



HFA MassHousing  
 Name of Entry Buy Cities Program

**Official Entry Form**  
 (Complete one for each entry.)

Name of Entry Buy Cities Program  
 HFA MassHousing  
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Check only one subcategory.

Homeownership	Rental Housing	Special Needs Housing	Management Innovation	Communications	Special Achievement
<input type="checkbox"/> Empowering New Buyers	<input type="checkbox"/> Multifamily Management	<input type="checkbox"/> Combating Homelessness	<input type="checkbox"/> Financial	<input type="checkbox"/> Annual Report	<input checked="" type="checkbox"/> Special Achievement
<input type="checkbox"/> Home Improvement and Rehabilitation	<input type="checkbox"/> Preservation and Rehabilitation	<input type="checkbox"/> Housing for Persons With Special Needs	<input type="checkbox"/> Human Resources	<input type="checkbox"/> Promotional Materials and Newsletters	
<input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Encouraging New Production		<input type="checkbox"/> Operations	<input type="checkbox"/> Creative Media	
			<input type="checkbox"/> Technology		

**Entry Description:** Complete one Official Entry Form for each entry. Each Official Entry Form must be accompanied by an Entry Description. The Entry Description may not exceed three single-spaced, typed pages in length, text only, with one-inch margins and 11-point minimum font. Please provide agency and entry name on each page. Any hardcopy submissions must be double-sided.

The Entry Description should provide a brief description of the program, project, or practice; when and why it was undertaken; what it has accomplished; and why it is meritorious. In addition, the Entry Description should demonstrate how the entry is responsive to the judging criteria provided in the 2009 Annual Awards Categories and Criteria.

*See Call for Entries for program rules and guidelines.*

## **Special Achievement MassHousing – Buy Cities Program**

### **Introduction**

At times – for housing finance agencies – creating a successful program is a lot like making an omelet. There are many ingredients that have to come together to make it great. With its “Buy Cities” program, MassHousing is bringing together all of the ingredients that take something from being just scrambled eggs to a hearty meal that is more than the sum of its parts.

### **The Need**

Like the rest of the country, Massachusetts has witnessed a dramatic increase in the number of home foreclosures – the aftermath of which has been felt not only by struggling homeowners trying to save their homes and displaced families who live as tenants in those homes, but also by entire neighborhoods and local economies. Boarded up homes, empty store-fronts and increased crime plague many communities in the Commonwealth and sit as a grim reminder of the troubled times.

As this situation evolved, it was clear that a comprehensive plan was needed to give distressed homeowners and communities both immediate and long-term relief. In October 2007 Massachusetts Governor Deval Patrick, state and local officials, non-profit leaders, mortgage lenders and homeowners, unveiled a foreclosure prevention plan designed to keep people in their homes and to stabilize neighborhoods across the Commonwealth. The program would aid struggling homeowners trying to save their homes or help find alternatives to homeownership. Lenders and non-profits would work to reclaim pre-foreclosure and foreclosed properties to be sold to qualifying first time homebuyers. The plan consisted of a targeted neighborhood stabilization pilot program in six of the most severely impacted cities in the state and included transition resources from lenders and servicers, consumer outreach and education, lending best practices and coordination to increase utilization of MassHousing's loan refinancing program. The six targeted communities were Boston, Brockton, Lawrence, New Bedford, Springfield and Worcester, Massachusetts. These are all dense urban communities, with high concentrations of foreclosures.

### **MassHousing’s Plan**

MassHousing’s “Buy Cities” program took Governor Patrick’s targeted plan and added additional layers of value for all the parties involved.

Building on the Governor’s concept, MassHousing’s Home Ownership Business Development Team created a new approach that would bring together a number of resources in some of the Massachusetts communities targeted by the Patrick Administration. The Business Development team is comprised of seven staff people who are on the road every day, meeting with partner lenders, educating them about MassHousing’s products and urging them to make more MassHousing loans. They have worked tirelessly to boost MassHousing’s solid reputation as a good business partner – and their efforts have resulted in many new and productive business relationships.

This laid the foundation for the Business Development Team to use their established networks to bring lenders together with municipal government, Realtors, non-profits, employers, and retail

businesses that encourage and support homeownership in the targeted communities. The idea was to leverage the willingness of each project partner to make a contribution to the joint effort to create a program where the value of the whole is greater than the sum of its individual parts. The sharing of knowledge, resources and investment in a consolidated effort would benefit each partner and in turn create a resource with added value in the economic stabilization of each community. Neighborhood stabilization – and ultimately revitalization – is an outcome from which all parties benefit. This is the common goal that creates the motivation for “buy-in” from all of the parties. With this in mind, MassHousing staff launched the idea in a series of meetings with potential partners in each of the targeted communities.

### **Buy Cities**

The first city was Brockton, Massachusetts where the initial working group consisted of six MassHousing lenders who agreed, as a group, to offer MassHousing mortgage products at interest rates 0.50% below MassHousing’s published interest rates. This requires each participating lender to sacrifice a significant portion of the fees they would normally earn originating a MassHousing loan. In turn, MassHousing is able to provide 100% LTV financing. Through MassHousing’s partnership with Fannie Mae and using insurance from the Agency’s own Mortgage Insurance Fund, MassHousing also offers reduced insurance coverage levels and insurance premium rates. The program is available on properties that were REO, in foreclosure or being sold as the result of a distressed short sale.

The program is promoted through participating Realtors who not only identify eligible properties but also link available financing to the property as part of their marketing. The Mayor of Brockton, James Harrington, became a sponsor of the program and announced it with a formal press event. With this, MassHousing’s first “Buy Cities” program – in this case “Buy Brockton” was launched.

The idea was then taken to Worcester, where the City Manager, Michael O’Brien, decided to take it to the next level. Mr. O’Brien, energized by the concept of this program, worked actively to recruit lenders, Realtors, employers, non-profit organizations and local businesses to participate in the next iteration of the program, “Buy Worcester Now”.

Through “Buy Worcester Now” the program is expanded to all homes for sale in Worcester, and lenders again offer MassHousing programs under expanded criteria with reduced interest rates. Realtors integrate the program into both their advertising and marketing. Employers (which include the seven local universities, a local hospital and a major insurance company) partner by offering employer downpayment and closing cost assistance to facilitate their employees’ purchase of homes in the City of Worcester. Non-profit organizations have also come together to compile an active database of all federal, state and local downpayment and closing cost assistance programs. They actively promote the program through their homebuyer education programs while Realtors and lenders promoted homebuyer attendance in pre-purchase homebuyer counseling courses. Retail businesses now participate by providing free products and services and discounts on purchases to new homebuyers. “Buy Worcester Now” homebuyer packages include free newspaper subscriptions, free cable TV and internet, discounts on furniture, appliances and home improvement purchases. The program is supported by a financial contribution by the city to a program launch advertising campaign and a website [www.buyworcesternow.com](http://www.buyworcesternow.com).

Next, MassHousing took the program to New Bedford where the various partners that were identified in the Worcester model were brought together. The enthusiastic support of community leadership