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Patrick Administration Makes Grant Funds Available for Buyers of Foreclosed Properties in Hardest Hit Neighborhoods

BOSTON, Friday, February 27, 2009 --- In its ongoing effort to help homeowners, stabilize neighborhoods and combat the impact of home foreclosures, the Patrick Administration announced today that homebuyers interested in buying foreclosed properties can receive up to \$40,000 in grant funds to fix the properties purchased in areas hardest-hit by foreclosure.

The program will use funds from the federal Neighborhood Stabilization Program (NSP) to provide up to \$20,000 in grant funds for single-family homes and up to \$40,000 for two- and three-family homes in neighborhoods that are eligible for NSP rehabilitation grants. To use these funds, homebuyers must use one of the state's affordable mortgage programs offered by MassHousing or the Massachusetts Housing Partnership (MHP).

"Our communities have a diverse range of neighborhood styles and cultures that drive the vibrancy and vitality of this great state," said Tina Brooks, housing and community development undersecretary. "By using neighborhood stabilization funds to keep foreclosed properties in good condition and by offering a wide array of products and incentives to purchase these properties, we can keep these communities places of opportunity for all residents."

"This is an important part of our ongoing efforts to stimulate housing markets across the state," said Dan Crane, undersecretary for consumer affairs and business regulation. "This is an innovative approach to reach a wide audience."

Neighborhoods in 17 communities are eligible for the rehabilitation grants. Eligibility was determined based on census block neighborhood groups in which the poverty level is above the state average and where occupancy rates are below the state average. The communities eligible for rehabilitation grant funding are: Boston, Brockton, Chelsea, Chicopee, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, New Bedford, Revere, Somerville, Springfield and Worcester.

The state is also encouraging the purchase of foreclosed properties in designated census tracts in 22 additional communities by raising the income limits and waiving first-time homebuyer requirements for some of its affordable mortgage products. The communities that are eligible for this are: Attleborough, Barnstable, Billerica, Dracut, Everett, Falmouth, Framingham, Marlborough, Marshfield, Methuen, Milford, Peabody, Plymouth, Quincy, Randolph, Salem, Saugus, Stoughton, Taunton, Wareham, Weymouth and Yarmouth.

"We are trying to give folks another reason to take a look at foreclosed properties in neighborhoods that are hardest hit," said Clark Ziegler, MHP's executive director. "We think this program is going to get homebuyers into good situations."

State housing officials explained the program today to bankers at a Massachusetts Bankers Association seminar in Marlborough on how to sustain neighborhoods during a foreclosure crisis. Bank officials were briefed on how their banks can use the program to help homebuyers and stimulate the purchase of foreclosed properties. The two state programs that have been enhanced to promote the sale of foreclosed properties – MassHousing's Purchase & Rehab Loan Program and MHP's SoftSecond Loan Program – are offered through participating banks.

"The Neighborhood Stabilization Program funds available through the Patrick-Murray administration are a tremendous resource for Massachusetts homebuyers," said MassHousing Executive Director Thomas R. Gleason. "By matching these funds with the safe, affordable, fixed-rate mortgage products offered by MassHousing and the Massachusetts Housing Partnership, homebuyers will not only achieve the many benefits of homeownership, but will also help to revitalize the neighborhoods they live in."

"We believe the Commonwealth's Neighborhood Stabilization Program offers tremendous benefits in creating incentives for homebuyers to purchase properties in the communities hardest hit by the foreclosure crisis," added Kevin Kiley, executive vice president of the Massachusetts Bankers Association. "These new loan programs offered by MassHousing and the Massachusetts Housing Partnership will help local banks provide safe, affordable financing to borrowers seeking to purchase and rehabilitate these homes."

State housing officials will hold various information sessions for homebuyers, bankers and realtors over the coming months to explain the program, including regional home fairs across the state on Saturday, May 2 and Saturday, May 9. The fairs will provide information on financing options and services available for homebuyers and also on the new incentives the state is offering homebuyers to purchase foreclosed properties. The fairs will be held:

- **May 2:** Berkshire Mall (Lanesborough); North Shore Mall (Peabody); Auburn Mall; Cape Cod Mall (Barnstable); Dartmouth Mall.
- **May 9:** Holyoke Mall; Square One Mall (Saugus); Solomon Pond Mall (Marlborough); Westgate Mall (Brockton); Silver City Galleria (Taunton)

For more information, go to www.masshousing.com or www.mhp.net.

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