

2010 NCSHA ANNUAL AWARDS FOR PROGRAM EXCELLENCE

Category and Subcategory:
Homeownership- Empowering New Buyers

OVERVIEW

In a time when our nation is experiencing a severe housing crisis, the New Jersey Housing and Mortgage Finance Agency (HMFA), has taken aggressive measures to empower New Jersey residents with the necessary resources to purchase a home. The *Live Where You Work Program (LWYW)* is an innovative solution to encourage the revitalization of communities through increased homeownership and a reduced commute, reducing congestion and increasing community investment. To date, 32 municipalities have entered into a partnership with the HMFA to participate in this program.

The *Live Where You Work Program* is a down payment and closing cost assistance program for homebuyers purchasing homes in designated municipalities where they are employed. The program provides homebuyers an amount equal to 5% of their first mortgage loan for down payment and closing cost assistance. Eligibility for *LWYW* requires the participant to be a first time homebuyer. The prospective home must be located in a participating *LWYW* municipality, and the home must be located in the same town as the homebuyer's employer.

BENEFITS TO HFA CUSTOMERS

The participants of the program are provided with a 30- or 40-year low-interest fixed-rate, zero-point mortgage. As with all HMFA loans, each mortgage is manually underwritten. By taking into account the anticipated cost savings of a shortened commute, the program's flexible underwriting provides an opportunity for the borrower to receive a larger loan than he/she would otherwise be eligible for because the money he/she would have been spending on tolls and gas can now be invested in their mortgage. *LWYW* is a practical and environmentally smart solution that benefits prospective homeowners, employers and municipalities.

The maximum allowable income for participants is generous, and depends on where the property is located. Further, the income limits increase for urban target areas across the State, thereby promoting the State of New Jersey's commitment to smart growth principles and urban economic enhancement.

If the homeowner remains in his/her home for seven (7) years, the 5% down payment and closing cost assistance loan is completely forgiven.

EMPLOYING EFFECTIVE PARTNERSHIPS

The vision for the *Live Where You Work* program became a reality three years ago when the City of Trenton was the first municipality to participate in the program. Today 32 New Jersey municipalities have partnered with HMFA and joined the program. The municipalities are as follows: Asbury Park, Atlantic City, Bayonne, Belmar, Carteret, Cherry Hill, East Orange, Edgewater Park, Elizabeth, Evesham, Freehold, Glassboro, Gloucester City, Jersey City, Keyport, Lakewood, Manchester, Morristown, Neptune, New Brunswick, Newark, Old Bridge, Orange, Passaic, Paterson, Pemberton, Plainfield, Rahway, Trenton, Voorhees, Washington Township, and Woodbridge.

The implementation of *LWYW* has cultivated unique public-private partnerships between the municipality and local businesses. For example, one municipality partnered with the local bicycle shop owner extended a 20% store discount to *LWYW* buyers. Moreover, employers recognize that an employee who lives and works in a community will be more invested both personally and professionally.

SUCCESS IN THE MARKETPLACE

Live Where You Work has achieved measurable program results. To date the program has secured a total of \$17.6 million in mortgages. An additional 47 applications worth an investment of \$9.3 million are being processed.

The participating municipalities are a reflection of the exciting and diverse amenities that New Jersey has to offer. For example, Atlantic City is known as “America’s Favorite Playground.” New Brunswick is known as “The Healthcare City,” and home for two major research hospitals, Rutgers University, and the worldwide headquarters for Johnson & Johnson. Newark is the most populous city in the State and is a stone’s throw away from downtown Manhattan. It is important to note that all of the municipalities are a tribute to how the program has had a positive benefit on the local economy during these challenging economic times.

RESPONDING TO HOUSING NEEDS

The *Live Where You Work* Program was effectively created in response to the heightening challenge of obtaining homeownership and promoting affordable transportation opportunities for working families in New Jersey. The program promotes strong neighborhoods in urban and smart growth areas, while attracting businesses for solid investment in the communities.

Live Where You Work received the 2009 President’s Award for Innovation from the Council of State Community Development Agencies. The award recognizes innovative activities, policies or programs that have been implemented at the state level and have demonstrated success in solving community needs. The Agency is proud of the program’s success and we anticipate even more participation in the future.