

NCSHA 2016 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 15, 2016

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact awards@ncsha.org or 202-624-7710.

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

Use this header on the upper right corner of each page:

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

MassHousing
Homeownership – Empowering New Buyers
Operation Welcome Home

Background

In 1944, President Franklin Roosevelt signed into law the “Servicemen’s Readjustment Act” which extended a wide variety of benefits to eligible veterans. Also known as the GI Bill of Rights, this law provided veterans with a federally guaranteed home loan with no down payment. This feature was designed to provide housing and assistance for veterans and their families, and as a result of its creation, the dream of homeownership became a reality for millions of veterans.

Over the history of this program, over 20 million VA home loans have been insured by the government. Given the enormous success of this program – one might reasonably ask, “How can you top that?” And as importantly, “Why should we even try?” MassHousing dared to ask these questions when we learned of a borrower who was eligible for a VA loan by almost all of the VA’s guidelines – with two small exceptions: he was trying to buy this newfangled thing called a condominium, and he was trying to buy the home jointly with a woman who wasn’t his wife.

The Problem

By current lending standards, two unrelated borrowers who seek to buy a home doesn’t seem like an impediment – nor does the desire to buy a condo. Beyond the usual underwriting reviews related to employee history, income and credit score, these kinds of considerations don’t generally come into play. But this isn’t true if you are veteran and you are trying to take advantage of the VA loan program. They were ineligible for a VA loan because they were not married and because the property was a condo.

The veteran who we came to know was a young man named Michael Stearns. Michael is a decorated Marine Corps veteran who served two tours of duty in Iraq, and whose family has served with distinction in the United States military for generations – dating back to great-great uncles who fought in the Battle of Bunker Hill during the Revolutionary War. The co-borrower was his high school sweetheart, and fiancée. They were buying a recently renovated condominium in a three unit building in a quiet residential neighborhood just north of Boston.

This was the impetus for MassHousing to consider how we might develop a new homeownership loan program that would serve to supplement the product that is currently offered by the VA and make the dream of homeownership possible for those who might otherwise be excluded from this program or face significant challenges in utilizing it.

There is no question that the traditional product for loans to armed service veterans has always been the VA loan. In many markets, this program satisfies the vast majority of the needs armed service veterans have when it comes to buying a home. But in Massachusetts, the VA loan presents some unique challenges to armed service veterans. To better serve those who have served the country, MassHousing decided to create a conventional loan for veterans that would broaden eligibility and increase the number of participating lenders, all while improving the features and pricing of a traditional VA loan.

Massachusetts has never been a high volume VA loan state, ranking annually in the bottom half of states with VA insured loan production. The reasons behind this include the fact that there are few military

bases in Massachusetts and a relatively low number of armed service veterans who make Massachusetts their home. In fact, a review of our records showed that only 26 of MassHousing's 150 approved lenders were approved VA lenders and only a dozen were active with any level of volume.

As well, most of the VA lenders were located in the greater Boston area leaving most of the state without easy access to any VA lenders at all. As a result of this lack of competition, VA loan interest rates in Massachusetts are among the highest in the country. This problem grew as more young Massachusetts' residents enlisted in the armed services after September 11, 2001 and are serving in all branches of the military. Over time, many of those enlistees have been separating from the service and returning home, only to find it both difficult and costly to get a VA home loan. There are approximately 380,000 veterans living in Massachusetts, of which approximately 30,000 are in the prime home buying age group of 18 to 35.

In addition to the prohibition of unmarried, co-borrowers from buying properties and the problems with small unit count condominium conversions, reservists and National Guard members are also excluded from eligibility until they have fulfilled their full reserve enlistment obligation.

MassHousing's Solution

To create a conventional loan program for veterans, MassHousing knew that it needed to provide veterans with 100% LTV financing, at costs equal to or less than VA loan rates in the market. Both borrower and property eligibility also needed to be broadened so that more veterans and more homes would be eligible.

To do this, MassHousing used a conventional Fannie Mae 30 year, fixed rate, mortgage, combined with 3% second mortgage for the down payment. The second mortgage was at 0% interest rate with all payments deferred until the property is sold or the first mortgage refinanced.

Fannie Mae conventional rates were lower than VA interest rates in the market. With its new loan program, borrowers had an added bonus with access to MassHousing's enhanced mortgage insurance, known as MIPlus™. MIPlus™ pays a borrower's principal and interest on their mortgage for up to six months if they lose their job. At the same time, MIPlus™ not only insures the loan with premiums lower than the effective cost of VA loan premiums, but also extends this unemployment benefit protection to veterans and reservists who are activated or recalled to active duty, making principle and interest payments for the veteran while they were deployed.

Again, the problem that unmarried couples were facing in qualifying for a VA loan was that in order to qualify for a mortgage, the non-veteran member of the couple could not own the real estate or be a co-borrower. Reservists with time left to serve were ineligible. About 40% of the condominium and older housing stock in Massachusetts were ineligible because the property did not meet VA guidelines.

A 97% Fannie Mae conventional loan with a 3%, zero interest, fully deferred down payment assistance loan, solved all these problems:

- A veteran with their fiancée or best friend could buy a home, and get a loan using both incomes to qualify.
- When a reservist is activated and deployed they qualify for unemployment benefits under MassHousing's MIPlus™ insurance.

- An aged housing stock of two-to-four family homes and converted condominiums can now be purchased by an armed services veteran.
- Fannie Mae guidelines are much more flexible and easier for veterans to apply.
- Turnaround time is faster and loan terms more favorable.

In all – a conventional loan rate, discounted MIPlus™ insurance, combined with a zero interest deferred down payment assistance loan makes the Operation Welcome Home mortgage from MassHousing a very good deal when compared to a traditional VA loan and pricing available from VA lenders.

The program also works with MassHousing's recently announced Purchase and Rehab/Home Style Mortgage partnership with Fannie Mae. This will allow a veteran to acquire a home and finance up to 97% of rehab costs to cover the costs of adapting a property to meet a disabled veteran's housing needs. The Operation Welcome Home mortgage program supports veterans, active-duty military, members of the Reserves and National Guard, and Gold Star Families in achieving the dream of homeownership.

The program was announced on Veteran's Day, November 11, 2015. The very first applicants were Michael Stearns and his fiancée, Courtney Messenheimer.

In the five months since the program was announced by Governor Charles Baker, MassHousing has closed 13 Operation Welcome Home mortgages for armed service veterans who otherwise might not have been eligible for a VA loan. The 13 loans total \$3.4 million in closed loans and are accompanied by another eight loans approved and waiting to close for another \$1.6 million. As importantly, in addition to the 26 approved VA lenders among MassHousing's 150 active lenders, another 50 lenders have committed to participate in the program.

MassHousing is receiving help in marketing this program to Massachusetts veterans through a collaborative effort with the Massachusetts Department of Veteran's Services Secretary, Francisco Urena, and Adjutant General of the Massachusetts National Guard, Major General Gary Keefe. The program is also promoted through veterans' services agents located in most cities and towns in Massachusetts. MassHousing has also received support from major cities and towns whose police force and fire departments are comprised largely of armed service veterans.

One MassHousing lender, Radius Financial, is even hiring veterans as loan officers and has equipped them with both the VA and MassHousing's Operation Welcome Home mortgages, to insure that the veterans they serve get the best mortgage available.

MassHousing has taken in \$5 million in loans in the first five months serving a targeted audience of armed service veterans. We project this volume will produce \$30 million during the remainder of calendar 2016, and \$50 million per year thereafter. MassHousing has budgeted \$3 million in down payment funding that will support \$100 million in loans over the next three years.

MassHousing cannot identify a more deserving targeted customer segment than our US armed service veterans. Massachusetts veterans have protected the American Dream, and with the help of this loan program, they can live it.



Operation Welcome Home

*You have served to protect the American Dream.
Now you can live it.*

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Mission. Value. Service.

H O M E O W N E R S H I P

www.masshousing.com/owh



You served to protect the American Dream. Now, you can live it.

Operation Welcome Home is a mortgage program created by MassHousing to help Veterans, active service members, reservists, and Gold Star family members become first-time homeowners.

This program combines a traditional MassHousing loan for up to 97% of a home's value with a zero-interest, deferred downpayment/closing cost assistance loan of up to 3%. Operation Welcome Home is a safe, affordable way to purchase a home.

Program Features

- Competitive, fixed interest rates and 30-year terms with flexible credit and qualifying requirements
- A 0% interest, deferred down payment or closing cost assistance loan option of up to 3% for eligible borrowers
- Up to 97% loan-to-value (LTV) first mortgage financing on single-family homes and condos
- Up to 95% first mortgage financing on 2-, and 3-family homes; as little as 3% required from the borrower
- Loans insured by MassHousing feature MIPlus™ Payment Protection Benefit, for eligible borrowers. MIPlus™ will pay your monthly principal and interest (up to \$2,000) for up to six months if you are called to active duty, deployed, or lose your job and can collect unemployment.
- Lender paid or borrower paid mortgage insurance options are available
- Non-spouse co-borrowers allowed
- No residual income test used to qualify
- No previous rental history required for the purchase of a two- or three-unit property

Eligibility

To qualify for an Operation Welcome Home loan, you must

- Be an active duty military member; Veteran who served honorably; member of the Reserves or National Guard; or a Gold Star Family member
- Be a first time homebuyer*
- Purchase a 1- to 3-family property (including condos)
- Meet income and loan limits

Homebuyer Counseling

Homebuyer counseling is required for first-time home buyers. Landlord counseling is also required when purchasing a 2- or 3-family property.

How to Apply

Operation Welcome Home loans are made possible through a partnership between MassHousing and participating lenders across the state. For a complete list of lenders offering Operation Welcome Home, please call 888.843.6432 or visit

www.masshousing.com/owh.

**You do not have to be a first-time homebuyer if you are purchasing a home in Boston, Chelsea, Cambridge, Everett, Fall River, Lawrence, Lynn, North Adams and Somerville.*

www.masshousing.com/owh

MassHousing does not lend directly to consumers and offers its loan products through MassHousing Approved Lenders.

Operation **Welcome Home**

You have protected the American Dream. **Now you can live it.**

You have served your country, now we hope this powerful mortgage product will serve you to make the dream of home-ownership a reality. Operation Welcome Home combines a traditional, fixed-rate first mortgage with a zero-interest, deferred down payment and/ or closing cost assistance loan option of up to 3%.

This is available exclusively for eligible first-time homebuyers who are purchasing a one- to three-unit property in Massachusetts and who are active duty military members; Veterans who served honorably; members of the Reserves and National Guard; and Gold Star Family members.

Features of Operation Welcome Home

- Competitive 30 year fixed-rate mortgage* with flexible credit and qualifying requirements
- An up to 3%, zero interest, deferred down payment or closing cost assistance loan option for eligible borrowers
- Up to 97% loan-to-value (LTV) first mortgage financing on single-family homes and condos with little or no borrower contribution required
- Up to 95% first mortgage financing on two-, and three-family homes with as little as 3% required from the borrower
- For buyers with less than 20% down, borrower or lender paid mortgage insurance options are available
- Loans that carry mortgage insurance will come with MIPlus™ Mortgage Payment Protection for eligible borrowers, a benefit that will pay your principal and interest (up to \$2,000) for up to six months if you are deployed or lose your job, or for Reservists and National Guard Members called to active duty
- Conventional loan limits up to \$417,000 for a one-unit property and higher limits for two to three unit properties
- Borrower income limits as high as \$128,925 in many cities and towns
- A Purchase & Rehabilitation option is available

Benefits of Operation Welcome Home

- One fixed monthly principal and interest payment for the life of the loan
- Other approved community second programs, such as closing cost assistance, offered by city/towns and non-profits may be used for a maximum combined loan-to-value (CLTV) of 105%
- Condos follow conventional guidelines
- Non-spouse co-borrowers allowed
- No residual income test used to qualify
- No previous rental history required for the purchase of a two- or three-unit property
- Projected rental income from multi-family properties may be factored into total income for determining eligibility and qualifying
- Only one approval – both mortgage and mortgage insurance are through MassHousing
- Loan payments are made to MassHousing, a Boston-based, customer-focused service provider

**Your monthly payment will vary based on the loan amount, the interest rate available at the time of application, and other factors. Contact an approved MassHousing lending partner for additional information. Subject to credit approval.*



TEL: 617.854.1229 | VP: 866.758.1435
www.masshousing.com



Operation Welcome Home

MassHousing's Conventional Loan Program for Active Duty Members of the US Armed Services, Veterans, Reservists, and Gold Star Families

In the course of developing a VA loan product we discovered that of MassHousing's 174 approved lenders, only 36 were approved to offer VA loans. There are a number of unique requirements for originating, processing and selling VA loans that have discouraged lenders from investing the resources to originate VA loans successfully.

In response, MassHousing has created a new conventional loan product for eligible Veterans that combines a traditional 97% LTV Fannie Mae, 30-year, fixed-rate first mortgage, with a zero-interest, deferred second mortgage option of up to 3% to create a conventional loan with all of the same features and benefits as a traditional VA loan.

Product	30-year, fixed-rate, MassHousing/Fannie Mae first mortgage; combined with with a zero-interest, deferred second mortgage option of up to 3%
Eligible Borrowers	First-time homebuyers who are purchasing a one- to three-unit property in Massachusetts and who are active duty military members; Veterans who served honorably; members of the Reserves and National Guard; and Gold Star Family members.
Eligible Properties	<p>Single Family, and Condominiums up to 97% LTV on the first mortgage. Second mortgage not to exceed 3% of the sales price.</p> <p>Two and Three Family Properties up to 95% LTV on the first Mortgage, and second mortgage not to exceed 3% of the sales price (borrower must contribute 3% of their own funds on two and three family financing)</p>
Income Limits	Standard MassHousing income limits apply
Loan Limits	Fannie Mae Loan Limits for the first mortgage
Underwriting	Fannie Mae DU with standard MassHousing overlays
Lender Eligibility	All MassHousing approved lenders are eligible to offer the program. Lenders do not need to be active or approved VA program lenders
Pricing	MassHousing will post special product pricing. Lenders are free to price the product and provide additional beneficial pricing within our posted pricing

All other MassHousing/Fannie Mae underwriting policies and procedures apply.





Additional Benefits for Veterans

- Up to 97% loan-to-value (LTV) first mortgage financing on single-family homes and condos with little or no borrower contribution required
- Up to 95% first mortgage financing on two-, and three-family homes with as little as 3% required from the borrower
- Competitive interest rates and fees
- Conventional loan fees and closing costs
- Simple and easy mortgage process and procedures
- Up to 105% maximum CLTV with use of eligible community second programs offered by city/towns and non-profits
- No special property, appraisal, or guideline requirements
- Non-spouse co-borrowers allowed
- For multi-family properties: projected rental income may be factored into total income for determining eligibility
- MIPlus™ unemployment benefits for eligible Reservists and National Guard Members called to active duty

Participating Lenders

- Will be able to offer a Veterans' loan product without being limited to offering just a VA loan
- No need to become VA-approved or to develop the special expertise required to originate VA loans
- Can meet the needs of a growing population of Veterans returning home to Massachusetts after service to their country
- Loans will receive high-touch servicing, in Massachusetts, by MassHousing



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