



MASSACHUSETTS COMMUNITY & BANKING COUNCIL

TO: Distribution

FROM: Kathy Schreck, Co-Chair, MCBC Mortgage Lending Committee

DATE: November 29, 2016

RE: Next MCBC Mortgage Lending Committee Meeting

You are invited to attend the next meeting of the Massachusetts Community & Banking Council's (MCBC) Mortgage Lending Committee. The meeting will be held on **Tuesday, December 6, 2016 at 9 a.m. at the offices of Massachusetts Housing Partnership, 160 Federal Street, Boston, MA 02110.**

An agenda for the meeting is enclosed, along with minutes of the last meeting.

If you wish to participate in the December 6th meeting by phone, please call 712-432-6333, participant passcode 183421#.

We look forward to seeing you on December 6th.

Next Committee Meeting: January 24, 2017

MCBC MORTGAGE LENDING COMMITTEE

MISSION: MCBC's Mortgage Lending Committee brings together financial institutions, housing advocates, public officials and others to work to expand home ownership opportunities for low- and moderate-income homebuyers and to sustain home ownership in low- and moderate-income neighborhoods.

Meeting of December 6, 2016

AGENDA

1. Minutes of the Meeting of October 25, 2016
2. Presentation on Early Insights from HUD's First-Time Homebuyer Education and Counseling Demonstration Study by Jonathan Spader, Senior Research Associate, Joint Center for Housing Studies at Harvard
3. Changing Patterns XXIII Update
4. MHP and MassHousing 9.30.16 Delinquency and Foreclosure Report
5. Other Business

MASSACHUSETTS COMMUNITY & BANKING COUNCIL

Mortgage Lending Committee
Meeting of October 25, 2016

Draft Minutes

Attending: Laura Anctil, Needham Bank (phone)
Angela Brown, Hyams Foundation (phone)
Tom Callahan, MAHA
Jim Campen, Changing Patterns author
Valerie Clark, Patriot Bank (phone)
Rob Consalvo, Boston Home Center
Jackie Cooper, FEA
Maritza Crossen, CHAPA
Lisa Fiandaca, MassHousing
Aida Franquiz, Boston Private
Avi Glaser, Community Teamwork (phone)
Dwan Packnett, Boston Home Center (phone)
Gonzalo Puigbo,
Kathy Schreck, Marlborough Savings Bank
Jon Skarin, (phone)
David Worsham, MHP
Jeff, FDIC

The meeting began at 9:10 a.m. at Massachusetts Housing Partnership, 160 Federal Street, Boston and was chaired by Kathy.

The meeting began with introductions.

1. Minutes of the Meeting of September 13, 2016

Kathy noted the minutes of the meeting of September 13, 2016. A motion was made to approve the minutes without changes. VOTE: The motion was approved.

2. Discussion of VA Loans led by Rosella Campion, Mortgage Master

Rosella Campion gave a presentation on VA loans (find the presentation and additional materials [here](#)). In addition to her slides, Rosella highlighted the following:

Rosella noted there are issues with relators not accepting VA preapprovals.

VA condo approval process is a nightmare and can delay a closing by at least 5 weeks and can prevent someone from using VA altogether. The VA also wants the condo docs to stipulate the unit may be rented, often condo docs limit the number of weeks a condo may be rented.

Similarly, VA requires lender to use VA-approved appraiser and there are only a few, veterans only. So it takes some work to find and get an appraisal done on time.

VA doesn't count any rental income when the borrower does not have landlord experience and reserves are required on multi-family properties. VA does not accept universal deed rider for affordable properties. The VA includes child-care payments in the debt to income ratios and requires a residual income amount dependent on the number of family members. VA loans require DU approval and a 620 minimum credit score.

Interest rate is generally 1/2% below market. Funding fee is waived for disabled vets.

Rob Consalvo is working with contact at VA to help expedite approval for condos in the city of Boston. They are trying to get the condo preapproved by the VA.

Masshousing has its Welcome Home VA program which offers better terms on multis, condos, and allows non-spouse co-borrower but has higher interest rate and higher credit score requirements (680/700 for MassHousing vs 620 at Mortgage Master for VA).

There may be a role for MCBC in advocating for improvements to VA specifically on condos, multis, and appraisal practices.

3. Changing Patterns XXIII Updates

Jim gave a brief update on CP23 and offered a few preliminary numbers. For the second year in a row, Brockton received far more loans to black borrowers than any other city (17% of the total, followed by Boston with 12%, and Worcester and Randolph with 6% each). And, for the first time, Licensed Mortgage Lenders actually out-performed CRA-covered lenders in some categories: in Boston and in Greater Boston, the shares of their total loans that consisted of non-FHA loans to LMI borrowers and non-FHA loans in LMI neighborhoods were higher than the corresponding shares for CRA lenders.

4. Other Business

Jackie noted that she is on John Barros' financial empowerment task force and would be interested in keeping us up-to-date on what they are doing. It is meeting 4 times per year - she is only housing person on it.

Tom updated the committee on recent article in Patriot Ledger about their downpayment assistance program <http://www.patriotledger.com/news/20161008/first-time-homebuyers-charged-to-hilt-by-quincy-loan-program>

The next meeting of the Mortgage Lending Committee will take place Tuesday, December 6th at 9 AM at Massachusetts Housing Partnership.