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NEW VHFA BOND DEAL WILL FINANCE HUNDREDS OF VERMONT HOME PURCHASES

Agency also raises income, purchase price limits, making more Vermonters eligible for loans

BURLINGTON—Vermont Housing Finance Agency has taken two big steps towards helping more Vermonters own their own homes.

VHFA today announced the completion of an \$81.4 million single-family bond sale and the approval of higher income and purchase-price limits for borrowers. The bond sale provides more than \$50 million in low-interest mortgages to finance between 600 and 700 home purchases over the next nine months. About \$30 million of the new bond revenue will be used to refund VHFA bonds issued in 1989. The savings from that refund will be used to help keep VHFA's mortgage loans affordable.

The Agency's interest rate for a 30-year mortgage with no points is 6.5 percent.

The higher income and purchase-price limits mean more Vermonters will be eligible for VHFA low-interest loans.

"We're extremely pleased to be able to make the dream of homeownership come true for more Vermonters," VHFA Executive Director Sarah Carpenter said. "We were able to use a variety of financial tools with this bond sale to keep our interest rates low. And we were able to raise the income and purchase-price limits to give more Vermonters access to our mortgage products."

Carpenter said the new mortgage money and higher limits come at a time when Vermont's housing shortage is making it harder for many people to find housing they can afford.

"Vermont's housing shortage is pushing prices up," Carpenter said, "and the federal rules that govern our financing allow us to adjust our limits to take that into account. These new, higher limits better reflect Vermont's current housing market."

The new income and purchase-price limits vary for different areas of the state. Information is available on VHFA's website, www.vhfa.org, or through participating local lenders. A list of lenders who offer VHFA products is also located on the website.

VHFA was established in 1974 by the Vermont Legislature to finance and promote safe, decent and affordable housing opportunities for low- and moderate-income Vermonters. Since then, the Agency has issued \$1.68 billion in single-family and multi-family bonds and notes, providing financing for more than 23,000 homes and 5,200 affordable apartments.