



First-Time Homebuyer Initiative

A large and increasing number of American households struggle to find affordable housing. Homeownership can be a great way to create wealth including the opportunity to build home equity and generational wealth, gain long-term savings over the cost of renting, and strengthen one's credit score. Unfortunately, buying a first-time home is often unachievable for low- and moderate-income (LMI) and workforce borrowers due to financial barriers. Homeownership can offer substantial economic benefits, making it essential to address the specific challenges faced by LMI individuals and families and increase accessibility and equality for a broader range of people. CCM is launching an initiative to both invest in bonds financing (1) mortgage loans made to LMI and workforce first-time homebuyers and (2) programs helping first-time homebuyers with down payment assistance and other housing-related costs.¹

First-Time Ownership

Buying a first home is a significant achievement and can serve as a steppingstone to a better life. However, a home comes with various financial considerations and responsibilities, including saving for the downpayment, the closing costs, and other housing-related expenses. It is not an easy endeavor.



One of the most substantial upfront costs when buying a home is the down payment. This is a percentage of the home's purchase price that you pay upfront.

The amount required can vary, but it's typically around 20% of the home's price. Saving for a down payment is often one of the biggest challenges for first-time homebuyers.

In addition to the down payment, new homebuyers will need to budget for closing costs. These include fees for services like appraisals, inspections, title insurance, and legal fees. Closing costs can add several thousand dollars to the total cost of buying a home. Once you own a home, there are ongoing expenses to consider, including mortgage payments, property taxes, homeowner's insurance, and maintenance costs. It's essential to budget for these expenses to ensure a new homeowner can comfortably afford homeownership.

Catalytic Investments in Housing

CCM has been investing in affordable homeownership for LMI and workforce borrowers for 25 years and looks to signal the demand for investments in affordable housing and community development to the capital markets. This action not only helps attract more investment dollars but also contributes to the broader goal of addressing critical social and economic challenges in communities. Homeownership promotes wealth creation by acting as a natural savings mechanism through home value appreciation. It also connects families to their communities and can result in better education, employment, and health outcomes.

Investments made in the First-Time Homebuyer Initiative will be subject to a "use-of-proceeds analysis" and tracked within CCM's proprietary impact database for reporting and transparency. A use-of-proceeds analysis typically evaluates how funds are utilized and whether they align with the intended purpose. For the First-Time Homebuyer Initiative, this analysis involves tracking how funds are distributed and ensuring they are used to support first-time homebuyers through down payment assistance, housing counseling, or other related services.

Tracking these investments within a proprietary impact database allows for efficient and organized data management. It provides a clear record of where the funds go, how they are used, and the impact they can have on the Initiative's goals. This data can be crucial for reporting to stakeholders, demonstrating accountability, and assessing the overall effectiveness of the Initiative.

Impact Reporting

The commitment to producing annual impact reports for CCM's First-Time Homebuyer Initiative, with a focus on impact metrics, outcomes, and beneficiary stories, is a transparent approach to managing and communicating the Initiative's progress. CCM will additionally look for ways to work with organizations to increase employer-assisted housing (EAH) programs, with the goal of helping even more first-time homeowners.

Reports will look to include:

▶ **Impact Metrics:** Quantifiable measures and qualitative details on the Initiative's impact performance. Common metrics, outcomes, and details in the context of the Initiative will look to include:

- Number of first-time homebuyers assisted
- Total investment dollars deployed
- Geographic reach (areas or communities served)
- Amount of down payment assistance provided
- Number of individuals and families who purchased their first homes through the program
- Economic benefits, such as increased home equity, for program participants
- Community-level outcomes, such as revitalization or improved economic conditions in targeted areas

EAH programs provide a channel through which employers can help their employees with the cost of owning a home, typically in neighborhoods close to the workplace. Examples of EAH include governments and private companies working in partnership to incentivize and subsidize home purchases.

▶ **Spotlight Impact Investments:** Specific groups or individuals that have received support through the Initiative will be highlighted to help investors better understand where the funds are going and how they are utilized to create positive change.

▶ **Wealth Creation:** Data and information regarding increased home equity, savings, and economic growth can depict how the Initiative is contributing to the financial well-being of recipients and the broader community.

How to Invest

Institutional investors can invest in a separate account or through CCM's Community Impact Bond Fund Institutional Shares (ticker: CRANX) or CRA Shares (ticker: CRAIX) and select this Initiative on the targeting form. The Fund is available on investment platforms and in various impact investing models. For more information, please email David Sand at dsand@ccminvests.com.

¹ CCM uses the U.S. Department of Housing and Urban Development (HUD) and the Federal Housing Administration's (FHA) definition for first-time buyers, which helps lenders properly identify homebuyers meeting this criteria. A low-income person is someone whose total annual income is less than 50% of the area median income (AMI) or average income for the community where they live. A moderate-income person is someone whose total annual income is above 50% but less than 80% of the AMI or average income for the community where they live. The Urban Land Institute defines workforce housing as housing that is affordable to households earning 60% to 120% of AMI. Workforce housing typically includes middle-income workers such as police officers, firefighters, teachers, and health care workers.

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