



Massachusetts Housing Finance Agency  
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## Home Ownership Committee Meeting Minutes

Meeting Date and Time: December 8, 2020 at 12:00 p.m.  
Meeting Location: (Remotely via Zoom)  
Massachusetts Housing Finance Agency  
One Beacon Street, Boston, MA 02108

Members Present: Patricia McArdle  
Mark Attia (designee)

MassHousing Staff Present: Laurie Bennet  
Mounzer Aylouche  
Kevin Mello  
Steve Payson  
Tom Norton  
Dan Gover  
Peter Cooper

*The meeting began at 12:00 p.m.*

Upon a motion duly made and seconded, it was, by roll call vote of all the present Members:

**VOTED:** That the minutes of the meeting held on June 9, 2020 are hereby approved and placed on record.

Mounzer Aylouche presented a review of Homeownership's activity, noting that new production volume had been impressive, with nearly \$240 million in the pipeline, including an increase in Down Payment Assistance and home improvement loans. The Agency has also recently launched the Workforce Advantage 2.0 program, which Mr. Aylouche noted has been well received in the community. The department has already hit 80% of their production goal for this fiscal year and Mr. Aylouche anticipated that, with a strong spring market, the department would easily reach this year's goal. Runoff from the portfolio has been higher than new mortgage purchases throughout the year, due to the low interest rate environment. MassHousing primarily makes purchase money mortgages to first time homebuyers; as a result, when interest rates are low, these borrowers often refinance with other lenders.

Mr. Aylouche discussed the breakdown of Homeownership production. 43% of new production has been in Gateway Cities, 77% was to first-time homebuyers and 30% was to minority homebuyers. 70% of the production was to borrowers at or below 100% of AMI, a key demographic for Homeownership lending products.

Ms. McArdle inquired if there was anything the Agency could do to capture more of the refinance market.

Mr. Aylouche explained that the Agency was limited in their options because they are not able to solicit refinance transactions with existing borrowers due to limitations imposed by loan purchasers. A long-term goal of the Homeownership department is to be able to originate their own loans, but the current statutory framework does not permit this.

Kevin Mello provided a forbearance update. He commended Homeownership staff for their hard work given the increased volume of activity stemming from high new loan production and high payoff volume, in addition to COVID related relief. The 90-day forbearance periods offered by the Agency led to more work for the staff because of more frequent check-ins with borrowers regarding their forbearance plans. In general, the rate of new forbearances has slowed, but there is still an average of 16 new forbearance plans per week since August. A new payment deferral option has been added for borrowers exiting forbearance which allows the unpaid balance to be added to the end of the loan without increasing the loan term. There is not much concern that this will lead to an increase in foreclosures as most borrowers will refinance or sell their home before the end of the loan term. Of borrowers in forbearance, the highest percentage are on their second 90-day extension. As of the end of November, 6.43% of the loan portfolio or 1,264 loans were in forbearance. This is slightly higher than the industry average of 5.54% as reported by the MBA, with October being the first month that MassHousing began to exceed the industry average.

Tom Norton gave an update on the MI Plus program. He noted that MI Plus usage has been trending downward as there were more recipients in June than there were in November. This is due in part to some borrowers exhausting MI Plus benefits and in part due to borrowers regaining employment. Of the 1906 MassHousing loans that entered forbearance, 927 were eligible for MI Plus and 271 received MI Plus benefits. Staff expect that for some borrowers, the relief offered by forbearance was enough, while others may have wanted to keep the option open to use MI Plus benefits in the future.

Ms. McArdle asked staff if they had an estimate of the percentage of borrowers that didn't realize they had access to MI Plus benefits.

Staff responded that they believe the percent of borrowers who didn't know they were eligible for MI Plus benefits is low. They noted that they had advertised the program and its benefits throughout the pandemic by sending emails to borrowers, putting a banner on the Agency website, and discussing MI Plus benefits with eligible borrowers that contacted the Agency. In addition, the Mortgage Bankers Association has embarked on an outreach campaign to let borrowers know about forbearance and other relief options that are available to them. Staff also noted that there is some concern that borrowers may exit forbearance but then later require additional relief. Staff have been discussing potential options with loan purchasers and other stakeholders.

Mark Attia stated that he was not surprised that the Agency's forbearance rates are now higher than the industry average, given that the demographic served has been harder hit by the pandemic. He noted that the situation seemed quite manageable, but that there was some concern about borrowers on their second or third forbearance extension. He also mentioned the possibility that Congress may take additional action to extend required forbearance periods.

Mr. Mello explained that the eviction and foreclosure moratoriums required by the FHA have been extended one month already but may be extended again. He noted that MassHousing has followed these requirements even for borrowers whose loans were not in the FHA portfolio.

Ms. McArdle then moved the meeting to open discussion.

Mr. Aylouche provided an update on the procurement of loan origination software. Following a successful RFP, the HomeOwnership department is hoping to make a selection by year end. The transition to new software from the exiting homebuilt solution is important to the continued success of the HomeOwnership business line and will require a lot of effort from the HomeOwnership and I.T. staff.

There was no old or new business brought for discussion.

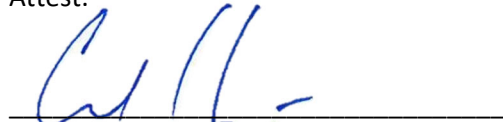
Ms. McArdle commended the group for their hard work despite the unknowns and uncertainties that this past year has brought.

The members then voted to adjourn.

*The meeting concluded at approximately 12:39 p.m.*

A true record.

Attest.



Colin M. McNiece  
Secretary

Meeting Materials:

- (i) HomeOwnership Committee (Powerpoint)
- (ii) Home Ownership Updates – December 2020 (Powerpoint)