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Under New Leadership, MassHousing Has Breakout Year in 2016 with Record Lending, Three Bond Rating Upgrades and New Workforce Housing Program

Agency is aggressively confronting the Commonwealth's housing challenges

BOSTON – January 20, 2017 – Under new leadership, 2016 was a year of multiple successes for MassHousing. The state's affordable housing bank had its best lending total in its history; received three bond rating upgrades from Standard & Poor's and Moody's; and created the first-in-the-nation statewide loan program to spur the new production of housing that is more affordable to middle-income renters.

"The Commonwealth's housing challenges are well-documented," said MassHousing Executive Director Timothy C. Sullivan, who was appointed to head the Agency in January 2016. "Last year MassHousing demonstrated that it has the programs, the people and the financial means to meet those challenges head-on and make a meaningful impact on the state's economy and the lives of its citizens."

Total Lending

MassHousing provided more housing financing in 2016 - \$1.7 billion - than in any other calendar year since then Agency made its first loan in 1970. The previous best calendar year was 2013 (\$1.5 billion). Of the \$1.7 billion, \$921.2 million was for rental housing and \$804.6 million was for home ownership.

Overall, MassHousing served nearly 10,000 Massachusetts households – a number comparable to the populations of Amherst, Milton and Saugus - by financing 45 rental housing communities with 6,766 units and providing home mortgage loans to 3,190 homeowners.

Bond rating upgrades

MassHousing received three bond rating upgrades in 2016 based on the Agency's strong financial performance, sound management, and succession planning. The rating upgrades allow MassHousing to borrow money at lower costs and subsequently offer lower interest rates on MassHousing loans.

"It is extremely rare to receive three ratings upgrades in a year, and we received ours within a three-week period at the end of 2016," noted Sullivan. "Most importantly it lowers our cost of raising capital and we can pass on those savings to consumers in the form of lower interest rates. It validates the many steps we have taken in recent years to manage our finances and our organization responsibly and prudently."

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Moody's Investors Service upgraded MassHousing's credit rating for [Single-Family Housing Revenue Bonds](#) from Aa2 to Aa1 with a stable outlook. Moody's also upgraded MassHousing's [Multi-Family Bond Program](#) from Aa3 to Aa2 with a stable outlook.

Standard and Poor's Global Ratings upgraded MassHousing's [Multi-Family Bond Program](#) from AA- to AA with a stable outlook.

"We view MassHousing's financial policies and practices as excellent," said the S&P report. "We consider MassHousing's management very strong based on its extensive experience. We view Agency staff as highly competent, well trained, and proactive in addressing key issues. Recently, MassHousing has focused its efforts on maintaining consistent, strong management through internal succession planning."

MassHousing has a single-family loan portfolio of more than 22,000 loans valued at approximately \$3.8 billion and there are 484 rental housing communities in the Agency's multi-family portfolio valued at approximately \$4.3 billion. MassHousing services all of its loans in-house.

Workforce Housing

Also in 2016, MassHousing, working closely with the Baker Administration, created a first-in-the-nation, \$100 million [Workforce Housing Initiative](#). The program gives developers incentives to build apartment communities that include units for middle-income households whose incomes are too high to qualify for subsidized housing but who are unable to afford market rents.

The various federal and state housing subsidy programs only support apartment units for residents earning up to 60% of the area median income. MassHousing's program provides support for developers to build units not only for lower-income residents but also renters with incomes between 61% and 120% of area median income.

"Many of our working families and middle-income residents can't afford rents near where they work, and that presents economic challenges," said MassHousing Deputy Director Karen Kelleher.

So far, MassHousing has committed \$20.2 million in workforce housing subsidies for 7 rental housing communities with 468 total apartments and 189 moderate-income housing units.

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 \$20 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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