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Press Release

Massachusetts Foreclosed Properties Initiative to Preserve Homes and Revitalize Communities

Congressman Frank, Governor Patrick and CHAPA launch first state-wide program to help communities in wake of foreclosure crisis

BOSTON – March 16, 2009 –CHAPA and state officials unveiled a first-in-the-nation statewide clearinghouse program today aimed at taking back foreclosed properties throughout the state. Outside, in a New Bedford neighborhood deeply affected by foreclosures, CHAPA, a non-profit affordable housing organization, along with Congressman Barney Frank, Governor Deval Patrick, Undersecretary Tina Brooks, New Bedford Mayor Scott Lang, and the New Bedford legislative delegation launched the new "Massachusetts Foreclosed Properties Initiative" today.

In 2008, Massachusetts foreclosure deeds were up nearly 400% from 2006. These properties, which amounted to more than 12,000, are disproportionately concentrated in low- and moderate-income neighborhoods and are causing destabilization in many communities.

This program was designed by CHAPA in coordination with the Patrick-Murray Administration, a broad-based local advisory committee and the National Community Stabilization Trust and will seek to address the greatest challenge Massachusetts communities face—getting foreclosed properties revitalized, re-occupied and back on the tax rolls of municipalities. CHAPA will serve as a foreclosed properties clearinghouse connecting banks that own foreclosed properties with local organizations, which will purchase the properties and upgrade these homes for low and moderate income families.

Prior to the announcement, Congressman Frank and Governor Patrick had a chance to walk two city blocks near New Bedford's historic waterfront that are consumed by abandoned and boarded up properties.

"Homeowners and neighborhoods here in New Bedford and across Massachusetts are feeling the harmful effects of the nation's foreclosure crisis," said Governor Patrick. "By connecting banks that own foreclosed properties with organizations that create affordable housing opportunities, we can and we will revitalize communities throughout our Commonwealth."

"Our goal with this program is to stabilize neighborhoods affected by this crisis by reducing vacant and abandoned units and by providing property tax revenues to municipalities who need it now more than ever," said Aaron Gornstein, Executive Director for CHAPA. "We are also aiming to ensure that the sales of these properties are done in a sustainable manner that does not set the stage for a future cycle of foreclosures or property decline."

The program includes two main components:

First, the participating banks will provide a first look to eligible purchasers prior to listing the property on the open market. During this time period, the seller will

provide local organizations with physical access to the property and offer an adjusted sale price for the property.

Second, participating banks will provide the opportunity for local organizations to purchase multiple properties in a community as part of a bulk sale, particularly in areas with a higher concentration of foreclosed properties. This will allow them to renovate properties on a whole block or in larger areas of a neighborhood, thereby having a greater impact on revitalization efforts.

“The key to economic revival in New Bedford is promoting and maintaining safe, vibrant neighborhoods. This program can accomplish this by enabling families to invest in our city through home ownership. Every family dreams of having a house to call their own. And, owner occupied houses increase the value of all other homes in the immediate neighborhood and across the city,” said New Bedford Mayor Scott W. Lang.

The program’s local partners include approximately 50 housing organizations and 30 municipal partners including: Attleboro, Barnstable, Billerica, Boston, Brockton, Chelsea, Chicopee, Fall River, Falmouth, Fitchburg, Framingham, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Marlborough, Marshfield, Methuen, Milford, New Bedford, Quincy, Peabody, Revere, Salem, Somerville, Springfield, Taunton, Weymouth and Worcester. The first phase of the program includes properties owned by Fannie Mae, Freddie Mac, Citi, Wells Fargo, GMAC, JP Morgan Chase (including Washington Mutual), and Bank of America (including Countrywide). Additional banks may be included in a second phase of the program.

About Citizens’ Housing and Planning Association (CHAPA)

CHAPA is the non-profit umbrella organization for affordable housing and community development activities throughout Massachusetts. Established in 1967, CHAPA is the only statewide group which represents all interests in the housing and community development field, including non-profit and for-profit developers, municipal officials, local housing providers and advocates, tenants, homeowners, lenders, consultants, property managers, architects, and others. CHAPA's mission is to encourage the production and preservation of housing that is affordable to low-income families and individuals.

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