



news release

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GOV. DOUGLAS HELPS VHFA LAUNCH NEW \$10 MILLION MORTGAGE PROGRAM

*Agency partners with Mortgage Guaranty Insurance Corp. to offer
new job-loss protection and low-cost mortgage insurance products*

BURLINGTON—Governor Jim Douglas joined with Vermont Housing Finance Agency today to announce VHFA's new \$10 million mortgage loan initiative to help consumers find affordable homeownership, and the Agency also rolled out two new insurance products being provided to VHFA borrowers by the Mortgage Guaranty Insurance Corporation (MGIC).

The announcements were made at a press conference attended by the Governor, VHFA Executive Director Sarah Carpenter and MGIC Account Manager Jon Korpela. A detailed description of the new programs is attached.

"Vermonters are still facing very high housing costs, despite evidence the housing market may not be as super-heated as in recent years," Douglas said. "The concern over housing affordability on the part of consumers, employers and the housing industry remains high, which is why we still need the kind of creative and effective thinking that goes into programs like the ones we're announcing today."

Carpenter said the Agency's new mortgage program — a 30-year, fixed-rate mortgage with a 4.75% interest rate — will be offered to qualified borrowers purchasing new homes in developments that have been approved by the Agency. Approved housing developments will be located in areas designated by communities for housing growth.

"This is another way of helping people realize their dream of affordable homeownership," Carpenter said. "We'll be working with Vermont's NeighborWorks® Homeownership Centers to find potential customers and provide homebuying education. We feel this program also helps encourage the development of affordable housing in areas where Vermont communities have decided they want housing built."

Korpela said MGIC has worked with VHFA to offer two new insurance programs that should give VHFA borrowers new peace of mind.

The first is a job-loss protection benefit, offered at no cost to VHFA borrowers. That product would provide a limited measure of protection against involuntary unemployment. It would pay up to \$2,000 per month for up to six months if the involuntary unemployment occurs during the first two years of the loan.

The second product is low-cost mortgage insurance to qualified borrowers that carries a premium that is approximately 25 percent below conventional programs.

"MGIC understands the important role that homeownership plays in the American dream, Korpela said. "MGIC has been helping make the dream of homeownership a reality for nearly 50 years, and we are pleased to partner with VHFA to bring affordable home loan options to the people of Vermont.

"Through these programs, qualifying VHFA borrowers can save as much as \$100 per month on their mortgage payments," Korpela said. "And Job Loss Protection helps safeguard borrowers against losing their homes if they become involuntarily unemployed or disabled."

Carpenter said the new insurance products are another way VHFA works with its partners to offer more and better options for consumers.

"Our Agency and our partners are focused on providing the best service we can to consumers," she said. "Any time we can offer a new product or service like this, consumers win."

Vermont Housing Finance Agency was created by the Vermont Legislature in 1974 to finance and promote affordable housing opportunities for low- and moderate-income Vermonters. Since its inception, VHFA has helped more than 25,000 Vermont households with affordable mortgages and has financed development of almost 7,000 affordable rental units. More information about VHFA and its programs is available at www.vhfa.org.

**4.75%
MORTGAGE PROGRAM**

VHFA will be making \$10 million available for this new program that will be offered to low-income borrowers who are purchasing newly-constructed units in projects that have been approved by VHFA.

Prospective borrowers must be clients of one of Vermont's six Neighborworks® Homeownership Centers and must complete the pre-purchase education program through one of the Centers.

This is a 30-year, fixed-rate mortgage. Income and purchase price limits separate from the standard VHFA limits will apply. The maximum household income for this program will be \$62,000, and the maximum purchase price will be \$235,000. Approved housing developments will be situated in areas which municipalities have designated for housing growth.

**JOB LOSS
PROTECTION**

This is a no-cost benefit offered to VHFA borrowers from the Mortgage Guaranty Insurance Corporation (MGIC) aimed at offering limited protection in case of involuntary unemployment. The benefit will pay up to \$2,000 per month for up to six months if involuntary unemployment occurs during the first two years of the loan.

**LOW-COST
MORTGAGE INSURANCE**

This is available through MGIC only to VHFA borrowers who qualify based on several eligibility criteria, including income and purchase price limits and credit score. The special rates result in premiums that are approximately 25 percent lower than mortgage insurance premiums offered on conventional programs.

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