BIPOC Homeownership Challenges in VT
Challenges

1. Lack of sufficient down payment
2. Lack of Affordable Home Prices
3. Generational familiarity with process

ONLY #1 and #2 are being addressed but #3 is a HUGE issue.
Lack of Affordable Home Prices

“Affordable” refers to rent.

• Affordable rent is an objective measure - % of income.
• Lease clearly states additional costs (utilities, etc.)
• Standard of affordability is 30% of income.

What’s “Affordable” Home Ownership?

• No immediate need for repairs
• Upkeep minimal
• Low assessed value
• Stable monthly payments
• Minimal out-of-pocket down-payment or closing costs.
Black Vermonters have median annual household income of $42,167. This makes a median HH monthly income of $3,500.

All housing expenses should be 45% of monthly income.

With $3500 in total monthly income

Average Black VT’er could handle a monthly payment = $1575
The monthly budget for principal, interest, insurance and taxes is $1575, so...

You could get a $148,000 mortgage (7.125% for 30 years.)
A mortgage of $148,000 would allow you to buy a $185,000 house.

How many $185,000 houses are there in VT?
+ “affordable”
+ inside redone!

- Swanton is 37 miles from Burlington

- only 2 bedrooms

- demographics in Swanton 0.04% Black.
Same borrower could have “afforded” a $209,000 mortgage when rates were 4%  
* Bought a $262,000 house!

The house you can afford now is $77,000 LESS than the house you could have afforded 6 months ago.
AND ...you will need $37,000 in cash for the down payment plus closing costs.
AFFORDABLE house is out of reach as interest rates rise!