



Massachusetts Housing Finance Agency
One Beacon Street, Boston MA 02108
TEL 617.854.1000 | FAX 617.854.1091 | VP: 857.366.4157 | www.masshousing.com

Media Contacts

Paul McMorrow: 617.854.1141 | pmcmorrow@masshousing.com
Tom Farmer: 617.854.1843 | tfarmer@masshousing.com

MassHousing Announces Down Payment Assistance Program

New loan program will allow creditworthy low-, moderate- and middle-income households to achieve homeownership without making a down payment

BOSTON – March 19, 2018 – Today MassHousing announced the launch of a new down payment assistance program designed to lower the barriers to achieving homeownership working households face. MassHousing’s new down payment assistance program will allow qualified first-time homebuyers to finance up to 100 percent of the purchase price of their first home.

MassHousing is now the only entity offering a down payment assistance program for low-, moderate- and middle-income buyers throughout Massachusetts, and the only entity in Massachusetts offering a sustainable, conventional mortgage product allowing buyers to achieve homeownership without making a down payment.

“Record-low inventory levels, rising home prices, high rents, and student loan debt are all making it more difficult for the average Massachusetts household to afford to purchase a home,” **said MassHousing Executive Director Chrystal Kornegay.** “MassHousing’s new down payment assistance program will help ensure that homeownership remains accessible to working families, by allowing creditworthy homebuyers to buy their first home with little to no down payment requirement. By boosting the buying power of low-, moderate- and middle-income households, MassHousing will support investment in neighborhoods, help the state’s workforce remain rooted in Massachusetts, and advance the Agency’s mission of confronting housing challenges facing the Commonwealth, to improve the lives of its people.”

MassHousing is making down payment assistance loans available to first-time homebuyers with annual household incomes at or below the area median income, using MassHousing financing to purchase a single-family home or condominium unit. The area median income varies by county. Eligible households will earn \$103,400 or less in eastern Massachusetts, \$85,700 in Worcester County, and \$67,200 in Berkshire County.

Homebuyers accessing down payment assistance must still meet MassHousing’s underwriting criteria, including minimum credit score and debt-to-income qualifications, and attend a homeownership education class.

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MassHousing mortgages currently finance up to 97 percent of a home purchase price. The Agency's new down payment assistance program will finance up to an additional 3 percent of the purchase price, allowing for up to 100 percent financing for creditworthy income-eligible borrowers.

Down payment assistance will be a fully amortizing 15-year, fixed-rate second mortgage, with an interest rate of 1 percent. The down payment assistance loan will carry no additional fees, and will be due in full upon the sale or refinancing of the property. Down payment assistance will be capped at 3 percent of the purchase price, up to \$12,000.

Down payment assistance loans will be internally subsidized by the strength of the Agency's existing single-family portfolio. The program will not require any additional allocation of funds, or the diversion of funds from other Agency uses. MassHousing does not use taxpayer dollars to sustain its operations.

MassHousing finances home purchases through a network of more than 160 banks, credit unions and mortgage companies. Down payment assistance will launch alongside a simplification and consolidation of the Agency's mortgage products. The new mortgage products, including down payment assistance, are available to consumers immediately.

The new down payment assistance program for low-, moderate- and middle-income households complements MassHousing's ongoing efforts to support workforce housing. The Agency has also created a \$100 million [workforce housing fund](#) to spur the creation of 1,000 new apartments affordable to middle-income renters. In partnership with the Baker-Polito Administration's [Housing Choice Initiative](#), MassHousing is advancing measures to boost the production of new housing, and deliver 135,000 new housing units by the year 2025.

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 \$22 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com, follow us on Twitter [@MassHousing](#), subscribe to our [blog](#) and Like us on [Facebook](#).

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