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Seniors and Disabled Residents Living at Binnall House in Gardner Will See Extension of Affordability as a Result of Innovative MassHousing Loan Program

MassHousing is the first Housing Finance Agency to complete a transaction using the Federal Housing Administration's Housing Tax Credit Pilot Program

BOSTON – May 30, 2017 – MassHousing has provided \$9.25 million in financing to an affiliate of the non-profit [Retirement Housing Foundation](#) (RHF) for the preservation and renovation of 134 units of affordable housing at Binnall House in Gardner. Binnall House is home to senior citizens and residents with disabilities, who will see the affordability of their units extended for at least 15 years.

The Binnall House refinancing is the first in the country in which a Housing Finance Agency (HFA) has completed a transaction through the [Federal Housing Administration's Housing Tax Credit Pilot Program](#). The Tax Credit Pilot Program allows borrowers to utilize federal low-income housing tax credits and an affordable fast-track mortgage product insured by the Federal Housing Administration (FHA). MassHousing is also the only HFA among 52 FHA-approved Tax Credit Pilot Program lenders.

“We are committed to offering the development community innovative financial products that preserve much-needed affordable housing, while improving the lives of Massachusetts residents,” said **MassHousing Executive Director Tim Sullivan**. “By combining an affordable FHA-insured mortgage with low-income housing tax credits the owners of Binnall House will be able to make substantial property improvements and ensure long-term affordability for senior citizens. MassHousing is proud to be the only Housing Finance Agency in the country to offer Tax Credit Pilot Program financing.”

MassHousing refinanced Binnall House through the Agency's [Multifamily Accelerated Processing](#) (MAP)/Ginnie Mae Joint Venture Initiative with lender partner [Rockport Mortgage Corporation](#). The Schochet Companies provided development consulting and its affiliate, Federal Management Co., Inc. is the property manager for Binnall House.

The Tax Credit Pilot Program enabled Binnall House's owner, RHF, to deploy approximately \$6 million in low-income housing tax credit equity toward renovations at the property. The combination of tax credits, with a mortgage insured by the FHA and guaranteed by Ginnie Mae, will allow RHF to make more substantial renovations to Binnall House than would have been possible through MAP financing alone.

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MassHousing offers the MAP/Ginnie Mae loan program to the owners of rental housing through the [U.S. Department of Housing and Urban Development](#) (HUD). HUD approves mortgages in the MAP program for FHA insurance. The program provides lower interest rates while preserving and extending affordability for hundreds of low-income senior citizens and families.

“Rockport was pleased to partner with RHF, the Schochet Companies, and MassHousing on this preservation transaction that combined taxable HUD-insured financing under the tax credit pilot program with short-term, tax-exempt bonds,” **said Daniel P. Lyons, Managing Partner of Rockport Mortgage Corporation.**

As a condition of the MassHousing financing, RHF plans to renew the federal Section 8 Housing Assistance Payment Contract on 133 apartments at Binnall House for 20 years and include the remaining term of the current HAP contract, which expires in 2023. One apartment is occupied by a property manager. The use of the tax credits will extend affordability at Binnall House for at least 15 years.

MassHousing allowed RHF to pre-pay its existing mortgage on Binnall House, with a 5.04% interest rate, and refinance the property with a \$9.25 million taxable first mortgage loan with a 3.05% interest rate. MassHousing also provided a tax-exempt construction loan to trigger the use of the tax credits.

[Binnall House](#) is an eight-story building located at 125 Connors Street in Gardner and consists of 118 one-bedroom apartments and 16 two-bedroom apartments for residents age 62 and over. Property renovations are planned as part of the transaction including building and unit upgrades as well as accessibility improvements.

The [New England Affordable Housing Management Association](#) (NEAHMA) has recognized Binnall House as a Community of Quality, which means it is certified as having achieved a high standard of excellence in the way it is managed, the services it provides residents, the experience and training of management personnel, and other criteria.

“Once again, MassHousing has shown itself to be a true innovator in financing the acquisition and development of affordable housing,” **said Dr. Laverne R. Joseph, RHF’s President and CEO.** “We are quite appreciative of the wonderful work we have done together in support of RHF’s mission to protect society’s most vulnerable seniors.”

MassHousing has financed or administers six rental housing communities in Gardner involving 719 units and provided 365 home mortgage loans in the city totaling \$33.5 million in financing.

About MassHousing’s MAP/Ginnie Mae Initiative

MassHousing has partnered with two well-known and experienced MAP lenders: CBRE and Rockport Mortgage Corporation. In the Binnall House transaction, Rockport Mortgage, working with MassHousing, prepared the mortgage insurance application, worked with HUD to obtain a firm commitment for mortgage insurance, and closed the loan. MassHousing was assigned the commitment and issued a Ginnie Mae mortgage backed security guaranteed by Ginnie Mae. With each MAP/Ginnie Mae transaction, MassHousing continues as the mortgagee of record and becomes a Ginnie Mae servicer. This ensures long-term affordability for residents as each completed transaction will require the property owner to rent at least 20% of the units to those earning less than 80% of the area median income. Affordability at many properties could be at risk were MassHousing unable to offer this product as owners could refinance with other lenders who do not require affordability restrictions.

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About the Retirement Housing Foundation

Founded in 1961, RHF is a national non-profit organization with a mission to provide a range of housing options and services for low- and moderate-income older adults, families and persons with disabilities. RHF is affiliated with the Council for Health and Human Services Ministries (CHHSM) of the United Church of Christ and co-sponsors housing development with other varied denominational and community organizations. RHF owns and manages more than 16,000 apartments in 191 communities in 29 states, Washington, D.C., Puerto Rico and the U.S. Virgin Islands. More than 21,500 people call an RHF community home. For more information about RHF please visit www.rhf.org.

About Rockport Mortgage Corporation

Rockport Mortgage Corporation is a leading national provider of multifamily and healthcare financing solutions. It was ranked the fifth-largest FHA-insured multifamily lender in 2016 by value of loan commitments. Rockport Mortgage's singular focus is on FHA-insured loan programs. With unparalleled experience working with and within HUD, Rockport Mortgage's professionals, including lawyers, accountants and appraisers, apply the full measure of their knowledge to every transaction and capitalize on decades of industry experience in advising on loan structures and strategies that anticipate the needs of its clients and respond to market challenges. For more information about Rockport Mortgage Corporation please visit www.rockportmortgage.com.

About the Schochet Companies

The Schochet Companies is a full service real estate development and management company founded by Jay R. Schochet more than forty years ago. Since that time the company has developed, owned, and/or managed more than 7,000 apartments, the bulk of which are affordable, and more than 600,000 square feet of retail and commercial space throughout New England and on the West Coast. Today, Schochet Companies owns and/or manages more than 5,000 apartments and 100,000 square feet of commercial space throughout New England. Headquartered in Braintree, the company employs more than 170 people. For more information about Schochet please visit www.schochet.com.

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](https://twitter.com/MassHousing), subscribe to our [blog](#) and Like us on [Facebook](#).