

July 1, 2024

New Covenant Homeownership Program launched to serve WA homebuyers harmed by housing discrimination

SEATTLE, Wash.—The Covenant Homeownership Program opens today, offering assistance to low-income homebuyers statewide whose families have been harmed by racial discrimination in housing.

Created by the state legislature in 2023 through the bipartisan Covenant Homeownership Act, the program helps homebuyers through a no-interest loan covering the downpayment and closing costs.

“This is a proud moment for the Commission and for Washington state. Today we make the promise of the Covenant Homeownership Act a reality for homebuyers,” said Nicole Bascomb-Green, chair of the Washington State Housing Finance Commission.

“Redlining, racist covenants, and other kinds of state-supported discrimination denied thousands of families in Washington the opportunity to own a home and build wealth for their families,” she added. “This program finally takes a step toward righting those wrongs by creating a new path to homeownership.”

The Covenant Homeownership Program is innovative because it creates a “special purpose credit program,” which has been mostly used by lenders such as mortgage giants Fannie Mae and Freddie Mac, Bank of America and Boeing Employees Credit Union, rather than by government agencies. This kind of program is allowed under the federal Equal Credit Opportunity Act to assist disadvantaged groups.

In passing the Covenant Homeownership Act, the state legislature also funded it through a new recording fee on real-estate transactions. The fee has raised about \$18 million since collection began in January.

“We want to thank Rep. Jamila Taylor, Sen. Jon Lovick, Rep. Frank Chopp, and the many organizations and community members who helped to pass this legislation last year and make this launch possible,” said Steve Walker, executive director of the Housing Finance Commission.

To be eligible for the new Covenant program, people must be first-time homebuyers who earn no more than 100% of Area Median Income in the county where they live. They also must have lived in Washington before 1968 and be in one of the eligible racial groups – or have a direct ancestor who meets those criteria.

The Covenant program joins a suite of downpayment and home-loan programs offered by the Housing Finance Commission throughout the state. Almost any low- to moderate-income homebuyer qualified for a mortgage loan can benefit from one of these programs, which have a range of eligibility criteria.

Homebuyers can access the Covenant program, as well as other financial help and support, via the state [Homeownership Hotline](#) at 877-894-4663. They can also find one of hundreds of Commission-trained loan officers statewide via www.heretohome.org. More information on the program: wshfc.org/covenant.

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The [Washington State Housing Finance Commission](#) is a self-sustaining public agency committed to increasing housing access and affordability for the people of Washington while aligning our work with anti-racist values.