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### **\$1 Million Home Equity Milestone Reached In Salt Lake County through Unique Homeownership Program**

***Salt Lake City (10 October 2006)***—Last week, the Community Development Corporation of Utah (CDC) realized **the momentous milestone of \$1 million in cumulative equity it has been able to transfer to eligible homebuyers** who have participated in the Asset Control Area homeownership program, a unique partnership with the US Department of Housing and Urban Development (HUD). Eighteen months ago, CDC became one what are only 15 organizations around the country that have an agreement with HUD to administer the program designed to rehabilitate and sell HUD-owned properties to eligible homebuyers. Through the Asset Control Area program, CDC is able to help low to moderate income families, police officers, and school teachers realize the American Dream of homeownership, while revitalizing neighborhoods in the process.

The Community Development Corporation of Utah purchases HUD-foreclosed properties in targeted areas within Salt Lake County for 50% of their "as is" value. CDC rehabilitates the homes, often using donated materials to reduce the cost of repairing the homes. The new sales price of these homes is their fair market (renovated) value. Yet, in most cases, CDC is able to improve the homes while keeping its costs below the improved, fair market value. The eligible buyers secure mortgages for the cost of the homes and HUD retains temporary "enforcement notes" or soft second mortgages for the difference. HUD forgives the enforcement notes after one to three years, allowing the buyers to realize the equity. Keeping the mortgages low helps low-to-moderate income working families purchase a home, and enables them to stabilize their housing costs while building assets. In addition, neighborhoods are revitalized as home ownership rates increase.

Recently, the CDC sold its 59<sup>th</sup> home as part of this program. The home sold for \$103,500, yet there was a \$20,100 Homebuyer Enforcement Note for an adjusted sales price of \$83,400. **With that, the CDC reached has passed on \$1,012,640 in cumulative equity to eligible homeowners—more than one million dollars! This is an average of \$17,163 per family!**

The homebuyer family which put the equity total over the \$1 million mark is the Stewarts--Kasey, Jayce, and their one-year-old son Braedon. Kasey works in manufacturing and Jayce is a nurse's aid. "We never expected to find a home this nice in our price range," said Kasey after the Stewarts purchased their newly remodeled three bedroom/three bathroom home in Salt Lake City. "Now we have a beautifully remodeled home we can raise our son in. Thank you CDC!"

Tom Godfrey, CDC President says "This program has allowed us to get many people into homeownership that otherwise would never get the opportunity. Adding equity to the equation just makes it that much more wonderful."

The Community Development Corporation of Utah ([CDCUtah.org](http://CDCUtah.org)) is a Utah non-profit corporation founded in 1991 with the mission to develop affordable housing in order to promote strong families and stable neighborhoods. To date, the CDC has aided more than 1600 families in more than 125 communities to become homeowners. Programs offered by the CDC include new home construction, homebuyer education and counseling, and down payment assistance.

"Making the dream of homeownership a reality for working families is our core business," says Darin Brush, CDC Executive Director. Hitting the \$1 million mark is cause for celebration. It represents a significant, measurable impact on homeownership, asset building for families, and community revitalization."

###CDC###