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St. Charles Journal
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BUILDING YOUR NEXT HOME

GOOD NEWS

Builders Optimistic that Gov. Nixon's New Program Will Jumpstart the Housing Market & Create Construction Jobs



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GOV. JAY NIXON AND STATE TREASURER CLINT ZWEIFEL WERE IN ST. LOUIS THIS WEEK TO KICK off the Home Ownership Purchase Enhancement (HOPE) Program, a \$15 million initiative designed to jumpstart the state's housing-construction industry. Under the program, eligible Missourians who sign home purchase contracts during calendar year 2010 will be eligible for a financial incentive equal to their first year's property tax, on a first-come, first-served basis. An enhanced incentive is available for Missourians who purchase a new energy-efficient home; purchase and upgrade the efficiency of an existing home; or purchase a home and an energy-efficient item.

Under the HOPE program, the Missouri Housing Development Commission (MHDC) will provide

incentives of up to \$1,750 to encourage Missourians to purchase homes. The incentive will equal the cost of the home buyer's first year's property taxes, up to \$1,250.

FROM PAGE 1

Home Ownership Purchase Enhancement (HOPE) program announced

In addition, Missourians also would be eligible for an enhanced incentive if they purchase an energy-efficient home, purchase and remodel an existing home, or purchase an item, such as an Energy Star appliance, to make the home more energy efficient. If the buyer's estimated property tax would be \$1,250, the energy efficiency enhancement would be \$500. If the buyer's property tax would be less than \$1,250, the individual would be eligible for a larger energy-efficiency incentive, up to a total incentive of \$1,750.

Application forms for the program are available online by visiting www.mo.gov and clicking on the Homebuyer Incentive tab.

"Putting Missouri's highly skilled tradesmen and women back to work is a vital step toward jumpstarting our economy," Gov. Nixon said. "Missouri is home to highly skilled, highly professional workers from all types of trades, but too many of these men and women are currently out of work. By sparking growth in our housing industry, we'll get these men and women back on the job and help more Missouri families realize the American dream."

"This property tax relief program gets MHDC off the sidelines by committing

to put hardworking Missourians to work right now," said Treasurer Zweifel, chair of MHDC. "We are making sure MHDC makes strategic long-term investments that move the economy forward and create and retain Missouri jobs."

In August, Gov. Nixon formed the Home Building and Residential Energy Efficiency Advisory Panel by executive order to study how Missouri can both help increase homeownership and home building to improve the economy and increase home owner access to energy-saving measures. The 10-member panel included representatives of the home building industry, banking institutions, real estate businesses, trade unions and community action agencies, along with experts in energy efficiency and "green" building.

The advisory panel analyzed the strengths and weaknesses of the current new housing situation in Missouri, as well as the opportunities and threats being faced. The panel also examined the current home building market and the reasons to encourage energy efficiency home building in Missouri. Among the recommendations were proposals to use MHDC to promote homeownership and incentivize energy efficiency. The panel's full report can be found online at www.mo.gov.

Here are the basics of the incentives:
Who is eligible?
Income eligibility is based on previously adopted MHDC guidelines.

Depending on the county of the home sale, household income limit guidelines for low to moderate income persons or families approved by MHDC last spring range from \$58,300 to \$98,560. Grants are for owner-occupied purchases only.

When would it start?
Missourians are eligible for the HOPE incentive for purchase contracts made on or after Jan. 1, 2010. Funds are available on a first-come, first-served basis until the total pool of \$15 million is exhausted.

Where is the funding for this program coming from?

The funding comes from a reserve fund held by MHDC earned through successful management of mortgage loans made to low- and medium-income individuals and families. These reserve funds are not from general revenue, nor subject to the legislature's appropriation process.

How much of the property tax bill could be paid?

Eligible home owners could have up to \$1,750 of their property tax bills paid. According to the State Tax Commission, the average residential real estate tax bill for a Missouri home owner is \$1,160. An income-qualified individual or family is eligible to receive \$1,250 or the amount of their first year's real estate tax bill, whichever is highest, when they purchase a new or existing residential home. An income-qualified individual or family can enhance this base amount, up to \$1,750, if they purchase

an energy-efficient new home or make energy-efficient improvements to an existing home that is purchased. These improvements must be made prior to closing or within 60 days of closing.

How do Missourians apply for these funds?

Forms and affidavits will be part of documents executed at the home sale closing. Additional receipts and documentation will be required for proof of energy efficient improvements. The MHDC forms have been finalized and are now available online by visiting the state's Web site at www.mo.gov and clicking on the Homebuyer Incentive tab.

What energy-efficiency upgrades are eligible for the additional incentive?

Eligible improvements include installing high-performance windows; house wraps; programmable thermostat controls; water-efficient toilets and faucets; energy-efficient water heaters; lighting and appliances; sealing heating and air conditioning ductwork; caulking; insulating water heater pipes; increasing the R-value of insulation in crawl spaces and attics; and conducting on-site energy efficiency inspections and tests, including a blower door test, which tests the overall energy efficiency of the house, and a duct blaster test, which tests how much the air ductwork leaks.

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Continued on page 4