vhfa
Vermont Housing Finance Agency
news release

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VHFA HOME LOAN DELINQUENCY, FORECLOSURE RATES MUCH LOWER THAN STATE, NATIONAL RATES

BURLINGTON—Recent analysis of Vermont Housing Finance Agency (VHFA) home loan data shows delinquency and foreclosure rates of VHFA mortgages were considerably lower than rates for Vermont and the nation.

As of June 30, 2010, VHFA home loans that were delinquent by 90 or more days were just 0.94% of all the Agency's outstanding loans. Vermont's rate was more than twice as high: 2.05%. The national rate was 4.54%.

The number of VHFA loans in the foreclosure process on June 30, 2010, was 1.37% of all VHFA loans, compared to Vermont's overall foreclosure rate of 2.71% and the national rate of 4.57%. (See table below.)

	90+ days delinquent Loans delinquent for 90 or more days, as a percentage of all loans outstanding	**Foreclosure** Loans in the foreclosure process on June 30, 2010, as a percentage of all loans outstanding	**Seriously delinquent** Loans either 90+ days delinquent or in foreclosure, as a percentage of all loans outstanding
VHFA	0.94%	1.37%	2.31%
Vermont	2.05%	2.71%	4.76%
United States	4.54%	4.57%	9.11%

"VHFA's numbers are impressive, but not accidental," according to Executive Director Sarah Carpenter. "VHFA consciously avoids tactics less savory subprime lending institutions employ that helped lead to the country's recent economic collapse.

"We're focused on responsible lending — solid underwriting combined with homebuyer education. No one wins when a buyer ends up with a house they can't truly afford."

VHFA's delinquency and foreclosure rates are even more encouraging considering the Agency's low- to moderate-income clientele.

More than half of homebuyers VHFA assisted last year are considered “low-income” — earning less than 80% of the area median income. Seventy-five percent had annual incomes of less than $60,000. Eighty-two percent had incomes less than the median income in their areas.

“There’s a myth about lower-income borrowers being a greater credit risk that just isn’t true,” Carpenter added. “It’s all about finding a good match — the right property, the right buyer, the right mortgage.”

VHFA recently announced its lowest home loan rate in its 36-year history: 4.125% APR for a 30-year, fixed rate loan with no points for qualified borrowers. Rates are subject to change. Prospective borrowers should contact their local lenders for more details. A list of participating VFHA lenders is available on the Agency’s Web site: www.vhfa.org.

The Vermont Legislature established VHFA in 1974 to finance and promote affordable housing opportunities for low- and moderate-income Vermonters. Since its inception, the agency has provided low-cost homeownership financing to approximately 27,000 Vermont families, and financed the construction or rehabilitation of approximately 8,400 affordable apartments. VHFA is an Equal Housing Opportunity.

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Forward-looking statements

This release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based upon VHFA’s current expectations and speak only as of the date hereof. These statements may use forward-looking terms, such as "projected," "expects," "may," or their negatives or other variations on these terms. VHFA cautions that, by their nature, forward-looking statements involve risk or uncertainty and that actual results could differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. These forward-looking statements involve risks and uncertainties including, but not limited to: (1) difficult economic conditions, which may not improve in the near future, and adverse changes in the economic, credit, or interest rate environment; (2) the actions of the U. S. Government, Federal Reserve and other government and regulatory bodies to stabilize the financial markets; (3) changes in prepayment speeds on mortgage assets; (4) changes in VHFA’s credit or financial strength ratings; (5) inadequacy of reserves established for losses and loss expenses; (6) the risk that VHFA’s underwriting and risk management policies and practices do not anticipate certain risks and/or the magnitude of potential for loss as a result of unforeseen risks; (7) operational risks, including with respect to internal processes, risk models, systems and employees; and (8) other risks and uncertainties that have not been identified at this time. VHFA undertakes no obligation to revise or update publicly any forward-looking statements for any reason.