

# HOUSING FOR **ONE** CHATTANOOGA



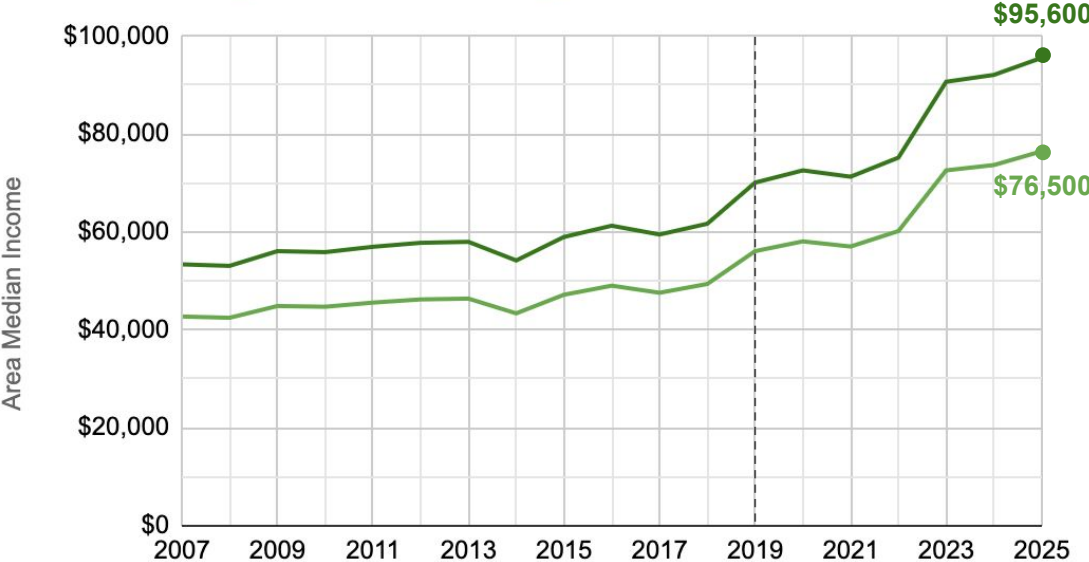
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# CHATTANOOGA'S HOUSING CRISIS

## Income Growth in Chattanooga, TN

HUD Area Median Income Chattanooga Metro

— 2 Person Household — 4 Person Household



Median Income

**+36%**

since 2019

Median Rent

**+54%**

since 2019

Median Home Value

**+63%**

since 2019

Source: U.S. Department of Housing and Urban Development

Source: U.S. Census Bureau 5-year American Community Survey

# CHATTANOOGA'S HOUSING CRISIS

Affordable = No More Than 30% of Total Income

Annual Income (Area Median Income, AMI)	Affordable Rent (including utilities)	Affordable Home Price (8% interest, \$10,000 down)
30% AMI \$22,950 Hairdresser	\$573 Childcare Worker	unaffordable Preschool Teacher
50% AMI \$38,200 Security Guard	\$955 Secretary	unaffordable Construction Worker
60% AMI \$45,850 School Teacher	\$1,146 Firefighter	unaffordable Clergy
80% AMI \$61,150 Journalist	\$1,528 Healthcare Technician	\$180,600 Loan Officer
100% AMI \$76,400 Occupational Therapist	\$1,910 Accountant	\$250,000 Nurse
120% AMI \$91,700 Occupational Therapist	\$2,292 Accountant	\$319,000 Dental Hygienist

Average Rent  
\$1,500

Median Sales Price  
\$330,000

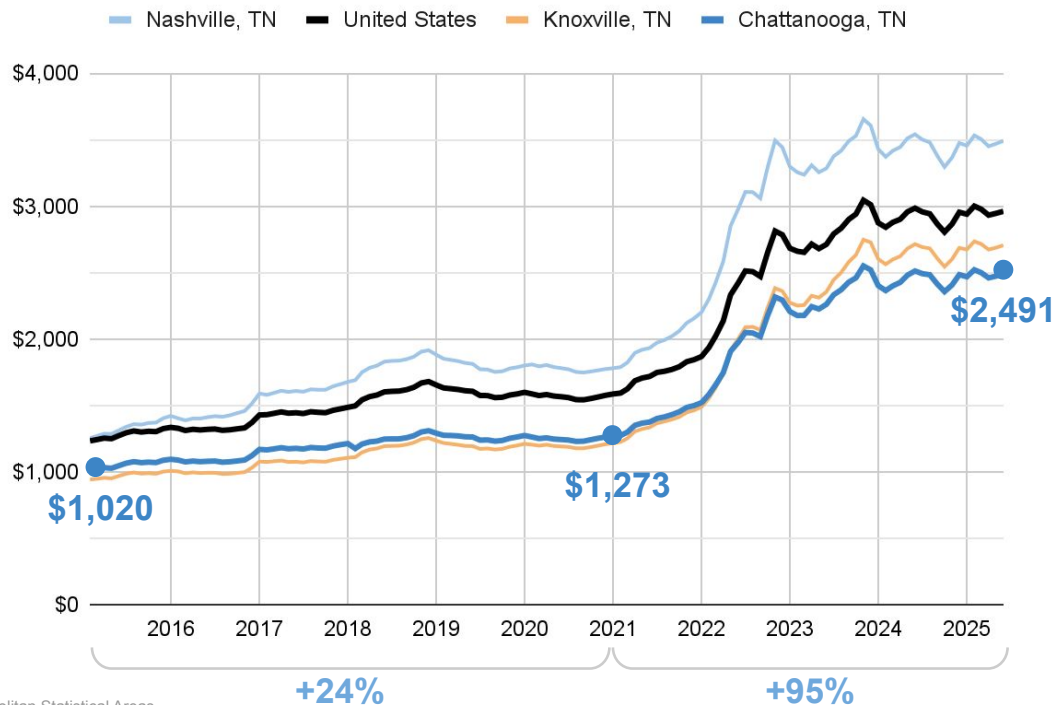


AMI levels and corresponding rents from HUD 2025 (Metropolitan Statistical Area), Income based on 2-person household, **AMI thresholds vary by household size**  
 Mean wages based on U.S. Bureau of Labor Statistics May 2024 Occupational Employment and Wage Estimates (Chattanooga, TN-GA)

# CHATTANOOGA'S HOUSING CRISIS

## Typical Monthly Homebuyer Payment

Zillow Total Monthly Payment Data: 10% down, MSA



# DOWN PAYMENT ASSISTANCE

## Who Is It For?

- **First-time homebuyers** who have not owned a home in the last 3 years
- Household income must be at or below **120% AMI**
- Homes must be located in **City limits** and cost **\$400,000** or less. Homes must be used as the **primary residence**.
- **Homebuyer education course** is required.

City provides up to

**\$15,000**

+ can be paired with other funding

- No Interest
- No Monthly Payments
- Repaid at Resale or Refinance

# Program Guidelines

## Homebuyer Eligibility

- **Income Limits:** up to **120% of the Area Median Income (AMI)** for Chattanooga
- **Income Limits starting June 1, 2026:**

1 person: \$81,800

4 people: \$116,900

2 people: \$93,500

5 people: \$126,250

3 people: \$105,200

6 people: \$135,600

# Program Guidelines

## Homebuyer Eligibility

- Borrower must be **first-time home buyer**
- Must complete approved Homebuyer Education Course
- Minimum **620 credit score** (or minimum lender requirement)
- Borrower must contribute a minimum of **\$1,000 of their own funds**
- Maximum debt-to-income of **45%**

# Program Guidelines

## Property Eligibility

- Must be located in **City of Chattanooga**
- Max purchase price of **\$400,000**
- Home must be **primary residence** and **owner-occupied**
- Home can't be rented out or used as a short-term rental
- Property types include **single family, townhomes, condos, manufactured and mobile homes**
- **Home Inspection** is required

# Program Guidelines

## Additional Requirements

- Escrows are required
- There is **no interest or monthly payments** during the life of the loan
- Loan must be repaid in full at the time of **resale** or **cash-out refinance**
- Loan is forgiven after 30 years

# How does the process work?



Homebuyer  
Education

Find Your  
Lender

Get  
Pre-Approved

Find A Home

Loan Approval

Closing

## Homebuyer Education

- Start here to learn about the homebuyer process.
- Find approved classes on THDA's website (linked at [chattanooga.gov/dpa](http://chattanooga.gov/dpa))
- Courses can be completed online or in person and are valid for twelve months.
- Required to receive City DPA funding.

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## Find Your Lender

- Start with the list of **approved participating lenders** on the City's website.
- Your lender is your entry point and will guide you through the program and help determine your eligibility.
- Review the types of loans each lender offers. You may want to call multiple lenders to find the best fit for you.

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## Get Pre-Approved

- Your lender will review your finances and determine how much you can borrow, including how much assistance you qualify for.
- You will need to qualify for a **first mortgage** with an approved lenders to access City Down Payment Assistance.

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## Find A Home

- The home must be within Chattanooga city limits and priced at \$400,000 or less.
- You can use the map on the City's website to check property eligibility.
- Complete a professional **home inspection** (required for City DPA).

# How does the process work?



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## Loan Approval

- Your lender completes underwriting and works with the City to confirm your eligibility for assistance.
- Your lender will request City Down Payment Assistance on your behalf – **you do not complete a separate application!**
- You will need to complete a **Borrower Declaration** that your lender will submit to the City.

# How does the process work?



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## Closing

- Once your loan is approved, Down Payment Assistance funds are sent directly to the closing agent and applied at closing.
- You will sign legal documents accepting the loan from the City.

# What's Next?

- **Lenders are currently onboarding**  
List of approved lenders will be posted on City website this week and will continue to be updated.
- **Loan applications are now being accepted**  
Mortgage loan applications dated on or after June 1st, 2026 are eligible
- **City is scheduling more community events this summer**  
Events will be posted on the City's website

**Visit the City's  
website to stay  
informed:**



[www.chattanooga.gov/dpa](http://www.chattanooga.gov/dpa)

# Thank You!

## Questions?



Megan Miles  
Jacki Madding