

## MINUTES - ACTON COMMUNITY HOUSING CORPORATION

Pursuant to notice given a Regular Meeting of the Acton Community Housing Corporation (ACHC) was held on October 22, 2009, at 7 PM in room 126 of the Acton Town Hall. Present and constituting a quorum for the purpose of conducting business were Bernice Baran, Corrina Roman-Kreuze, Nancy Tavernier, and Associate Members Dan Buckley and Jennifer Patenaude (designated voting members).

Guests: Pat Clifford, liaison from the Finance Committee, Brad Fitts, Mortgage Loan Officer, Bank of America

Nancy Tavernier, Chair, called the meeting to order at 7PM. Bernice Baran was the Clerk for this meeting.

1) The Minutes for the meeting of October 8th were approved as written.

Brad Fitts, who is the Mortgage Loan Officer for low and moderate income applicants for mortgages for Bank of America, presented information and responded to questions about current lending practices, credit regulations, and challenges for first time homebuyers. The lending environment has changed significantly since the recent recession. 90% of the real estate market is either Fannie Mae, Freddie Mac, or Ginnie Mae loans. Small banks are doing much less lending. Regulations are changing frequently. Greater attention is being paid to verifying both income and credit ratings. A credit rating of 620 is the standard for Mass Housing Partnership.

Great numbers of defaults on condominiums have resulted in more stringent requirements for applicants for loans for condo units. More than five units in a development are required if you are applying for a FHA loan (but this does not apply to MHP); 70% of units must have already been sold (this number has been temporarily reduced by HUD to 30% on new construction); 51% must be owner occupied. For developments with only two units, one must be owner occupied; for three units, two must be owner occupied; for four units, two must be owner occupied. Eligibility for soft second loans is set at 100% of the area median income of \$90,200. The Soft Second Loan amount will be 20% of the total; the interest rate for a SSL is currently 4.125%. Few defaults have occurred for these loans. A recent regulation is assisting unemployed or disabled homeowners. Mortgage insurance will cover payments for twelve months if the owner loses his/her job. The insurance is free for the first year and continues unless the buyer opts out in the second year. Mr. Fitts stated that applicants with a \$50,000 income without debt can usually qualify for a mortgage of up to \$150,000. Loans have been made below this income but these applications are carefully evaluated to ascertain whether the buyer can be expected to make regular payments.

2) Financial Report

In the Treasurer's absence, no Financial Report was given.

3) Updates

Central St. hearing with the Board of Appeals was continued until 11/16.

Lillian Road. The Lillian Road Project has not yet been submitted to MHFA. Nancy Tavernier submitted an email to MHFA on behalf of the Committee, expressing its concerns about the increased density contained in the current proposal.

4) Old Busines

Members approved the ACHC's CPA request for \$50,000 to be added to the Community Housing Program Fund. The Fund allows ACHC to respond to opportunities as they are identified and not to restrict its use to specific projects.

Mr. Van Meter had presented a draft proposal for a Green Affordable Housing Fund at the last meeting. After discussion he has indicated that he is now interested in requesting funds for a pilot project. Ms. Tavernier and Mr. Buckley were authorized to approve a revised proposal if Mr. Van Meter submits one before CPC's deadline for applications.

5) New Business

Ms. Tavernier will send a letter to all affordable owners. This provides contact information to obtain required approval by Town officials and DHCD for refinancing mortgages and reselling property. The letter also includes information about community resources who can help owners with individual problems.

The file archiving project is moving ahead. Files will be put on DVD's, and the Town will put records on Docu-Share, which is a secure server. Ms. Tavernier is using administrative funds for this project. A motion was made and approved to authorize Ms. Tavernier to purchase a DVD burner for \$36.

6) Next Meeting is November 12, 2009 at 7 PM. Meeting was adjourned at 8:30 PM.

Submitted by Bernice Baran