



NEWS RELEASE

Contact: Mary Lou Keenon
Communications
Telephone: 517/373-0011

FOR IMMEDIATE RELEASE
February __, 2007

GOVERNOR ANNOUNCES NEW PROGRAM TO HELP COLLEGE GRADS BUY FIRST HOME IN EIGHT MICHIGAN CITIES

LANSING – Governor Jennifer M. Granholm and the Michigan State Housing Development Authority (MSHDA) today announced that the Graduate Purchase Assistance (G.P.A) program is at work helping new college graduates purchase their first home. This program is designed to encourage young people to locate in eight of Michigan’s largest urban cities.

“Creating vibrant cities is a key part of my comprehensive economic plan,” said Granholm. “In addition to encouraging young people to stay in the state, the G.P.A. program will help stimulate the economy, revitalize communities and attract businesses to these areas,”

The G.P.A. program, which is run through MSHDA’s Homeownership Division offers a reduced- and-fixed rate conventional loan to college graduates from an accredited institution, who meet MSHDA’s sales price and income limit eligibility guidelines. Borrowers in the program must have received an associate’s, bachelor’s, master’s or doctoral degree within 3 years prior to the date of the loan application to qualify. Those who qualify are eligible to receive a loan at approximately 2 percent below the market rate.

MSHDA Executive Director Michael R. DeVos said the program is tied to another initiative, which is part of a larger urban agenda designed to help reduce urban poverty and redevelop and revitalize Michigan’s cities. *Cities of Promise*, an interagency initiative, was created to focus funding and resources in eight Michigan cities. These eight cities are Detroit, Muskegon Heights, Hamtramck, Saginaw, Pontiac, Benton Harbor, Flint and Highland Park. To qualify for a loan the house must be located in one of these eight cities.

“We see this program as a perfect fit with Governor Granholm’s investing in people initiative to move Michigan forward economically,” DeVos said. “The G.P.A. program makes it possible for our young knowledge workers to either return to or stay in Michigan, and that will have a positive impact on our most promising communities.”

MSHDA is a quasi-state agency that provides financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing, engage in community economic development activities, and address homeless issues. MSHDA’s loans and operating expenses are financed through the sale of tax-exempt and taxable bonds and notes to private investors, not from state tax revenues. For more information on MSHDA programs and initiatives, visit the Web site at www.michigan.gov/mshda.

###