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New Funds Now Available to First-Time Homebuyers Who Purchase and Rehabilitate Foreclosed Homes in Saugus

Partnership between MassHousing, Town of Saugus, Saugusbank and Community Restoration Company will help homebuyers who buy properties in need of repair

BOSTON – June 22, 2010 – MassHousing announced a new initiative today in partnership with the Town of Saugus, Saugusbank and the Community Restoration Company to make grant funds available to first-time homebuyers who purchase foreclosed homes in Saugus.

Qualified homebuyers who obtain a MassHousing Mortgage through Saugusbank will be eligible for a second loan to assist in rehabilitating the foreclosed property. The second loan will be funded through the Neighborhood Stabilization Program (NSP), which was created in federal economic recovery legislation.

The rehabilitation loan could be forgiven depending on how long the homebuyer lives in the home and the total amount of NSP funds used.

"This partnership is another important tool in helping the Town of Saugus reclaim distressed properties for new homeowners," said MassHousing Executive Director Thomas R. Gleason. "The NSP program will make money available to help homebuyers renovate foreclosed homes that are at risk of becoming blighted."

Homebuyers must be deemed eligible for the NSP program by the Community Restoration Company, a local non-profit housing agency. There are no limits to the NSP rehabilitation grants but the cost of renovation must be deemed reasonable by the Community Restoration Company.

A public meeting for anyone interested in the NSP program will be held in the Saugus Town Hall Auditorium on Wednesday, June 30, from 6:30 p.m. to 8 p.m.

"The decision for Saugusbank to participate with MassHousing in the Neighborhood Stabilization Program was an easy one," said Saugusbank President and CEO Kevin M. Tierney. "Offering safe and affordable mortgage products is a core component of Saugusbank's mission to meet the needs of those seeking homeownership and strengthening our community. This goal would not be achievable without these partnerships and the commitment of MassHousing."

Homes eligible under the program must be foreclosed or abandoned one-, two- or three-family properties. Borrowers must be eligible for a MassHousing Mortgage, meet income and purchase price guidelines, have a minimum 3% down payment for one- or two-family homes and 5% down payment for three-family homes, and complete a homebuyer education course.

For more information about the NSP program please visit www.masshousing.com or contact MassHousing's Deanna Ramsden at 617-854-1822. Consumers can also call the Community Restoration Company at 617-889-2277.

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 \$10.4 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com.

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