



PHOTOS COURTESY OF FAHE

Whitney Ballew, Eastern Scholar House resident, speaks at the dedication for this special housing program supporting single parents working towards their degrees.

# Fahe: Quirky name working to eliminate poverty

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With a quirky name and offices hidden on a quiet back road in Berea, non-profit Fahe is probably not a household name for many in Madison County. But for more than 30 years, Fahe has impacted the entire Appalachian region by helping finance affordable homes, day care centers, rural health care centers and downtown revitalization.

As Fahe looks to the future, it embraces a simple but audacious mission statement, "to eliminate persistent poverty in Appalachia."

## Collaborative Model

Fahe is a consortium of member organizations that provides financing, innovation, advocacy, networking, and access to resources. The 50 plus members range from Habitat for Humanity chapters to community action agencies to community development non-profits. Together, it has served more than 375,000 people and invested \$609 million directly in communities across the region.

The unique collaborative model of Fahe is changing the ethos of the region.

"All of our members compete for the same funds," said Anthony Newman, vice president of marketing. "Fahe operates under the premise that a rising tide lifts all boats and we have turned competitors into collaborators. We can project a powerful voice for advocacy because of our collaboration."

Indeed, the premise of cooperation was part of Fahe's inception. In 1980, a group of carpenters joined together to fund a carpentry training program while simultaneously building affordable housing in Appalachia. A U.S. Department of Labor grant provided the first funds. Fahe has continued to breach the barriers to affordable housing by becoming a respected partner with both banks and the federal government to access financial capital for mortgages in rural areas.

## Local Impact

The consortium model ensures local leadership for all of their projects. In Madison County, Kentucky River Foothills is a member of Fahe. As a community action agency, their goal is to provide a comprehensive range of antipoverty services.

The Eastern Scholar House Program at ECU is one recent partnership between Kentucky River Foothills and Fahe.

For single parents, obtaining a college degree can be an insurmountable challenge. By joining the Scholar House Program, they benefit from a web of support to help them on this journey: child care, affordable housing, tutoring, and life skills workshops.

## Social Enterprise

Social enterprise is the practice of solving social needs with a market-based approach. As a non-profit with a strong social mission, Fahe is exploring ways to fund their work through profitable,

responsible businesses.

Just Choice Lending is a wholly-owned subsidiary of Fahe. The full-service mortgage business serves everyone, but has expertise in finding the right loan for low-income clients. Borrowers have the added benefit of knowing that profits from the business go directly to Fahe's nonprofit work and their mortgage payment helps other Appalachian families own homes.

Bereans Bob and Lesa Kilbourn have cut their mortgage payments in half by refinancing with Just Choice Lending. As grandparents nearing retirement age, the Kilbourns were ready to work less, but felt trapped by their high mortgage and interest payments. The Hometown Hero program gave them a reduction in interest rate because of their service to the community through careers in health care.

"Just Choice Lending has made it possible for us to have a life," said Lesa. "They're real people who want to help you."

## Energy Efficiency

As part of their work to make homes affordable for rural families, Fahe partners have been on a quest to find the sweet spot between energy efficiency and affordability. While efficiency has environmental benefits, the main motivation for Fahe members is sustainability from a financial perspective — families who need affordable homes also need affordable utility payments.

This comprehensive work fuels their newest



Bob Kilbourn and his wife Lesa of Berea cut their mortgage payments in half by refinancing through Just Choice Lending, a social enterprise of Fahe.

social enterprise pilot program, the Appalachian HEAT Squad. Using the latest technology, the Squad provides energy audits, recommendations, and efficiency improvements to households of any income level in three eastern Kentucky counties.

Fahe member Community Housing Partners also have social enterprise training technicians from all over the country implementing their comprehensive energy audit software. After performing a thorough examination of the structure, the software completes an advanced cost analysis to determine the speed of payback for any improvement. It is thorough; one of the high-

est returns on investment comes from exchanging a \$4 metal duct sealing product for an \$8 version. The payback is up to 500 percent.

## Visionary Leadership

In 2008, the member organizations of Fahe were constructing around 2,000 homes annually. That number of homes was having a real impact on the rural communities they serve. But CEO Jim King gave a bold challenge to Fahe members — to construct 8,000 homes a year. After some initial doubt and resistance, the challenge was embraced. Not only did the consortium meet the goal, it reached it a year early.

The next visionary goal is to expand Fahe's purview.

"Eliminating persistent poverty takes a more holistic solution," said Newman. "We need bigger solutions to meet the needs in the region."

Fahe has expanded beyond housing and now works in five core areas: housing, economic development, improving educational outcomes, leadership development, and health and well-being.

Fahe is growing ever closer to their vision of eliminating persistent poverty in Appalachia. With its bold leadership, powerful collaboration, invested local leadership, and impressive track record, Fahe will continue to make a real difference.