

Beacon Hill Byline by Mary Rogeness

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Home Sweet Home

It seems like once a year Massachusetts opens a new niche mortgage market. Last year I wrote about opportunities for municipal employees to obtain state-guaranteed financing for a first home purchase. And just last month another opportunity for homeownership came to the Pioneer Valley. This program is offered to users of mass transit – the PVTA.

Whenever our state offers a new way for tenants to become homeowners, I try to spread the word. And although the new program is unlikely to find many users in Longmeadow, it may be of interest to our friends or families. I hope you will help me get the word out.

Governor Romney unveiled the program at a press conference at United Cooperative Bank headquarters in West Springfield, United being the first bank in the area to offer the mortgages. He was joined by bank and PVTA officials and by new homeowners, beneficiaries of the new opportunity. As a bystander, I was touched by the comments of two women who are moving from renting to owning their homes.

“Take the PVTA Home” is the initiative, a title in which “home” refers to both transportation and home ownership. It benefits the people who can turn their monthly rental expenses into equity in their real estate. It benefits their neighborhoods by increasing the number of owner-occupied residences. And it provides benefits to all of us to the extent that it encourages commuters to travel to work by bus and leave their cars at home.

MassHousing administers the program and guarantees the loans. A similar program has already provided more than \$4 million in mortgages for Massachusetts Bay Transportation Authority (MBTA) riders. The PVTA is the first transit authority outside of the Boston metropolitan area to embrace the program.

These are the requirements for participation.

Proof of PVTA use. Applicants can demonstrate their use of mass transit by showing 10 months of passes, a mass transit auto insurance discount or verification from an employer that they have a transit pass from work.

Mortgage approval process. Applicants will undergo a traditional mortgage application process. Household income cannot exceed 135% of area median income, which is \$68,445 in Springfield. They need a good credit history. Housing expenses can be as much as 38% of their monthly income, much higher than most lenders allow for other loans because of the lack of car-related expenses incurred by a user of mass transit.

Mortgages are for up to 30 years and at competitive fixed rates. Although United Cooperative is the only participant at this time, other banks may sign on as the program advances. I will be glad to provide more information for anyone who wants to Take the PVTA home. Or you can obtain more information by contacting United Cooperative Bank at 787-1247, Internet www.bankatunited.com, or MassHousing, toll-free, at 877-309-4663 and www.masshousing.com.

Please let me know if this new state program works for you.