

Beacon Hill Byline by Mary Rogeness

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Homebuying Help

Are you tired of hearing how much the state needs money, how severely programs will be cut, how sharply tax revenues have fallen? So am I. So I searched for an economic story of good news, and I found the topic for this week's Byline. I found the Municipal Mortgage Program, a new state program that provides a significant benefit to people without any cost to the state.

The new statewide program allows town employees to become homeowners in the town in which they work. Employees can purchase homes even if they have not saved enough for a large down payment. The loans can be used for first or repeat purchase so long as the home is in the employing town. Loans are issued by participating conventional banks working through MassHousing, whose resources are used only to insure the loans.

Each community is strengthened when employees live in town, but an effect of high property values in Massachusetts is that new teachers or public safety officers often cannot afford to purchase a home in the town in which they work. State law generally requires a down payment of at least 5%, and banks often require even more.

These are not typical mortgages, however. They require the applicant to be a salaried employee, but they do not require the traditional 10% or 20% down payment. In fact, they require no down payment at all. The only limit on income is the requirement that an applicant cannot earn more than 135% of the town's median income, in our region that means an income of approximately \$68,000. Interest and closing costs may even be lower than usual because of banks' partnership with MassHousing, the state's leading affordable housing provider.

The program is funded by a commitment of \$245 million from banks across Massachusetts, more than \$50 million coming from Western Massachusetts. Employees of all municipalities are included, but banks generally loan in their own service areas. United, People's, Country Bank and Westbank lend in our region, as do Monson, Hampden, Woronoco and Chicopee Savings Banks.

Governor Swift and Tom Gleason, Executive Director of MassHousing, announced the program in Springfield recently, holding the press conference in a Springfield public safety building. As a participant at the conference, I felt that the building was the perfect site to introduce such an innovation, since its intended beneficiaries were coming and going from their jobs as the governor spoke. Like those Springfield firefighters, I hope town employees who may still be working to accumulate a down payment will take advantage of the Municipal Mortgage program.

I have written this column because of the benefit this privately sponsored program can provide to our town. If, like most recipients of the Town Recorder, you already own your home, it is my hope that you know a teacher or police officer, a friend's son or daughter, or any friend who can join the ranks of homeowners with a little help from the state.