

17-May-10

State Responses to Housing Crisis: Financial Assistance Programs

State	Program	Date	Administration	Funding	Program details	Source
Connecticut	CT FAMILIES	Nov 07	Connecticut Housing Finance Authority	\$40 million from previously issued bonds	Participants may refinance to a 30-year, fixed-rate, fully-amortizing loan at CHFA's regular rate (currently 6 percent); targeted to low- and moderate-income homeowners with sub-prime adjustable rate mortgages	http://www.ct.gov/gov/ernorell/cwp/view.asp?Q=398706&A=2791
	Emergency Mortgage Assistance Program	July 08	Connecticut Housing Finance Authority	\$64 million from taxable bonds and state funding	Offers 30-year fixed-rate loans to bring delinquent mortgage current and provide monthly mortgage assistance for up to five years. Repayment begins when the homeowner's financial condition improves	http://www.chfa.org/Homeownership/for%20Homeowners%20at%20Risk%20of%20Foreclosure/EmergencyMortgageAssistanceProgram.aspx
	Homeowner's Equity Recovery Opportunity Loan Program	July 08	Connecticut Housing Finance Authority	\$30 million in state funding	Allows CHFA to purchase mortgages directly from lenders and convert into 30-year fixed-rate mortgages for eligible borrowers at rates determined by CHFA	http://www.cga.ct.gov/2009/rpt/2009-R-0159.htm
Delaware	Delaware Emergency Mortgage Assistance Program	Fiscal 07	Delaware State Housing Authority	\$650,000 in state funding	Offers non-continuing loans to pay the delinquent balance and continuing loans to pay the balance and make ongoing payments. Loans have a fixed 3 percent simple interest rate; maximum loan is \$15,000. Income must be below 155 percent of the state median income	http://www.destatehousing.com/services/hb_demap.shtml
	Homeownership Grant Assistance Program	Feb 10	Delaware State Housing Authority	\$1 million in federal stimulus funding	Provides a grant of four mortgage payments, up to \$5,000 total to delinquent homeowners with at least one child and income below limits based on family size	http://www.destatehousing.com/news/2-25-10_hgap.pdf
Illinois	Homeowner Assistance Pool	Feb 08	Illinois Housing Development Authority	\$310 million from eight large Illinois lenders	Offers 30-year fixed-rate loans, with interest rates between 5.75 and 8 percent. Maximum loan is \$417,000. No income limit	http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=3&RecNum=6606
Maryland	Lifeline Refinance Mortgage Program	2007	Maryland Department of Housing and Community Development	\$100 million in private capital raised by DHCD	Offers 30- and 40-year amortizing loans and interest only loans with 5/30 and 7/33 schedules, at a maximum value of 100 percent of the home's loan to value ratio; all loans currently carry a 6.5 percent interest rate. Income and appraised home value limits based on household size and county	http://www.mdhousing.org/Lifeline/Index.aspx
	Bridge to HOPE Loan Program	Jan 08	Maryland Department of Housing and Community Development	\$400,000	Offers zero-interest deferred loans with a maximum value of \$15,000. Income and appraised home value limits based on household size and county	http://www.mdhope.org/B2H.aspx
	Homesaver Refinance Mortgage Program	Feb 08	Maryland Department of Housing and Community Development		Offers 30- and 40-year amortizing loans at a maximum value of 105 percent of the home's loan to value ratio; loans currently carry a 6.5 percent interest rate. Income and appraised home value limits based on household size and county	http://www.mdhousing.org/homesaver/
Massachusetts	Home Saver Foreclosure Prevention Program	July 07	MassHousing	\$250 million in private financing (\$190 million from Fannie Mae and \$60 million from MassHousing)	Borrowers apply for a loan with a participating lender	http://www.nga.org/portal/site/nga/menuitem.9123e83a1f6786440ddcbeeb501010a0?vgnextoid=aadc799400526110VgnVCM1000001a01010aRCRD
	MyCommunity Refinance Loans	2007	MassHousing		Approved lenders originate the loans, then sell them service-released to MassHousing, which sells them to Fannie Mae through the Fannie Mae cash window (a market where Fannie Mae buys whole loans for cash). Borrowers not eligible for Home Saver may refinance to a 30-year or less fixed-rate loan up to \$417,000 for single-family homes and condos. Income must be below 135 percent of the area median income	http://www.nga.org/portal/site/nga/menuitem.9123e83a1f6786440ddcbeeb501010a0?vgnextoid=aadc799400526110VgnVCM1000001a01010aRCRD
Michigan	Adjustable Rate Mortgage Refinance Program	April 08	Michigan State Housing Development Authority	Taxable bonds	Offers 30-year fixed rate loans with interest rates below industry market rates to homeowners with an ARM. Household income limit of \$108,000; limit on purchase price of a single-family home is \$224,500	http://www.michigan.gov/gov/0,1607,7-168--188925--,00.html
	Rescue Refinance Program	April 08	Michigan State Housing Development Authority	Taxable bonds	Offers 30-year fixed rate loans with interest rates below industry market rates to homeowners in delinquency. Household income limit of \$108,000; limit on purchase price of a single-family home is \$224,500	http://www.michigan.gov/gov/0,1607,7-168--188925--,00.html
	HELP Loan Program		Michigan State Housing Development Authority		Offers zero-interest emergency assistance loans to homeowners with MSHDA mortgages. Lifetime maximum is \$3,000; repayment is required when home is sold or transferred or ceases to be mortgagor's primary residence	http://www.michigan.gov/mshda/0,1607,7-141-45866_47905-186987--,00.html
Minnesota		1993	Minnesota Mortgage Foreclosure Prevention Association	Appropriations from Minnesota Housing Finance Agency (\$1.7 million in FY 2008-09)	Zero-interest foreclosure prevention loans of up to \$5,500 to be repaid on the sale of the home or transfer of the title	http://www.minneapolisfed.org/pubs/cd/05-4/foreclosure.cfm
		April 08	Minnesota Housing Finance Agency	\$500,000 grant from Marquette Financial Companies	Foreclosure prevention deferred loans, available through housing counselors, for homeowners who will be able to bring delinquent loans current over the long terms with a modest amount of additional assistance	http://www.governor.state.mn.us/mediacenter/pressreleases/PRO008776.html

State Responses to Housing Crisis: Financial Assistance Programs--continued

State	Program	Date	Administration	Funding	Program details	Source
Montana	Montana Foreclosure Prevention Program	Dec 05	Montana HomeOwnership Network	\$400,000 "cypres" award from a local court, created with funds remaining from a class-action lawsuit (for zero-interest, deferred subordinate, and subprime loan refinancing); funding from NeighborWorks American (subprime loan refinancing)	Loans are zero-interest and/or deferred subordinate mortgages to help delinquent homeowners bring their mortgages current; the option to refinance a subprime loan; and amortizing, interest-bearing foreclosure prevention loans. The size of the loan depends on the individual situation	http://www.nga.org/portal/site/nga/menuitem.9123e83a1f6786440ddcbeeb501010a07vgnextoid=aadc799400526110VgnVCM1000001a01010aRCRD
New Jersey	Home Ownership Preservation Refinance Program	Oct 07	New Jersey Housing and Mortgage Finance Agency	\$30 million advance funded by HMFA; a taxable bond will be sold to replace the agency's funds	Offers 30- or 40-year loans fixed rates of 8 percent (30-year) or 8.125 percent (40-year). The maximum value is 100 percent of the appraised value of the home. Income must be below 140 percent of the area median income	http://www.state.nj.us/dobi/njhope/pr071031.htm
	Mortgage Assistance Program	July 08	New Jersey Housing and Mortgage Finance Agency	\$1.3 million annually in state funding	Provides zero-interest loans of up to \$20,000 to bring mortgages current or to refinance or renegotiate mortgage terms. Income must be below 120 percent of the area median income	http://www.state.nj.us/dca/hmfa/home/foreclosure/pdf/foreclosure_prevention_in_nj.pdf
	Mortgage Stabilization Program	April 2009	New Jersey Housing and Mortgage Finance Agency	\$25 million from Long Term Obligation and Capital Expenditure Fund	Mortgage lenders offer borrowers a non-amortizing second mortgage loan, matched up to \$25,000 by HMFA, to help lower monthly payments to an affordable amount. The loans have the same interest rate and terms as the primary loan and must be repaid upon sale of the property. Household income limit of 120 of the area median income or the HMFA's income limit. Lenders must write the mortgage down to the current value of the home	http://www.nga.org/portal/site/nga/menuitem.9123e83a1f6786440ddcbeeb501010a07vgnextoid=51b8914930cde110VgnVCM1000005e00100aRCRD
	Housing Assistance and Recovery Program	April 2009	New Jersey Housing and Mortgage Finance Agency	\$15 million from Long Term Obligation and Capital Expenditure Fund	HMFA provides financial support to selected nonprofit and public entities to execute lease-purchase agreements with homeowners in foreclosure. A homeowner pays an affordable rent for up to 36 months until able to repurchase the home	http://www.nga.org/portal/site/nga/menuitem.9123e83a1f6786440ddcbeeb501010a07vgnextoid=51b8914930cde110VgnVCM1000005e00100aRCRD
New York	Keep the Dream Mortgage Refinancing Program	July 07	State of New York Mortgage Agency	\$100 million from Fannie Mae	Offers a 30- or 40-year fixed-rate mortgage. For a single-family home or condo, the maximum loan is \$417,000 and the financing limit is 100 percent. Income must be below 165 percent or 125 percent of the area median income, depending on location	http://www.ny.gov/govemor/press/0727071.html
North Carolina	Home Protection Program	2004	North Carolina Housing Finance Agency		Offers zero-interest loans to homeowners who lose their jobs as a result of changing economic conditions. Maximum loan value is lesser of \$24,000 or 24 months of mortgage payments. Assistance can be one-time (to bring a mortgage current), short-term (to keep a mortgage current while the homeowner looks for a job), or long-term (to keep a mortgage current while the homeowner participates in a retraining program)	http://www.nchfa.com/Homebuyers/HOhomeprotectionpilot.aspx
Ohio	Opportunity Loan Refinance Program	2007	Ohio Housing Finance Agency	\$100 million in taxable bonds	Offers fixed-rate loans covering up to 100 percent of the appraisal value. Family income must be below 125 percent of the area median income	http://www.ohiohome.org/refinance/default.htm
	Ohio Home Rescue Fund	July 06	Neighborhood Housing Services of Greater Cleveland	\$4.1 million from the Ohio Housing Trust Fund	Offers a 0 percent interest, 3-year, deferred, forgivable second mortgage of the lesser of \$3,000 or 3 months mortgage/interest/taxes payments to homeowners with incomes less than 65 percent of the area median income. Homeowners with incomes between 65 and 115 percent (140 in HUD-targeted areas) may receive a 0 percent interest, deferred, due on sale or transfer second mortgage of the lesser of \$5,000 or 3 months payments. Income must be below 115 percent of the area median income, or 140 percent in HUD-targeted areas; no income limit for homeowners who purchased their homes through the OHFA first-time homebuyer-program	http://www.nga.org/portal/site/nga/menuitem.9123e83a1f6786440ddcbeeb501010a07vgnextoid=aadc799400526110VgnVCM1000001a01010aRCRD
Pennsylvania	Homeowners' Emergency Mortgage Assistance Program	1983	Pennsylvania Housing Finance Agency	State appropriations and repayment of existing HEMAP loans	Offers non-continuing loans to pay the delinquent balance and continuing loans to pay the balance and subsidize ongoing payments. Loans are limited to 24 months from date of delinquency and \$60,000 dollars; they carry a 9 percent interest rate	http://www.phfa.org/consumers/homeowners/hemap.aspx
	Refinance to an Affordable Loan Program	Oct 07	Pennsylvania Housing Finance Agency		Offers 30-year fixed-rate mortgages through state-approved lenders. Must have household income less than \$120,000 and monthly debt less than 50 percent of gross incomes	http://www.phfa.org/consumers/homeowners/real.aspx
	Homeowners' Equity Recovery Opportunity Loan Program	Oct 07	Pennsylvania Housing Finance Agency	\$5 million loan-loss reserve in southeastern PA from PNC Bank; \$1 million for loans made in Philadelphia from the City of Philadelphia; PNC funds will be used to leverage a planned bond issues of \$25 million to provide the financing for the loans	Offers 30-year fixed-rate loans that may finance up to 100 percent of a home's appraised value. Gross income must be less than \$120,000	http://www.phfa.org/consumers/homeowners/real.aspx
Tennessee	Great Save	Sept 08	Tennessee Housing Development Agency	Tax-exempt bonds	Allows homeowners whose adjustable rate mortgage is causing a financial burden to refinance to a 30-year fixed-rate mortgage	http://www.thda.org/signlefamily/gscover.pdf
Washington	Smart Ownership Choices	June 08	Washington State Housing Finance Commission	State appropriations	Will provide loans to low-income homeowners to bring mortgage payments current in order to refinance into a different loan product. Loans will be due at the time of refinancing.	http://www.dfi.wa.gov/about/2008_legislature.htm

Source: Tax Policy Center.