



THE COMMONWEALTH OF MASSACHUSETTS  
MASSACHUSETTS HOUSING FINANCE AGENCY

OFFICE OF SINGLE FAMILY PROGRAMS  
50 FEDERAL STREET  
BOSTON, MASSACHUSETTS 02110 (617) 451-2766

JOHN BLAKE JR.  
Executive Director

PROGRAM FACT SHEET

On May 12th the Massachusetts Housing Finance Agency offered for sale \$54 million in Single Family Mortgage Revenue Bonds. The proceeds from the sale of these bonds will be used to provide mortgages at 9.70% to eligible borrowers within the Commonwealth. Interested homebuyers may apply for mortgages under this program at any of the participating mortgage lenders in accordance with the following guidelines:

ELIGIBLE BORROWERS

In order to qualify for an MHFA loan, an eligible borrower must be a credit worthy first-time homebuyer having no previous ownership interest in a principal residence for the past three years. A borrower's annual adjusted household income cannot exceed the following limits:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$35,000
2	40,000
3	41,500
4	43,000
+	1,500

Adjustments to gross household income are limited to alimony paid and business expenses documented on federal tax return.

ELIGIBLE RESIDENCES

Eligible borrowers may apply for mortgage loans for existing or newly constructed single family homes, including condominiums. Newly constructed means never previously occupied as a residence. Borrowers may also apply for a loan on an existing 2 - 4 family property as long as it has been lived in for at least five years. In compliance with federal restrictions, the acquisition cost of an eligible residence cannot exceed the following limits:

	<u>Boston SMSA</u>	<u>Balance of State</u>
Single Family New Construction	\$86,000	\$71,000
Single Family Existing	77,000	56,000
Two-Family Existing	87,000	63,000
Three-Family Existing	105,000	76,000
Four-Family Existing	123,000	89,000
2-4 Family New Construction	Not Permitted	Not Permitted

Certain restrictions will be placed on the number of units which the Agency can finance in any single condominium or new housing development. In addition, any condominium project in which the Agency makes a loan must have been approved by FNMA, FHLMC or by the Agency's Pool Insurer.

If an eligible borrower wants to have a home built and receive permanent financing (30 years), the unit must be completed and ready for occupancy by approximately the end of August.

### ELIGIBLE MORTGAGE LOANS

All mortgage loans will be made for a term of 30 years. A minimum downpayment of 5% will be required. For all loans with downpayments of less than 30%, the Agency will require VA, FHA or private mortgage insurance. The borrower should expect to pay the lender reasonable settlement costs including an origination fee of not more than 2% of the mortgage loan.

### CREDIT UNDERWRITING GUIDELINES

The following underwriting ratios will serve as guidelines for mortgage lenders in determining whether or not a prospective borrower is able to afford a mortgage loan.

- The borrower's total monthly housing expense (principal, interest, property taxes, primary mortgage insurance and hazard insurance) should not exceed 31% of his/her stable monthly income.
- The borrower's total monthly housing expense plus payments on all other installment debts having a remaining term of more than 12 months, should not exceed 38% of his/her stable, gross monthly income.
- Rental income from a 2-4 family residence is factored in the borrower's ability to pay for the property and housing ratios; it does not affect income eligibility requirement.

### HIGH PRIORITY MORTGAGE LOAN PROGRAM

For the first two months of the delivery period, thirty (30) percent of each lender's commitment amount must be reserved for the origination of High Priority Loans. Loans included in this category include those made to/for:

1. Families or individuals whose income is equal to or less than 50% of the maximum allowable under the Agency's guidelines.
2. Minority families or individuals.
3. The purchase and rehabilitation of a residence.
4. Neighborhood Preservation Areas currently designated in Dorchester, Boston, Jamaica Plain, Roxbury, Brookline, Cambridge, Chelsea, Lowell and Springfield.



5. Federally mandated Target Areas.
6. Agency-approved New Construction Set-aside Program.
7. Mortgages made in cooperation with a HUD approved or funded counseling agency offering financial and/or rehabilitation counseling.

#### LOAN PROCESSING

Eligible borrowers must have a signed Purchase and Sales Agreement before applying to participating mortgage lenders for an MHFA loan. Loans are originated for the MHFA program in much the same way as conventional mortgages. However, the Agency does require the completion of certain affidavits and the submission of copies of the borrower's federal income tax returns for the last three years to prove that he/she has not owned a home during that period.

All questions concerning the program should be directed to a participating mortgage lender.

#### LOAN DELIVERY PERIOD

Under this bond issue, the Agency requires that all loans be closed and delivered to the Agency four months from the time bond proceeds are available, which is anticipated to be on or about June first. In the case of loans for newly constructed houses, the Agency requires that the unit be complete and ready for occupancy three months from the time bond proceeds are available. The Agency hopes to hold additional bond sales later in the year.

MHFA LOANS

4-4-4-4

Lenders participating in the 9.7 percent mortgage program are as follows.

<u>LENDER</u>	<u>LOCATION</u>
Andover Savings Bank	Andover
Arlington Trust Company	Lawrence
Attleborough Savings Bank	Attleboro
Bank of New England-Bay State, N. A.	Lawrence
Bank of New England, N. A.	Boston
BayBank, N. A.	Taunton
BayBank Boston, N. A.	Boston
BayBank Harvard Trust Co.	Cambridge
BayBank Merrimack Valley, N. A.	Andover
BayBank Norfolk Trust Co.	Dedham
BayBank Trust Co.	Burlington
BayBank Valley Trust Co.	Springfield
Berkshire Bank & Trust	Pittsfield
Boston Five Cents Savings Bank	Boston
Bridgewater Savings Bank	Bridgewater
Brockton Savings Bank	Brockton
Brookline Savings Bank	Brookline
Cambridge Savings Bank	Cambridge
The Central Savings Bank	Lowell
Chelsea-Provident Co-operative Bank	Chelsea
Chicopee Co-operative Bank	Chicopee
Chicopee Savings Bank	Chicopee
Colonial Co-operative Bank	Gardner
Commonwealth Federal Savings Bank	Lowell
Commonwealth Mortgage Co., Inc.	Boston
Community Savings Bank	Holyoke
Consumers Savings Bank	Worcester
Durfee Attleboro Bank	Fall River
Eastern Savings Bank	Salem
Eliot Savings Bank	Boston
Fairhaven Savings Bank	Fairhaven
Fall River Five Cents Savings Bank	Fall River
Fall River Savings Bank	Fall River
The Family Mutual Savings Bank	Haverhill
Fidelity Guarantee Mortgage Corporation	Boston
First American Bank for Savings	Dorchester
First Bank	Chelmsford



MHFA LOANS

5-5-5-5

Florence Savings Bank  
 Framingham Trust Co.  
 Greater Boston Bank-A Co-operative Bank  
 Guaranty Bank & Trust  
 Guaranty First Trust  
 Haverhill Co-operative Bank  
 Home Savings Bank, FSB  
 Lee National Bank  
 Lowell Co-operative Bank  
 Lowell Institution for Savings  
 Lynn Five Cents Savings Bank  
 Merchants Co-operative Bank  
 New Bedford Five Cents Savings Bank  
 New Bedford Institution for Savings  
 Northeast Savings, F. A.  
 Northampton Institution for Savings  
 Orange Savings Bank  
 Pentucket Five Cents Savings Bank  
 Peoples Federal Savings Bank  
 Plymouth Five Cents Savings Bank  
 Plymouth Savings Bank  
 Provident Institution for Savings  
 Quincy Savings Bank  
 Salem Five Cents Savings Bank  
 Sandwich Co-operative Bank  
 Saugus Bank & Trust Co.  
 Shawmut Bank of Boston, N. A.  
 Shawmut Worcester County Bank, N. A.  
 South Boston Savings Bank  
 South Shore Bank  
 South Weymouth Savings Bank  
 Springfield Institution for Savings  
 Taunton Savings Bank  
 Third National Bank of Hampden County  
 Union National Bank  
 Union Warren Savings Bank  
 United Savings Bank  
 Vanguard Savings Bank  
 Warren Five Cents Savings Bank  
 Whitman Savings Bank

Florence  
 Framingham  
 Brighton  
 Worcester  
 Waltham  
 Haverhill  
 Boston  
 Lee  
 Lowell  
 Lowell  
 Lynn  
 Boston  
 New Bedford  
 New Bedford  
 Worcester  
 Northampton  
 Orange  
 Haverhill  
 Brighton  
 Plymouth  
 Wareham  
 Boston  
 Quincy  
 Salem  
 Sandwich  
 Saugus  
 Boston  
 Worcester  
 South Boston  
 Quincy  
 South Weymouth  
 Springfield  
 Taunton  
 Springfield  
 Lowell  
 Boston  
 Shelburne Falls  
 Holyoke  
 Peabody  
 Whitman

MHFA LOANS  
6-6-6-6

Participating Lender Affiliates are as follows.

<u>Lender</u>	<u>Location</u>
Northeast Savings F.A.	Springfield
Shawmut First Bank & Trust	Salem
Shawmut Community Bank	Framingham
Shawmut County Bank, N.A.	Cambridge
Shawmut First County, N.A.	Brockton

Cities and towns within the Boston Standard Metropolitan Statistical Area are as follows.

Abington	Cohasset	Kingston	Natick
Acton	Concord	Lexington	Needham
Arlington	Danvers	Lincoln	Newton
Ashland	Dedham	Lynn	Norfolk
Bedford	Dover	Lynnfield	North Reading
Bellingham	Duxbury	Malden	Norwell
Belmont	Everett	Manchester	Norwood
everly	Framingham	Marblehead	Peabody
Boston	Foxboro	Marshfield	Pembroke
Boxford	Franklin	Medfield	Quincy
Burlington	Hamilton	Medford	Randolph
Braintree	Hanover	Medway	Reading
Brookline	Hanson	Melrose	Revere
Cambridge	Hingham	Middleton	Rockland
Canton	Holbrook	Millis	Salem
Carlisle	Holliston	Milton	Saugus
Chelsea	Hull	Nahant	Scituate

-more-



MHFA LOANS  
7-7-7-7

(Boston SMSA continued)

Sharon  
Sherborn  
Somerville  
Stoneham  
Stoughton  
Sudbury  
Swampscott  
Topsfield  
Wakefield  
Walpole  
Waltham  
Watertown  
Wayland  
Wellesley  
Wenham  
Weston  
Westwood  
Weymouth  
Wilmington  
Winchester  
Winthrop  
Woburn  
Wrentham

####