



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 Expands Its Highly Successful Down Payment Assistance Program to Create More Opportunities for First-Time Homebuyers

DPA loans will now cover up to \$15,000, or 5 percent of a purchase price, be available to borrowers with higher incomes, and be allowed for the purchase of multi-family homes

BOSTON – November 22, 2019 – MassHousing today announced that it is expanding its highly successful down payment assistance (DPA) program to create more opportunities for first-time homebuyers, by opening the program to borrowers with higher incomes, allowing DPA loans to be used for the purchase of multi-family properties, and raising the maximum size of a DPA loan to 15,000 or 5 percent of the purchase price.

“MassHousing’s down payment assistance program has successfully helped more than 1,800 Massachusetts households purchase their own home and these new enhancements we are announcing today will make sustainable homeownership possible for more homebuyers, in more communities, across Massachusetts,” said **MassHousing Executive Director Chrystal Kornegay**. “DPA has been a powerful tool in addressing the state’s racial homeownership gap, and this program expansion will further enhance MassHousing’s ability to make sustainable homeownership possible for families across Massachusetts.”

MassHousing launched down payment assistance in March 2018, because the Agency saw first-time homebuyers struggling to attain homeownership while navigating high rents, student loan debt and a tight housing market. The DPA program allows eligible first-time homebuyers to finance some or all of their down payment with a 15-year fixed-interest rate second mortgage.

In the program’s first 18 months, MassHousing DPA allowed 1,877 households to purchase their first home. One-third of DPA loans were used by buyers of color – a rate that is more than twice the statewide average for minority home purchase lending. The 1,877 DPA loans represent \$13.8 million in down payment financing. Overall, MassHousing DPA has generated \$439.7 million in first mortgage lending to first-time homebuyers in Massachusetts.

Down payment assistance loans will now cover up to \$15,000, or 5 percent of a purchase price – an increase from the previous limit of \$12,000 or 3 percent of the purchase price. Combining a 5 percent down payment assistance loan with a first mortgage covering 95 percent of the purchase price will give consumers greater buying power and lower mortgage insurance rates.

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The Agency is also raising income eligibility to 135 percent of the area median income (AMI) for purchases in the city of Boston, and in Gateway Cities. Households making up to \$147,420 can now access down payment assistance when purchasing a home in eastern Massachusetts cities like Everett, Lowell, Salem, Revere, Lynn and Brockton. In Worcester, a household can now earn up to \$128,655 and still qualify for down payment assistance. Outside of Boston and the 26 Gateway Cities, income eligibility remains at 100 percent of AMI.

MassHousing is also expanding down payment assistance to more property types, including two-, three- and four-family homes.

“In a market characterized by high home prices and low inventory of homes for sale, we are succeeding in connecting buyers to homeownership opportunities and creating wealth, in every region of the Commonwealth,” said **Mounzer Aylouche, MassHousing’s Vice President of Homeownership Programs**. “Still, we know the current environment is challenging to many first-time homebuyers. That is why we are working to significantly boost the buying power of middle-income, first-time homebuyers because we understand the importance of sustainable homeownership to the buyers we serve.”

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 \$24.3 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com, follow us on Twitter [@MassHousing](https://twitter.com/MassHousing), subscribe to our [blog](#) and Like us on [Facebook](#).

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