



Tennessee Caucus Agenda

Thursday, September 29th, 11am – 3pm

ADFAC Office ~ 1051 Oakridge Turnpike, Rm. 203, Oak Ridge

- 1) **Welcome and Special Guest Introductions:** (*Retha Patton, Vonda Poynter*) (5-10 min)
Ed Simmons, Mountain T.O.P.; Shauna Oden & Tony Gibbons, Loudon Co. HFH; Lou Murrey, Appalachia Voices; Carla Jarrell, Pinnacle Financial Partners; Marvene Carey, THDA; Shannon Roberson, USDA-RD, TN. Steve Seifried, Douglas-Cherokee Econ. Auth. has tentatively accepted
 - 2) **Review Previous Minutes and Action Items** (11:10am, 5-10 min) **pp. 3-6**
 - 3) **Member Updates** – (11:20am, 30 min.) What's been going on lately and share something interesting going on in your community
 - 4) **Membership Updates** (*Vonda*) (11:50am, 15 min.)
 - a. Renewals
 - b. Prospectives: Loudon Co. HFH **p.7-9**, Mountain T.O.P. (*Vonda*)
- Noon Lunch Break – (after either item 3 or 4 depending on the time) Approx. 30 min. for everyone to get their lunches and get started before we resume the meeting.
- 5) **THDA Updates** (*Marvene Carey*) (12:30 pm, 10-15 min.)
 - 6) **USDA Updates** (*Shannon Roberson*) (12:45, 10-15 min.)
 - 7) **Fahe UPDATES** (1:00pm, 10-15 min.)
 - a. Annual Meeting Follow-up
 - b. Fahe Media Packet
 - c. Policy/Advocacy Updates **p.10**
 - d. JustChoice Lending **pp.11-12**
 - e. Community Lending Services **pp.13-15**

f. Slots: 2017 Award Slots notification rec'd from NWA 9/21, member allotments will be sent via email 9/30. **If** you are in need of a slot specifically for the NTI in DC December 12-16, please let Jackie know by close of business Thursday, 9/29/16.

8) **Program Discussion** - Student Debt – Comments from USDA, THDA, Pinnacle Bank (1:15pm, 30-45 min)

9) **Appalachian Voices** – Energy Efficiency education (*Lou Murrey*) (2:00pm, 30 min.)

Next Caucus Meeting – Dec.?

Upcoming Events

- **TN Governor's Housing Conference** – Oct. 12-13th ~ Music City Center, Nashville:
<https://thda.org/about-thda/ghc>
- **Quarterly Reporting** – **Deadline** for Quarter Ending 9/30/16 – **Mon. Oct. 17th**
- **HAC Rural Housing Conference**: Nov. 29 – Dec. 2 ~ Renaissance Washington DC Downtown Hotel (502 Course will be offered) More Registration information:
<http://www.cvent.com/events/hac-2016-rural-housing-conference-building-rural-communities/event-summary-1869c6037d6340ba9e9bc35c252522a2.aspx?RefID=55541900-1>
- **NTI Washington, DC**: December 8-12 - **Deadline** for Fahe Slot Registration: **Oct. 13th**
- **Fahe Spring Retreat**: April 19-20, Berea

TN Caucus Meeting Minutes – Wednesday, June 1st
Hosted by Eastern Eight at: Zion Baptist Church (Fellowship Hall),
1982 Gap Creek Rd, Elizabethton, TN 37643

Program discussion and Tour of E8's Patriot Place subdivision at 1:30 pm

Page 1: Attendance

Page 2-3: Action Items & Member Updates

Page 3-4: Detailed Meeting Minutes

Member Group	Representatives	Present	Absent
Aid to Distressed Families of App. Counties (ADFAC)	Cindy Ross	X	
Appalachia Habitat for Humanity			X
Appalachia Service Project			X
Blount County Habitat for Humanity			X
Chattanooga Neighborhood Enterprise			X
Clinch-Powell RC&D	Lindy Turner	X	
	Sabrina Seamon	X	
	Kelsey Cook	X	
CAP of North of Alabama (CAPNA)			X
Creative Compassion	Janie Burgess	X	
	Sarah Bates	X	
Crossville Housing Authority	Stace Karge	X	
Eastern Eight CDC	Mindy Bowman	X	
	Retha Patton	X	
	Mark Fleury	X	
	Kim Carmichael	X	
Foothills CDC			X
Hale Empowerment & Revitalization Org. (HERO)			X
HomeSource east Tennessee	Christopher Osborn	X	
	Jackie Mayo	X	
Kingsport Housing & Redevelopment Authority	Maria Catron	X	
Knoxville Habitat for Humanity			X
Knoxville Leadership Foundation	Adam Montgomery	X	
Neighborhood Housing Services – Birmingham			X
GUESTS	Jim Swink	East TN Housing Dev.	
	Cynthia Peraza	THDA	
	Kathleen Norkus	THDA	
	Rhonda Ronnow	THDA	
	Sharon Campbell	THDA	
	Katie Moore	THDA	
	Shauna Oden	Loudon Co. HFH	
	Don Harris	USDA RD – TN	
Fahe Staff	Sonya Evans	USDA RD – TN	
	David Howard	Vonda Poynter	
	Eric Haralson	Aaron Phelps	
	Pierre Pinkerton	Jackie Weiss	

53% Attendance: 8 of 15 TN Members present, those in red had no representative in attendance.

ACTION ITEMS FROM MEETING:

FOR Fahe Staff

ACTION ITEM	DEADLINE
Develop a plan to improve participation of AL members	For next caucus meeting
New Rate Sheet for JCL/David	ASAP

FOR Members

ACTION ITEM	DEADLINE
None noted	

- 1) **Welcome and Special Guest Introductions** - Welcome to Carter County from Retha, Guests from THDA: Kathleen Norkus covers 33 eastern Counties , Rhonda Ronnow – all loan programs, Sharon Campbell – underwriter, Cynthia Peraza – Special Programs
- 2) **Review Previous Minutes and Action Items** - Lindy moved that the minutes be accepted, Cindy seconded, motion passed.
- 3) **Member Updates**
 - KLF** – better non-profit - \$250K RCDI Grant
 - ADFAC** – April Fair Housing Month – coloring book targeted to 3rd Grade – 300 kids “when chocolate milk moved in” 3 counties with the curriculum – wonderful program. Oak Ridge Utility District funded the purchase of 500 coloring books (\$400). Will be continuing with the program next year as well; invited back by the teachers to promote of Fair Housing. Franklin the Fair Housing Fox – added crossword
 - HomeSource** – Lafollette Thurs. 9:30 – Ribbon Cutting – E TN Affordable Housing Coalition meeting to follow nearby (Eric – push for the TNAHC)
 - Crossville HA** - completing the final houses in our Eastview subdivision and have the first group for our new community, the Grove. We are just waiting for the approval of our 523 grant
 - CCI** – finished 3 houses Apr/May – will have 4 going at the same time
 - Clinch-Powell** will be getting their AmeriCorps program again – let Lindy know if you are interested in having a member with you next year.
- 4) **USDA Updates** (*Don Harris*)
 - a. Packaging Agreement – New Rule – on the process encourage members to stay with Fahe as the intermediary – Key: **Opt-out Process** you can appeal to the state dir. To NOT go through Fahe and originate on their own. Ensure that the **training** has been completed – **Passing Score** on the test – going forward there will probably be some kind of Certificate issued. **Compliance** – p.10 – must meet the goals outlined; How/When to measure compliance still to be determined. Stace asked about opting out and submitting directly. You can get permission to opt-out but still go through the intermediary. Cindy – local training?
 - b. PN 485 – Procedure notice for the Handbook – encompasses several years of changes that they’ve wanted to make to the process. Underwriting – sq. footage limitations, eventually the handbook will catch up to the PN. Questions/Answers handout. Look at all of those and then see where the training needs to focus to get everyone on the same page. Staff training at the end of June, then will figure out how to get the packagers trained. All new information – read up and do it.
 - c. Rural Town Recovery – see handout. Middle/West TN crumbling infrastructure, roads, empty buildings. Springfield, Harris, (1 more) Adowa – already started, Columbia, take down vacated houses (increase home values. In the neighborhood), help the elderly do repairs, neighborhood cleanup days, painting day, community effort. Pilot to get it going, will be a long-term process. Get backing of the Governor. Building Momentum & playbook of how to do it. Contact Don or Bobby to let them know if there’s a community in your area where the program would work. City/Mayor buy-in needed to start the program. Eligible areas only, some areas would require an eligibility change/review. Expect to take on more communities in the coming year. Are meeting monthly to check status of the projects. Quarterly teleconferences may be next.

- d. June Homeownership Month – begins TODAY! Talking Points handout. Recognizing packaging partners (17 on the books, 7-9 are active). Patriot Place tour – wonderful! Building Communities Together – Recognizing Intermediaries

5) **Caucus Chair Elections** -

Maria Catron nominated Retha, Retha agreed to serve another term the motion was seconded all approved by voice vote.

6) **New Member Applications**

- a. Loudon Co. HFH – Vonda needs to make a visit, hoping to be able to present them for consideration at the next caucus meeting.
- b. Mountain T.O.P. – Grundy Co. TN, office located in Altamont, heard about Fahe through ReFrame. They have submitted their packet, it is under review and a visit will be scheduled.
- c. Chattanooga HFH – interest, have reached out, nothing further

7) **Fahe UPDATES** (Vonda, Aaron)

- a. Fahe Member Style Guide – Consistent communication as discussed at the Spring Retreat. National attention/presence, like with USDA, Uplift America, want to be consistent in the way we talk about Fahe – Capital “F” lowercase follows. Aaron can be helpful in getting you updated logos as needed www.fahe.org/media, refer to members as 50+, and use points of contact as listed. Capitalize our lines of business, Members, Membership, Fahe Network See handout in packet.
- b. Spring Retreat (Vonda)
 - i. Discussion Topics – Potential for future Caucus Meetings – good discussions on different topics, nice exchange of ideas. Surveys were distributed and collected to be used for future meeting ideas, top 4.
 - ii. New Board Members: New Board Members: KY – Sherry Farley, Frontier Housing; TN – Maria Catron, Kingsport Housing; VA – Michael Haas, SERCAP; WV – Christal Crouso, Fairmont-Morgantown HA.
- c. Program Initiative Updates
ENERGY - PowerSaver Mortgage is available at JustChoice using the HERS methodology. Contact JCL for more information.
- d. Policy/Advocacy Updates - Election year, funding possibilities with Uplift America, see packet provided by Tom Carew
- e. Membership Renewals - Materials will be coming out soon. Since we are getting them out later than we usually do, the deadline for returning the materials and fee will be extended to July 15th. Please remember to fill out the Membership Satisfaction Survey. Looking at revamping the process next year. If you have ideas, or thoughts, please let Maria or Jackie know so that they can pass it along to the Membership Committee of the board.
- f. JustChoice Lending – We are pleased to have Eastern Eight as a third party originator (TPO)! The 502 Direct Final Rule was put into effect on 5/19. Once Fahe’s MOU is signed with USDA, we will be getting the MOU’s out to the members who are originators. Hometown Heroes program is available savings on the appraisal and some other things. Applies to Firefighters, Police, and Teachers – see flyers. No Secondary Market loans were made in TN; we challenge you to utilize those resources.
- g. Community Lending Services – introduced Pierre Pinkerton, new underwriter at Fahe
- h. Slots: Yesterday was the deadline for us to commit to the slots we will use for the Detroit NTI. This is the first year that we have had to give back slots to the Southern Region and we offered back 11. New slot award will be out in late August or early September.

8) **THDA Updates** Cynthia Peraza, Rhonda Ronnow, Katie Moore

- a. Starting July 5th – MCC “**Take Credit**” a certificate program, NC: any type of home loan except THDA. Existing home has to be conventional loan. Federal Tax liability credit max \$2k. Emails through homebuyer network. Seek tax advice – new TN Homeowners. Either take savings in lump sum at tax time or see their employer about making adjustment on W-4. Same income

limits as Great Choice program, HO counseling required. 5 acre limit, \$170m for next year but assume they'll be able to fund for at least the next 5 yrs.

- b. New Start (*Rhonda*) - 11 Allocation requests across the state, assumptions not going through Fahe. Recapture depends on funding source. Better quality applicants, better tracking of delinquency, roughly \$8m this year. From last meeting: Assumptions – now, not possible if foreclosure involved – both must be WILLING PARTNERS. Intent for Assumption Form – states that they are going to participate, be available for processing. Non-Profit Can continue to make the payments for 6 mos. While they find a new homeowner. You must foreclose on the 2nd mort. To allow the assumption to proceed. Seller's market right now. Esp. w/Due on Sale clause.
- c. Appalachian Renovation Loan Program (*Cynthia*) – Explain the program – 2015 ARC Distressed/At-risk counties. Will be similar to New Start – want the nonprofits to apply to be approved partners, so you can take applications. Info also avail. Online. Arfp@thda.org LTV 100% - tax accessor value not appraisal. Can be layered with USDA repair \$\$
Recommendations/Suggestions encouraged. Non-traditional credit accepted. Not a lot of restrictions as to layering. Some post-purchase counseling required. Another group can help with that if you don't have a counselor. 30-60 day for repair to be done – 2 weeks turnaround for application approval. Prior to 1980, lead based paint rules apply. Does not require lead-based paint assessment. Has to be a modification or repair. Necessities – didn't list the activities; want to decide case-by-case. Must be HO occupied. Mfg. Housing as long as affixed to a foundation.
- d. Blight Elimination Program (*Cynthia*) HHF Program, approved in 6 counties, treasury funded, submitted request to extend into Anderson Co. (Land Bank). Want to encourage participation in Hamilton Co. esp. with non-profits. Will keep us posted on the progress. Info avail. Online as well. www.bep@thda.org
- e. National Affordable Housing Trust Fund (*Katie*) – thank you for the comments. The majority have been included in the Allocation Plan. ALCOA open meeting on the 8th. Will be opening comment period again. Looking at points for special populations, not so much that it disallows many projects. Plan must be finished by 8/15. Looking at a Nov/Dec application period. 30 yr. compliance, 30 % AMI and below. Assumption that STRONG Non-Profits and HA would be the groups that would be able to utilize the funds.
- f. Community Program Updates (*Katie*) – CHDO HUD regs have 4 applications were disqualified for small infractions (missing docs). 30-day “cure” period to allow those groups to fix the problems. Mini-round HOME \$\$ - all must be allocated within 24-month period. 1st-2nd week of August. Please with Grant round; really want to be part of the marketing of the program, events, etc. Email her with any questions.

9) Program Discussion

- a. Let's get back to sharing of best practices and seeing each other's work/projects. We grow (our capacity) together. As a group we need to show THDA/USDA that we know what we're doing and we've got the capacity. Should be fun and inspirational.
- b. Housing – Self Help
- c. Member Needs – Angela Cochrain – aging/elderly topics – good speaker

Next Caucus Meeting - Date: Sept. Thurs, 29 at ADFAC

Upcoming Events

- Quarterly Reporting – Deadline for Quarter Ending 6/30/16 – Fri. July 15th
- Fahe Annual Meeting – September 7th & 8th, (Board Mtg 8th-9th) ~ The Hotel Roanoke & Conference Center, Roanoke, VA
- TN Governor's Housing Conference – Oct. 12-13

1:30 PM – Tour of Patriot Place*: On-site Program Discussion continued: appraisals, energy star certifications, homebuyer “sweat equity” contributions to a construction program, targeting special markets/clients, marketing strategies, realty company, etc.



Author:	Eric Haralson
Date Prepared:	4/7/2016

Subject

Subject Name:	Loudon County Habitat for Humanity, Inc.
Address:	308 Mialaquo Place, Loudon, TN
Phone Number:	865-458-0704
Contact:	Shauna Oden, Executive Director; Ron Zemmer, CPA, Treasurer

Profile

Background, Management, Experience:	<p>The mission of Habitat for Humanity International, Inc. is to eliminate substandard housing by creating simple, decent and safe housing for those in need, and to make such housing a matter of conscious.</p> <p>Loudon County Habitat for Humanity (“LCHFH”) was founded in 1992 as an affiliate of the national organization, and is a 501(c)3 tax exempt nonprofit organization. Its purpose is to construct houses for low and very-low income families living in substandard housing in Loudon County, Tennessee. The houses are sold at no profit to families who qualify and invest 500 hours of “sweat equity” which included budgeting and homeownership classes.</p> <p>In 1995, LCHFH opened its “Home Store”, a thrift store staffed primarily by volunteers. All proceeds of the Home Store are used to build additional houses, and about 2 houses per year are paid for by the Home Store. In 2014, LCHFH built its 101st house. The organization currently produces about six houses annually. LCHFH has been an area leader in production of energy efficient homes.</p> <p>Habitat affiliates generally “tithe” a portion of their income to HFH International for use in building houses in economically depressed nations. Over 50 homes have been built worldwide through LCHFH’s tithes.</p> <p>Fahe has serviced LCHFH’s non-NewStart mortgage loans since May of 2014, and began servicing the NewStart loans in April of 2015.</p> <p>LCHFH’s 13-member board of directors governs the organization. The board meets monthly, and completed a strategic planning session, led by an outside consultant, in January of this year.</p> <p>Shauna Oden, a CPA and former banker, has served as Executive Director since 2001. Prior to that she served as Treasurer on a volunteer basis.</p>
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Financial Analysis

General:	<p>All Habitat affiliates end their fiscal year on June 30. We have the audited financial statements of LCHFH for the years ending June 30, 2012 – 2015, and have spread those statements and calculated certain financial ratios. The spreadsheet and ratios are attached and made a part hereto.</p> <p>We note that LCHFH has received its audit progressively earlier after FYE,</p>
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	<p>having received it 8 months, 7 months and 5 months after FYE for 2013, 2014 and 2015 respectively. The auditor’s opinion on each audit is unmodified.</p> <p>In 2011 LCHFH participated in a New Market Tax Credit program. LCHFH booked its investment at \$799K and was able to obtain a loan of \$1.066M at a rate of 0.7568641%, or about ¾ of 1%. Under the NMTC, LCHFH is obligated to build seven houses from the proceeds, and to date LCHFH has built five of those houses, leaving two to be built by November, 2018. It is expected that in November 2018 the upstream effective owner of the LLC and holder of the note will exercise its “put”, and the note will be extinguished. At that time, the difference between the investment and the extinguished note will be booked as income. The event will also have a major, positive impact on the leverage, liquidity and income ratios of LCHFH.</p>
<p>Short Term Solvency:</p>	<p>Throughout the four years analyzed, LCHFH has operated with liquidity ratios substantially outside our benchmarks. Our benchmark for the Current Ratio is 1.25 or greater, whereas the Current Ratio for LCHFH has ranged from 0.37 to 0.49, holding steady at 0.41 for the last two years. Working Capital (CA – CL) is negative. The main drivers of this position are the current maturities of long term debt and an annually renewed short-term line of credit of \$200,000. Due to the high amount of current liabilities, working capital is negative.</p> <p>In January 2016, the Board of directors held a strategic planning session, followed by a financial planning session, at which the financial position of the company was reviewed and the liquidity issues identified and correcting strategy planned. In March, 2016, the ED reports that much of the short-term debt was liquidated by refinancing of certain assets with long term debt, generating cash to pay out most of the current liabilities, or converting short-term debt to long term.</p> <p>The Net Asset Ratio is satisfactory at 0.35 compared to the benchmark of 0.20 or greater.</p>
<p>Long Term Solvency:</p>	<p>The Debt/Equity ratio is well within our benchmark of 2.5 or less. At FYE 2015 the ratio was 1.85. The indication is that LCHFH’s financial position could support an increase in its leverage if necessary by additional borrowings.</p> <p>The Debt Coverage Ratio has varied year to year from substantially negative to substantially positive. The swings are related to the annual variations in profit and loss.</p>
<p>Efficiency and Profitability:</p>	<p>Annual revenues have varied rather widely in the past three years, growing 30% from 2013 – 2014, and then declining 50% from 2014 – 2015. The 2015 revenue was seriously affected by the hold put on the New Start program by THDA. Without that financing, production dropped from 11 houses in 2014 to just 3 houses in 2015. With the drop in volume, one construction employee was laid off. Construction volume, and therefore sales revenue, was also impacted by the company’s concentration of resources on completion of infrastructure of a new subdivision. Infrastructure work also impacted revenue in 2012.</p> <p>For 2016, LCHFH has received one NewStart loan commitment, is beginning to use the USDA-502 loan program through Fahe, and is seeking other sources of home loans. Construction volume has rebounded to 6 or 7 houses for</p>

	<p>2016, and that will result in increased revenue and profitability.</p> <p>After the substantial loss (34% of revenue) in 2012, the company produced a surplus of 15% of revenue in both 2013 and 2015, with a loss of 17% of revenue in 2014. The cumulative surplus from 2013 – 2015 has been 13% of revenue.</p> <p>As with other HFH affiliates, Loudon county Habitat has a low reliance on grants, with LCHFH’s ranging from 15% - 25% of revenue with no trend indicating increasing dependence. HFH’s do rely on other contributions from its “covenant partners,” those entities sponsoring the cost of a house with financial support, and on volunteers to provide much of the construction work.</p> <p>LCHFH operates efficiently with Management, General and Fundraising expense ranging from 7% to 22% of operating expenses. While part of the variation in the percentage is due to fluctuations in revenue, fundraising expenses were extraordinarily high in 2012 and 2013 due to a capital campaign conducted by an outside consultant. Management and General Expenses have been relatively stable over the periods analyzed.</p>
<p>Summary and Recommendation:</p>	<p>LCHFH appears to be a well-managed organization that has corrected its major financial issue, the low liquidity, with a planned refinancing of its obligations. Production volume varies due to external (the freezing of the NewStart program) and internal (completion of infrastructure) factors. Management is stable. The organization’s expertise in energy efficiency will be an asset.</p> <p>Loudon County Habitat for Humanity is recommended for membership in Fahe.</p>

Policy Update 9/26/16 From: Tom Carew, EVP of Advocacy

As we rapidly approach the end of the Federal Fiscal Year there is no sign of a Budget! There is much hope that sometime this week the House and Senate will come to an agreement on a Continuing Resolution which will carry us past the November Presidential Election whether that be early November or early January.

With all the divisiveness surrounding the election a Government shutdown would be chaotic at the very least!

As we have all experienced various forms of CRs for many years now you all are aware of the immediate impact on how we do business with the Federal Government and its agencies.

Some good news for folks who use the USDA 502 Direct Mortgage Program, late last week the agency was able to add about \$54 Million to the 502 Direct Mortgage Pool. These funds would be available on a first come first serve basis. The funds came primarily from unobligated 504 Loans (previous years) and Farm Worker Loans.

USDA is asking for our suggestions for changes in the 504 Loan and Grant Program. Specifically they are asking for our comments on the following:

- A) The current 504 Grant Limit is \$7500 (It has been at this level for 20+ years). Should the Agency raise the Limit to \$15,000? (the negative result of this action, assuming no budget increase would be ½ the number of households served). This action could be taken by the Agency and would not take Congressional Action.
- B) The current 504 Loan program requires a "Deed of Trust" or "Mortgage" if the loan amount exceeds \$7500. Should the Agency raise the "mortgage" trigger to \$15,000 in hopes that more of the 504 Loan Program would be used? (1.00% APR 20 year term) This action would require an Act of Congress.

Please send your suggestions to me on both of the above: tomc@fahe.org

JustChoice Lending Update 9/26/16

Laura Meadows, VP Single-Family Lending

- Beginning October 1st, USDA has reduced their **Guarantee fee** from its current 2.75% back down to 1%, as well as their monthly mortgage insurance from its current 0.5% to 0.35%. This is extremely exciting news for our borrowers! This will run for Rural Development fiscal year 2017.
- An additional \$54 Million has been added to the **502 Direct** Mortgage Pool. These funds will be available on a first come first served basis.
- We are upon that time of year when everyone should be thinking about **continuing education and renewals!** These should all be complete in NMLS prior to the end of December.

Questions to the Members:

- Is there any interest around having a down payment assistance offering for FHA loans through Fahe?
- Would you/your customers use it?
- Are any customers asking about down payment assistance?
- Is it an issue?



fahe
Strength in Numbers

JustChoice Lending
Fair. Just. Home Loans that Build a Better Future.

Snapshot Matrix

Loan Program	Credit Score	Income Limits	Ratios	LTV	Property Eligibility	Lender Requirements
USDA Guaranteed	620+ for all borrowers True no score w/ 3 alternative credit trade lines	Family Size 1-4 \$75,650 5-8 \$99,850	29/41	100%	http://eligibility.sc.gov/usda.gov/eligibility/welcomeAction.do	GUS accept or refer with conditions acceptable of credit waiver
FHA Flagstar	620+ for all borrowers	None	31/43	96.50%	All areas eligible	DU Accept
VA Flagstar	640+ for all borrowers True no score w/ 3 alternative credit trade lines	None	41 back	100%	All areas eligible	VA Eligibility DD214
Conventional Flagstar	680+	None	36/45	80%	None	DU Accept
Conventional No MI (KY Only) KHC	680+	Based upon KHC Secondary Market limits by County	28/45	97%	KY Properties	DU Accept
USDA Direct	640+ for all borrowers True no score w/ 3 alternative credit trade lines	80% AMI for household size	29/41	100%	http://eligibility.sc.gov/usda.gov/eligibility/welcomeAction.do	N/A

* Other conditions may apply

* Call JCL Staff for current rates and information on specialized funds:

David Brock (NMLS# 51115) 859-228-2111 or Janel Martin (NMLS# 804306) 859-228-2119

Community Lending Products



	PREDEVELOPMENT	ACQUISITION	CONSTRUCTION	RENTAL PERMANENT LOAN
PURPOSE	Provides funding for costs such as reservation fee, market study, Phase I environmental, engineering and design fees, professional fees, etc.	To pay purchase price and closing costs for real property acquisition	To pay hard and soft costs of construction of new or renovation projects	To expand the delivery of affordable multi-family rental housing
PROJECT TYPE	Rental housing; for-sale housing, mixed use projects; health facilities	Acquisition of real property for future development as affordable for-sale S/F, multi-family rental, mixed-use or healthcare	Rental housing; for-sale housing, mixed use projects; health facilities	Rental housing
LOAN AMOUNT	\$25,000 - \$250,000	\$25,000 - \$5,000,000**	\$25,000 - \$5,000,000**	\$100,000 - \$5,000,000
INTEREST RATE	5.75% fixed***	5.75% fixed***	5.75% fixed***	Base rate 5.75% to 6.5%*** fixed, rate based on 30 year Treasury Yield
TERM	Up to 18 months	Up to 24 months	Up to 24 months	Up to 30 years
REPAYMENT	Interest only monthly, Principal at closing of construction loan	Interest only monthly	Interest only monthly	Monthly principal and interest payments based on a 30 year amortization schedule. Prepayment penalty in the first 15 years, unless the loan is on a 10 year term.
LOAN FEES	1% + Legal Fees	1% + Legal Fees	1% + Legal Fees	1% + Legal/Closing costs
COLLATERAL	Generally secured, but can be unsecured	Typically the real-estate being purchased, up to 80% L/V	Typically the real estate being developed up to 80% L/V; Assignment of take-out	First lien position on the subject real estate with less than an 80% LTV, property appraisal less than 1.5 years old required

For more information on Fahe's loan products: David Howard at dhoward@fahe.org

Terms subject to change. All loans are subject to underwriting and credit approval.

***Loans over \$5,000,000 are possible and typically require participation by other lenders.*

****Discounts available with other lending services.*

.25% for ACH payment withdrawal

.25% conversion from Fahe construction to Rental Perm loan

.25% good borrower discount

Rev. 9/19/2016

Community Lending Products



	MINI-TERM	BRIDGE	WORKING CAPITAL
PURPOSE	To provide longer term financing for projects requiring stabilization or interim financing	To bridge the timing gap between the project or program costs and receipt of cash from committed or anticipated sources	To provide flexible capital to meet organizational, seasonal or cyclical cash needs
PROJECT TYPE	Rental housing; for-sale housing, mixed use projects; health facilities	Rental housing; for-sale housing, mixed use projects; health facilities; services provided under reimbursement contract or grant	Rental housing; for-sale housing, mixed use projects; health facilities; general operational needs
LOAN AMOUNT	\$25,000 - \$5,000,000	\$25,000 - \$5,000,000**	\$25,000 - \$5,000,000**
INTEREST RATE	5.75% fixed***	5.75% fixed***	6.25% fixed***
TERM	Up to 36 months	Up to 3 years, depending on contract term	Up to 24 months, renewable for another 24 months
REPAYMENT	Depending on project type, amortizing payments based on up to a 25-year amortization. Payable monthly	Interest only monthly	Interest only monthly, annual "rest" typically required
LOAN FEES	1% + Legal Fees	1% + Legal Fees	1% + Legal Fees; renewals at 1%
COLLATERAL	Typically the real-estate being purchased, up to 80% LTV	Bridged receipts; Assignment of contract; or real estate	Generally secured; Unsecured with financial covenants

For more information on Fahe's loan products: David Howard at dhoward@fahe.org

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Rev. 9/19/2016

	COMMUNITY FACILITIES PERMANENT LOAN
PURPOSE	Purchase, construct and/or improve essential community facilities where the borrower is a public body or nonprofit corporation located in a USDA eligible rural community of less than 20,000.
PROJECT TYPE	<ul style="list-style-type: none">• Health Care facilities such as hospitals, medical clinics, dental clinics, nursing homes or assisted living facilities.• Public facilities such as town halls, courthouses, airport hangers, or street improvements.• Community support services such as child care centers community centers, fairgrounds or transitional housing.• Public safety service such as fire departments, police stations, prisons, police vehicles, fire trucks, public works vehicles or equipment.• Educational Services such as museums, libraries, or schools.• Utility services such as telemedicine or distance learning equipment.• Local food systems such as community gardens, food pantries, community kitchens, food banks, food hubs or greenhouses.
LOAN AMOUNT	\$50,000-\$5,000,000**
INTEREST RATE	5.25% with discounts below***
TERM	40 years
REPAYMENT	Monthly principal and interest
LOAN FEES	1% + legal/closing costs
COLLATERAL	First Lien position on the subject real estate or equipment with less than 80% LTV.

For more information on Fahe's loan products: David Howard at dhoward@fahe.org

***Loans over \$5,000,000 are possible and typically require participation by other lenders.*

****Discounts available with other lending services.*

.25% for ACH payment withdrawal

.25% conversion from Fahe construction to Rental Perm loan

.25% good borrower discount