



Massachusetts Housing Finance Agency
One Beacon Street, Boston MA 02108
Tel. 617.854.1000 | TDD 617.854.1025 | FAX 617.854.1091
www.masshousing.com

Contacts:

Eric Gedstad: 617.854.1079 | egedstad@masshousing.com
Tom Farmer: 617.854.1843 | tfarmer@masshousing.com

MassHousing Foreclosure Prevention Product

Financing

The product is a \$250 million refinance loan program. \$190 million in Funds from Fannie Mae MyCommunity Mortgage Program. MassHousing will contribute \$60 million from the sale of taxable bonds. **No taxpayer funds will be used for the program.**

Loan Specifics

- Loans will be for first and second mortgages on condominiums and single-family, two-family, three-family and four-family homes up to 105% of the combined loan to current value of the home.
- Maximum home values for the program are \$417,000 for single-family homes, \$533,850 for two-family, \$645,300 for three-family and \$801,950 for four family.
- Loans will be fixed rate loans with terms up to 40 years (30-year fixed primarily) and the interest rate will be the same for both the first and second mortgages.
- The current terms would offer an interest rate of 7.875% with no additional premium for primary mortgage insurance. The interest rate would include MassHousing's MI Plus job loss insurance that will pay a borrower's monthly mortgage payments for up to 6 months if they should lose their job.
- For comparison purposes, borrowers with significantly impaired credit accessing this type of financing conventionally would be charged an interest rate of up to 10% or more.

Who is Eligible

- **Borrowers who have been victimized by a subprime lender** and are in danger of losing their homes due to unfair and deceptive lending practices resulting in

their being in an unsuitable and unaffordable mortgage loan. Borrowers who used a subprime mortgage to cash out equity are not eligible.

- Borrowers in Suffolk, Essex, Middlesex, Norfolk and Plymouth counties with incomes up to 135% of the Boston-area median household income (\$108,675). Borrowers in Barnstable, Berkshire, Bristol, Dukes, Franklin, Hampden, Hampshire, Nantucket and Worcester counties with incomes of 125% of the area median household income (\$77,250 to \$102,250 depending on county's median household income).
- Borrowers with credit scores as low as 560 will be eligible as are borrowers with delinquencies up to 60 days **provided they were the result of subprime rate resets.**

How to obtain Assistance

- MassHousing will contract with NeighborWorks of America and its Center for Foreclosure Solutions. NeighborWorks is a national non-profit created by Congress in 1978 to provide financial support, technical assistance, and training for community-based revitalization efforts.
- For counseling assistance, borrowers can call the Homeownership Preservation Foundation toll free at 1-888-995-HOPE (4673). They are working in partnership with NeighborWorks and will screen applicants for eligibility and refer them to a designated counseling agency in their area for individual interviews and assessment.
- Eligible borrowers will then be guided through the application process.

About MassHousing

The Massachusetts Housing Finance Agency, now doing business as MassHousing, is the leading provider of affordable housing in Massachusetts. Since 1966, MassHousing, a quasi-public state agency, has provided more than \$10.6 billion in financing for more than 97,000 units of mixed-income rental housing and more than 54,000 mortgage loans for homeowners. For more information, visit the MassHousing website at www.masshousing.com.

###