

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **10814**]
[November 30, 1995]

PARTNERS

**New Software Program
for Banks to Use in Offering Mortgage Loans**

*To the Chief Executive Officer of each Bank Holding
Company in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System is making available a new computer software program that is designed to assist banking institutions in determining whether a potential homebuyer is able to qualify for an affordable home mortgage loan. Following is the text of a statement issued by the Board of Governors announcing the development of the new software:

The Federal Reserve has announced the development of a computer software program designed to serve as an analytic tool for financial institutions in offering affordable mortgage loans to low- and moderate-income applicants.

The software program, entitled PARTNERS, was developed by Ron Zimmerman, a Vice President of the Federal Reserve Bank of Atlanta. The program can determine within seconds if potential homebuyers can qualify, mathematically, for a home purchase loan, given the underwriting criteria and financial information provided.

The program assists in breaking down the barriers between the loan officer and the potential applicant by offering new and innovative ways to look at home purchase financing. It identifies ten qualifying alternatives from self-help actions to loan subsidies or grants, to help those applicants interested in obtaining a mortgage loan but who may not qualify for the loan based on their current financing criteria.

In addition to determining loan eligibility, PARTNERS offers loan amortization schedules, equity build-up calculations, and secondary market considerations, and can instantly recognize the opportunities and risks to financing safe and sound, affordable home mortgage loans.

Our Community Affairs Office is sending each member bank in this District a computer diskette containing the new software program. Copies of the software can be obtained by nonbank mortgage subsidiaries of bank holding companies and other interested parties from the Public Information Department of this Bank (Tel. No. 212-720-6130). Questions regarding this matter may also be directed to that Department.

WILLIAM J. McDONOUGH,
President.