

**Expanding
Homeownership
Opportunity II**

The SoftSecond Loan Program

1991 – 2006

BY

Jim Campen

Mauricio Gaston Institute

for Latino Community Development and Public Policy

University of Massachusetts/Boston

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P.O. BOX 600617 | NEWTON, MA 02460-0005 | 617.244.0271

www.masscommunityandbanking.org

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Central Bank	Reading Co-operative Bank
Chelsea-Provident Co-Operative Bank	Sovereign Bank
Citibank, N.A.	State Street Corporation
Citizens Bank of Massachusetts	StonehamBank – A Co-operative Bank
Dedham Institution for Savings	TD Banknorth
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The author may be contacted at: jimcampen@comcast.net

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EXECUTIVE SUMMARY

The SoftSecond™ Loan Program was developed in 1991 by the Massachusetts Bankers Association, the Massachusetts Housing Partnership, and the Massachusetts Affordable Housing Alliance to address community concerns over low levels of mortgage lending to traditionally underserved borrowers and neighborhoods. Launched in Boston, the program was expanded statewide in 1992 and is now available in every city and town in the Commonwealth through numerous participating lenders. The program is funded by the state legislature and administered by the Department of Housing and Community Development and the Massachusetts Housing Partnership.

The SoftSecond program was designed to reduce the substantial down payments and large monthly mortgage bills that often present insurmountable obstacles to lower-income homebuyers. The program requires only a three percent down payment and provides qualified homebuyers with two 30-year fixed-rate mortgage loans: the first for 77 percent of the price of the home, and the “soft second” mortgage for the remaining 20 percent. The second mortgage is interest-only for the first ten years and, in many cases, monthly bills are further reduced by public subsidies of these interest payments. SoftSecond loans have no points, no mortgage insurance fees and, in most cases, below-market interest rates.

This report updates the information presented in *Expanding Homeownership Opportunity: The SoftSecond Loan Program, 1991-1993*, released by the Massachusetts Community & Banking Council in 2004. Based on analysis of SoftSecond loan activity and performance statewide, the report finds:

- By the end of 2006, the SoftSecond Loan Program had, through its participating lenders, provided mortgage loans to 9,622 income-qualified borrowers (the 10,000 loan milestone was reached in mid-2007). During the 2004-2006 period that is the main focus of this report, 2,596 households received SoftSecond loans.
- The statewide SoftSecond delinquency rate (2.2% at year-end 2006) has consistently been well below the delinquency rate for all mortgage loans in Massachusetts (4.5% at year-end 2006).
- SoftSecond loans have facilitated home purchases for families in almost two-thirds of the cities and towns in Massachusetts (226 out of 351). In recent years, the city of Boston has received about one-third of total loans, while the rest have been distributed throughout the state.
- Twenty-seven currently operating lenders (twenty-six banks and one credit union) made at least one SoftSecond loan during the 2004-2006 period, although a handful of large banks account for the great majority of loans.
- The median household income of SoftSecond borrowers between 2004 and 2006 was \$45,000. During that period, almost two-thirds (65.0%) of all SoftSecond loans went to borrowers whose household incomes were \$50,000 or less; nearly one out of ten loans (9.7%) went to borrowers with incomes of \$30,000 or less.
- Statewide between 2004 and 2006, 25.6% of SoftSecond loans went to Latinos (who account for just 5.0% of the state’s households); 16.8% of loans went to blacks (who account for 4.7% of total households); and 7.3% of loans went to Asians (who account for 3.1% of total households).
- Statewide between 2004 and 2006, an average \$6,210 in public funds leveraged nearly \$210,000 in private mortgage financing per household. Since the program’s inception in 1991, \$51 million in public funds have been spent, leveraging over \$1.4 billion in private mortgage financing.

INTRODUCTION

This report provides data on lending by the SoftSecond Loan Program during the most recent three-year period (2004-2006) as well as over the sixteen-year life of the program. The Mortgage Lending Committee of the Massachusetts Community & Banking Council (MCBC) has had a special interest in the SoftSecond program since its inception and has carefully monitored the performance of its loans. The report updates an earlier report prepared for MCBC by the present author in 2004: *Expanding Homeownership Opportunity: The SoftSecond Loan Program, 1991-2003*. Detailed information about the origins and evolution of the program, and about the details of its structure and operation, are available in that report and elsewhere and are therefore not repeated here.¹

The SoftSecond Loan Program gets its name from the fact that participating homebuyers receive two mortgages rather than one: a first mortgage for 77% of the purchase price and a second mortgage for 20%; the program requires at least a 3% down payment, at least half of which must come from the borrower's own funds. Both mortgages are 30-year fixed-rate loans. In the great majority of cases (including all loans in Boston and all loans by the biggest banks), the interest rate on both mortgages is one-half of a percentage point below the bank's two-point rate, although no points are charged.² The second mortgage is "soft" (for the first ten years) in two ways – payments are interest-only (there is no repayment of principal during this period) and payments may be further reduced, for qualifying low- and moderate-income homebuyers, by public subsidies. The state also funds loan loss reserves for each bank equal to three percent of the total value of the second mortgages that the bank has originated. The existence of the reserve fund makes it possible for borrowers to avoid the costs of private mortgage insurance while banks are still protected from credit losses. Affordability is further increased, in Boston and some other communities, by the provision of down payment and other financial assistance from local governments.

The SoftSecond Loan Program's features combine to have a remarkable impact on affordability. For example, the monthly mortgage payment on a \$200,000 home purchased in early September 2007 with a traditional loan from Sovereign Bank would have been \$1,267. The monthly mortgage payment on the same home purchased with a SoftSecond loan from Sovereign would have been \$1,064 for the first ten years for a borrower receiving no interest rate subsidy. The monthly payment would have been only \$885 for the first five years for a borrower receiving the maximum interest rate subsidy (this subsidy would be phased out between the fifth and tenth years). In any case, the monthly payment would rise to \$1,112 in the eleventh and all subsequent years.³

¹ *Expanding Homeownership Opportunity* is available in the "Reports" section of MCBC's website: www.masscommunityandbanking.org. See also: James T. Campen and Thomas M. Callahan, "Boston's Soft Second Program: Reaching Low Income and Minority Homebuyers in a Changing Financial Services Environment," a paper presented at the Federal Reserve System's Second Community Affairs Research Conference in Washington D.C., in April 2001 (www.mahahome.org or www.chicagofed.org/cedric/files/cfmacd_campen.pdf). A great deal of information about the SoftSecond program is available on the website of the Massachusetts Housing Partnership (MHP), particularly in the "Homebuyer" and "Lender" portions of the "Homeownership" section (www.mhp.net).

² A "point" is one percent of the amount of the mortgage loan. Mortgage borrowers generally have the option of reducing their interest rate by paying one or more points when the loan is originated. It is common for payment of two points to reduce the interest rate by one-half of a percentage point. In this case, the interest rate on a SoftSecond loan would be a full percentage point below the bank's zero-point interest rate.

³ This example assumes a five percent down payment for the SoftSecond loan, to correspond to the minimum down payment required for a traditional loan from Sovereign. On September 7, 2007, Sovereign's zero-point interest rate for 30-year fixed-rate loan was 6.375%; its two-point interest rate was 5.875%, and its SoftSecond interest rate was 5.375%. Of the \$203 difference in monthly payment (\$1,267 - \$1,064), \$121 is, essentially, a contribution by the bank to the borrower. (Note that the recipient of a traditional loan would have to pay four points [\$8,000] to receive the interest rate charged to SoftSecond borrowers.) The remaining \$82 in the borrower's monthly savings comes from avoiding the cost of the private mortgage insurance required on a traditional loan. (Information on interest rates and the cost of private mortgage insurance was obtained from Sovereign at its website and by phone.)

To be eligible for the SoftSecond Loan Program, a potential borrower must be a first-time homebuyer, must use the house as his or her primary residence for the life of the loan, must have a household income no greater than the area median income (which depends on family size and the community in which the home is located), and must complete a certified homebuyer education course. The SoftSecond Loan Program has important features designed to make homeownership not only affordable, but also sustainable – that is, to ensure that *homebuyers* will be able to remain *homeowners*; these include comprehensive post-purchase homeowner education and counseling services. All SoftSecond loan servicers are required to notify the Massachusetts Housing Partnership (MHP) of borrowers whose loan payments become more than 30 days overdue; the MHP then informs a counseling agency in the borrower’s area so that it can contact the borrower to offer assistance and provide one-on-one counseling. (The MHP is a quasi-public agency that developed the SoftSecond loan structure and that administers the program in conjunction with the state’s Department of Housing and Community Development.)

The body of this report provides information on many dimensions of the SoftSecond Loan Program, with particular focus on the most recent three-year period. These include:

- the total number of loans per year;
- the geographical distribution of loans among eleven regions across the state, among 226 individual communities, and among the major neighborhoods of Boston;
- the lenders participating in the program and the number of loans by each;
- the income levels and race/ethnicity of SoftSecond borrowers;
- the types of properties (condominiums and one-, two-, and three-family homes) purchased;
- the performance of SoftSecond loans as measured by delinquency rates and foreclosures; and
- the costs to the state budget of supporting the Soft Second Loan Program, and the extent to which these costs have leveraged private mortgage funds.⁴

In most cases, data is provided not only for the state as a whole, but also for the eleven program regions defined by the MHP. A map in the “Homeownership” section of the MHP website (www.mhp.net) provides pull-down lists of the communities in each of these regions. These eleven regions are actually called “micro-regions” by the MHP, which groups them into five “macro-regions”; in several of this report’s tables, lines indicate the grouping of the eleven micro-regions into the five macro-regions. (The MHP’s “Cape Cod and the Islands” region is referred to in this report as the “Cape Cod” region, since none of the communities on Martha’s Vineyard or Nantucket had received any SoftSecond loans by the end of 2006.)

⁴ This report’s tables are based on data supplied to the author by the MHP. Most tables report the results of analysis of a database that includes a subset of the fields contained in the MHP’s SoftSecond Loan Program database; limited editing by the author corrected some inconsistencies in the data that were supplied. Careful readers may note that the data reported here for the 1991-2003 period sometimes differs slightly from that reported in the original *Expanding Household Opportunities* report of 2004. This reflects changes in the MHP SoftSecond database for those earlier years. Tables 9-11 are based primarily on the December 31, 2006 edition of the quarterly SoftSecond delinquency and foreclosure report prepared by the MHP for the Mortgage Lending Committee of the Massachusetts Community & Banking Council.

DIMENSIONS OF THE SOFTSECOND LOAN PROGRAM

- **Number of SoftSecond Loans, By Year and by Region** (Table 1)

SoftSecond loan volume was substantially greater in the 2004-2006 period than in earlier years. The 2,596 loans during these three years account for over one-quarter (27.0%) of the 9,622 loans during the sixteen-year history of the SoftSecond program. During the 2004–2006 period, one-third (33/0%) of all SoftSecond loans went to the city of Boston while the rest were distributed throughout the commonwealth. Only two other regions received double-digit loan shares: Western (15.5%) and Metro North (13.3%).⁵

Table 1
SoftSecond Loans By Region, 1991-2006*

Region	Total 1991- 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total 1991- 2006	Total 2004- 2006
A. Number of Loans													
Boston City	1,189	311	244	228	143	207	153	214	296	300	261	3,546	857
Metro North	141	83	92	81	50	41	26	79	87	96	158	934	341
Metro South	119	44	32	32	24	16	13	25	25	19	44	393	88
Metro West	27	15	25	18	20	14	21	33	28	34	45	280	107
North Shore	24	11	20	46	86	40	17	45	77	63	54	483	194
Merrimack Valley	9	4	12	20	33	61	36	46	47	65	83	416	195
South Shore	17	6	1	3	13	8	14	12	16	10	19	119	45
Southeastern	30	41	36	62	48	47	43	42	63	23	43	478	129
Cape Cod	109	55	53	68	48	40	22	18	16	12	23	464	51
Central	67	40	63	73	42	34	15	27	61	52	74	548	187
Western	281	124	166	191	226	227	167	177	197	147	58	1,961	402
Mass. Total	2,013	734	744	822	733	735	527	718	913	821	862	9,622	2,596
B. Percent of Total Loans in State													
Boston City	59.1%	42.4%	32.8%	27.7%	19.5%	28.2%	29.0%	29.8%	32.4%	36.5%	30.3%	36.9%	33.0%
Metro North	7.0%	11.3%	12.4%	9.9%	6.8%	5.6%	4.9%	11.0%	9.5%	11.7%	18.3%	9.7%	13.1%
Metro South	5.9%	6.0%	4.3%	3.9%	3.3%	2.2%	2.5%	3.5%	2.7%	2.3%	5.1%	4.1%	3.4%
Metro West	1.3%	2.0%	3.4%	2.2%	2.7%	1.9%	4.0%	4.6%	3.1%	4.1%	5.2%	2.9%	4.1%
North Shore	1.2%	1.5%	2.7%	5.6%	11.7%	5.4%	3.2%	6.3%	8.4%	7.7%	6.3%	5.0%	7.5%
Merrimack Valley	0.4%	0.5%	1.6%	2.4%	4.5%	8.3%	6.8%	6.4%	5.1%	7.9%	9.6%	4.3%	7.5%
South Shore	0.8%	0.8%	0.1%	0.4%	1.8%	1.1%	2.7%	1.7%	1.8%	1.2%	2.2%	1.2%	1.7%
Southeastern	1.5%	5.6%	4.8%	7.5%	6.5%	6.4%	8.2%	5.8%	6.9%	2.8%	5.0%	5.0%	5.0%
Cape Cod	5.4%	7.5%	7.1%	8.3%	6.5%	5.4%	4.2%	2.5%	1.8%	1.5%	2.7%	4.8%	2.0%
Central	3.3%	5.4%	8.5%	8.9%	5.7%	4.6%	2.8%	3.8%	6.7%	6.3%	8.6%	5.7%	7.2%
Western	14.0%	16.9%	22.3%	23.2%	30.8%	30.9%	31.7%	24.7%	21.6%	17.9%	6.7%	20.4%	15.5%
Mass. Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Annual data for 1991-1996 are omitted for reasons of space. Total loans for these six years were: 35, 107, 212, 389, 482 & 788.

⁵ In 2005, the most recent year for which data on total lending are available, SoftSecond loans statewide accounted for 0.9% of all home-purchase loans and the number of SoftSecond loans was equal to 3.8% of the total number of home-purchase loans to low- and moderate-income borrowers. In the city of Boston in the same year, SoftSecond loans accounted for 3.6% of all home-purchase loans and the number of SoftSecond loans was equal to 19.6% of the total number of home-purchase loans to low- and moderate-income borrowers. These percentages are based on data on total first-lien loans for owner-occupied homes in 2005 as reported in the present author's *Changing Patterns XIII: Mortgage Lending to Traditionally Underserved Borrowers and Neighborhoods in Boston, Greater Boston, and Massachusetts, 1990-2005* (Tables 1, 2, 25 & 28; available online at www.masscommunityandbanking.org).

- **SoftSecond Loans in Individual Cities and Towns** (Table 2 & Appendix Table 1)

Seven communities received at least fifty SoftSecond loans during the 2004-2006 period: Boston (857 loans), Worcester (141), Springfield (109), Lynn (106), Cambridge (95), Holyoke (66), and Chelsea (54); these seven communities accounted for over half of total SoftSecond loans in the state. Altogether, 226 cities and towns, almost two-thirds of the 351 municipalities in Massachusetts, have received at least one SoftSecond loan during the life of the program, with 176 of these receiving at least one loan during the 2004-2006 period. Table 2 presents data on the 25 communities with the most loans from 2004-2006; Appendix Table 1 provides information on lending in each of the 226 communities that have received at least one SoftSecond loan.

Table 2
The 25 Cities and Towns with the Most SoftSecond Loans in the Last Three Years

City/Town	Total Since Inception	1991-2000	2001-2003	2004	2005	2006	Total 2004-2006
Boston	3,546	2,115	574	296	300	261	857
Worcester	386	195	50	53	37	51	141
Springfield	540	263	168	57	42	10	109
Lynn	329	146	77	45	40	21	106
Cambridge	240	122	23	20	28	47	95
Holyoke	225	108	51	40	21	5	66
Chelsea	314	224	36	25	16	13	54
New Bedford	139	44	46	26	9	14	49
Lowell	77	8	24	11	15	19	45
Malden	77	8	26	15	7	21	43
Braintree	46	10	3	7	6	20	33
Lawrence	152	50	69	9	9	15	33
Revere	81	29	20	8	13	11	32
Westfield	114	53	29	18	12	2	32
Chicopee	235	151	54	13	10	7	30
Northampton	151	93	29	13	11	5	29
Somerville	69	36	5	3	7	18	28
Quincy	185	132	26	10	5	12	27
Taunton	52	15	11	15	2	9	26
West Springfield	114	47	42	14	10	1	25
Brookline	36	4	8	12	3	9	24
Brockton	147	84	40	14	3	6	23
Salem	42	12	7	12	6	5	23
Easthampton	84	37	28	6	2	11	19
Andover	20	0	2	2	10	6	18

Note: Appendix Table A-1 has data on all 226 cities and towns that have received at least one SoftSecond loan.

- **SoftSecond Loans in Boston’s Neighborhoods** (Table 3)

During the 2004-2006 period, SoftSecond loans were made in all fifteen of Boston’s major neighborhoods as defined by the Boston Redevelopment Authority. The number of loans in individual neighborhoods ranged from 275 loans in Dorchester (32.1% of the city’s total) to just 3 loans in Charlestown. East Boston (133 loans) and Roxbury (92 loans) also received double-digit shares of Boston’s total loans.

Table 3
SoftSecond Loans in Boston Neighborhoods*
2004-2006

Neighborhood	Loans	% of Total
Allston/Brighton	38	4.4%
Back Bay/Beacon Hill	11	1.3%
Central	41	4.8%
Charlestown	3	0.4%
Dorchester	275	32.1%
East Boston	133	15.5%
Fenway/Kenmore	6	0.7%
Hyde Park	24	2.8%
Jamaica Plain	68	7.9%
Mattapan	45	5.3%
Roslindale	42	4.9%
Roxbury	92	10.7%
South Boston	51	6.0%
South End	13	1.5%
West Roxbury	15	1.8%
Total Boston	857	100.0%

* Neighborhoods are the city's 15 Planning Districts as defined by the Boston Redevelopment Authority.

- **SoftSecond Lenders** (Table 4 and Appendix Table 2)

Thirty lenders made at least one SoftSecond loan during the 2004-2006 period, although a few large banks accounted for the great majority of loans. The three biggest lenders – Sovereign, Citizens, and Boston Private – accounted for over half (51.8%) of all loans statewide.⁶ The top seven lenders, each with 165 or more loans, accounted for 88.3% of total loans; no other lender had more than 66 loans. For the thirty lenders that made at least one loan during the last three years, Table 4 provides data on lending since the inception of the SoftSecond program as well as during the 2004-2006 period. Appendix Table 2 provides data on the 57 lenders in the MHP database who have made at least one loan since 1991.

⁶ If the loans made by Fleet were attributed to Bank of America (which absorbed Fleet in mid-2005), Bank of America would have been the largest single lender during the three-year period, with a total of 576 loans. In the MHP SoftSecond database, and in this report, the loans made by a bank which was later merged into another bank are shown as having been made by the bank that actually made the loan, rather than by the acquiring/surviving bank. (The MHP database adopted this practice in 1999; before that date such loans were attributed to the surviving bank.)

Table 4
SoftSecond Loans by Lender and Year, 2004-2006
 (All 30 lenders with at least one loan during this period)

Lender	Total Since Inception	1991-2003	2004	2005	2006	Three-Year Total
Sovereign Bank	657	116	164	140	237	541
Citizens	1,417	1,010	149	165	93	407
Boston Private	819	421	112	127	159	398
Fleet*	2,539	2,237	259	43	0	302
Bank of America	275	1	0	116	158	274
TD Banknorth	873	667	110	79	17	206
Eastern Bank	258	93	41	49	75	165
Wainwright Bank	75	9	17	22	27	66
Cambridge Trust	87	38	7	18	24	49
Florence SB	163	115	12	14	22	48
Mount Washington SB	21	0	0	11	10	21
Compass Bank*	78	61	17	0	0	17
Marlborough Co-op	45	31	5	4	5	14
Rockland Trust	86	73	5	2	6	13
Central Bank	25	14	2	4	5	11
Cambridge SB	47	37	2	4	4	10
Salem Five	17	7	3	7	0	10
Hyde Park SB	24	17	2	3	2	7
Lowell Five	8	1	1	1	5	7
Chelsea-Provident Co-op	23	17	2	1	3	6
Country Bank	21	15	1	1	4	6
Holyoke CU	5	0	0	4	1	5
Stoneham SB	5	1	0	2	2	4
East Cambridge SB	17	14	0	1	2	3
Bank of Canton	4	3	0	1	0	1
Boston Federal*	1	0	1	0	0	1
Dedham Inst for Sav	1	0	0	0	1	1
FamilyFirst Bank	6	5	1	0	0	1
Southbridge SB	2	1	0	1	0	1
Webster Five	1	0	0	1	0	1
Total, These 30 Lenders	7,600	5,004	913	821	862	2,596

* indicates banks that no longer exist as a result of bank mergers. Fleet was merged into Bank of America in 2005, Compass was merged into Sovereign in 2004, and Boston Federal was merged into TD Banknorth in 2005.

Note: Appendix Table 2 provides data on all lenders for the entire 1991-2006 period.

• **The Biggest SoftSecond Lenders in Each Region** (Table 5)

The state’s five biggest retail banks have all been active in SoftSecond lending across the state, with Bank of America, Citizens, Sovereign, and Eastern each making loans in all eleven regions during the 2004-2006 period and TD Banknorth lending in ten of the eleven regions. Sovereign ranked first in four regions and second in five others, while Citizens ranked first in two regions and second in three others. TD Banknorth’s lending was very geographically focused, with 165 of its 206 loans in the Western region. Boston Private, which ranks tenth in retail bank deposits, was the largest single lender in the city of Boston as well in the Metro South and Metro West regions.

Table 5
SoftSecond Loans by Biggest Lenders* in Program, by Region, 2004-2006

Lender	Total	Boston City	Metro North	Metro South	Metro West	North Shore	Merr. Valley	South Shore	South-eastern	Cape Cod	Central	Western
Bank of America	274	79	19	7	12	20	42	5	7	2	33	48
Boston Private	398	276	48	21	31	11	11	0	0	0	0	0
Cambridge Trust	49	0	49	0	0	0	0	0	0	0	0	0
Citizens	407	169	60	19	10	43	21	11	18	18	5	33
Eastern Bank	165	32	33	8	5	44	18	7	13	1	3	1
Fleet	302	68	17	6	3	25	24	6	13	1	63	76
Florence SB	48	0	0	0	0	0	0	0	0	0	0	48
Rockland Trust	13	0	0	1	0	0	0	5	2	5	0	0
Sovereign Bank	541	183	49	20	27	29	47	9	63	19	74	21
TD Banknorth	206	1	2	1	1	15	15	0	1	2	3	165
All Others	193	49	64	5	18	7	17	2	12	3	6	10
Total	2,596	857	341	88	107	194	195	45	129	51	187	402

* Includes all lenders that were among the top 3 lenders in any region.

Only two lenders with more than 20 loans are not in this table: Mt. Washington SB (21 loans) and Wainwright Bank (66 loans).

Note: The biggest lender in each region is indicated by numbers in **boldface** ; the second biggest lender by numbers in *italics* .

• **Income Levels of SoftSecond Borrowers** (Table 6)

The median household income of SoftSecond borrowers during the 2004-2006 period was exactly \$45,000. Almost one-tenth (9.6%) of loans went to borrowers with incomes of \$30,000 or less; over one-third (34.7%) went to borrowers with incomes of \$40,000 or less; almost two-thirds (65.0%) went to borrowers with incomes of \$50,000 or less; and only 2.8% of all loans went to borrowers with incomes greater than \$75,000.⁷

⁷ To be eligible to receive a SoftSecond loan, a prospective borrower’s income must be below the maximum income level specified by the MHP for the community in which the home is located. This income limit depends on area median income in the HUD-defined income-limit area containing the community and on the number of people in the borrower’s household (the base income limit is for a household of four persons; for each person greater than four, the income limit is eight percent greater while for each person less than four, the income limit is ten percent smaller). Beginning in November 2006, the income limit in all communities is 100% of the area median income; before that date, this was the limit only in designated high-housing cost communities; in all other communities, the limit was 80% of the area median income. In 2006, the income limits for four-person households ranged from \$57,350 to \$84,100. The latter limit applied in five of the 25 communities that received the most SoftSecond loans in the 2004-2006 period: Boston, Cambridge, Malden, Somerville, and Brookline. Income limits for all communities, which are reset in the spring of each year, are listed in tables prepared annually by the MHP.

Table 6
SoftSecond Loans to Borrowers
At Various Income Levels, 2004-2006

Household Income	Loans	% of Total
\$30,000 or less	249	9.6%
\$30,001 - \$40,000	651	25.1%
\$40,001 - \$50,000	787	30.3%
\$50,001 - \$60,000	542	20.9%
\$60,001 - \$75,000	295	11.4%
more than \$75,000	72	2.8%
All Income Levels	2,596	100.0%

Note: Median borrower income was \$45,000.

- **Race/Ethnicity of SoftSecond Borrowers** (Table 7)

Statewide, during the 2004-2006 period, the shares of total SoftSecond loans that were received by black, Latino, and Asian borrowers exceeded these groups' shares of total households in the state.⁸ Latinos, who accounted for 5.0% of the state's households, received 25.6% of the SoftSecond loans; Blacks, who accounted for 4.7% of the state's households, received 16.8% of the SoftSecond loans; and Asians, who accounted for 3.1% of households, received 7.3% of the SoftSecond loans. White borrowers received almost one-half (48.1%) of total loans, although this loan share was substantially lower than their 86.0% share of total households.

The loan shares of these four racial/ethnic groups varied considerably among the eleven regions. The black loan share was highest (at 33.2%) in the city of Boston, the Latino loan share was highest (at 38.5%) in the Central region; the Asian loan share was highest (at 13.7%) in the Metro West region; and the white loan share was highest (at 91.8%) in the Cape Cod region.

⁸ In this report, the terms "Asian," "black," and "white," are used as shorthand for "non-Latino Asian," "non-Latino black," and "non-Latino white." Loan shares here are defined as shares of only those loans for which data on borrower race/ethnicity were available.

Table 7
SoftSecond Loans by Race/Ethnicity of Borrower, 2004-2006

Region	Number of Loans					Percent of Loans			
	Total*	Asian	Black	Latino	White	Asian	Black	Latino	White
City of Boston	791	67	263	211	228	8.5%	33.2%	26.7%	28.8%
Metro North	307	38	45	82	132	12.4%	14.7%	26.7%	43.0%
Metro South	80	6	7	6	60	7.5%	8.8%	7.5%	75.0%
Metro West	95	13	4	15	62	13.7%	4.2%	15.8%	65.3%
North Shore	169	6	14	50	96	3.6%	8.3%	29.6%	56.8%
Merrimack Valley	174	18	5	50	101	10.3%	2.9%	28.7%	58.0%
South Shore	40	0	3	1	35	0.0%	7.5%	2.5%	87.5%
Southeastern	115	1	23	18	66	0.9%	20.0%	15.7%	57.4%
Cape Cod	49	0	3	1	45	0.0%	6.1%	2.0%	91.8%
Central	169	8	18	65	75	4.7%	10.7%	38.5%	44.4%
Western	371	15	11	106	234	4.0%	3.0%	28.6%	63.1%
Mass. Total	2,360	172	396	605	1,134	7.3%	16.8%	25.6%	48.1%
for comparison:						Percent of Households#			
City of Boston						6.8%	21.4%	10.8%	58.8%
Massachusetts						3.1%	4.7%	5.0%	86.0%

* Total excludes the 236 loans (9.1% of all loans) for which information on race/ethnicity was not reported.

Total includes 53 loans (2.2% all loans with race/ethnicity information) to borrowers in categories not shown in the table:

"American Indian or Alaskan Native," "Native Hawaiian or Pacific Islander," or "Other."

Percent of households is from the 2000 Census.

• **Types of Properties Purchased with SoftSecond Loans (Table 8)**

Statewide, during the 2004-2006 period, almost half (48.6%) of SoftSecond borrowers purchased condominiums, another 26.3% purchased single-family homes, and the remaining 25.2% purchased two- or three-family homes. These percentages varied widely among regions, with the share of single-family homes ranging from 64.7% on Cape Cod to 7.3% in the Metro North region; the share of condominiums ranging from 86.0% in the Metro West region to 18.2% in the Western region; and the share of two- and three-family houses ranging from 41.7% in the Central region to 0.0% in the South Shore and Cape Cod regions. The percentages of different types of properties have changed dramatically in recent years; for example, the statewide share of condominiums was only 20.1% during in the first 13 years of the program. (This percentage is not shown directly in Table 8, but is calculated from data in that table.)

Table 8
SoftSecond Loans by Type of Property, 2004-2006 and Life of Program

Region	Number of Loans					% of Loans		
	Total*	1-Fam	Condo	2-Fam	3-Fam	1-Fam	Condo	2-3 Fam
A. Most Recent Three Year Period: 2004-2006								
Boston City	857	170	436	85	166	19.8%	50.9%	29.3%
Metro North	341	25	255	15	46	7.3%	74.8%	17.9%
Metro South	88	15	71	2	0	17.0%	80.7%	2.3%
Metro West	107	9	92	2	4	8.4%	86.0%	5.6%
North Shore	194	39	102	9	44	20.1%	52.6%	27.3%
Merrimack Valley	195	25	130	22	18	12.8%	66.7%	20.5%
South Shore	45	25	20	0	0	55.6%	44.4%	0.0%
Southeastern	129	54	24	22	29	41.9%	18.6%	39.5%
Cape Cod	51	33	18	0	0	64.7%	35.3%	0.0%
Central	187	69	40	16	62	36.9%	21.4%	41.7%
Western	402	218	73	96	15	54.2%	18.2%	27.6%
Mass. Total	2,596	682	1,261	269	384	26.3%	48.6%	25.2%
B. For Comparison: Statewide Since Inception of Program: 1991-2006								
Mass. Total*	9,622	3,688	2,670	1,769	1,493	38.3%	27.7%	33.9%

* Total in Panel B includes two loans for which property type was not reported.

- **SoftSecond Loan Repayments and Foreclosures (Table 9)**

Of the nearly ten thousand SoftSecond loans made during the sixteen year history of the program, almost two-thirds (65.0%) were still active at the end of 2006. Almost all of the other borrowers (34.6% of the total) repaid their loans early. There are three major reasons for repaying a mortgage loan early: refinancing with a different mortgage loan (or loans); selling the home for a reason unrelated to the mortgage loan (e.g., moving for family or job-related reasons); or selling the home because of inability to continue making payments on the mortgage loan (which can only be done when the value of the home is greater than the value of the amount owed on the mortgage).

The MHP database does not contain information on why early repayments were made, but an examination of the annual repayment data in Table 9 strongly suggests that most early repayments were in connection with refinancing in order to take advantage of the historically low mortgage interest rates in the early years of the current decade.⁹ The 1,417 loans repaid in 2003 – the initial year of the three-year period with the lowest interest rates – were equal to more than one-quarter (27.6%) of the loans active at

⁹ For example, the annual mortgage interest rate data available from the Federal Reserve indicates that interest rates were more than two full percentage points lower in 2003-2005 (5.82%, 5.84% & 5.86%) than they were in 1994-1996 (8.35%, 7.95% & 7.80%). [www.federalreserve.gov/releases/h15/data/Annual/H15_MORTG_NA.txt]. While these low interest rates meant that SoftSecond borrowers could clearly benefit from refinancing with a responsible lender, it should be noted that the years of peak refinancing activity were years with a large amount of predatory lending by irresponsible lenders; it is therefore likely that some SoftSecond borrowers were made worse off as a result of refinancing their loans.

the beginning of the year. In contrast, the 299 loans repaid during the relatively high-interest rate years of 1991-2000 were equal to only 5.9% of the loans made during those ten years.

Foreclosures on SoftSecond borrowers have been very rare. Just 35 borrowers – less than one-half of one percent of the total – have lost their homes to foreclosure during the sixteen-year history of the program.

Table 9
SoftSecond Loans Originated, Repaid, & Foreclosed
During Year, and Loans Active at Year-End, 1991-2006

Year	New Loans	Total Loans Since 1991	Loans Repaid	Loans Foreclosed	Loans Active at Year-End	Foreclosure Rate*
1991	35	35	0	0	35	0.00%
1992	107	142	0	0	142	0.00%
1993	212	354	0	1	353	0.28%
1994	389	743	1	0	741	0.00%
1995	482	1,225	0	2	1,221	0.16%
1996	788	2,013	4	3	2,002	0.15%
1997	734	2,747	14	1	2,721	0.04%
1998	744	3,491	54	3	3,408	0.09%
1999	822	4,313	93	2	4,135	0.05%
2000	733	5,046	133	3	4,732	0.06%
2001	735	5,781	293	7	5,167	0.14%
2002	527	6,308	553	5	5,136	0.10%
2003	718	7,026	1,417	1	4,436	0.02%
2004	913	7,939	357	1	4,991	0.02%
2005	821	8,760	248	3	5,561	0.05%
2006	862	9,622	161	3	6,259	0.05%
Total	9,622	9,622	3,328	35	6,259	
% of Total		100.0%	34.6%	0.36%	65.0%	

* The foreclosure rate is the number of loans foreclosed during the year as a percentage of the number of active loans at the end of the year. This rate is not directly comparable to other reported foreclosure rates. For example, the Mortgage Bankers Association reports two foreclosure rates: the number of loans in the foreclosure process as a percentage of outstanding loans (1.19% for the fourth quarter of 2006) and the number of loans entering the foreclosure process during the quarter (0.54% for the fourth quarter of 2006). Many more loans enter the foreclosure process than end up as foreclosures; but a year is four times longer than a quarter. The MBA press release for fourth quarter 2006 delinquency and foreclosure rates is at: www.mbaa.org/NewsandMedia/PressCenter/50974.htm.

- **Delinquency Rates on SoftSecond Loans** (Tables 10 and 11)

The MHP carefully tracks the delinquency status of outstanding SoftSecond loans and reports the results to MCBC's Mortgage Lending Committee on a quarterly basis. Tables 10 and 11 present summary information on delinquency rates during the 2004-2006 period from MHP's delinquency report for December 31, 2006. As of that date, 2.2% of the outstanding SoftSecond loans statewide were delinquent for thirty days or longer, less than one-half of the 4.5% delinquency rate for all mortgage loans

in Massachusetts, as estimated by the Mortgage Bankers Association of America (MBAA); the MBAA delinquency rate for conventional loans only was 2.8% on that date.

SoftSecond delinquency rates vary among the five MHP-defined “macro-regions” (each consisting of one, two, or three of the eleven [micro-]regions used in the previous tables). The rates have been consistently lowest in the Boston Metro region (which excludes the city of Boston itself) and highest in the Central/Western region. Table 11 provides information on statewide SoftSecond delinquency rates for different types of property, showing that delinquencies tend to be highest for single-family houses and lowest for condominiums and three-family houses.

Table 10
SoftSecond Loan Delinquency Rates, 2004-2006
 (With Delinquency Rates on All Massachusetts Loans for Comparison)

Date	Soft Second Loans						All Mass. Loans			
	Total Mass.	Boston	Boston Metro	N. Shore/ M. Valley	S Shore, SE, Cape	Western/ Central	Conventional* FHA	Conventional* Prime	Conventional* Subprime	Total
A. Number of Active Loans as of 12/31/06										
12/31/06	6,259	2,259	1,091	664	532	1,664	NA	NA	NA	NA
B. Loans Delinquent 30, 60, 90, or 120 Days										
06/30/04	2.3%	1.3%	1.2%	1.4%	2.5%	4.1%	NA	NA	NA	NA
12/31/04	2.6%	1.6%	0.9%	2.8%	2.4%	4.7%	13.7%	2.0%	9.9%	3.2%
06/30/05	1.6%	0.9%	0.6%	1.2%	2.6%	2.9%	12.9%	1.8%	10.2%	3.1%
12/31/05	1.6%	1.3%	1.2%	1.3%	3.1%	1.8%	14.8%	2.1%	12.6%	3.7%
06/30/06	1.9%	1.6%	0.7%	1.7%	2.4%	2.7%	13.1%	2.0%	12.2%	3.5%
12/31/06	2.2%	2.3%	0.9%	1.7%	2.2%	3.2%	16.2%	2.8%	15.4%	4.5%

* Conventional loans are all loans that are not government-backed (i.e., other than FHA or VA loans). Delinquency rates for VA loans are not shown here; in Massachusetts in 2006 there were five times as many FHA loans as VA loans. Prime and subprime loans are as defined by the Mortgage Bankers Association.

Sources: SoftSecond delinquency data from Mass. Housing Partnership.
 Delinquency data for all Massachusetts loans from Mortgage Bankers Assn. of America.

Table 11
SoftSecond Loan Delinquency Rates, by Property Type, 2004-2006

Date	Single-Family	Condo	Two-Family	Three-Family	All Types
A. Number of Active Loans as of 12/31/06					
12/31/06	2,040	2,058	1,129	1,032	6,259
B. Loans Delinquent 30, 60, 90, or 120 Days					
06/30/04	3.7%	0.9%	2.1%	0.8%	2.3%
12/31/04	3.8%	1.1%	2.8%	2.0%	2.6%
06/30/05	2.7%	0.8%	1.4%	1.1%	1.6%
12/31/05	2.4%	1.1%	1.5%	0.9%	1.6%
06/30/06	2.7%	1.3%	1.5%	1.5%	1.9%
12/31/06	3.2%	1.7%	1.9%	1.9%	2.2%

• **Funding the SoftSecond Loan Program: State Costs and Private Mortgages** (Table 12)

The SoftSecond Loan Program involves two types of direct state funding. For every loan, the state contributes an amount equal to three percent of the second mortgage to a loan loss reserve fund that protects the lender from possible credit losses in the event that the loan is not fully repaid by the borrower. In addition, the state subsidizes second-mortgage interest payments for the first nine years for low- and moderate-income borrowers (those with incomes no greater than 80% of the area median income) if their monthly payments for principal, interest, insurance, condo fees, and property taxes would otherwise exceed 28% of their monthly household income (25% in the case of three-family properties). During the 2004-2006 period, public funds were used to provide such interest subsidies to 48.3% of SoftSecond borrowers.

During the 2004-2006 period, the average amount of mortgage loans per SoftSecond borrower (first and second mortgages combined) was \$209,618 and the average state costs were \$6,210. For all SoftSecond borrowers combined, state costs of \$16.1 million leveraged \$544.2 million in private mortgage lending. Table 12 provides information on state costs and private mortgage amounts during this period in each region as well as statewide. Calculations not reported in that table indicate that over the entire lifetime of the SoftSecond Loan Program, \$51 million in state funds have leveraged \$1.4 billion in private mortgage financing.

Table 12
SoftSecond Loan Program, 2004-2006
State Costs and Private Mortgage Amounts

Region	Number of Loans	Average Per Loan		Total (nearest \$000)	
		State Costs [^]	Private Mortgages [*]	State Costs [^]	Private Mortgages [*]
Boston City	857	\$6,402	\$252,632	\$5,487	\$216,506
Metro North	341	\$6,596	\$227,266	\$2,249	\$77,498
Metro South	88	\$7,871	\$179,393	\$693	\$15,787
Metro West	107	\$6,675	\$188,594	\$714	\$20,180
North Shore	194	\$7,623	\$232,198	\$1,479	\$45,046
Merrimack Valley	195	\$6,194	\$184,833	\$1,208	\$36,042
South Shore	45	\$7,024	\$184,633	\$316	\$8,308
Southeastern	129	\$7,014	\$216,102	\$905	\$27,877
Cape Cod	51	\$5,277	\$148,609	\$269	\$7,579
Central	187	\$5,402	\$199,899	\$1,010	\$37,381
Western	402	\$4,458	\$129,265	\$1,792	\$51,965
Mass. Total	2,596	\$6,210	\$209,618	\$16,122	\$544,169

[^] Total of payments for loan loss reserves and second-mortgage interest rate subsidies.

^{*} Total of first and second mortgages.

Appendix Table 1 (page 1 of 2)
SoftSecond Loans in the 226 Cities & Towns with At Least One Loan

City/Town	Region	1991-2003	2004-2006	Total
Abington	South Shore	1	1	2
Acton	Metro West	4	6	10
Agawam	Western	59	14	73
Amesbury	Merr Valley	5	7	12
Amherst	Western	44	15	59
Andover	Merr Valley	2	18	20
Arlington	Metro North	7	6	13
Ashburnham	Central	1	0	1
Ashfield	Western	3	1	4
Ashland	Metro West	3	2	5
Athol	Central	2	1	3
Attleboro	Southeastern	12	6	18
Auburn	Western	1	1	2
Ayer	Metro West	7	2	9
Barnstable	Cape Cod	122	15	137
Bedford	Metro North	0	5	5
Belchertown	Western	28	2	30
Belmont	Metro West	0	2	2
Berlin	Central	0	1	1
Barnardston	Western	3	0	3
Beverly	North Shore	9	6	15
Billerica	Merr Valley	2	9	11
Blackstone	Central	0	1	1
Blandford	Western	1	1	2
Bolton	Metro West	1	1	2
Boston	Boston	2,689	857	3,546
Boume	Cape Cod	19	4	23
Boxborough	Metro West	3	1	4
Bradford	Merr Valley	1	0	1
Braintree	Metro South	13	33	46
Brewster	Cape Cod	16	0	16
Brimfield	Western	1	0	1
Brockton	Southeastern	124	23	147
Brookline	Metro West	12	24	36
Buckland	Western	5	0	5
Burlington	Metro North	1	1	2
Cambridge	Metro North	145	95	240
Canton	Metro South	0	1	1
Carver	South Shore	1	1	2
Charlton	Central	3	1	4
Chatham	Cape Cod	4	0	4
Chelmsford	Merr Valley	3	16	19
Chelsea	Metro North	260	54	314
Chester	Western	0	1	1
Chesterfield	Western	5	1	6
Chicopee	Western	205	30	235
Clinton	Metro West	1	3	4
Colrain	Western	1	0	1
Concord	Metro West	0	1	1
Conway	Western	2	0	2
Cummington	Western	1	0	1
Dalton	Western	3	0	3
Danvers	North Shore	3	3	6
Deerfield	Western	8	0	8
Dennis	Cape Cod	30	3	33
Dracut	Merr Valley	5	13	18
Dudley	Central	0	1	1

City/Town	Region	1991-2003	2004-2006	Total
East Bridgewater	Southeastern	1	1	2
East Longmeadow	Western	16	3	19
Eastham	Cape Cod	11	0	11
Easthampton	Western	65	19	84
Easton	Southeastern	2	1	3
Erving	Western	3	0	3
Everett	Metro North	23	17	40
Fall River	Southeastern	77	6	83
Falmouth	Cape Cod	41	6	47
Fitchburg	Central	56	5	61
Framingham	Metro West	43	10	53
Franklin	Southeastern	0	2	2
Gardner	Central	4	5	9
Gill	Western	1	0	1
Gloucester	North Shore	18	14	32
Goshen	Western	4	0	4
Grafton	Metro West	2	3	5
Granby	Western	6	3	9
Greenfield	Western	31	11	42
Groveland	Merr Valley	0	2	2
Hadley	Western	4	0	4
Halifax	South Shore	3	1	4
Hamilton	North Shore	1	0	1
Hampden	Western	2	0	2
Harwich	Cape Cod	17	1	18
Hatfield	Western	4	0	4
Haverhill	Merr Valley	26	13	39
Heath	Western	1	0	1
Holbrook	South Shore	0	1	1
Holden	Central	0	5	5
Holland	Western	3	0	3
Holliston	Metro West	2	0	2
Holyoke	Western	159	66	225
Hopedale	Metro West	2	0	2
Hopkinton	Metro West	1	3	4
Hudson	Metro West	4	3	7
Huntington	Western	6	2	8
Ipswich	North Shore	10	0	10
Kingston	South Shore	1	1	2
Lakeville	Southeastern	1	1	2
Lancaster	Central	0	2	2
Lawrence	Merr Valley	119	33	152
Lee	Western	1	0	1
Leicester	Central	1	0	1
Leominster	Central	40	3	43
Lexington	Metro West	0	1	1
Lincoln	Metro West	0	3	3
Longmeadow	Western	3	0	3
Lowell	Merr Valley	32	45	77
Ludlow	Western	30	1	31
Lunenburg	Central	1	0	1
Lynn	North Shore	223	106	329
Malden	Metro North	34	43	77
Manchester BTS	North Shore	0	2	2
Mansfield	Southeastern	1	4	5
Marblehead	North Shore	1	5	6
Marion	South Shore	10	0	10

Appendix Table 1 (page 2 of 2)
SoftSecond Loans in the 226 Cities & Towns with At Least One Loan

City/Town	Region	1991- 2003	2004 - 2006	Total
Marlborough	Metro West	61	14	75
Marshfield	South Shore	1	3	4
Mashpee	Cape Cod	27	4	31
Mattapoisett	South Shore	0	1	1
Maynard	Metro West	0	1	1
Medford	Metro North	6	14	20
Melrose	Metro North	2	7	9
Mendon	Central	0	2	2
Merimac	Merr Valley	0	2	2
Methuen	Merr Valley	19	11	30
Middleborough	South Shore	3	4	7
Milford	Metro West	15	2	17
Millbury	Central	1	0	1
Monson	Western	3	2	5
Montague	Western	21	5	26
Natick	Metro West	0	3	3
New Bedford	Southeastern	90	49	139
New Salem	Western	3	0	3
Newburyport	North Shore	3	10	13
Newton	Metro West	7	6	13
North Adams	Western	2	1	3
North Andover	Merr Valley	3	9	12
North Attleborough	Southeastern	10	3	13
North Reading	Metro North	3	4	7
Northampton	Western	122	29	151
Northborough	Metro West	0	1	1
Northfield	Western	3	1	4
Norton	Southeastern	3	2	5
Norwood	Metro South	0	3	3
Orange	Western	2	0	2
Orleans	Cape Cod	2	1	3
Oxford	Western	1	2	3
Palmer	Western	18	1	19
Peabody	North Shore	1	7	8
Pelham	Western	1	0	1
Pembroke	South Shore	0	1	1
Pepperell	Merr Valley	1	0	1
Pittsfield	Western	3	3	6
Plainfield	Western	4	1	5
Plainville	Southeastern	0	1	1
Plymouth	South Shore	20	13	33
Provincetown	Cape Cod	23	2	25
Quincy	Metro South	158	27	185
Randolph	Metro South	35	11	46
Raynham	Southeastern	0	2	2
Reading	Metro North	1	7	8
Revere	Metro North	49	32	81
Rochester	Southeastern	1	0	1
Rockland	South Shore	12	8	20
Rowley	North Shore	0	3	3
Russell	Western	1	0	1
Salem	North Shore	19	23	42
Salisbury	Merr Valley	1	8	9
Sandwich	Cape Cod	19	13	32
Saugus	North Shore	1	9	10
Savoy	Western	1	0	1

City/Town	Region	1991- 2003	2004 - 2006	Total
Seekonk	Southeastern	1	0	1
Shelburne	Western	2	0	2
Shrewsbury	Central	0	2	2
Shutesbury	Western	1	0	1
Somerville	Metro North	41	28	69
South Hadley	Western	16	9	25
Southampton	Western	1	0	1
Southborough	Central	1	0	1
Southbridge	Central	1	3	4
Southwick	Western	9	1	10
Spencer	Central	0	1	1
Springfield	Western	431	109	540
Stoneham	Metro North	1	3	4
Stoughton	Southeastern	0	1	1
Sunderland	Western	1	2	3
Sutton	Central	0	1	1
Swampscott	North Shore	0	4	4
Swansea	Southeastern	0	1	1
Taunton	Southeastern	26	26	52
Templeton	Central	2	7	9
Tewksbury	Merr Valley	1	2	3
Topsfield	North Shore	0	1	1
Tyngsborough	Merr Valley	0	3	3
Upton	Central	0	2	2
Wakefield	Metro North	2	17	19
Walpole	Metro South	0	1	1
Waltham	Metro West	2	6	8
Ware	Western	6	1	7
Wareham	South Shore	20	8	28
Warren	Western	1	0	1
Watertown	Metro West	3	5	8
Webster	Central	0	2	2
Wellfleet	Cape Cod	7	0	7
Wendell	Western	1	1	2
Wenham	North Shore	0	1	1
West Brookfield	Central	0	1	1
West Springfield	Western	89	25	114
West Stockbridge	Western	1	0	1
Westborough	Metro West	0	2	2
Westfield	Western	82	32	114
Westford	Merr Valley	1	4	5
Westhampton	Western	2	0	2
Weston	Metro West	0	2	2
Weymouth	Metro South	99	12	111
Whately	Western	1	0	1
Whitman	South Shore	2	2	4
Wilbraham	Western	7	0	7
Williamsburg	Western	10	5	15
Wilmington	Metro North	2	1	3
Winchendon	Central	3	0	3
Winchester	Metro North	8	1	9
Winthrop	Metro North	3	3	6
Woburn	Metro North	5	3	8
Worcester	Central	245	141	386
Worthington	Western	4	1	5
Yamouth	Cape Cod	75	2	77

Note: Of the 226 cities and towns in this table, 176 received at least one loan during the 2004-2006 period.

Appendix Table 2
SoftSecond Loans in Massachusetts, by Bank and Year, 1991 - 2006
 (All 57 Lenders Included in Current Mass Housing Partnership SSP Database)

Lender	City/Town	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total
Fleet"	Boston	20	47	74	168	211	240	188	177	207	266	237	168	234	259	43	0	2,539
BankBoston^	Boston	12	37	58	110	114	206	252	329	319	31	0	0	0	0	0	0	1,468
Citizens	Boston	0	0	3	0	49	189	98	68	132	166	119	77	109	149	165	93	1,417
TD Banknorth	Portland ME	0	2	12	29	17	17	15	12	21	129	162	135	116	110	79	17	873
Boston Private	Boston	0	0	0	0	0	8	33	44	49	51	93	60	83	112	127	159	819
Sovereign Bank	Wyomissing PA	0	0	0	0	0	0	0	0	0	0	8	25	83	164	140	237	657
Mellon New England	Boston	0	4	55	19	29	38	43	33	34	22	28	4	0	0	0	0	309
Bank of America	Charlotte NC	0	0	0	0	0	0	0	0	0	0	0	0	1	0	116	158	275
Eastern Bank	Boston	0	0	0	0	0	9	7	10	3	11	11	13	29	41	49	75	258
Florence SB	Florence	0	0	0	0	0	0	8	24	20	15	20	7	21	12	14	22	163
Cambridge Trust	Cambridge	0	0	0	0	7	11	13	1	0	2	0	1	3	7	18	24	87
Rockland Trust	Rockland	0	0	0	0	5	13	24	6	6	4	6	6	3	5	2	6	86
Compass Bank*	New Bedford	0	0	0	0	1	0	1	0	10	11	21	12	5	17	0	0	78
Wainwright Bank	Boston	0	0	0	0	0	0	0	0	0	1	1	2	5	17	22	27	75
Sandwich Co-op&	Sandwich	0	0	0	15	6	11	7	8	0	0	0	1	0	0	0	0	48
Cambridge SB	Cambridge	0	0	0	0	0	11	5	6	2	4	1	1	7	2	4	4	47
Marlborough Co-op	Marlborough	0	0	0	0	4	7	5	4	4	2	3	2	0	5	4	5	45
Co-op Bank of Concord#	Concord	3	10	1	9	11	1	0	0	0	0	0	0	0	0	0	0	35
US Trust#	Boston	0	1	0	12	9	3	0	0	0	1	0	0	0	0	0	0	26
Central Bank	Somerville	0	0	0	0	0	0	0	3	3	0	0	3	5	2	4	5	25
Hyde Park SB	Boston	0	0	0	0	0	0	6	2	3	2	4	0	0	2	3	2	24
Chelsea-Provident Co-op	Chelsea	0	0	0	2	5	1	0	1	0	3	3	1	1	2	1	3	23
Country Bank	Ware	0	0	0	0	0	0	3	4	1	1	4	2	0	1	1	4	21
Mount Washington SB	Boston	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	10	21
Quincy SB#	Quincy	0	1	2	18	0	0	0	0	0	0	0	0	0	0	0	0	21
East Cambridge SB	Cambridge	0	0	0	0	1	1	6	1	0	4	0	0	1	0	1	2	17
Salem Five	Salem	0	0	1	0	0	0	0	0	0	1	0	1	4	3	7	0	17
Cambridgeport SB#	Cambridge	0	0	0	1	3	2	5	4	0	0	0	0	1	0	0	0	16
Seaman's Bank	Provincetown	0	0	0	0	0	0	2	1	3	1	9	0	0	0	0	0	16
Hyde Park Co-op	Boston	0	0	0	0	5	4	1	2	1	0	0	0	0	0	0	0	13
Community Bank	Brockton	0	0	0	0	0	0	2	1	1	0	0	5	3	0	0	0	12
Bank of Braintree#	Braintree	0	0	0	0	0	11	0	0	0	0	0	0	0	0	0	0	11
Lowell Five	Lowell	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	5	8
Hibernia SB&	Boston	0	0	1	0	2	1	3	0	0	0	0	0	0	0	0	0	7
New Bedford Inst for Sav^	New Bedford	0	1	3	3	0	0	0	0	0	0	0	0	0	0	0	0	7
FamilyFirst Bank	Ware	0	0	0	0	0	1	1	0	0	2	1	0	0	1	0	0	6
Holyoke CU	Holyoke	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	1	5
Stoneham SB	Stoneham	0	0	0	0	0	0	0	0	0	0	1	0	0	0	2	2	5
United Bank	W. Springfield	0	0	0	0	0	1	2	0	0	1	1	0	0	0	0	0	5
Bank of Canton	Canton	0	0	0	0	0	0	0	0	0	0	0	0	3	0	1	0	4
Winchester Co-op	Winchester	0	0	0	0	0	0	0	0	2	1	0	1	0	0	0	0	4
Winchester SB	Winchester	0	0	0	0	0	0	2	1	1	0	0	0	0	0	0	0	4
Ipswich Co-op&	Ipswich	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	3
Worcester Co Inst for Sav^	Worcester	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Colonial Federal SB	Quincy	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2
First NB of Ipswich	Ipswich	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	2
Ipswich SB@	Ipswich	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	2
Medford SB#	Medford	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	2
Reading Co-op	Reading	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	2
Southbridge SB	Southbridge	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0	2
Boston Federal @	Burlington	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1
Dedham Inst for Sav	Dedham	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Falmouth Co-op&	Falmouth	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1
Pentucket Bank	Haverhill	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Randolph SB	Randolph	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Webster Five	Webster	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Woburn NB#	Woburn	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Total Loans		35	107	212	389	482	788	734	744	822	733	735	527	718	913	821	862	9,622
Number of Lenders		57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57

Note: Loans of banks that disappeared through mergers before 1999 are shown as loans by the acquiring banks. Loans by the 18 banks that disappeared through mergers after that date are shown as loans by the originating bank. Among the banks not shown above is Shawmut, which was the largest single lender in the early years of the program.

^: merged into Fleet; #: merged into Citizens; @: merged into Banknorth; ": merged into Bank of America; *: merged into Sovereign &: other mergers - Falmouth Co-op into Rockland Trust; Ipswich Co-op into Inst for Sav of Newburyport; Sandwich Co-op into Compass Bank; Hibernia SB into Eastern Bank