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Nonprofit lender gets \$5.5m

*The Boston Globe***By Jenifer B. McKim, Globe Staff | October 21, 2010**

Boston Community Capital, a nonprofit lender, has received \$5.5 million to expand its groundbreaking program that helps struggling homeowners and tenants facing eviction buy back their homes at reduced prices.

Elyse Cherry, chief executive of the organization whose mission is to help low-income communities, said yesterday that the award includes a \$5 million low-cost loan and a \$500,000 grant from the Wachovia [Wells Fargo](#) Foundation and the John D. and Catherine T. MacArthur Foundation, two prominent national charitable organizations.

Boston Community Capital was awarded the money because it has created a “proven model to keep people in their homes even once foreclosure has occurred,” said officials from the two foundations. They added that the program that could be replicated nationally.

Cherry said the money will be used to expand the group’s pilot program, which has helped about 90 families in Revere and Boston stay in homes that were at risk of being seized by lenders.

Under the program, which was launched earlier this year, Boston Community Capital buys properties at reduced market rates and resells them to current occupants.

No other nonprofit lender is doing the same kind of work, said Cherry, who was raised in Revere.

As part of Boston Community Capital’s goal to assist 2,000 families in Boston and Revere over the next five years, it has raised about \$35 million in financing from private investors. Those who have benefited from the buyback program include people who were temporarily unemployed or became ill and could no longer pay their mortgages.

Under the program, their new monthly mortgage payments are about 50 percent less, because Boston Capital was able to purchase the homes at reduced prices and offer lower interest rates, Cherry said.

The group is now considering where to invest new funds. It won’t lack for opportunities — during the first eight months of the year, nearly 10,000 Massachusetts homeowners have lost their properties. That surpasses the number of completed foreclosures recorded during all of last year.

“We run into people who have had all kinds of issues: they’ve lost a job, they’ve been ill,” Cherry said. “This is a wonderful way to expand geographically.”

Jenifer B. McKim can be reached at jmckim@globe.com. ■

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