

Five Questions With: Barbara Fields



RHODE ISLAND HOUSING'S new Ocean State Grad Grant program is designed to attract and retain more highly educated young people to Rhode Island by helping them make a down payment on a home, according to the agency's executive director, Barbara Fields.

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BY MARY MACDONALD
PBN STAFF WRITER

Barbara Fields, executive director of Rhode Island Housing Corp., discussed the thinking behind the new Ocean State Grad Grant program, in a recent interview. The program for first-time homebuyers will provide up to \$7,000 in down payment assistance for recent college graduates. The grants, in the form of a forgivable second mortgage, are available for graduates who completed community college, Bachelor's or advanced degrees within the past three years.

PBN: What was the genesis of the new Ocean State Grad Grant program? Are we trying to attract a younger, more educated population to Rhode Island, or trying to keep the college graduates we have?

FIELDS: As we developed this, we realized Rhode Island had fairly low ranking in the percentage growth of people between the ages of 25 and 34 with at least a four-year degree. We know from studies that 70 percent of millennials want to own a home in the next five to six years. So, what could we do to be helpful? This is what we thought about with this program. We heard another state, Ohio, had done something like this. We're all about best practices. We thought, "Let's do that here." We have a very robust homeownership division. This could be value added, but most importantly to align with the governor as she seeks to increase the number of well-paying jobs in the state. We felt this would eliminate a barrier. Students may be in a high rent situation. This might be something that could be a tipping point, to say, I'm going to think about buying that house or that condominium? We're the only state in New England that has something like this. We hope this makes us a little competitive.

PBN: It is structured as a second mortgage, forgivable after five years. How does that work? If a homeowner moves up to a larger house within the five-year window, but stays in Rhode Island, they will have to repay part of the grant?

FIELDS: This is actually a decreasing payment. We want to encourage investment in Rhode Island. It's an incentive. We say at least five years because that ensures we're taking valuable and limited grant dollars and making an investment in our communities. And encouraging these recent graduates to put down roots here. Someone might leave before, and they have to pay back, 20 percent a year. If they stay three years, they would have 60 percent of the loan forgiven.

PBN: How many grants does Rhode Island Housing anticipate awarding this year?

FIELDS: We have allocated \$350,000, and it's up to \$7,000. So if everyone were to take the maximum, we could do 50. We are fully prepared to go back to our board and ask for more money if this is that successful. I'd be thrilled if we are over-subscribed.

PBN: Is it limited to purchases in certain cities or areas? Does it have any geographical restrictions?

FIELDS: It's restricted to the geography of the state of Rhode Island.

PBN: What has been the response so far?

FIELDS: We've had a number of phone calls from lenders and brokers. They want to be able to promote it to people who walk in their door. If you have more down payment you may be able to buy more home.