



AANDC Case Study 4: Affordable Homeownership in Alberta with The HOME Program

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First Nations are developing creative ways to meet their housing needs, both on- and off-reserve. In Alberta, the proximity of many First Nations to urban centres has increased interest in exploring off-reserve housing opportunities as one option available to First Nation community members. In addition to being a desirable option for some, doing so can help to alleviate the demand for on-reserve housing, which is often greater than the available supply.

To this end, Aboriginal Affairs and Northern Development Canada (AANDC) – Alberta Region was approached by several First Nations in the province about coordinating efforts to increase homeownership options off-reserve. In response AANDC – Alberta Region is piloting a new program bringing interested First Nations of Alberta and an existing Alberta-based initiative, The HOME Program, together in support of off-reserve homeownership for First Nations in the province.

The HOME Program is an Alberta-wide not-for-profit homeownership initiative developed in 2001 to assist interested moderate-to-low-income individuals and families in Alberta to become homeowners. Beginning in 2013, AANDC – Alberta Region has partnered with The HOME Program to create a distinct variant of the program, the First Nation Off-Reserve HOME Program, officially launched in March 2014.

As David Paré, Regional Housing Officer, AANDC – Alberta Region, who is working at the helm of this project explains, “The First Nation Off-Reserve HOME Program provides interested First Nation communities in Alberta with education sessions on homeownership, down payment assistance and support to Band members seeking to enter homeownership off-reserve.” Services provided through the program encompass financial literacy skills-building, referrals to real estate agents and other housing professionals, one-on-one financial counselling and ongoing follow-up and post-purchase support by HOME Program administrators. Adds Mr. Paré, “The program essentially pools the necessary resources to ensure participants can achieve and sustain homeownership off-reserve.”

The HOME Program partners include the Alberta Real Estate Association, the Canada Mortgage and Housing Corporation (CMHC) and Capital Region Housing Foundation, who administer the program. The Alberta Real Estate Association and local participating realtors provide the down payment assistance through the collection of fees charged for client referrals under the program. Available support ranges from \$1,000 to \$3,000 for down payment assistance or closing costs. While there is no income cut-off to be eligible to participate, financial assistance is based on pre-determined income thresholds.

However, it is the education component of the program that is the real backbone of support to participants seeking to attain homeownership. Delivered in two sessions, the first features a two-hour workshop laying out the foundations of homeownership with individual counselling available in the areas of credit, financing and savings. The second four-hour intensive workshop builds on the first session and reviews the terms, conditions and costs of a mortgage, as well as the transactional costs of buying a home. Interested homebuyers who have completed both education sessions are then eligible to apply for down payment assistance, while program counsellors remain available to assist participants in the development of their financial goals.

Brian Finley, Alberta Coordinator of The HOME Program and a local Realtor® in Edmonton explains, “We’re particularly proud of the education component of the program because with education everything improves – participants understand the importance of building a strong team around

them, they get the resources they need to ask informed questions, and the end result is additional savings and a better experience.”

Additionally, the First Nation Off-Reserve HOME Program can also help administer funds for homeownership made available through First Nation Bands, and each Band can tailor the financial component of the program so that it aligns with their goals and financial capacity. As Mr. Paré explains, “For each Band we will review how they would like to define the program and participant parameters. If they provide funds for down payment assistance then Bands will set their own income levels, amount of assistance, and repayment policy (if any). Or they could choose to support the parameters of the current HOME Program education and financial assistance guidelines. We’ve designed the program to be flexible in this way.”

In working with CMHC and financial institutions, the program also offers assistance to allow the review of mortgage approvals on a case-by-case basis. This process facilitates the mortgage approval process and has demonstrated to financial institutions that the risk of mortgage default has decreased due to participation in a program providing education and resources in support of homeownership. As Mr. Finley describes, “We see a high rate of success with this program. When individuals are educated and supported, the risk of mortgage default is lowered considerably.”

Since 2002, the HOME Program has helped over 2,000 Alberta families in owning their own homes and has provided over \$1.5 million in down payment assistance. Mr. Paré adds, “In exploring the barriers to homeownership through the education sessions and then detailing the steps required to remove those barriers, AANDC – Alberta Region, in partnership with The HOME Program, is helping to support First Nations to achieve their housing goals and aspirations.”

FOR MORE INFORMATION OR TO REGISTER FOR AN UPCOMING EDUCATION SESSION

Visit the web site: www.TheHomeProgram.ca. Interested participants may also call toll free at 1-877-504-6161.



*The **Canadian Housing and Renewal Association (CHRA)** is the national voice for the full range of affordable housing and homelessness issues and solutions across Canada. We have over 275 members who collectively house and shelter hundreds of thousands of Canadians, and provide housing support to many more. CHRA provides a home for the housing sector and for all who believe that every Canadian should have a decent, adequate and affordable place to call home.*

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