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MEDIA RELEASE

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MHDC Offering Lowest Interest Rates in Commission History

Kansas City –Even in the face of a challenging housing market, MHDC continues its lending programs for first-time homebuyers with mortgage revenue bond financings and a commitment to homebuyers for assistance with down payment and closing costs.

With the New Issue Bond Program (NIBP), using the authority provided by the Housing and Economic Recovery Act of 2008 (HERA), the Treasury purchased Fannie Mae and Freddie Mac securities backed by housing revenue bonds. By participating in this innovative program, MHDC was able to complete the sale of \$260 million in NIBP program bonds in December 2009. This financing will be coupled with \$174 million in market bonds sold in the capital markets during 2010, and will provide mortgages for 4,300 Missouri homebuyers. With such capital resources in place, MHDC is able to currently provide quality, fixed-rate, 30-year mortgages with the lowest interest rates ever offered by the commission.

Mortgage interest rates of 4.90 percent are available to buyers utilizing the MHDC low-rate program. This program offers first-time homebuyers who do not seek down payment assistance interest rates that are at- or below-market. The rate for the Cash Assistance Loan (CAL) through MHDC, which offers down payment and closing cost assistance to first-time buyers, is also low, currently at 5.40 percent.

“Even with the recent expiration of the federal homebuyer tax credit, MHDC is still able to provide support to the housing market,” said Greg Spurgeon, single family homeownership administrator at MHDC. “We are excited to offer homebuyers the lowest rates in the history of the program and contribute to the state’s housing recovery.”

MHDC is an instrumentality of the state of Missouri, which constitutes a body corporate and politic. It is governed by a board of directors that includes the governor, lieutenant governor, attorney general, state treasurer and six commissioners appointed by the governor. The commission makes funds available for rental housing developments, preservation of affordable rental housing, home mortgages, home improvement loans, grants to neighborhood housing groups and other housing programs. MHDC functions as a bank, providing financing directly to developers or through a network of private lending institutions.

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NOTE TO EDITORS: Media questions can be directed to Andi Benson, communications administrator, at 816-759-6658 or abenson@mhdc.com. If you would like to receive this release by e-mail in rich-text format, please email abenson@mhdc.com and provide the e-mail address.