

**HOME POSSIBLE ADVANTAGE 80 (HPA80)**





## OVERVIEW

MassHousing Mortgages offer lower interest rates with more flexible underwriting criteria and our own **MI Plus**.

To address the most pressing needs of those borrowers earning 80% or less of area median income, MassHousing launched Home Possible Advantage 80 (HPA80) in the summer of 2017.

## PURPOSE

HPA80 is designed to empower borrowers by increasing their borrowing capacity and lowering out of pocket costs.

1. By offering an interest rate that is lower by 0.25% from MassHousing's daily rate;

2. By including a 20% discount with our **MI Plus** on the mortgage insurance premiums for these loans; and,

3. By offering borrowers a \$1,500 closing cost credit.

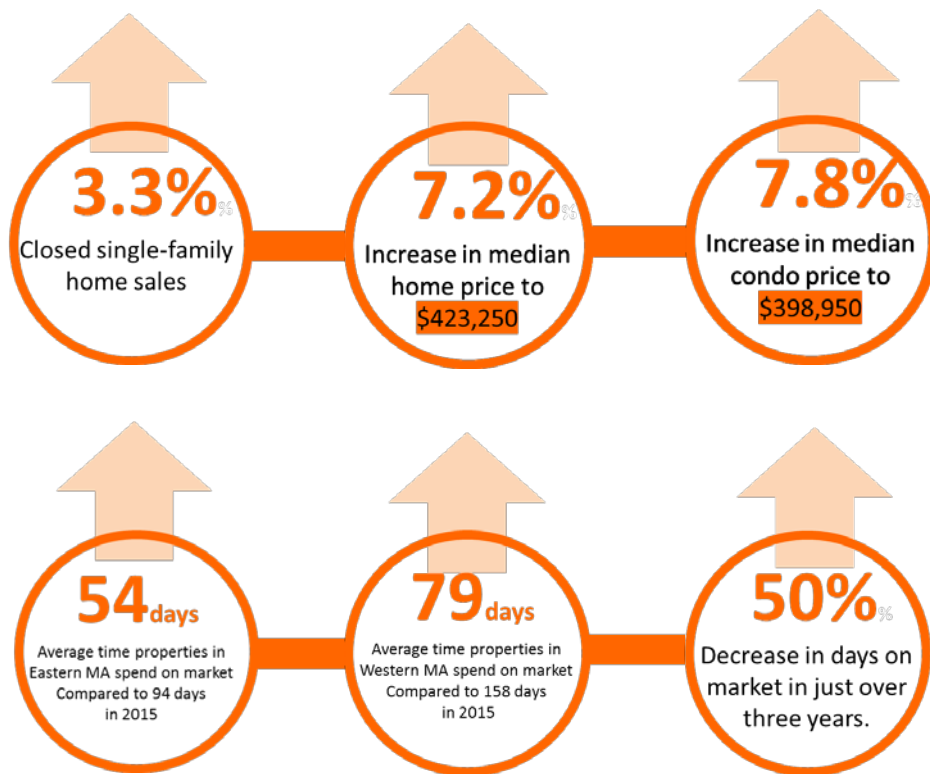


## MARKET CHALLENGE

The Massachusetts housing market is hot.

Inventory is low and housing costs are high.

It is difficult for first-time buyers to enter the market.



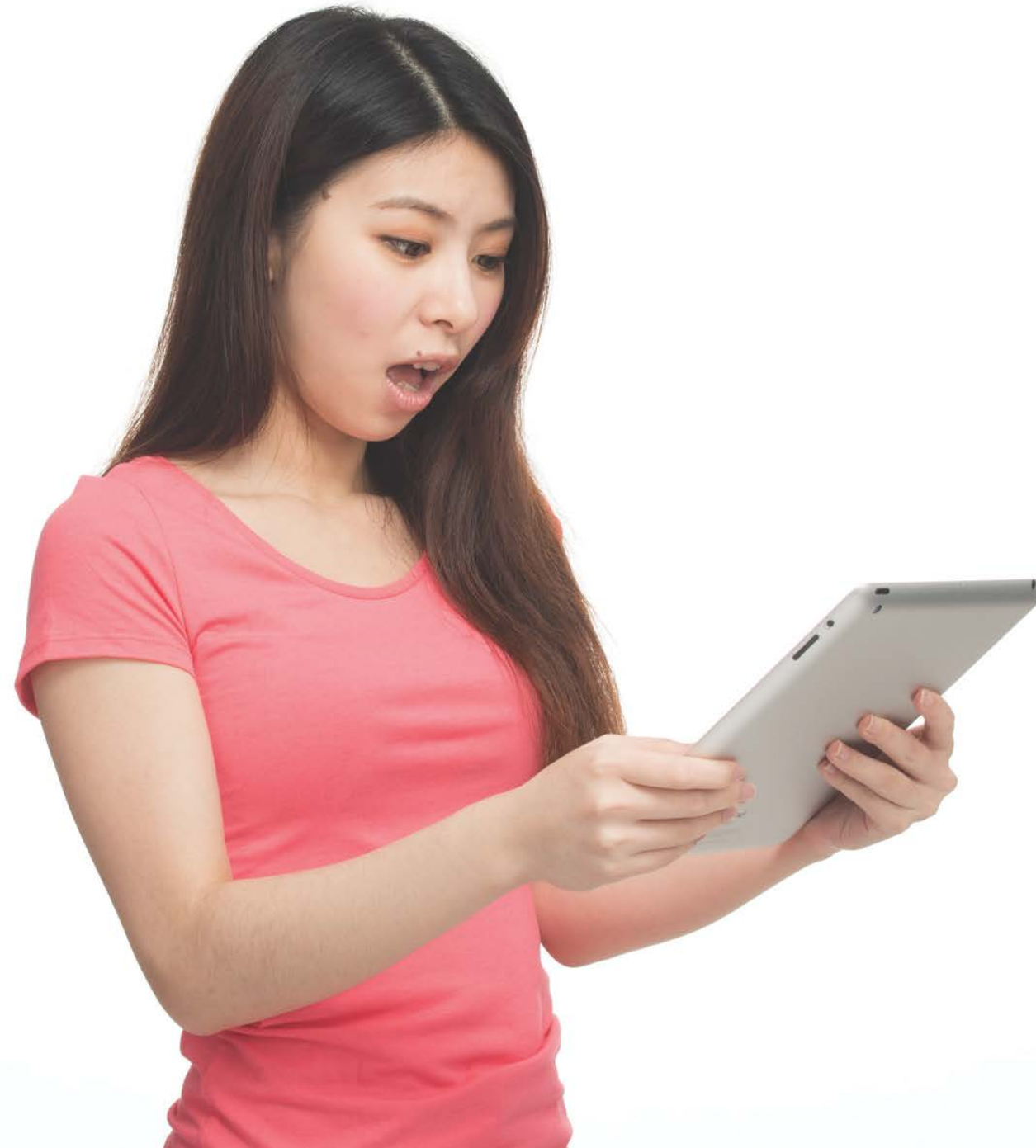
\* 2015 market averages for homes listed between \$200,000 and \$499,000 according to MLSPIN





## IMPLEMENTATION

- Product development was completed and systems ready to go
- A call to action was coordinated through the Agency's network of lending and non-profit partners
- We deployed an integrated media marketing strategy (developed in-house) that included direct-to-consumer, multi-language advertising and outreach





## Product Development

### Closing Cost Credit (\$1500)

MassHousing utilized its own resources from an Agency “Opportunity Fund” that was created in March of 2016 to strategically confront key housing challenges facing our Commonwealth and to deploy resources for mission-driven initiatives.

### Reduced Interest Rate (25 Bps)

We were able to lower the interest rate by 25 Bps by using the strength of our bond indenture and by creating area median income and loan balance specified MBS pools.

### Discounted Mortgage Insurance Premiums (20% MI Discount)

As a result of the strong financial standing of MassHousing’s Mortgage Insurance Fund, the fund was able to offer a 20% mortgage insurance premium discount to borrowers at or below 80% of area median income.

### MI Plus (Payment Protection benefit)

We have a unique borrower protection called **MI Plus**. This benefit is available at no additional cost to eligible borrowers on all loans insured by MassHousing. If they should lose their job, **MI Plus** will pay their monthly principal and interest payments up to \$2,000 per month for up to six months.



**Lending Partners Ready**

Lender announcement

Call plan  
follow up

Marketing materials  
prepared/distributed

Lender trainings in  
person and via webinar





## Marketing Strategy and Consumer Campaign

Our marketing strategy included outreach to REALTORS and a presence in B2B publications, but was largely a consumer-focused campaign.

The tone of the creative was playful and humorous – using surprised faces and exclamations—the concept played on how consumers might react when they learned about the great benefits of HPA80, particularly the \$1500 closing cost credit, and letting them know that they should believe it to be true.





● Sample Creative – postcard in English, Spanish and Portuguese

That moment you find out



**\$1500 off closing costs on a MassHousing Loan.**

El momento que usted descubre



descuento de \$1500 en los costos de cierre de un Préstamo MassHousing.

Quando você fica sabendo sobre



US\$ 1.500 de desconto nos custos de fechamento de um Financiamento da MassHousing.

● Sample Creative – print and banner ads, multi-language

It's true.



**\$1500 off closing costs on a MassHousing Loan.**

This summer, we're making it easier to buy your first home in Massachusetts!

For qualified borrowers, we're offering a \$1500 closing cost credit on a MassHousing Mortgage and discounted interest rates in addition to all the regular, great features of a MassHousing Loan!

[www.masshousing.com/summer](http://www.masshousing.com/summer)



MassHousing does not lend directly to consumers and offers its loan products through MassHousing Approved Lenders. Subject to credit approval. Other restrictions may apply. Applicants are subject to complete underwriting based on program guidelines. Not all applicants will qualify.

Yo lo sé, ¿verdad?



**\$1500 de descuento en costos de cierre de un crédito MassHousing.**

Este verano, lo estamos haciendo más fácil para que ¡compres tu primera vivienda en Massachusetts! Para los prestatarios calificados, estamos ofreciendo un crédito de \$1500 en los costos de cierre de una hipoteca MassHousing y tasa de interés descontada ¡en adición a las excelentes características habituales de los créditos de MassHousing!

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MassHousing no otorga créditos directamente a los consumidores y ofrece sus productos crediticios a través de los Prestatarios Autorizados de MassHousing. Sujeto a aprobación de crédito. Pueden aplicarse otras restricciones. Los solicitantes están sujetos a suscribir las garantías en base a los lineamientos del programa. No todos los solicitantes serán aprobados.

I know, right?



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**\$1.500 de desconto nos custos de fechamento de um Financiamento da MassHousing? Pode acreditar!**




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● Sample Creative – coupon series used as a rotating image on website and handout

**For real!**



**\$1500 off closing costs on a MassHousing Loan.**

Present this coupon to a participating MassHousing lender and qualifying borrowers will receive a \$1,500 closing cost credit on a MassHousing Mortgage, as well as discounted interest rates and reduced mortgage insurance premiums.

Hurry—like summer in Massachusetts, this offer won't last long!

Good for MassHousing loans closed between July 3 and September 29, 2017. One coupon per loan.

MassHousing mortgages are originated by MassHousing Approved Lenders. Subject to credit approval. Other restrictions may apply. Applicants are subject to complete underwriting based on program guidelines. Not all applicants will qualify.

[www.masshousing.com/summer](http://www.masshousing.com/summer) | 888.843.6432

**Believe it!**



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**No joke.**



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**Yes Shaun, it's true.**



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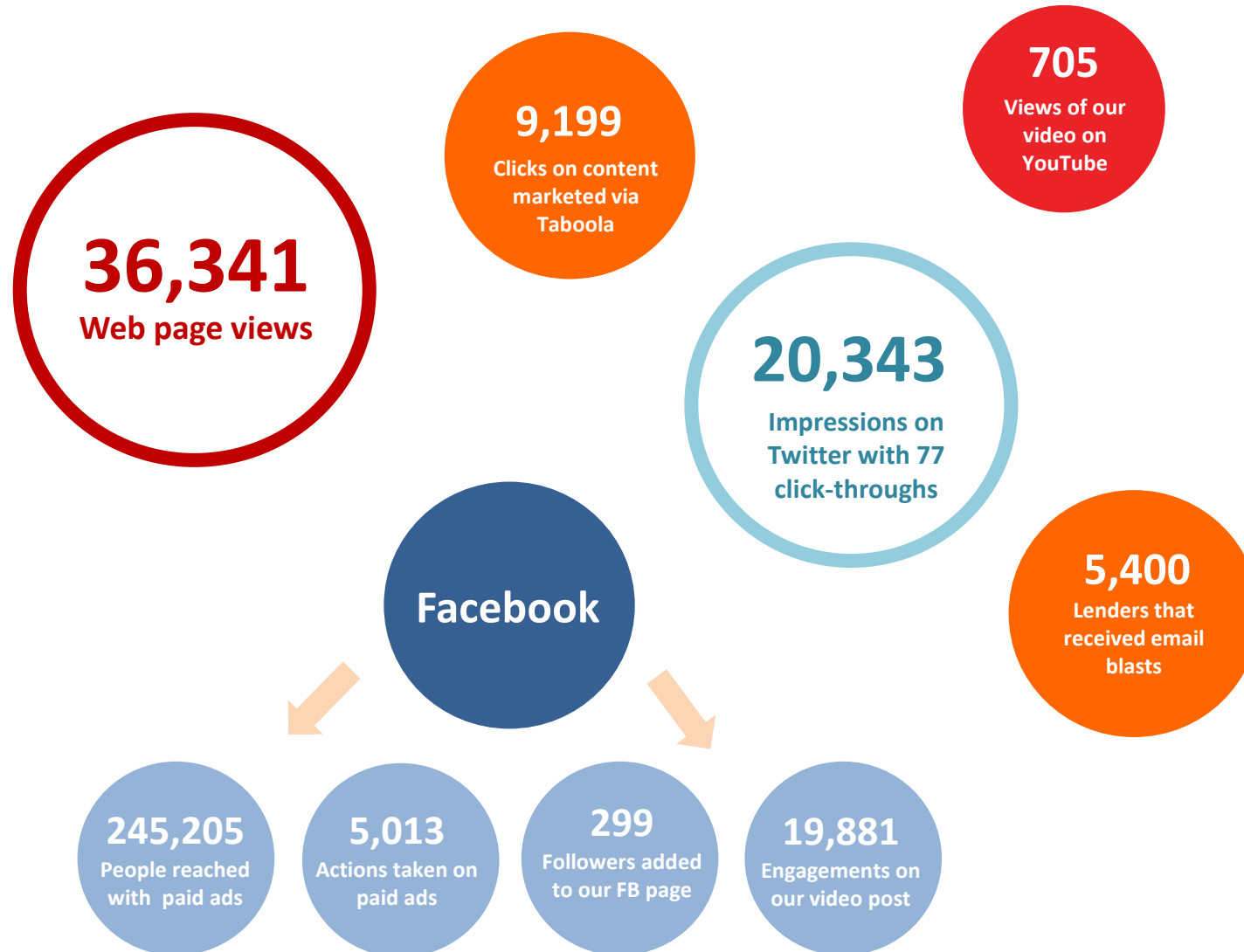
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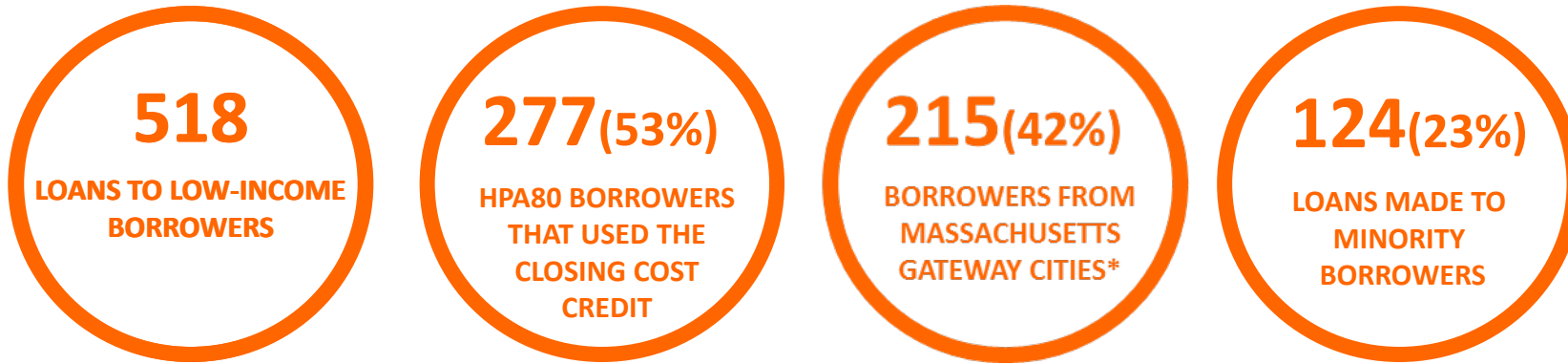
## Campaign Statistics

July 3 – mid December, 2017



## RESULTS

The HPA80 program proved to be a tremendous success.



**\*Gateway City definition:** Under Massachusetts General Law, a Gateway City is defined as a municipality with a population greater than 35,000 and less than 250,000, a median household income below the commonwealth's average and a rate of educational attainment of a bachelor's degree or above that is below the commonwealth's average. The communities include: Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton and Westfield.





Questions?  
Comments?

**Thank You!**