



## Home Saver Foreclosure Prevention Product Fact Sheet

*Revised January 25, 2008*

### Financing

The product is a \$250 million refinance loan program. \$190 million in funds are from the Fannie Mae MyCommunity Mortgage Program. MassHousing will contribute \$60 million from the sale of taxable bonds. No taxpayer funds will be used for the program.

### Loan Specifics

- The Home Saver Program will refinance mortgages that were used to purchase a primary residence and/or refinance mortgages when the cash received by the borrower(s) at closing was utilized for home improvements, medical expenses, school expenses, and repayment of high cost credit accounts.
- The maximum Loan-to-Value ratio (LTV) cannot exceed 105% of the current appraised value of the property.
- The maximum first and second loan amounts combined cannot exceed the current Fannie Mae / Freddie Mac loan limits. (\$417,000 for single-family, \$533,850 for two-family, \$645,300 for three-family, and \$801,950 for four-family)
- Loans will be fixed-rate loans with 30-year terms, and the interest rate will be the same for both the first and second mortgages.
- The current terms would offer an interest rate of about 7% with no additional premium for primary mortgage insurance. The interest rate would include MassHousing's MI Plus job loss insurance that will pay a borrower's monthly mortgage payments for up to six months if they should lose their job.
- For comparison purposes, borrowers with significantly impaired credit accessing this type of financing conventionally would be charged an interest rate of up to 10% or more.

### Who is Eligible

- Borrowers who, given the terms of the current mortgage loan(s), could not have any reasonable expectation that the borrower(s) could repay the principal, interest, taxes and insurance combined, either at the initial interest rate or rate at time of reset, based on consideration of the borrower(s)' income, assets, obligations, employment status, credit history, and financial resources.
- Borrowers in Suffolk, Essex, Middlesex, Norfolk and Plymouth counties with incomes up to 135% of the Boston-area median household income (\$108,675). Borrowers in Barnstable, Berkshire, Bristol, Dukes, Franklin, Hampden, Hampshire, Nantucket and Worcester counties with incomes of 125% of the area median household income (\$77,250 to \$102,250 depending on county's median household income).
- Borrowers with credit scores as low as 560 will be eligible as are borrowers with delinquencies up to 60 days.

## How to Obtain Assistance

- MassHousing has contracted with NeighborWorks of America and its Center for Foreclosure Solutions. NeighborWorks is a national nonprofit created by Congress in 1978 to provide financial support, technical assistance, and training for community-based revitalization efforts.
- For counseling assistance, borrowers can call the Homeownership Preservation Foundation toll-free at 1.888.995.HOPE (4673). They are working in partnership with NeighborWorks and will screen applicants for eligibility and refer them to a designated counseling agency in their area for individual interviews and assessment.
- Eligible borrowers will then be guided through the application process. (Note: Borrowers who bypass the HOPE Hotline and directly contact a lender about the Home Saver product will still be required to meet face-to-face with a counseling agency prior to the loan closing for assistance with budgeting and to ensure their full understanding of the loan parameters.)

## About MassHousing

The Massachusetts Housing Finance Agency, now doing business as MassHousing, is the leading provider of affordable housing in Massachusetts. Since 1966, MassHousing, a quasi-public state agency, has provided more than \$10.6 billion in financing for more than 97,000 units of mixed-income rental housing and more than 54,000 mortgage loans for homeowners. For more information, visit the MassHousing website at [www.masshousing.com](http://www.masshousing.com).