



'Grad Grant' loans OK'd for homeownership

November 20, 2015

By Christine Dunn
Journal Staff Writer

PROVIDENCE - Rhode Island Housing Executive Director Barbara Fields said Thursday that the agency has closed on 14 loans under the new Ocean State Grad Grant program, designed to keep college graduates in the state while promoting home ownership.

Another 78 applications are pending, Fields told members of the agency's Board of Commissioners. The Grad Grant program, announced by Governor Raimondo in September, provides eligible recent graduates of any accredited college with down payment help worth 3.5 percent of a home's purchase, up to \$7,000.

The grants are offered in conjunction with a Rhode Island Housing first mortgage, available through the Rhode Island Housing Loan Center or any of the agency's participating lenders. They take the form of a forgivable second mortgage. If the borrower sells the home within five years, a portion of the grant must be repaid, based on 20 percent per year.

Rhode Island has allocated \$350,000 for the program, but Fields said additional funding may be requested soon.