

PH2.1 PUBLIC SPENDING ON FINANCIAL SUPPORT TO HOME BUYERS

Definitions and methodology

This indicator looks at the amount of government support to home buyers, as reported in the OECD Questionnaire on Social and Affordable Housing (OECD QuASH 2016). The level of expenditure is presented as a share of GDP. Data refer to the total expenditure at the level of national/federal government, and they may include transfers to regional/local governments which in turn deliver support to households.

The amounts typically include expenditure on demand-side measures, aimed at supporting households in buying a home. They do not include tax incentives for home owners, which are treated separately in the indicator number PH 2.2. Supply-side measures supporting developers towards the provision of affordable housing are also not included, but they may include subsidies to households building a home themselves. Expenditure at the local level is not included due to lack of available information on a comparative basis across countries. See Annex I for the full list of measures included in the figures on public spending for each country.

For the scope of this indicator, support to home buyers is divided into three main types of measures:

Grants to home buyers: transfers to households for the purchase (and in some cases construction) of a dwelling, covering part or all the associated costs. Grants are often reserved for first-time home buyers and/or for home buyers with income levels below a given threshold, who purchase dwellings with certain characteristics. Implicit subsidies through discounted sale price on publicly owned dwellings are also included under this category.

Subsidised mortgages and mortgage guarantees for home buyers: preferential mortgage loans provided by or subsidized by the government or by a government agency/fund, for the purchase of a residential dwelling; measures can also consist of down-payment assistance or mortgage guarantees. Subsidies to buyers through contributions to special savings accounts are also included in this category.

Mortgage relief for over-indebted home owners: subsidies and measures to avoid foreclosure on residential dwellings, owned by households in financial distress. These include subsidies for mortgage payments and payment of arrears, postponement of payments, refinancing mortgages and mortgage-to-rent schemes. These subsidies differ from subsidized mortgages to promote affordable home-ownership because the latter are granted at the time of the purchase of the dwelling.

Further detail on the measures implemented in each country is presented in Table PH 2.1.a, PH 2.1.b, and PH 2.1.c (Annex II).

Key findings

Grants, subsidised mortgages and mortgage guarantees to help households access homeownership are used by a large number of OECD countries. Unfortunately, not all countries implementing this type of measures were able to provide estimates of the amount of public spending in this area, or provided information which was not directly comparable (see Data and comparability issues, below).

Figure PH 2.1.1 shows that the mix of measures varies significantly across countries, with Chile, Malta, Cyprus and Mexico spending more on grants to home buyers and Luxembourg, Poland, France, Spain, Canada, the Netherlands and Japan focusing more on support to mortgage borrowers through a variety of different instruments. Hungary and Ireland also provide support to over indebted households through mortgage relief schemes.

Chile is the country which has the largest share of support to home buyers. The country has two major programmes providing grants to low-income and middle-income households, complemented by subsidies towards mortgage repayments for beneficiaries of these programmes who manage to duly repay their debt (Salvi del Pero, 2016).

Norway spends about 0.2% of GDP on measures supporting home buyers, through funding provided by the public housing bank Husbanken and administered by municipalities. Malta, Cyprus, Luxembourg and Mexico all spend between 0.1 and 0.06 of their GDP on these types of measures. The main form of support to home buyers in Malta is a “right to buy” programme on government owned dwellings. Cyprus provides grants for the acquisition of dwellings or plots of land and for self-construction aimed at mid to low income households. Luxembourg uses a mix of grants for purchase and construction of homes for persons with incomes below certain ceilings, as well as interest relief and state guarantees for households taking up a mortgage, regardless of their income. Mexico provides grants to low income households and those with unsuitable housing conditions, to purchase, build or improve a home.

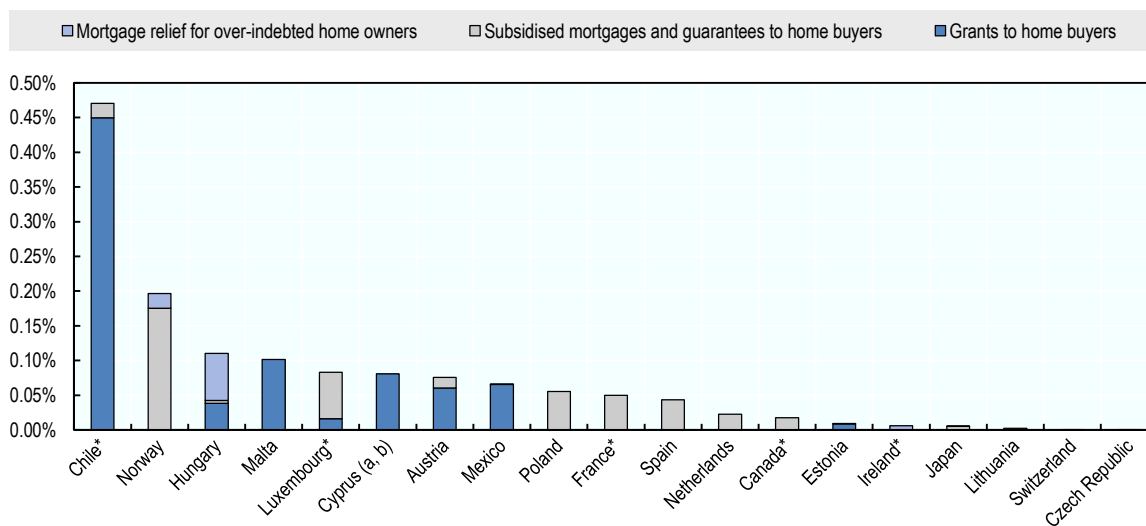
Poland, France, Spain and Hungary all spend between 0.06% and 0.04% of GDP on supporting home buyers. While Poland, France and Spain currently offer mainly subsidies towards mortgage interest rates, for people on low income and/or first time buyers, in Hungary spending mainly consists of grants, targeting families with children and young people leaving state care.

The Netherlands, Canada, Japan, Lithuania and Chile all spend less than 0.02% of their GDP on central government support to home buyers, but measures differ in terms of scope and nature. Lithuania and Switzerland have relatively targeted measures: Lithuania provides subsidies covering part of the initial credit for a mortgage loans for low income first time buyers, and Switzerland still offers subsidies aimed at helping low income home owners with mortgage payments but this measure is now close to new applicants. By contrast, in the Netherlands there is a system of mortgage guarantees through a dedicated fund financed by the state and municipalities which is virtually open to all borrowers. In Canada, the Canada Mortgage and Housing Corporation provide a number of insurance products for households taking up a mortgage, in some cases complemented by the First Nations Market Fund. Similarly, the Japan Housing Finance Agency provides securitization to fixed interest rates loans, which allows for a reduction on interest rates.

There is no straightforward correlation between the rate of homeownership and the current level of public support through grants and financial assistance to home buyers. Different factors influence this outcome. For example, many countries support access to home ownership through taxation (see PH 2.2); Also, countries who no longer use this type of support may have done so in the past. For instance, in Ireland and Spain public programmes supporting access to home ownership experienced major cuts after

the global financial crisis. Also, many countries in Central and Eastern Europe implemented large scale privatisation programmes in the 1990s which boosted home-ownership rates

Figure PH2.1.1: Public spending on grants and financial support to home buyers ^{1, 2, 3, 4, 5}
Government spending as % of GDP, 2015 or latest year available



Source: OECD Questionnaire on Affordable and Social Housing (2016)

Notes: Year of reference: 2015, except for Spain (2013).

* indicates information is missing on one programme, and the reported amount is therefore a lower-bound estimate. For a full list of measures included see Annex I.

a) Footnote by Turkey: The information in this document with reference to « Cyprus » relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the "Cyprus issue";

b) Footnote by all the European Union Member States of the OECD and the European Commission: The Republic of Cyprus is recognized by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

1) No information was provided for Belgium, Bulgaria, Denmark, Iceland, Israel, Italy, Romania, the Slovak Republic, and Turkey.

2) Data for Australia are not included because expenditure is at state level and not national/federal. However, considering spending by states and territories the overall amount (which consists of grants) compared to GDP is the highest among analysed countries, at 0.74 (data referring to 2011-12).

3) Data on programmes supporting home buyers in Germany are available at the regional level (Länder). Data on the related amounts of spending are not available for the whole country.

4) In Croatia, Finland, Sweden, the United Kingdom and the United States there are measures supporting home buyers, but information on the related amounts of public spending is missing.

5) Data reported under Figure PH 2.1 for Canada, Estonia and the Netherlands include government spending on mortgage guarantees/mortgage loans insurance. Only the amounts which were actually paid out to cover losses were included. New Zealand and Latvia also have similar schemes providing guarantees/loan insurance, but data were not provided on a comparable basis as they refer to the total volume of state guarantees.

Data and comparability issues

There are some important issues and limitations regarding both coverage of existing measures and comparability across different types of public support.

In terms of coverage of existing measures, it should be kept in mind that expenditure at the regional as well as local/ municipal level is not covered by this indicator due to lack of information. Nevertheless, responses to the OECD Questionnaire on Affordable and Social Housing (OECD QuASH 2016) indicate that relevant programmes might be in place at different levels of government, for which spending is not reported. For instance local authorities in Ireland provide “soft loans” for low income households, and affordable home ownership schemes are implemented by States and Provinces in Canada. These are not included under Figure PH 2.1. Furthermore, for some countries expenditure figures are missing for one or more programmes at national level. As a result, the amounts presented are lower than the actual total expenditure (see Annex I for a full list of measures included under Figure PH 2.1).

The different types of public support are difficult to compare. Grants consist of financial assistance (typically upfront) that is non-repayable. By contrast, loans are repaid by borrowers along with an interest rate over an agreed period of time. In the case of preferential loans (as for instance those granted by public bodies or by publicly owned agencies/funds) the subsidy element is hard to identify: it mainly consists of the difference in interest payments compared to rates that apply to a commercial loan, which vary significantly over time. Furthermore, preferential loans often imply a number of other advantages which cannot be quantified, such as long repayment period and/or delayed start of repayment or the requirement of a relatively small down-payment.

Also, mortgage guarantees and other forms of loan insurance are increasingly used as an instrument of public policy to provide favourable loan conditions to borrowers, such as reduced interest rates and/or reduced down-payments. Strictly speaking this type of instrument does not represent expenditure as long as there is no default in payments. To simplify comparison, only the actual amounts that were claimed and paid out to lenders were included as expenditure on mortgage guarantees within this indicator. Nevertheless, the value of guarantees can be high and potentially involve a significant risk as it can result into high amounts of public spending in case of widespread default.

Sources and further reading:

IMF (2011), *Global Financial Stability Report. Durable Financial Stability: Getting There from Here*. International Monetary Fund, Washington DC

Lunde, Jens, and Whitehead, Christine (2016), *Milestones in European Housing Finance*. Wiley-Blackwell

Salvi del Pero, A. (2016), “Housing policy in Chile: A case study on two housing programmes for low-income households”, *OECD Social, Employment and Migration Working Papers*, No. 173, OECD Publishing, Paris.
<http://dx.doi.org/10.1787/5jm2hzbngq33-en>

Salvi del Pero, A. et al. (2016), *Policies to promote access to good-quality affordable housing in OECD countries*. OECD Social, Employment and Migration Working Papers, No. 176, OECD Publishing, Paris.
<http://dx.doi.org/10.1787/5jm3p5gl4djd-en>

UN-HABITAT (2008), *Financing Affordable Housing in Europe* <http://unhabitat.org/books/financing-affordable-housing-in-europe/>

ANNEX I

Figure PH 2.1, included measures:

Chile

The following measures are included: “Solidarity Fund for Housing Choices” and “Integrated Housing Subsidy System”. The amount of public spending on the measure “Extraordinary Programme for Economic Re-launch and Social Integration” is missing.

Austria

The following schemes are included: “Subsidy Schemes for Single Family Homes (*Eigenheimförderung*)” and “Contract saving (*Bauspar*)”. The amount of public spending on the measure “Subsidies for Purchase of Owner-occupied Houses or Condominiums (*Kaufförderungen*)” is missing.

Canada

Figures refer to the measure “Mortgage Loan Insurance”. Information is missing on the measures to support home buyers implemented by Provinces and territories with co-funding from the Investment in Affordable Housing national programme.

Cyprus

The following schemes are included: “Grant for Acquiring a House or Apartment” and “Grant for Building a House on a private plot”.

Czech Republic

Figures refer to the measure “Mortgage interest subsidies to persons under 36”.

Estonia

The following schemes are included: “Housing Grant for Large Households” and “Housing Loan Guarantee”.

France

Figures refer to the measure “Interest-free Loan (*Prêt à taux zéro*)”. The amount of public spending on the measure “Social Homeownership Loan (*Prêt d'accession sociale*)” is missing.

Hungary

The following schemes are included: “Home-start Support (*Otthonteremtési Támogatás*)”, “Housing Subsidy (*Lakásépítési Támogatás, Családi Otthonteremtési Kedvezmény*)”, “Subsidized mortgage (*Otthonteremtési kamattámogatás*)”; “National Asset Management Programme for residential dwellings (*Nemzeti Eszközkezelő Program*)”. The measure “Debt management service” is missing.

Ireland

Figures refer to the measure “Mortgage to Rent Schemes”. The amount of public spending on the measure “local authority mortgages” is missing.

Japan

The following schemes are included: “Housing allowance”, “Flat 35S loans” and “Special measures for

OECD Affordable Housing Database – <http://oe.cd/ahd>

OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs

modifications to repayment methods by the Japan Housing Finance Agency”.

Luxembourg

The following schemes are included: “Acquisition grant (*Prime d'acquisition*)”, “Construction grant (*Prime de construction*)”, “Interest subsidy (*Subvention d'intérêt*)” and “Interest relief (*Bonification d'intérêt*)”. The amount of public spending on the measure “State guarantee” is missing.

Malta

Figures refer to the measure “Right to Buy (*Sir Sid Darek*)”.

Mexico

The following schemes are included: “Programme to Access Financing for Housing Solutions (*Programa de Acceso al Financiamiento para Soluciones Habitacionales*)”, “Decent Housing programme (*Vivienda Digna*)” and “Preferential Interest Rate (*Tasa de interés diferenciada*)”.

Netherlands

The following schemes are included: “Mortgage guarantee” and “Loan for Starters”.

Poland

The following schemes are included: “A Dwelling for the Young” and “Family on its Own”.

Norway

Figures refer to the measure “Start-up loan”, including the mortgage refinancing option for the same scheme.

Spain

Figures refer to the programme “Subsidisation of Housing Loans”.

Lithuania

Figures refer to the measure “Subsidising part of housing loan for the purchase of a first home”.

Switzerland

Figures refer to the measure “Allowance for low-income home owners according to the Promotion Act according (*Wohnbau- und Eigentumsförderungsgesetz*)”.

ANNEX II

Table PH2.1.1: Grants to home buyers: overview of existing measures

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Priority (if applicable)	Administration level
Australia	First Home Owner Grant	The First Home Owner Grant provides assistance to first home-buyers to purchase a new home.	No	Available to Australian citizens or permanent residents who do not own any other residential property.	Cap on property value	Grant		Regional/State
Australia	Home Purchase Assistance	Home Purchase Assistance is administered by each jurisdiction (state or territory) and provides a range of financial assistance to eligible households to improve their access to, and maintain, home ownership.	..	..	..	Grants and financial assistance measures		Regional/State
Austria	Subsidies for Purchase of Owner-occupied Houses or Condominiums (<i>Kaufförderungen</i>)	..	Yes	Households/individuals who do not own another dwelling. Further criteria may apply but they vary across provinces.	..	Grants and financial assistance measures		Regional/State
Austria	Subsidy Schemes for Single Family Homes (<i>Eigenheimförderung</i>)	..	Yes	First-time home buyers	Criteria related to the dwelling's energy performance	Grants and financial assistance measures		Regional/State

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Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Priority (if applicable)	Administration level
Canada	Investment in Affordable Housing	The Investment in Affordable Housing provides funding from the government of Canada (through the Canada Mortgage and Housing Corporation) to Provinces and Territories to implement a variety of measures, including for homeownership assistance.	..	..	..	..	..	Joint (funding from federal level to Provinces and Territories)
Chile	Solidarity Fund for Housing Choices (<i>Fondo Solidario de Elección de Vivienda D.S.49 de 2011</i>)	It provides funding for housing acquisition and construction (new developments up to 600 dwellings). It is mainly used for self-build by families grouped in committees and although it doesn't apply income ceilings it is targeted at people in the lowest income quintiles.	No	Chilean citizens or permanent residents who do not own another dwelling. Single-person households are not eligible.	The household needs to have a <i>Ficha de Protección Social</i> , the Chilean vulnerability measure instrument, with a score of "housing shortage" below a given threshold. The score is based on socioeconomic and housing conditions.	..	Point system prioritizing: households with children and/or persons with disabilities; persons who have done military service; victims of political persecution; members of Fire Department; Households living in overcrowded or unsanitary dwellings.	Joint (funding from national level, regional providers)
Chile	Integrated Housing Subsidy System (<i>Sistema Integrado de Subsidio Habitacional D.S.1 de 2011</i>)	Support for the purchase or construction of a dwelling up to UF 2000 UF (Around CLP 51.258.80), for households with savings capacity and capable to complement the value of the dwelling with a mortgage credit or own resources. The programme has three streams with different income ceilings and different maximum dwelling prices.	Yes	Chilean citizens or permanent residents who do not own another dwelling, and who have savings above a given minimum.	Cap on dwelling price	Grant	Priority point system (see above)	Joint (funding from national level, regional providers)

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Priority (if applicable)	Administration level
Chile	Extraordinary Programme for Economic Re-launch and Social Integration (<i>Programa Extraordinario de Reactivación con Integración Social, D.S. N° 116 de 2014</i>)	It finances the acquisition of affordable housing by households, and it concerns dwelling that are part of a housing project developed under this programme (supporting development of high quality, affordable housing by private developers). It is targeted at middle class households. The maximum price of a dwelling is UF 2.000 (Around CLP 51.258.80).	Yes	Chilean citizens or permanent residents who do not own another dwelling. Single-person households are not eligible.	Cap on dwelling price	Grant	..	Joint (funding from national level, regional providers)
Cyprus (a,b)	Grant for Acquiring a House or Appartment, and Grant for Building a House on private plot	..	Yes	Displaced families	..	Grant		National/ Federal
Estonia	Housing Grant for Large Households	..	Yes	Estonian citizens or permanent residents in large households (with at least 4 children aged under 19), who do not own another dwelling	..	Grant	Households are prioritized based on income, household size, conditions and size of dwelling	National/ Federal
Hungary	Home-start Support (<i>Otthonteremtési Támogatás</i>)	Home-start Support provides grants aimed at helping young adults leaving state care in finding suitable accommodation. It can be used to several different aims: eg. to purchase, to pay a rent of or to renovate a flat or house.	No	Young adults who have spent at least 3 years in state care, and who do not own a real estate property whose value exceeds the maximum amount of benefit (the amount of benefit is decreased by the value of any existing property)		Grant		National/ Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Priority (if applicable)	Administration level
Hungary	Housing Subsidy (<i>Lakásépítési Támogatás, Családi Otthonteremtési Kedvezmény</i>)	Housing Subsidy provides grants for home purchase to families with children.	No	Families or single parents with at least 2 children, who do not own any other dwelling.	Minimum requirement in terms of size and quality, cap on dwelling price defined at regional level.	Grant		National/ Federal
Japan	Housing Allowance (<i>Sumai-Kyufukin</i>)	One-off grant for low or middle-income person who purchase a residential dwelling and live in it. Temporary measure from April 1, 2014, to Sep 30, 2016 aimed at decreasing burden deriving from an increase in consumption tax in 2014 (from 5% to 8%). The amount of benefit is conversely proportional to the household income.	Yes	Households purchasing a dwelling to be used as main residence	Minimum size and quality standards	Grant		National/ Federal
Luxembourg	Acquisition grant (<i>Prime d'acquisition</i>)	Grant for the acquisition of an existing dwelling. The amount of benefit depends on the household income, household composition, and type of dwelling (higher for apartments and semi-detached houses, lower for terraced houses)	Yes	Households with permanent residence and who do not own any other dwelling. Beneficiaries must occupy the dwelling as primary residence for at least 10 years.	Maximum size	Grant		National/ Federal
Luxembourg	Construction grant (<i>Prime de construction</i>)	Grant to households to construct a dwelling or to acquire an existing dwelling for first occupation. The amount of benefit depends on the household income, household composition, and type of dwelling (higher for apartments and semi-detached houses, lower for terraced houses)	Yes	Households with permanent residence and who do not own any other dwelling. Beneficiaries must occupy the dwelling as primary residence for at least 10 years.	Maximum size	Grant		National/ Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Priority (if applicable)	Administration level
Malta	Right to Buy (<i>Sir Sid Darek</i>)	Scheme of the Malta Housing Authority allowing social tenants to purchase their home at subsidised price. The amount of benefit/discount depends on the conditions of the dwelling to be purchased	No	Recognised social tenants of the property to be purchased. Beneficiaries must live in the property for a period of not less than 10 years after purchase.	Criteria related to the dwelling's size, environment, number of bedrooms	Subsidised purchase price	not applicable	National/ Federal
Mexico	Programme to Access Financing for Housing Solutions (<i>Programa de Acceso al Financiamiento para Soluciones Habitacionales</i>)	Subsidy provided to low-income people to purchase a home (new or used), but it can also be used for improvements, expansion, or construction	Yes	First time home buyers with permanent residence who have not benefitted from the scheme in the past. Beneficiaries must have prior savings, and a credit to cover the full amount of the dwelling.	Criteria related to the dwelling's price, location, characteristics of environmental sustainability, and infrastructure.	Grant		National/ Federal
Mexico	Decent Housing (<i>Vivienda Digna</i>)	Subsidy provided to poor households for housing acquisition, home improvements, expansion, or self-build. The amount varies across municipalities and it depends on the local index of social underdevelopment and whether the municipality is identified as priority in other social/anti-poverty programmes	Yes	Households with income below poverty threshold and living in unsuitable accommodation from the point of view of quality and living space		Grant	Priority to household with a member who is disabled or under 14 years old, to single mothers, and to households whose head is 65 year old or more	National/ Federal
New Zealand	First Home Ownership Scheme	Scheme helping eligible buyers to afford to buy selected properties Housing New Zealand is selling across the country. To help with the deposit, eligible buyers receive a grant of 10 percent of the purchase price of the property, capped at NZD 20,000. First home buyers also get three months exclusive	Yes	First time home buyers with permanent residence in New Zealand.		Grant		National/ Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Priority (if applicable)	Administration level
		right of purchase before it's opened up to the open market.						
Norway	Housing grant to buy a home	One-off grant to assist disadvantaged households to obtain suitable housing. The grant is given by Husbanken to municipalities who in turn select beneficiaries and allocate funding. Each grant is decided by municipalities, based on the households' income, size, and the value of the dwelling to be purchased.	No	..	..	Grant	Households' income and needs are considered in determining priority, and municipalities can include additional criteria (disadvantaged families with children are often prioritised)	Joint (funding from the national level to municipalities)
Switzerland	Allowance for low-income home owners according to the Promotion Act according (<i>Wohnbau- und Eigentumsförderungsgesetz</i>)	A number of measures were available under <i>Wohnbau- und Eigentumsförderungsgesetz</i> until 2001, including state guarantees, low interest rates loans, and allowances. Currently allowances are still paid but the measure is being phased out.	Yes	..	..	Grant		National/Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Priority (if applicable)	Administration level
United Kingdom (England)	Right to buy/ Right to acquire	Right to Buy and Right to Acquire allow most council tenants and housing association tenants respectively to buy their home at a discount. Right to Buy applies to council housing and has higher discounts: the maximum discount is GBP 77,900 across England, except in London boroughs where it's GBP 103,900. Right to acquire applies to Housing Associations dwellings and the discount is between GBP 9,000 and GBP16,000 on the price of the property. Discounts depend on location, type of property and (in case of right to buy) how long the household has lived in public housing.	No	Social tenants with secure tenancy having had a public landlord for at least 3 years		Subsidised purchase price		
United Kingdom (England)	Social HomeBuy	Social HomeBuy scheme provides shared ownership for council and housing association tenants. A discount between GBP 9,000 and GBP 16,000 is applied on the value of the dwelling, depending on location and the size of the share the household is buying (min 25%. the household can buy more later until 100% ownership).	No	Social tenants with secure tenancy		Subsidised purchase price		

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Priority (if applicable)	Administration level
United Kingdom (England)	Shared ownership	Shared Ownership offers the possibility to buy a home from housing associations through shared ownership, to households with an income below GBP 80 000 (GBP 90 000 in London). If the household wants to sell its shares of the property, the housing association has the right to buy it first.	Yes	First-time buyers, or former owners who no longer own a home. There are also specific shared ownership schemes dedicated to elderly and disabled		Subsidised purchase price		
United States	HOME Investment Partnerships	HOME Investment Partnerships provides grants to states and units of general local government to implement local housing strategies designed to increase homeownership and affordable housing opportunities for low and very low-income Americans. Homebuyers and homeowners assisted by the programme must have incomes below 80% of the local area median income.	Yes	..	..	Grant	Joint (grant from federal government to states and units of local government to implement a range of measures)	Joint (funding from federal level to states and local governments)
United States	Community Development Block Grant Program - CDBG	The Community Development Block Grant (CDBG) provides communities with resources to address a wide range of unique community development needs. It provides annual grants on a formula basis to 1209 general units of local government and States. Not less than 70% of CDBG funds must be used to benefit low- and moderate-income persons.	Yes	..	..	Grant	Joint (grant from federal government to states and units of local government to implement a range of measures)	Joint (funding from federal government to states and local governments)

Source: OECD Questionnaire on Affordable and Social Housing (2016).

Table PH 2.1.2: Subsidised mortgages and mortgage guarantees for home buyers: overview of existing measures

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
Austria	Contract saving (<i>Bauspar</i>)	Soft loans are given by special banks, linked with specific contract savings. Contract savings are encouraged by state premiums in the saving phase.	No	Holders of a contract saving who have contributed into it for at least a minimum period of time. Individuals can hold only one contract saving at a time.		Contribution to saving account	National/Federal
Canada	First Nations Market Housing Fund	The First Nations Market Housing Fund offers an additional insurance to mortgages backed by public guarantees. The insurance covers 10% of guarantees provided by a First nation to individuals/households who take out a (market-based) housing loan. This allows First Nation members to have easier access to housing loans and to benefit from lower interest rates from approved lenders.	No	First-time homebuyers who are First Nations members		Other	National/Federal
Canada	Mortgage Loan Insurance	Canada Mortgage and Housing Corporation provides a number of insurance products for households and individuals taking up a mortgage.	No		Maximum loan-to-value ratio, maximum amortization period, maximum debt-service ratios, minimum credit score and parameters related to type of mortgage	Mortgage guarantees	National/Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
Chile	Subsidies to mortgage payments (<i>Subvención al dividendo para beneficiarios del DS01 y DS40</i>)	The scheme provides a subsidy on mortgage payments corresponding to a percentage of the initial credit amount. the percentage is inversely proportional to the initial credit amount	Yes	Beneficiaries of DS01 programme (see PH 2.1.1) as well as its predecessor DS40 programme, who took a mortgage credit since 2004. Beneficiaries cannot own any other dwelling and cannot have any arrear/delay on mortgage payments.		Subsidies to mortgage payments	National/ Federal
Croatia	Subsidies and state guarantees for housing loans	Under this measure, the state pays half of the monthly instalment during the first four years of housing loan repayment, and commits to paying interest on overdue instalments for up to one year. POS supports the construction of new low-cost dwellings through a combination of state and local authority's subsidies. The programme also supports the purchase of such dwellings by ensuring home buyers preferential conditions on mortgage loans, such as low interest rates and a 30 year repayment period with 1 year grace period.	No	Croatian residents who are first time home buyers, aged up to 45, who do not own any other dwelling.	Cap on price of the dwelling to be purchased (EUR 1,900 per square meter). Cap on loan value (EUR 100,000), minimum repayment period of 20 years, interest rate for the first four years of repayment of the loan below 4.95%	Subsidies to mortgage payments, and mortgage guarantees	National/ Federal
Croatia	Programme of State Subsidised Housing Construction (POS)	POS supports the construction of new low-cost dwellings through a combination of state and local authority's subsidies. The programme also supports the purchase of such dwellings by ensuring home buyers preferential conditions on mortgage loans, such as low interest rates and a 30 year repayment period with 1 year grace period.	No	First-time home buyers	Cap on price of the dwelling to be purchased (EUR 1,125.66 per month)	Interest subsidies	Joint (transfer from the state to municipalities)
Czech Republic	Government Regulation No. 249/2002 Coll., on conditions of mortgage loans to persons	The scheme provides interest subsidies on mortgage loans to people aged under 36.	No	The beneficiary must be aged up to 36 years and cannot own another apartment	Caps on loan value	Interest subsidies	National/ Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
Estonia	Housing Loan Guarantee	Housing loan guarantee is provided by KredEx to people wishing to take a loan for the purchase of new living premises or renovation of the existing ones. The guarantee decreases the down-payment obligation.	No	Young specialists (employed persons aged up to 35 with secondary education), young families (parent or parents with at least one child aged under 15), tenants in "restituted dwellings" (i.e. dwellings previously taken over by the state which were subsequently claimed by former owners after 1989), war veterans and buyers of energy efficient dwellings, anyone purchasing or constructing or reconstructing energy efficient housing	Minimum class C Energy efficiency rating in the case of guarantees for energy efficient housing	Mortgage guarantees	National/ Federal
Finland	State Guarantee	State guarantees lowering mortgage interest rates	No	No (all individuals are eligible)		Mortgage guarantees	National/ Federal
Finland	ASP Advance Saving	ASP scheme provides interest subsidy as well as state guarantee. ASP agreements commit home-buyers to saving a minimum of 10% of the price as a down payment for their first home, while the bank commits to granting them a loan at low interest rates once they reach their savings target. ASP loans can be granted a state mortgage guarantee (see above) without a separate application process.	No	First-time buyers aged 18 - 30 who have saved at least 10% of the price of the home to be purchased		Interest subsidies and guarantees	National/ Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
France	Interest-free Loan (<i>Prêt à taux zéro</i>)	The interest free loan contributes to the first purchase of a home by households, in new buildings or in existing social housing buildings. The compensation for this measure is delivered by the State to the banks involved. The amount of benefit depends on location and on household's size, and the share of price which can be covered by the maximum allowed aid depends on location and type of building. The programme offers loans at subsidized interest rates, from banks and financial institutions having signed a convention with the state. The duration of the loan is between 5 and 25 years and in some cases it can be extended to 35 years.	Yes	First-time home buyers. The dwelling must be the household's main residence		Interest subsidies	National/ Federal
France	Social Homeowners hip Loan (<i>Prêt d'accession sociale</i>)	The interest rate level depends on the duration of the loan and on the lender, and it must be below given maximum caps.	Yes	Income levels of eligible applicants vary according to the household size and location. the dwelling must be the household main residence.		Interest subsidies	National/ Federal
Hungary	Subsidized mortgage (<i>Otthonteremtési kamattámogatás</i>)	The Subsidised Mortgage programme provides interest subsidies on mortgages to purchase dwellings with a price below given ceilings. Higher interest-subsidy is provided to family with children	No	No (all individuals are eligible)	Cap on price of the dwelling to be purchased, and criteria related to quality and comfort	Subsidized mortgage	National/ Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
Ireland	Local authority mortgages	Loans are available from local authorities to households who cannot access mortgage credit from banks or building societies	Yes	First time buyers aged 18 to 70	Annuity mortgage with variable interest rates and repayment period up to 30 years. Loan can be up to 97% of the price of the house subject to a maximum loan of EUR 200,000.	Mortgage credit	Municipal
Japan	Flat 35S	Flat 35 loans are fixed interest loans with terms of 35 years, offered by lenders, and securitized by the Japan Housing Finance Agency. Beneficiaries get a reduction of 0.3%/year from Flat 35 interest rate for the first 5 or 10 years. Loans can be taken for construction/purchase of a new home or purchase of an existing home for occupation by the applicant or relatives, and for construction/purchase of a second home by the applicant.	No	Persons aged under 70 at the time of application. It is also available for people aged 70 and over in case of a two-generation loan repayment scheme (available under certain requirements).	Cap on the cost of construction or purchasing price of the dwelling, and criteria related to the size and type of dwelling, energy performance, durability and flexibility, earthquake resistance, barrier free performance	Interest subsidies	National/Federal
Korea	Didimdol Loans for housing purchase (Introduced in 2014)	The product is to provide low income people with a low interest loan for up to 70% of the housing price when they try to buy a National Housing (less than 85m ²) or a home which costs less than 500 million KRW. Interest rates are lower for lower income households, families with children, disabled, first time buyers and newlywed couples. The loan is managed and supervised by the Ministry of Land, Infrastructure and Transport of Korea and operated by Korea Housing and Urban Development Guarantee Corporation,	Yes	Applicants must have Korean citizenship	The dwelling must be less than 85 square meters and it must be valued at less than 500 million KRW	public loan	National/Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
		and it is sold by 6 commercial banks.					
Korea	Shared mortgage (introduced in 2013)	The product is to provide low income with a low interest loan for up to 70% of the housing price when they try to buy a National Housing (less than 85m ²) or less than a KRW 600 million house. The loss or surplus of the housing price is shared by Housing and Urban Development Fund and loan applicants when the home is sold. The loan is managed and supervised by the Ministry of Land, Infrastructure and Transport of Korea, operated by Korea Housing and Urban Development Guarantee Corporation and sold by 3 commercial banks.	Yes	Only available to first time buyers or households who have not owned a dwelling over the past 5 years at least.	The dwelling must be less than 85 square meters and it must be valued at less than KRW 600 million.	public loan	National/Federal
Latvia	Loan Guarantee to Families with Children for Acquisition or Construction of Living Quarters	Loan guarantee for the acquisition or construction of living quarters by families with children. The amount depends on the number of children.	No	Resident households with children		Mortgage guarantees	National/Federal
Lithuania	Subsidising part of housing loan for the purchase of a first home	The scheme provides subsidies covering from 10 to 20% of the credit for a housing loan, targeting low-income first time buyers. The size of the subsidy depends on household's characteristics such as young families, raising a child, disabled person, large families, persons	Yes	First time buyers		Grant for down payment	National/Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
		deprived of parental care					
Luxembourg	Interest subsidy (<i>Subvention d'intérêt</i>)	The scheme provides subsidies on the interest paid on a mortgage loan, aimed at construction/acquisition of the beneficiary's main residence. The amount of subsidy depends on the household's income and size/composition.	Yes	Permanent residents who do not own any other dwelling, and who commit to occupy the dwelling as primary residence for at least 10 years after purchase	Cap on loan value EUR175000 €, and an additional EUR 50,000 if the loan concerns investments for energy savings), maximum size of dwelling to be purchased	Interest subsidy	National/Federal
Luxembourg	Interest relief (<i>Bonification d'intérêt</i>)	The scheme provides subsidies on the interest paid on a mortgage loan, aimed at construction/acquisition of the beneficiary's main residence. The amount of subsidy depends on the household size/composition: the reduction amounts to 0.5% for each child in the household. , on a maximum loan equal to EUR 175000 (EUR 50000 if the loan concerns investments for saving energy consumption)	No	Permanent residents who do not own any other dwelling, and who commit to occupy the dwelling as primary residence for at least 10 years after purchase	Cap on loan value (175000 €, and an additional 50,000 € if the loan concerns investments for energy savings), maximum size of dwelling to be purchased	Interest subsidy	National/Federal
Luxembourg	State guarantee (<i>Garantie de l'Etat</i>)	The scheme provides State guarantees for households taking a mortgage loan to purchase their main residence. The State guarantee cannot exceed a threshold (about 142,000 € in 2015).	No	Permanent residents	Monthly mortgage repayment below 40% of the household's monthly disposable income	Mortgage guarantees	National/Federal
Mexico	Preferential Interest Rate (<i>Tasa de interés</i>)	The scheme provides interest rates subsidies, varying according to different income levels, to low-income people in formal employment. The	Yes	First time home buyers who are formal workers, with a salary up to 4 time the minimum wage.	Cap on the dwelling's value, set according to the household's mortgage payment capability..	Interest subsidies	National/Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
	<i>diferenciada</i>)	program is operated by Infonavit, a national mortgage public institution.					
Netherlands	Mortgage guarantee	Mortgage guarantees provided by the Homeownership Guarantee Fund. In some cases households who have a national mortgage guarantee, can also get a temporary mortgage reduction (haircut) if they are experiencing temporary difficulties with payments.	No		Cap on total purchasing costs (maximum EUR 245,000 as of July 1st 2015. The maximum price used to be higher and it's been gradually reduced since 2014)	Mortgage guarantees	National/ Federal Joint
Netherlands	Loan for Starters	Under the Loan for Starters, first-time buyers can get an interest-free loan for 3 years from the municipality. The maximum sum of the loan depends on income, varying across municipalities	No	Municipalities may set conditions with regards to the wealth of the household	Municipalities may set conditions with regards to maximum value of the dwelling to be purchased or the	Loan from public body/agency	(transfer from the state to municipalities)
New Zealand	Welcome Home Loan	Through the Welcome Home Loan scheme, housing New Zealand provides guarantees on loans taken from lenders, allowing households to get a mortgage with only a 10% deposit	Yes	First time buyers (with few exceptions for former home owners) who intend to live in the property as their primary residence	maximum land size and price caps on dwellings to be purchased (varying across regions)	Mortgage guarantees	National/ Federal
New Zealand	<i>Kainga Whenua</i> Loan Scheme	Through the Kainga Whenua Loan scheme, Housing New Zealand provides Maori individuals with guarantees amounting to 1.2 % of loan value, on loans up to NZD 200,000 from KiwiBank, with no deposit required. The loans can be used to purchase or build a home and also for repairs of existing homes.	No	Maori wishing to return to their ancestral land. Proof of income is required.	The dwelling must be on Maori land that cannot be mortgaged and is either owned by multiple owners or vested in a Trust. Size and quality requirements apply to the dwelling.	Mortgage guarantees	National/ Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
New Zealand	KiwiSaver HomeStart grant	After three years of contributing to the saving scheme KiwiSaver, first-time home buyers (and in some cases previous homeowners who no longer own a dwelling) are eligible for a Crown grant towards a house deposit. Grant is to a maximum of NZD 5,000 for one buyer or NZD10,000 for two or more buyers (after 5 years of KiwiSaver contributions). The amount is doubled for the purchase of a new home. It is possible to combine this measure with KiwiSaver First Home Withdrawal which allows withdrawing savings from a KiwiSaver account to purchase a first home.	Yes	Holder of a KiwiSaver account (with continued KiwiSaver contributions of at least 3% of income for at least the previous 3 years) who does not own another dwelling, and commits to living in the dwelling for at least 12 months after purchase	Cap on price of the dwelling to be purchased	Contribution to saving account	National/Federal
Norway	Start-up loan	The Start-up Loan provides favourable loans, mainly intended for people struggling to buy a home and/or keep it at market conditions. Funding is given by the public bank Husbanken to municipalities which in turn select beneficiaries and allocate loans	No	Primarily aimed at first time buyers, but it can also be given in the case of a change in household such as a divorce		Loan from public body/agency	Joint (transfer from the state to municipalities)
Poland	A Dwelling for the Young	A Dwelling for the Young programme assists young households in buying their first home by providing a grant, covering a part or the total down payment needed to get a mortgage	No	First time buyers, with the exception of households with 3 or more children who can use it to buy a dwelling that is not their first home. Beneficiaries must be aged under 35 (in case of a married couple the age of the younger spouse is taken into consideration).	Maximum size and maximum price (varying locally) of dwelling to be purchased.	Grant for down payment	National /Federal

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
Poland	Family on its Own	The Family of its own programme provides subsidies to young people and young families, covering 50% of a loan interests over 8 years. The programme ended in 2012 and it's currently being phased out (until 2021).	No	Beneficiaries had to be aged under 35 (in case of a married couple the age of the younger spouse was taken into consideration)	size limits and maximum prices (varying locally) applied to the dwelling to be purchased	Interest subsidy	National/ Federal
Spain	Subsidization program of loans to housing	Grant to facilitate the payment of the mortgage to households who obtained low interest loans from agreed lenders before 2012. The amount depends on the household income and size.	Yes	First time buyers		Subsidies to mortgage payments	National/ Federal
Sweden	Credit guarantee for the purchase of a home	The National board for Planning, Building and Housing provides guarantees to those who can afford the running costs resulting from owning a dwelling, but for different reasons might not be able to get a mortgage loan	No	The recipient must be able to pay all necessary running costs arising from buying and owning a dwelling, including interest and amortisation.		Mortgage guarantees	National/ Federal
United Kingdom (England)	Help to buy equity loan	Help to buy equity loan scheme offers low-interest loans towards mortgage deposit payment. The household has to pay 5% of the total price and the government lends another 20%, to achieve a 25% deposit. For the first 5 years the household doesn't pay any fees on the 20% equity loan. After that, fees amount to 1.75% of the loan's value.	No	The dwelling must be a new build and have a purchase price of up to GBP 600,000 in England (or GBP 300,000 in Wales); HH cannot own another dwelling and it cannot be rented out after purchase.		Interest subsidies	Regional/ State

Country	Measure name	Description	Income threshold	Other eligibility criteria: beneficiaries	Other eligibility criteria: dwelling, other	Type of aid	Administration level
United Kingdom (England)	Help to Buy mortgage guarantee	The Help to Buy mortgage guarantee scheme provides a guarantee to lenders so as to allow buying a home with only a 5% deposit.	No	the dwelling must: be a new build and have a purchase price of up to GBP 600,000 ; not be rented out after purchase; not be bought through shared ownership, shared equity or any other publicly funded mortgage scheme; be bought with a repayment (rather than an interest-only) mortgage. HH cannot own another dwelling		Mortgage guarantees	National/Federal
United Kingdom (England)	Help to Buy ISA	The Help to Buy ISA scheme provides a grant topping up individual savings account to be used as deposit for buying first home. the grant corresponds to 25% of savings, up to up to GBP 3,000, which applies to savings of 12 thousand or more.	No	The home you buy must: have a purchase price of up to GBP 250,000 (or up to GBOP 450,000 in London); be the only home you own; be where you intend to live		Contribution to saving account	National/Federal
United States	Section 203(b): FHA Mortgage Insurance for 1- to 4- family homes	In exchange for premium and annual fee, the Federal Housing Administration insures loans and lenders that meet specific requirements against default.	No	Individuals with valid social security numbers (some exceptions for employees of foreign embassies, etc.), as well as to state/local agencies and approved non-profits. Borrowers are automatically rejected if they are delinquent on federal debt. Proof of income is required. The programme is generally limited to primary residences.	Cap on debt-to-income ratio as well as on loan value.	Mortgage guarantees	National/Federal

Source: OECD Questionnaire on Affordable and Social Housing (2016).

Table PH 2.1.3: Mortgage relief for over-indebted home owners: overview of existing measures

Country	Measure name	Description	Type of aid	Administration level
Australia	Early Release of superannuation benefits on compassionate grounds - mortgage assistance (Australian Government)	Eligible applicants access their superannuation to avoid repossession of their home. The maximum amount that can be released in a 12 month period is the sum of 3 months repayments, and 12 months interest.	Access to advanced payments	National/Federal
Australia	Mortgage relief loan (Queensland Government)	This loan provides short-term help to people who are having difficulties with their home loan repayments. These difficulties may be from unemployment, accident, illness or some other crisis. The loan is interest free with no application fees or ongoing charges. Applicants can borrow a maximum of ASD 20,000 which is repayable over 10 years. Repayments start 12 months after getting the loan.	Interest-free loan to cover mortgage payments	Regional/State
Hungary	National Asset Management Programme for residential dwellings (<i>Nemzeti Eszközkezelő Program</i>)	The state buys properties from distressed loan takers who have been unable to meet their repayment obligations for several years, and who are socially eligible for the program. He/she can stay in the dwelling as a tenant. The bank receives a discounted purchase price and waives all other obligations regarding the mortgage loan. Tenants in the program pay a reduced rent compared to market rent and municipality rent. The scope of the program is to buy 35.000 dwellings throughout the country.	Mortgage to rent scheme	National/Federal
Hungary	Debt management service	The measure provides subsidies from the municipalities to cover debt payment of households in financial distress, as well as housing maintenance support and debt counselling. The operation of this support is mandatory only in settlements with population over forty thousand, as well as in the districts of Budapest, otherwise it is dependent on the will of the local governments whether they grant this measure.	Cash support to cover mortgage payments	Municipal

Country	Measure name	Description	Type of aid	Administration level
Ireland	Mortgage to Rent Schemes	Two Mortgage to Rent Schemes operate, funded by the Department of the Environment, Community and Local Government: 1) Mortgage To Rent scheme: under this scheme people who are having trouble paying their mortgage to a private lender can switch from owning their home to renting their home as social tenants of a housing association, which buys the home from the lender. 2) Local Authority Mortgage To Rent scheme: this scheme is a government initiative to help homeowners who have mortgages through the local government sector (loans available from local authorities for lower income first time buyers) and are at risk of losing their homes due to mortgage arrears. Under this scheme a local authority can acquire ownership of properties with unsustainable local authority mortgages, thus enabling the household to remain in their home as a social housing tenant.	Mortgage to rent scheme	Joint (National government and local authorities)
Japan	Special measures for modifications to repayment methods by the Japan Housing Finance Agency	Providing special measures such as the extension of the repayment period or the reduction of the interest rate for the customers that have remarkable difficulty with repayment of housing loans due to situations including inevitable quitting or change of a job in the remarkable change of the economic circumstances in these days in order for them to be able continue future repayment while keeping their houses.	Modification of loans condition	National/Federal
Netherlands	Temporary mortgage reduction for holders of guarantees issued by the Homeownership Guarantee Fund		Temporary mortgage reduction	National/Federal
Norway	Start Up Loan - refinancing option	This is the part of the Start-up Loan scheme (see also 2.1.1) that is for refinancing of homeowners in financial distress	Favourable loan for mortgage refinancing	
Portugal	Mortgage Relief for unemployed homeowners	..	Temporary postponement of mortgage payments	National/Federal

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Country	Measure name	Description	Type of aid	Administration level
United States	Making Home Affordable - Home Affordable Modification Program (HAMP)	HAMP achieves a more affordable payment by adjusting interest rate, extending the loan term, and reducing or withholding the principal .It targets households struggling to make their payments due to financial hardship. There are limits on the amount of outstanding loans.	Modification of loans condition	
United States	Hardest Hit Fund (HHF)	The HHF funded programmes in 18 states and the District of Columbia, designed to provide assistance to struggling homeowners through modification, mortgage payment assistance, and transition assistance programs. In some States it is no longer available.	Measures vary across States	Joint (managed at State level, with federal funding)
United States	Home Affordable Unemployment Programme (UP)	UP helps home owners who become unemployed and have troubles meeting their mortgage repayments through temporary relief measures	Temporary reduction or postponement of mortgage payments	

Source: OECD Questionnaire on Affordable and Social Housing (2016).

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