax Credit. Can be combined with SETH 5 Star or SETH GoldStar. Must owner occupy for 9 years to avoid potential Federal Recapture Tax.

**EACH YEAR OUR HOMEBUYERS
CLAIM
40%
OF THEIR
TOTAL
MORTGAGE
INTEREST
AS A FEDERAL TAX CREDIT
UP TO A \$
MAXIMUM 2,000**

Example: Loan Amount...\$150,000 Interest Rate..4.5%

The buyer will have paid approximately \$6,750 in interest that year

Tax credit provided by our MCC Program: 40%

$\$6,750 \times 40\% = \$2,700$

MCC Savings for Homeowner.....\$2,000

Program Income Limits	1-2 Family Members	3 or More
Deer Park, TX	\$76,300	\$87,745



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