



Massachusetts Housing Finance Agency

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\$1.5 Billion in Financing Makes Fiscal Year 2016 MassHousing's Second Largest Lending Year

BOSTON – August 2, 2016 - MassHousing provided \$1.5 billion in financing in fiscal year 2016, which ended June 30, making it the second-best lending year in the Agency's 50-year history. The investment supported nearly 10,000 homes, condominiums and apartments across Massachusetts.

"It was a very strong year and reflects our mission to confront the housing challenges facing the Commonwealth and to improve the lives of its people," said MassHousing Executive Director Tim Sullivan. "Our lending for rental housing was exceptionally strong, thanks to new loan products with low rates, and our financing for home ownership was robust as it has been every year for almost a decade."

MassHousing's biggest lending year was in fiscal year 2013 when it provided \$1.6 billion.

"Over the last year and a half we have introduced several competitive new loan executions for multifamily developers and owners to better meet their needs and give them an incentive to finance or refinance affordable apartments," said MassHousing Deputy Director Karen Kelleher.

"Those new products, and thoughtful changes in our policies really drove up the number of rental financing transactions last year."

MassHousing recently began financing rental housing through two new executions that offer low interest rates – generally around 3% to 3.5% – and are attractive to owners. One involves FHA mortgage insurance via HUD's Multifamily Accelerated Processing (MAP) program and securitization through Ginnie Mae. The other involves FHA mortgage insurance through HUD's HFA Risk Sharing Program and the participation of the [Federal Financing Bank](#) within the U.S Department of the Treasury. More than half – 57% – of MassHousing's rental loans in FY'16 were made through those two new programs.

Highlights of the fiscal year include:

- \$1.5 billion in total financing
- \$782.9 million in loans for 40 rental housing communities with 6,110 apartments, an increase of 143% over last year's \$321.5 million
- Rental financing supported three new-construction developments with 318 new units and 37 preservation transactions with 5,792 units; 4,844 units are affordable
- In addition, MassHousing staff closed \$29 million in soft subordinate loans for 1,667 units of affordable multi-family housing through the [Affordable Housing Trust Fund](#) which MassHousing manages on behalf of the state's [Department of Housing and Community Development](#)
- \$656.3 million for 2,854 affordable home mortgage loans
- Homeownership loans were made in 273 of Massachusetts' 351 cities and towns and 36% of lending to homeowners was done in Gateway Cities
- For loans used to purchase a home, the average purchase price was \$251,482; average loan amount was \$230,031; and average household income was \$78,280
- MassHousing's Mortgage Insurance Fund, in addition to insuring MassHousing loans, insured 152 affordable, non-MassHousing loans valued at \$30.1 million. Every loan insured by the Fund receives the benefit of our [MI Plus](#), which covers the borrower's principal and interest payments for six months in the event they become unemployed

About MassHousing

MassHousing (The Massachusetts Housing Finance Agency) is an independent, quasi-public agency created in 1966 and charged with providing financing for affordable housing in Massachusetts. The Agency raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing. MassHousing does not use taxpayer dollars to sustain its operations, although it administers some publicly funded programs on behalf of the Commonwealth. Since its inception, MassHousing has provided more than \$19.5 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com, follow us on Twitter [@MassHousing](#), subscribe to our [blog](#), [watch us](#) on YouTube and Like us on [Facebook](#).

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