This information is a guide to programs that may be available. Talk to your tax and financial advisors or reach out directly to check if these programs are available in your situation.

Buyer Resources

Vermont financing programs for new home buyers

Vermont has some of the most generous home-financing and energy incentive programs in the country — and most of them stack. **A qualifying household building a new home and ADU in Addison County could access nearly $100,000 in combined grants, savings, and zero-interest financing.**

STATE MORTGAGE PROGRAMS

Low-rate mortgages through VHFA

The Vermont Housing Finance Agency offers mortgage programs with below-market rates, reduced transfer tax, and down payment help — all available for new construction.

VHFA MOVE Mortgage ✓ Active

0–5% down

VHFA's primary mortgage program — lowest available rates, 0–5% down, and a $825 savings on Vermont's property transfer tax at closing. Can be combined with the ASSIST loan below to minimize day-one cash needed.

Eligibility: First-time buyers (or no ownership in past 3 years if buying in Addison, Bennington, Chittenden, Grand Isle, or Windsor County). Household income $100K–$145K depending on county and household size. Purchase price under $425K. Credit score 640+. New construction eligible.

VHFA MOVE MCC ✓ Active

Up to $2,000/yr in tax savings

An add-on to the MOVE mortgage that converts part of your annual mortgage interest into a direct federal tax credit — claimed every year for the life of the loan. Not a deduction: a dollar-for-dollar reduction of your tax bill.

Eligibility: Same as MOVE. Must apply through a VHFA participating lender.

VHFA ASSIST Down Payment Loan ✓ Active

Up to $5,000

Zero-interest, deferred loan for down payment and closing costs. No monthly payments — balance is due only when you sell or refinance. Used alongside MOVE, it can bring day-one cash requirements close to zero.

> Eligibility: Must be used with a VHFA mortgage. First-time buyers only; liquid assets under $20,000.

> **Source:** Vermont Housing Finance Agency (vhfa.org). Program details verified March 2026. Confirm current income limits and availability with a VHFA participating lender.

FEDERAL PROGRAMS — RURAL BUYERS

USDA loans for Ferrisburgh and Addison County

Most of Addison County qualifies as rural under USDA guidelines, opening up two programs that work well for new construction.

USDA Construction-to-Permanent Loan ✓ Active

No down payment required

Combines construction financing and long-term mortgage into a single loan with one closing — no refinancing needed after the home is built. No down payment required for qualifying buyers. Likely the most powerful and underused tool for new construction in rural Vermont.

> Eligibility: Household income at or below 115% of area median income. Primary residence in a USDA-eligible rural area (Ferrisburgh qualifies). Must use a USDA-approved builder and lender.

USDA Section 502 Direct Loan ✓ Active

5.00% fixed (early 2026)

A direct loan from USDA — not through a private bank — for lower-income buyers. Payment subsidies can bring the effective rate even lower based on income. Applications go directly to the USDA Rural Development office.

Eligibility: Household income at or below 80% of area median income. Rural area required. No down payment for qualifying applicants.

Source: USDA Rural Development Vermont/New Hampshire office; rate as of February 2026. Confirm current rates and eligibility at (802) 828-6000.

ADU GRANT

Adding an ADU? Vermont will contribute $50,000.

VHIP-ADU Forgivable Grant ✓ Active

Up to $50,000

Vermont's Housing Improvement Program covers up to $50,000 of ADU construction costs as a forgivable loan — meaning you never repay it if you meet the rental terms. You contribute a 20% match ($10,000), and rent the unit at or below HUD Fair Market Rent for either 5 or 10 years depending on which track you choose.

5-year track: Grant forgiven after 5 years; you must give tenancy priority to people transitioning out of homelessness through a partner organization. **10-year track:** You choose your own tenants; you simply must rent at Fair Market Rent for 10 years.

For context: Addison County Fair Market Rents are $1,100/mo (1-bed) and $1,410/mo (2-bed). Market rents in the area are $1,200/mo and $2,200/mo respectively — so the Dell Vista 620's income is constrained during the compliance period. See our ADU financial guide for a full analysis of grant vs. no-grant paths.

Eligibility: Owner-occupied property. 20% match required. ADU must have its own entrance, kitchen, and bathroom. Build must complete within 18 months. Competitive — not guaranteed. Addison County administrator: CornerStone, (802) 388-2285.

Source: Vermont Housing Improvement Program / CornerStone. HUD Fair Market Rents for Addison County, 2025.

ENERGY REBATES

High-performance homes qualify for significant Efficiency Vermont rebates

Weatherization Rebates ✓ Active through 2026

Up to 90% back

Efficiency Vermont reimburses up to 90% of air sealing and insulation costs. For a high-performance new build, this covers work that's part of the base spec anyway. Elevated rates are available through end of 2026 while funding lasts — expected to drop to lower levels after.

> Work with a contractor in the Efficiency Excellence Network. Your contractor submits to Efficiency Vermont before work begins.

Heat Pump Rebates ✓ Active

Up to $2,200

Up to $2,200 for ducted heat pump systems; up to $475/unit for ductless mini-splits. Heat pump water heaters earn an additional $600. Your electric utility may offer additional rebates on top of Efficiency Vermont's amounts.

Home Energy Loan ✓ Active

Up to $25,000 at 0%

Zero-interest loans for energy upgrades for income-qualifying households. Low rates for all income levels. Can be repaid through your monthly utility bill — no separate payment to track.

> 0% interest for income-qualified borrowers. Low rates for households above $90K. Available through participating Vermont lenders.

Federal HEAR Heat Pump Rebate ⚠ Currently unavailable in VT

Up to $8,000

Vermont was allocated $29M in federal HEAR funds but the program remains stalled at the federal level as of mid-2025. The Vermont Department of Public Service advises not to plan on these funds for current projects.

> **Source:** Efficiency Vermont (efficiencyvermont.com), verified March 2026. Call (888) 921-5990 or request a free Virtual Home Energy Visit before finalizing your project budget.

NO LONGER AVAILABLE

Federal tax credits that ended December 31, 2025

These two credits still appear on many websites. They were eliminated by the One Big Beautiful Bill Act (Public Law 119-21, July 4, 2025). Work completed before Dec 31, 2025 can still be claimed on your 2025 tax return.

IRA 25C Energy Efficient Home Improvement Credit ✗ Ended Dec 31, 2025

Was a 30% federal tax credit (up to $3,200/yr) on heat pumps, insulation, windows, and doors.

IRA 25D Residential Clean Energy Credit ✗ Ended Dec 31, 2025

Was a 30% tax credit on solar panels and geothermal heat pumps, previously expected to run through 2032.

Source: Confirmed ended per IRS guidance following passage of Public Law 119-21. HEAR program status per Vermont Department of Public Service, updated May 2025.

PUTTING IT TOGETHER

What a qualifying household could access — combined

VHIP-ADU forgivable grant Must rent ADU at Fair Market Rent for 5–10 years	**Up to $50,000**
Efficiency Vermont weatherization rebates Air sealing & insulation, income-eligible rate	**Up to $25,000**
USDA construction loan savings No down payment vs. conventional 5–20%	**$15,000–$60,000+**
Ducted heat pump rebate Efficiency Vermont + possible utility rebate	**Up to $2,200**
Heat pump water heater rebate Efficiency Vermont	**Up to $600**

VHFA ASSIST down payment loan 0% interest, deferred repayment	**Up to $5,000**
VHFA MOVE transfer tax savings Savings at closing	**$825**
Potential combined value	**~$98,000+**

Illustrative estimate for an income-qualifying household. The USDA savings reflect the down payment avoided on a $300K–$400K loan. Actual amounts depend on income, project scope, and program availability. Program sequencing matters — speak with your Regional Homeownership Center and an Efficiency Vermont advisor before finalizing your budget.

KEY CONTACTS

CornerStone — VHIP-ADU Grant
Addison, Rutland & Bennington Counties(802) 388-2285

Vermont Housing Finance Agency
MOVE, ASSIST & MCC programsvhfa.org

Efficiency Vermont
Energy rebates & Home Energy Loans(888) 921-5990 · efficiencyvermont.com

USDA Rural Development VT/NH
Section 502 direct & guaranteed loans(802) 828-6000

Program details, income limits, and funding are subject to change. Verified as of March 2026. Always confirm eligibility directly with program administrators before making financial decisions.