

## 2009 NCSHA ANNUAL AWARDS FOR PROGRAM EXCELLENCE

Program Name: Live Where You Work  
Category and Subcategory: Homeownership- Empowering New Buyers  
HFA: New Jersey Housing and Mortgage Finance Agency

### Overview

The Live Where You Work Program” (LWYW) is an innovative solution to encourage the revitalization of communities through increased homeownership. As a direct result of this Program, commutes are reduced, congestion is reduced and investment in community is increased.

LWYW is a down payment and closing cost assistance program for homebuyers purchasing homes and working in participating municipalities. First-time homebuyers are eligible to receive an amount equal to 5% of their first mortgage loan for down payment and closing cost assistance. Eligible properties must be located in “smart growth” areas, which is a statewide approach to sound land-use planning, targeting resources and funding in a way that enhances the quality of life for New Jersey residents. To date, 17 municipalities have entered into a partnership with the HMFA to participate in this program.

### Benefits

Eligible homebuyers receive 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, through higher qualifying ratios, than he/she would otherwise be eligible for. The money that would have been spent on tolls and gas can now be used to make the monthly mortgage payment. LWYW is a practical and environmentally smart solution that benefits prospective homeowners, employers and municipalities.

If the homeowner remains in his/her home for seven (7) years, the 5% down payment and closing cost assistance loan is completely forgiven. To maximize the potential of this program, HMFA has combined it with the Tax Credit Loan Program also known as the Pre-Fund Program which provides a loan up to \$5,000 to further assist with down payment and/or closing costs.

### Partnerships

The vision for the Live Where You Work program began two years ago. This vision became a reality when the City of Trenton was the first municipality to participate in the

New Jersey Housing & Finance Mortgage Agency (NJHMFA)  
Live Where You Work

program. The implementation of LWYW has cultivated a unique public-private partnership between the municipality and local businesses. Employers recognize that an employee who lives and works in a community will be more invested both personally and professionally.

Considering the diverse demographics of each community, combined with today's focus on energy efficiency and neighborhood revitalization, this program could be replicated in towns and cities across America. The program is open to any municipality that wishes to participate. New Jersey's Capital, Trenton, was our first partner and has marketed this program to local businesses throughout the City. Atlantic City, also known as "America's Favorite Playground," is a partner. New Brunswick, also known as the "Healthcare City," home of two major research hospitals, Rutgers University and the world headquarters of Johnson and Johnson is a partner. Newark, our most populous urban area located just across the river from Manhattan, is a partner.

HMFA is not alone with respect to administering the LWYW program. Participating municipalities are required to make a monetary contribution toward the marketing materials. The municipalities are also responsible for developing additional incentives specifically for LWYW homebuyers. Some towns have secured rebates and discounts for LWYW homebuyers from local businesses; others are partnering with local lenders to offer closing cost rebates to LWYW homebuyers. Close to \$5 million has been invested in LWYW mortgages to date with an additional \$9 million of loans in process.

## Responding to Housing Needs

The "Live Where You Work Program" was effectively created in response to the heightening demand for homeownership and transportation needs 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. The Agency is proud of the program's success and we anticipate even more participation in the future.