

PARTNERSHIP for FINANCIAL E Q U I T Y

Mortgage Lending Committee

Monday, April 27, 2026, at 12:00 PM

Co-Chairs:

Michelle Meiser, Vice President, Community Relationship Outreach Officer, Eastern Bank
Elliot Schmiedl, Director of Homeownership, Massachusetts Housing Partnership

Guest Presenters & Speakers:

Meredith Boericke: Massachusetts Housing Partnership

Meeting Summary/Quick Recap

The Mortgage Lending Committee meeting focused on ADU (Accessory Dwelling Unit) financing programs and recent research in homeownership. Elliot Schmiedl from Massachusetts Housing Partnership presented their new ADU Incentive Program, which will subsidize \$500 feasibility studies through approved vendors until June 30th, with the goal of gathering data on barriers to ADU development across the state. The committee also discussed a comprehensive homeownership survey currently in the field through May 17th, involving multiple organizations including MHP, which aims to assess the long-term impact and wealth-building potential of first-time homebuyer programs. Additionally, the meeting covered recent research on Buy Now Pay Later (BNPL) financing, highlighting concerns about its use among homeowners and how it often goes unreported to credit bureaus, and discussed Urban Institute research on Asian American and Pacific Islander homeownership patterns, including their unique approaches to home equity and inheritance planning.

ADU Financing and Incentive Programs

The meeting focused on ADU (Accessory Dwelling Unit) financing and programs, with Elliot Schmiedl from MHP presenting on the state's efforts in this area. Elliot provided context about the collaborative work between MHP, Mass Housing, and other stakeholders, including a recent ADU Design Challenge and existing financing programs. Meredith Boericke, ADU Program Director for MHP then introduced the new ADU incentive program, which aims to support homeowners in creating ADUs for various purposes, including rental income, housing family members, and addressing housing shortages. The discussion highlighted the program's goals to increase awareness, provide education and technical assistance, and encourage more ADU development beyond the 1,000 already permitted since the passing of relevant legislation.

MHP ADU Incentive Program Launch

Elliot and his colleague discussed the launch of Phase 1 of MHP's ADU incentive program, which focuses on completing feasibility studies to gather data on barriers to ADU permitting and construction across the Commonwealth. The program is currently accepting requests for qualifications from vendors, including architects and contractors, who will be reimbursed \$500 per approved feasibility study. The goal is to launch the program in the spring, with a website on MHP's site providing more information and a portal for vendors to be set up.

ADU Program Phase Implementation Discussion

The team discussed the current phase of an ADU (Accessory Dwelling Unit) program, which focuses on standing up phase one before moving on to future phases that may include technical and financial assistance. Elliot highlighted the high costs associated with ADU development, including pre-development expenses of \$30,000 or more, and mentioned a two-year contract with HLC to inform future program iterations. The discussion also covered a comparison with Mass CEC's pilot program in Pioneer Valley, which includes a resource center and tools like Future Lot for feasibility assessment, though the current program aims to be broader in scope by directly offering feasibility studies to homeowners.

ADU Consumer Education and Incentives

The group discussed consumer education and incentives for ADU (Accessory Dwelling Unit) development. Jason raised concerns about homeowner awareness of income generation potential and landlord responsibilities, while a staffer from MHP confirmed that education and outreach would be a key focus, including partnerships with organizations like Mass CEC. Elliot explained that while ADUs present wealth-building opportunities, the high costs (\$300,000-\$400,000 for detached units) make the financial math challenging for many homeowners, particularly since pre-development costs often cannot be financed.

ADU Construction Challenges and Alternatives

The team discussed the high costs and challenges of building ADUs (Accessory Dwelling Units), particularly the backyard cottage type. They explored alternative options like converting attics or basements, which could be more cost-effective. Tom suggested the possibility of aging homeowners living in ADUs while renting out their main homes. A member emphasized the importance of education in this new area, highlighting the complexity of construction processes and the need to connect homeowners with reputable contractors.

ADU Program Income Strategy Updates

Elliot explained that their organization, MHP, initially focused on serving low and moderate income (LMI) households but faced challenges in providing subsidies for ADU development to higher-income households. They decided to start by offering feasibility studies to anyone interested in constructing an ADU, regardless of income level. For future program phases, Elliot indicated they would implement income limits and other equity considerations to ensure funds are used effectively and target households that would not otherwise develop ADUs.

Regional ADU Construction Considerations

The group discussed regional considerations for ADU (Accessory Dwelling Unit) construction, with Elliot noting that builders typically focus on specific communities where they know local ordinances and building inspectors. A MHP staffer shared that over 1,000 ADUs have been permitted in Massachusetts, with Boston and Plymouth being the top municipalities in 2025, though specific financing data remains limited. Tom observed growing public awareness of ADUs based on recent conversations with neighbors, suggesting increasing interest in the concept.

Homeownership Survey Planning Discussion

The team discussed an upcoming homeownership survey being conducted by Mass Inc. Polling Group in partnership with multiple organizations including Mass Inc, Boston Foundation, and Wayfinders. The survey aims to evaluate the long-term impact of first-time homebuyer programs beyond existing metrics, assessing participant experiences, wealth building, and satisfaction with the home buying process. The survey will be conducted from April 21st to May 17th, with top-line results expected in late May and a webinar planned for June 24th to discuss the findings. Elliot confirmed the initial deadline for feasibility study providers as June 30th, though responses after this date will still be considered.

Homeowner Survey Initiative Planning

The meeting focused on a homeowner survey initiative targeting thousands of homeowners, particularly those who have used MHP programs like the Soft Second and One Mortgage over the years. Elliot and Tom discussed the collaboration with Mass Inc. and the upcoming webinar organized by the Boston Foundation, which aims to gather both quantitative and qualitative data from long-standing homeowners. They also highlighted a recent study on "Buy Now, Pay Later" transactions by JPMorgan Chase Research Institute and Urban Institute, noting concerns about the lack of credit bureau reporting for these transactions.

BNPL Research and Homebuying Patterns

Tom presented research on buy-now-pay-later (BNPL) services, highlighting concerns about their use among first-time homebuyers, particularly those with maxed-out credit cards. The research found that frequent BNPL users increased their usage nearly four-fold after closing on homes, with over 8% having higher chances of missing payments in the first year. A member raised questions about how lenders detect BNPL usage if it's not reported to credit bureaus, which Tom and Jason acknowledged as a data aggregation challenge. Tom also shared new research from Urban Institute on Asian American, Native Hawaiian, and Pacific Islander homeownership patterns, noting that nearly half of Asian homeowners age 65 and older expect to leave an inheritance, despite only 10% reporting receipt of inheritances.