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## **MEDIA RELEASE**

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### Missouri Housing Commission Offering 3.50 Percent Mortgage Rate

Missouri Housing Development Commission (MHDC) has lowered the interest rates on mortgages offered under its first-time homebuyer program. A 3.50 percent 30-year fixed rate mortgage is available to homebuyers not needing assistance with down payment and/or closing costs, while a 4.0 percent 30-year fixed rate mortgage is available to those buyers who do take advantage of cash assistance. These rates are the lowest ever offered by MHDC.

“These record low rates offer Missourians an incredible opportunity to purchase their first home at an affordable cost,” said Greg Spurgeon, Single Family Homeownership Administrator for MHDC. “The historically low mortgage rates now available through MHDC will encourage sustainable homeownership and help support the state’s housing market.”

The MHDC Cash Assistance Loan allows qualified first-time homebuyers to borrow an additional amount, up to three percent of their loan, to use for down payment and closing costs. MHDC will forgive this amount after the homebuyer has lived in the house for five years. Having determined that the primary obstacle faced by many first-time homebuyers is the lack of a significant down payment, MHDC created the Cash Assistance Loan program to allow more Missouri residents to purchase a home, with the added result of stimulating the housing market.

For first-time homebuyers not needing assistance with a down payment or closing costs, the Non-Cash Assistance Loan program provides a lower interest rate than is available elsewhere. Both the Cash Assistance and Non-Cash Assistance mortgages are funded primarily through capital, raised by the sale of MHDC’s mortgage revenue bonds in the municipal bond market and the U.S. Treasury New Issue Bond Program.

MHDC’s first-time homebuyer program experiences a lower foreclosure rate as compared to the industry average, as the program’s focus on providing sustainable housing mandates prudent underwriting practices, including requiring fully documented proof of income and issuing only fixed-rate loans. MHDC intentionally avoided the practices of subprime lending institutions that helped lead to the country’s recent housing market collapse.

To take advantage of these record-setting low rates, Missouri residents interested in purchasing a first home are encouraged to contact one of MHDC’s 50 certified lenders who are authorized to offer its programs, found at [www.mhdc.com](http://www.mhdc.com). MHDC’s

establishment of this network of lenders allows homebuyers to apply for a mortgage through their local financial institutions.

In addition to its first-time buyer programs, Missouri Housing Development Commission provides financing for the construction and rehabilitation of affordable housing in Missouri, and administers the Missouri Housing Trust Fund to help prevent homelessness and to provide emergency housing assistance for very low-income Missourians.

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NOTE TO EDITORS: Media questions should be directed to Andi Benson, communications administrator, at 816-759-6658 or [abenson@mhdc.com](mailto:abenson@mhdc.com). If you would like to receive this release by e-mail in rich-text format, please email [abenson@mhdc.com](mailto:abenson@mhdc.com) and provide the e-mail address. Follow MHDC on [Facebook](#) and Twitter at [www.twitter.com/MissouriHousing](http://www.twitter.com/MissouriHousing) for the latest updates and news.