

SONYMA Creates "Community Housing Trust Initiative" to Help Land Trusts Maintain Affordable Homes

NEW YORK-Wednesday, June 4, 2008-The **State of New York Mortgage Agency (SONYMA)** today announced the creation of its "**Community Housing Trust Initiative.**" This innovative program will enable land trusts to offer SONYMA's below-market mortgages to working families who buy homes that are part of local community land trusts.

The initiative comes at a critical time when tightening credit availability and limited public resources have made it difficult for low- and moderate-income families purchasing homes in land trusts to obtain conventional financing.

The first trust to participate in the program will be the **Adirondack Community Housing Trust (ACHT)**, which was created last year to ensure that working families are not priced out of the Adirondacks housing market.

"Land trusts help communities offer permanent affordable homes for its residents while giving them all the advantages of owning a home. With traditional lenders less willing to give mortgages to homebuyers, SONYMA will be there to fill the void," said **Priscilla Almodovar, SONYMA President and Chief Executive Officer.** "This initiative will provide trusts with a powerful tool to further their mission of keeping homes affordable for current and future homeowners. I congratulate the Adirondack Community Housing Trust for being our first partner."

Community land trusts are not-for-profit corporations that acquire homes or vacant land for the benefit of the community, helping provide access to affordable housing for local low- and moderate-income residents. Purchasers of homes in a land trust must agree to restrictions when the house is sold to preserve the home's affordability in perpetuity. By owning the land and restricting who can purchase the homes, land trusts ensure permanent affordability for the homes.

Under the SONYMA initiative, the Adirondack Community Housing Trust will provide subsidies to eligible homeowners so they can purchase homes they can afford. In return, homeowners are required to deed the land under their homes to the housing trust and lease back the land under a 99-year lease costing \$25 a month. These purchasers will be able to obtain low-cost financing through SONYMA.

State Senator Betty Little said, "Both organizations share the same goal so this new partnership makes a lot of sense. This is another big step forward for the Adirondack Community Housing Trust and I want to commend Alan Hipps and his staff for their good work."

Assemblywoman R. Teresa Sayward said, "Everyone loves the Adirondack Park and the natural beauty that abounds. Consequently, for working families who live in the region, the cost of purchasing a home is a real problem. This partnership between ACHT and SONYMA will allow our working men and women to own a home and continue our Adirondack traditions."

Alan Hipps, ACHT Executive Director, said, "This partnership will enable hard-working Adirondack families to afford homes in the towns, villages and hamlets in which they grew-up. The program capitalizes on the combined, valuable resources of SONYMA, local banks, and the Adirondack Community Housing Trust to provide permanently affordable housing for generations to come."

Participants in SONYMA's "**Community Housing Trust Initiative**" will be eligible for any SONYMA mortgage. SONYMA offers a range of mortgages, depending on household income and other eligibility factors.

During the first phase of the agreement, the trust plans to build 12 homes in Long Lake in Hamilton County and six homes in the Town of Keene in Essex County. In later phases of the program, the SONYMA-ACHT partnership will help finance the purchase of existing homes. The aim of the program is to finance 30 homes a year.

Homeowners who partner with the Adirondack Community Housing Trust will own their home and any improvements on the land and will have most of the same rights of conventional homeowners. They will also be required to pay property taxes on both the house and the leased land.

When homeowners sell their home, they will be required to assign 75% of any appreciated equity to the housing trust.

The program is available to eligible homeowners based on household income. For a family of four, for example, the income limit is \$63,360.

SONYMA was created in 1970 with the mission of helping low- and moderate-income families become homeowners. It offers a variety of low down payment mortgages that provide below-market fixed interest rates, as well as closing cost assistance through a network of participating lenders across the state.

The ACHT is a not-for-profit corporation that was created last year through state legislation to promote affordable homeownership in the Adirondacks. ACHT offers direct financial assistance for first-time homebuyers. The assistance can be used for closing costs, loan principal reduction and home repairs. ACHT can be contacted at (518) 873-6888.

SONYMA Contact: Philip Lentz

Director of Communications
212-688-4000 x679
plentz@nyhomes.org

ACHT Contact: Alan Hipps

Executive Director
518-873-6888
alan@hapec.org