



The Story of *Our House*

Concerns Raised

Over recent years, local housing advocates and government officials have become concerned over housing trends in Nashville because:

1. Public investment in affordable housing was not being preserved.

Public funds were spent to create affordable homeownership opportunities by investing in assistance for low-income households to buy homes. But when these homeowners sold their homes, they gained a windfall from the public investment. The homes went back into the market and were unaffordable to the next low-income buyer.

2. Homeownership was becoming unaffordable.

Before the foreclosure crisis, housing prices were sky-rocketing, so households with modest incomes found it difficult to become homeowners. When they did buy, many moved outside of Davidson County to be able to afford homes.

3. Homeownership was becoming unsustainable.

When the foreclosure crisis hit, it highlighted that low-income and minority homeowners were at high-risk of experiencing bad outcomes related to unsustainable homeownership. They were more likely to have unsound or predatory mortgage and refinance loans, which made them vulnerable to delinquency and foreclosure. Consequently, many households and neighborhoods were devastated by the crisis.

Goals Made

As housing advocates watched the affordable housing they had helped to create disappear back into the market, and households of modest means be hurt by homeownership, they committed to finding another way to provide safe and affordable homeownership. Their goals were to create homeownership that would:

1. Use public dollars effectively.

2. Preserve affordability of homes to help more households.

3. Help households sustain successful homeownership.



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Shared Equity Offered A Better Way

Many other places across the country faced the same problems, and quite a few stumbled upon the same solution: **Shared Equity Homeownership**.

It is a form of resale-restricted, owner-occupied housing where the resident acquires the home through an organization called “the steward.” The steward invests a significant amount of public and/or private money into homes so low-to-moderate income households may borrow smaller mortgages to become homeowners. Therefore, the homes are more affordable than if households purchased them on their own. The steward provides pre-purchase education to prepare families for homeownership. After purchase, they provide ongoing services to support homeowners for as long as they own their homes. In exchange, homeowners agree to limit the appreciation they receive when they sell their home in order to keep the home affordable for future generations of homebuyers.

The Nashville community enthusiastically embraced Shared Equity homeownership. With time and hard work, resources were obtained to launch *Our House* in February of 2010. At least one hundred *Our House* homes will be completed by February 2013.

Across the country, organizations have embraced

Shared Equity homeownership

because:

1. Homes stay affordable permanently
...so they help household after household.

2. Homeowners may sustain homeownership ...so they can build wealth and experience better quality of life due to stable, affordable tenure and protection from risky home loan products.

Want more information?

Go to <http://www.cltnetwork.org>