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ATTACHMENT 4

Homes & Communities

U.S. Department of Housing
and Urban Development

Community Planning and Development

En español | Text only

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American Dream Downpayment Initiative

Summary

The American Dream Downpayment Initiative (ADDI) was signed into law on December 16, 2003. The American Dream Downpayment Assistance Act authorizes up to \$200 million annually for fiscal years 2004 - 2007. ADDI will provide funds to all fifty states and to local participating jurisdictions that have a population of at least 150,000 or will receive an allocation of at least \$50,000 under the ADDI formula. ADDI will be administered as a part of the **HOME Investment Partnerships Program**, a formula grant program.

Purpose

ADDI aims to increase the homeownership rate, especially among lower income and minority households, and to revitalize and stabilize communities. ADDI will help first-time homebuyers with the biggest hurdle to homeownership: downpayment and closing costs. The program was created to assist low-income first-time homebuyers in purchasing single-family homes by providing funds for downpayment, closing costs, and rehabilitation carried out in conjunction with the assisted home purchase.

Type of Assistance

ADDI will provide downpayment, closing costs, and rehabilitation assistance to eligible individuals. The amount of ADDI assistance provided may not exceed \$10,000 or six percent of the purchase price of the home, whichever is greater. The rehabilitation must be completed within one year of the home purchase. Rehabilitation may include, but is not limited to, the reduction of lead paint hazards and the remediation of other home health hazards.

Eligible Customers

- Local information
- En español
- Print version
- Email this to a friend

What's New

ADDI Guidance Memorandum

This memorandum contains background information on legislative history and current ADDI, policy guidance on ADDI funds in the form of questions and answers, and operational information on ADDI funds including funding agreements, obligation of funds, recordkeeping and reporting requirements.

[more...](#)

ADDI Q&As

Questions and Answers on ADDI have been updated. These are designed to help HUD and citizens learn more about the initiative. Topics include program information, program descriptions, ADDI and HOME, and program responsibilities.

[more in Word...](#) | [more](#)

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HOME Topical

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Want More Info?

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To be eligible for ADDI assistance, individuals must be first-time homebuyers interested in purchasing single family housing. A first-time homebuyer is defined as an individual and his or her spouse who have not owned a home during the three-year period prior to the purchase of a home with ADDI assistance. ADDI funds may be used to purchase one- to four- family housing, condominium unit, cooperative unit, or manufactured housing. Additionally, individuals who qualify for ADDI assistance must have incomes not exceeding 80% of area median income. If you are interested in obtaining downpayment assistance through ADDI, please contact your **local HOME administering agency**.

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Eligible Activities

ADDI funds may be used for downpayment, closing costs and, if necessary, rehabilitation in conjunction with home purchase. ADDI funds used for rehabilitation may not exceed twenty percent of the participating jurisdiction's total ADDI allocation. The rehabilitation assisted with ADDI funds must be completed within one year of the home purchase.

Funding Status

In FY 2003, the ADDI appropriation was \$74.5 million. The FY 2004 appropriation is pending. HUD has issued **formula allocations** for both FY 2003 and FY 2004 to assist participating jurisdic preparing their consolidated plans.

If you are interested in obtaining downpayment assistance through ADDI contact your **local HOME administering agency**.

If you have a question about ADDI, send an email to the **Office of Affordable Housing Programs mailbox**. For further information regarding the administration of ADDI, visit our Q & A page ([PDF](#) | [Word](#)).

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