

Commonwealth of Massachusetts

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Mitt Romney, Governor ♦ Kerry Healey, Lt. Governor ♦ Jane Wallis Gumble, Director

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2003 MAR -2 2:11:07

March 21, 2003

Dear Local Official:

The Department of Housing and Community Development (DHCD) is pleased to announce the second round of funding for the Soft Second Loan Program (SSLP) for fiscal year 2003 (FY2003). DHCD anticipates awarding \$2,000,000 in SSLP funds during this funding round. The Soft Second Loan Program, a joint effort among the Massachusetts Bankers Association, DHCD, and the Massachusetts Housing Partnership Fund (MHP), supports local soft second programs to increase affordable housing opportunities for low- and moderate-income first-time homebuyers.

To be eligible for this funding round, communities must have reserved fifty percent (50%) of any previously awarded program funds. In addition, communities that have not previously received SSLP funds are invited to apply. To take advantage of the available funds interested communities should respond to this notification by April 30, 2003. DHCD will evaluate proposals in accordance with the criteria outlined in the attached Soft Second Loan Program Outline for Letters of Interest.

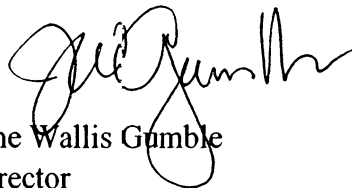
The letter of interest should respond to the attached outline. The letter must be signed by the chief elected official and must include a confirmation from one or more local lenders notifying DHCD of their willingness to participate in the program.

As you may know, on January 21, 2000, Executive Order 418 was issued. It directed the Department of Housing and Community Development to give priority in awarding discretionary funds, including Soft Second Loan Program funds, to those cities and towns that have taken steps to increase the supply of housing to individuals and families across a broad range of incomes.

Communities must be certified under Executive Order 418 in order to apply to the Soft Second Loan Program. If you have been certified, my staff and I thank you for taking that important step. If your community has not been certified, we encourage you to submit the required documentation by April 30, 2003, so that your community may qualify for this round of Soft Second Loan Program funds.

We appreciate your interest in affordable housing and look forward to working with you. If you would like additional information, please contact Ben Johnson of DHCD at (617) 727-7824, extension 433.

Sincerely,



Jane Wallis Gumble
Director
Department of Housing
Community Development

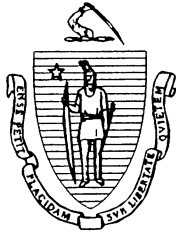


Clark Ziegler
Executive Director
Massachusetts Housing
Partnership Fund



Daniel J. Forte
President
Massachusetts
Bankers Association

cc: Catherine Racer - DHCD
Heather Hennessey - MHP



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SOFT SECOND LOAN PROGRAM

Outline for Letters of Interest Spring 2003

Program Summary:

The Soft Second Loan Program (SSLP) is a joint initiative of the public and private sectors to increase affordable housing opportunities for low- and moderate-income homebuyers in Massachusetts. Please refer to the attached Soft Second Loan Program General Program Information for a description of the program.

Objective:

Eligible communities or consortia interested in participating in the Soft Second Loan Program at this time must have reserved at least fifty percent (50%) of any previously awarded program funds. Communities that have not previously received SSLP funds also are invited to apply. In order to take advantage of the funds currently available, eligible communities or consortia should respond by submitting a letter of interest to the Department of Housing and Community Development (DHCD) by April 30, 2003.

Deadline:

In order to be considered by this funding, the letter of interest must be received at DHCD by the close of business on Wednesday April 30, 2003. Letters of interest must be submitted to:

Soft Second Loan Program
Department of Housing and Community Development
One Congress Street – 10th Floor
Boston, MA 02114
Attention: Catherine Racer

The letter should be signed by the chief elected official of the city or town, and should include the name and phone number of a local contact person.

Content:

The letter should include the following information to convey the community's anticipated usage of any awarded SSLP funds:

- a) Anticipated volume of loans that will be reserved during the funding period;
- b) Volume of lending offered by local banks (please identify specific bank commitments to the program for your community);
- c) Contributions made by the community, including local funds used to share the cost of the subsidy loans and/or to offer an associated down payment assistance program, homebuyer counseling program, marketing, etc.;
- d) Elements of the local program, including how the program will be marketed and a description of the manner in which prospective homebuyers will be identified, income-qualified and assisted through the home buying process; and,
- e) Schedule for the program, including number of anticipated closings per quarter.

Funding:

DHCD will reserve funding for those communities most ready to use state resources, identify and assist prospective homebuyers, and work actively to encourage participation by local lender. Priority will be given to communities that demonstrate local commitment to and support for the program.

If you would like additional information, please contact Ben Johnson of DHCD at (617) 727-7824, extension 433.

We appreciate your interest in affordable housing and look forward to working with you on this matter.

S-135

Communication #5

A communication was received from Department of Housing & Community Development, announcing the second round of funding for the Soft Second Loan Program for fiscal year 2003.

In City Council April 7, 2003

**REFERRED TO CITY
MANAGER.**