- offered a class especially for female heads of households in collaboration with the Woman's Commission;
- worked with local organizations to help address special populations' needs such as recent immigrants who may not have a long credit history; and
- offered workshops for households seeking to purchase a multi-family property, one of the more affordable ways to enter the housing market.

The Housing Division will continue to offer special classes in the coming year. In addition, translation services are always available upon request for classes and counseling. Each year, approximately 500 people attend CDD's homebuyer courses and over 100 households return to us for one-on-one counseling sessions.

Fannie Mae and Freddie Mac

Fannie Mae and Freddie Mac are secondary mortgage lenders and do not provide services directly to homebuyers. Instead, their programs and special mortgage products are provided to homebuyers through local banks. As a result, local lenders are able to offer many low and moderate income first-time homebuyers a range of competitive products that may include better interest rates, reduced fees, less required mortgage insurance, and lower downpayment amounts.

We understand that Fannie Mae and Freddie Mac both recently announced that they will be developing plans to increase minority homeownership and that they are in the process of crafting several new special programs for minorities. As these programs become available, homebuyers in Cambridge will be able to access these products through our local banks. CDD staff will also refer Cambridge homebuyer class participants to all new programs that are developed.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec

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CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager *Richard C. Rossi, Deputy City Manager*

October 7, 2002

To The Honorable, The City Council:

In response to Awaiting Report Item No. 02-79, regarding a report on minority homeownership in the City as well as opportunities offered by Fannie Mae and Freddie Mac, Assistant City Manager for Community Development Beth Rubenstein reports the following:

The following provides an overview of the City's efforts to expand opportunities for minority homeownership in Cambridge as well as how we collaborate with local banks and mortgage lenders, including Fannie Mae and Freddie Mac.

On both the local and the national levels, substantial attention is being paid to ways to increase the rate of minority ownership through targeted homebuyer education, counseling and special financing programs. The Community Development Department's Housing Division has developed a range of programs that assist families from all backgrounds achieve homeownership. In addition, Cambridge's local banks offer a variety of competitive financing products, as well as access to all of the services that are available through Fannie Mae and Freddie Mac.

The Housing Division actively seeks to include minority groups as new homeownership opportunities become available in Cambridge, and connects them to existing products and services (see discussion below). In 2002, the City facilitated the sale of nine affordable ownership units, eight of which were purchased by minority households.

Cambridge Homebuyer Classes and Counseling

As you know, the Housing Division offers free first-time homebuyer classes throughout the year to educate households about the homebuying process. The Housing Division also offers special classes to target populations that are typically under-served in the homebuyer process, including minorities, women, and new immigrants with language barriers and/or no credit history.

Over the last 18 months, the Housing Division has:

- offered classes in Portuguese in conjunction with the Massachusetts Alliance of Portuguese Speakers and classes in Haitian-Creole in conjunction with the Cambridge Multi Service Center;

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S-36

Consent Agenda #5

Awaiting Report Item Number 02-79, regarding a report on minority homeownership in the City as well as opportunities offered by Fannie Mae and Freddie Mac.

In City Council October 7, 2002

PLACED ON FILE.