



Opportunity Knocking

2016 ANNUAL REPORT
ALABAMA HOUSING FINANCE AUTHORITY



Leadership

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We thank our employees for their dedication and exemplary service to help realize AHFA's mission of bringing affordable housing to Alabamians.

Year in Review

AHFA's programs represent "Opportunity Knocking" for thousands of Alabamians each year. Whether its helping someone purchase a home or find affordable rental housing, we consistently provide affordable housing opportunities for Alabamians.


Helping us accomplish our mission every day is our vast network of homebuilders, developers, participating lenders, Realtors, Habitat for Humanity affiliates, and many other organizations. They help Alabamians take advantage of the opportunities we offer, and we couldn't do what we do without them.

In FY16, there were many accomplishments that we highlight throughout this Annual Report. Among those, you'll see that our homeownership programs helped more than 1,400 Alabamians purchase a home in 73 percent of the state's counties. In addition, our rental housing programs provided funding for 10 developments scattered throughout the state that will add more than 630 units of housing.

If you keep up with our news throughout the year, you know that we often share Success Stories. That's because the people we help are our best measure of success. You'll find their stories in this Annual Report, and we hope that you'll take the time to read them to get a first-hand perspective on the importance and impact of affordable housing in our state.



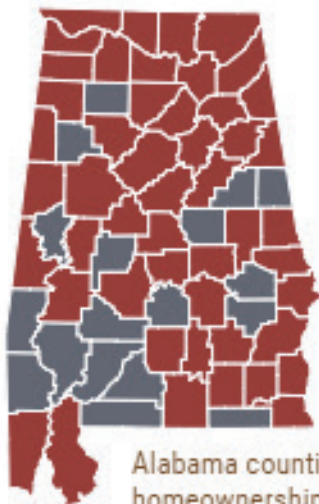
Dr. Shelton E. Allred, Chairman



Robert Strickland, Executive Director

Homeownership Financing

by the numbers



62%

of loans
made to
millennials

40%



60%



gender of head
of household



34

avg. age
of buyer



2

average
household size



91%

of loans made
to first-time
homebuyers

\$184.6 million

provided for homeownership in FY16

1,415 families

Homeownership

FY16 Highlights

Our programs provided financing totaling \$184.6 million to 1,415 Alabamians in order to help them purchase a home. These programs include our Step Up program that offers a competitive 30-year fixed interest rate and provides down payment assistance, and Mortgage Credit Certificates that reduce the amount of federal income tax homebuyers must pay and in turn frees up income to qualify for a mortgage. In addition, AHFA purchases Habitat for Humanity affiliate loans that allow the affiliates to receive loan amounts up front in a lump sum while AHFA receives the monthly payments from affiliates for the life of the loan. The affiliate then uses the up-front funds to build more housing for low-income families.

AHFA's homeownership programs benefited Alabamians in more than 73 percent of the state. Homebuyers in 49 of Alabama's 67 counties used AHFA homeownership programs.

Approximately 91 percent of AHFA financing was provided to first-time homebuyers.

We hosted a successful #LendersTakeASelfie contest to celebrate National Homeownership Month in June. Lenders and customers submitted photos throughout the month. In the end, more than 1,900 votes were cast for the winning lender, Julia McCreight of Auburn Bank, and her customers, Jason and Kaitlin Smith of Opelika.

AHFA produced a flyer that participating lenders and Realtors can use to inform Alabama homebuyers about AHFA's Step Up program. It also allows participating lenders and Realtors to input their contact information prior to printing and matches other Step Up marketing materials.

"I have had customers who have rented for years and had past hardships who wanted to buy a home so bad, but were unable to save for a down payment. [Step Up's] 100% financing allows people who are credit worthy, but have not been able to save a down payment, to be able to purchase a home."

~Julia McCreight, lender
AuburnBank



"AHFA programs afford many people the American dream of owning a home. I've worked with AHFA programs as long as I can remember, and I know the Step Up program has helped me sell more homes."

~Laurie Burgess, Realtor
Webb & Company Realty





Jay & Jennifer Stroud

Jennifer and Jay Stroud recently welcomed baby number three and found themselves in need of a place to make their forever home. Even though they desperately wanted to find a bigger and more convenient home, they were upside down on a house Jay purchased in 2008. But with the help of AHFA's Step Up program, they got what they wanted.

Jay said since they were upside down, everything they had saved to put a down payment on a new house had to be put into closing and paying off the other house. "So, using Step Up let us be able to get 100% financing to get into this new home without having to worry about coming up with down payment money," he said.

[Read more of the Strouds' story here](#)





Kalvin Daffin

For Calvin Daffin, buying a home was part of a lifestyle change. He said, "I believe that in life, you should always see progress and movement, and it was time for me to move forward." Daffin had been living in his own mobile home for several years, but wanted to take that next step to purchase a house.

Introduced to AHFA's Step Up program by his lender, Daffin received down payment assistance that made his dream of buying a home a reality. "I just couldn't be more grateful to [my lender] and the Step Up program. I love the fact that this house is mine. I can do whatever I want with it, and I have something that can be passed down one day," Daffin said.

[Read more of Daffin's story here](#)





Jennifer Chambers

Most of us are fortunate that we don't have to go to bed at night and worry about our home burning down. But Jennifer Chambers and her two children lived in an old mobile home that constantly had them worried about their safety. The Chambers family needed and wanted a home badly.

Their wish came true when they moved into a house, built by Habitat for Humanity of Morgan County, in Somerville in November 2013. Two weeks later, Chambers developed health problems and was ultimately diagnosed with breast cancer. After successful surgery, followed by chemotherapy and radiation, Chambers is now in remission and credits her family and her new home with helping her recovery.

She says that purchasing a Habitat for Humanity home has affected her "in the most positive way ever. It is one of the greatest and biggest milestones that has happened in my life. It has meant everything for me and my children."

[Read more of Chambers' story here](#)





Rich Cantwell

After starting his career in the Navy and a successful 30+ year sales career, Rich Cantwell was laid off from his job. Cantwell said, "All my liquid assets were gone, so I knew I had to do something."

Cantwell got help from Hardest Hit Alabama, a federally-funded foreclosure prevention program administered in Alabama by AHFA.

With the help of Hardest Hit Alabama, Cantwell was able to stay current on his mortgage. He says of his experience with Hardest Hit Alabama, "I would definitely recommend it to anyone who needs help, and I actually already have."

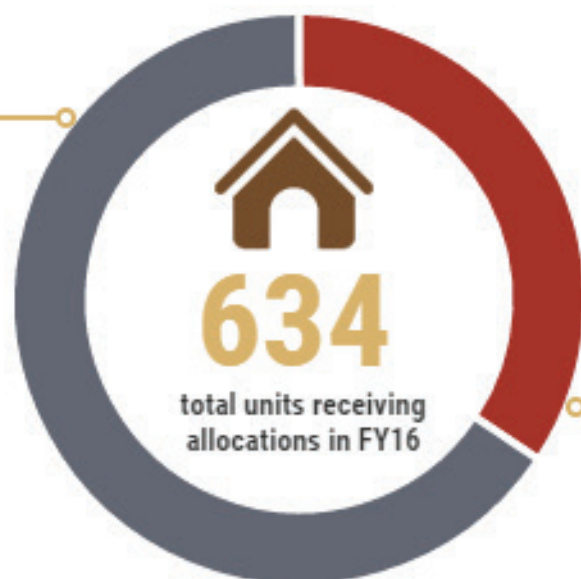
[Read more of Cantwell's story here](#)



Rental Housing Financing

by the numbers

416
new units
to be built



402
properties inspected for
compliance in FY16

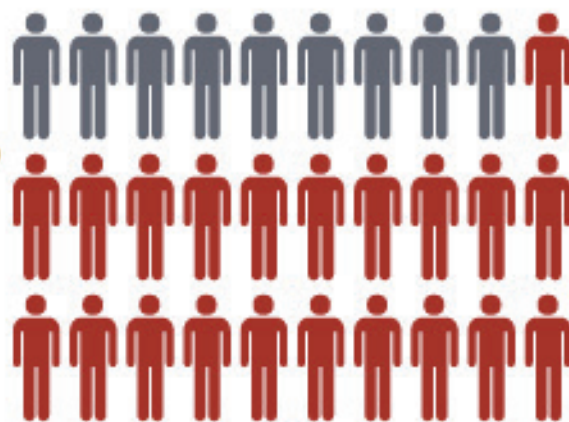
218
total units
preserved



Alabama counties
with developments
funded in FY16

28%

of active & approved
AHFA-financed
properties are
marketed and rented to
elderly



72%

of active & approved
AHFA-financed
properties are marketed
and rented to **families**



39,416
units



\$ 845.6
million

total active & approved multifamily housing developments, as of 09/30/16

Rental

FY16 Highlights

Awarded \$10.4 million in Housing Credits and/or HOME funds to 10 developments, creating 634 units of affordable housing across Alabama.

AHFA recognized its 25th anniversary of administering the HOME Investment Partnerships Program (HOME) for the State of Alabama. AHFA was designated to administer HOME on February 22, 1991. Throughout February, AHFA shared HOME Success Stories on its Facebook page in celebration of the many Alabamians helped over the years.

Governor Bentley designated AHFA the state grantee of the National Housing Trust Fund (HTF) in October 2015. The HTF is a new affordable housing program that will complement existing federal, state and local efforts to increase and preserve the supply of decent, safe and sanitary affordable housing for extremely low- and very low-income households, including homeless families. AHFA received a \$3 million allocation to target extremely low-income households with a preference for veterans who are homeless or have extremely low incomes.

LaWanda Miller of Morrow Realty Company, manager of Canterbury and Griffin-Mandela Apartments in Greensboro, was honored as AHFA's 2016 Manager of the Year. The award recognizes outstanding management staff at AHFA-funded multifamily housing developments. Her nomination was based on tenant relations, experience and education, the complex's curb appeal, and AHFA program compliance.

Members of the Alabama Multifamily Loan Consortium (AMLC) recognized the organization's 20th anniversary in April. AMLC's mission is to facilitate development and preservation of affordable housing for low and moderate income persons, combat community deterioration, and lessen the burden of government housing programs. Formed under the sponsorship of AHFA and the Alabama Bankers Association, the non-profit now has nearly 60 member banks across the state assisting in funding loans primarily for AHFA-funded developments.



"As a property manager, I love assisting the residents in any way that I can and really enjoy having functions for them so they can socialize with each other. Being nominated and winning Manager of the Year just makes me want to work harder!"

~LaWanda Miller, AHFA's 2016 Manager of the Year



"Hurricane Creek Trace is an example of how to transform a real problem into beautiful new housing. It was not only a response to the devastating tornado of April 27, 2011, but it also provided some much needed safe, decent and affordable housing for 50 families who may not have had access prior to this project."

~Cynthia Burton, Community Service Programs of West AL, Inc.



Kendrick's Way

Kendrick's Way in Montgomery is making its mark with residents for everything from its spaciousness and convenient location to its security and even a protected wetland behind the development. The 72-unit elderly affordable housing development was awarded more than \$1.1 million in Housing Credits from AHFA in 2012.

Michael and Ellen Boware talk about how happy they were when they found out they were going to live at Kendrick's Way. Michael stated, "We came and saw this place, and we were ready." Ellen said, "We immediately filled out an application, and we prayed and left it to the Lord. We were so happy when we got the call saying we got an apartment."

Reatha Simonton said, "When I first walked into the apartment, I didn't even look at it. I went straight to the balcony to look at the lake and ducks and geese." She moved to Kendrick's Way last year after living in another affordable housing development. "I never felt at home there. I feel at home here," she said.

[Read more about Kendrick's Way here](#)





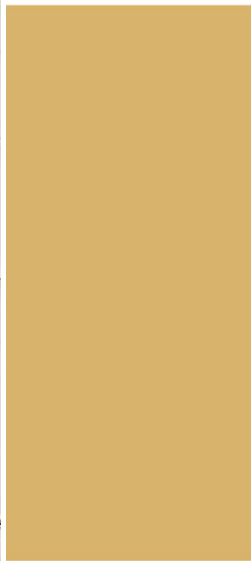
Cobblestone Village

In a convenient location just off Interstate 65, a grand opening was held in February 2016 for Cobblestone Village in Clanton. The development, which received more than \$812,000 in Housing Credits from AHFA in 2014, is targeted to seniors 55 and older. Five percent of the units in the 56-unit development were designed and constructed to be readily accessible to individuals with mobility impairments. An additional two percent of the units are accessible to individuals with sensory impairments

Resident Milton Poole said, “[The property manager] is really good to me and the other residents – the “villagers” – that’s what we call ourselves.” A military vet with more than 22 years of service, Poole also said, “It’s quiet compared to where I came from. I like quiet, and I love the space. Overall though, Poole said the affordability is the best, “My main concern was staying in my budget and making sure the rent would stay the same.”

[Read more about Cobblestone Village here](#)







Servicing

SERVISOLUTIONS®

ServiSolutions is the mortgage servicing division of AHFA that services loans funded by AHFA as well as community banks in Alabama. ServiSolutions also services loans for the housing finance agencies in Mississippi, Missouri, North Carolina and Washington.

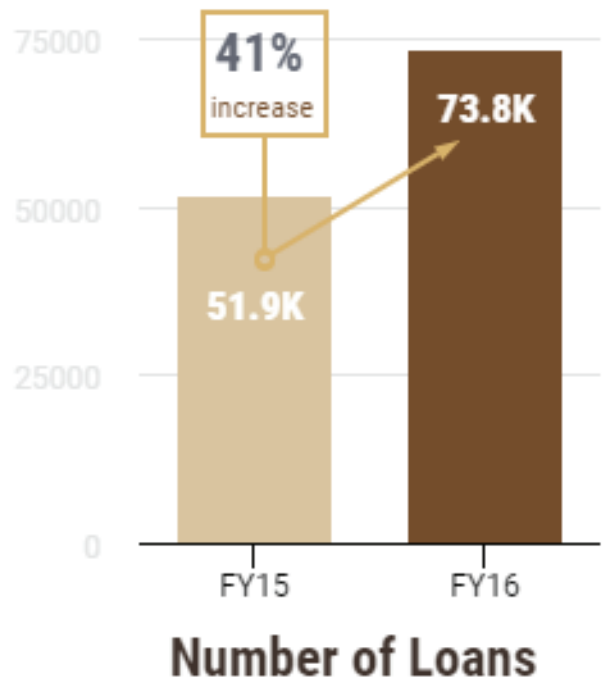
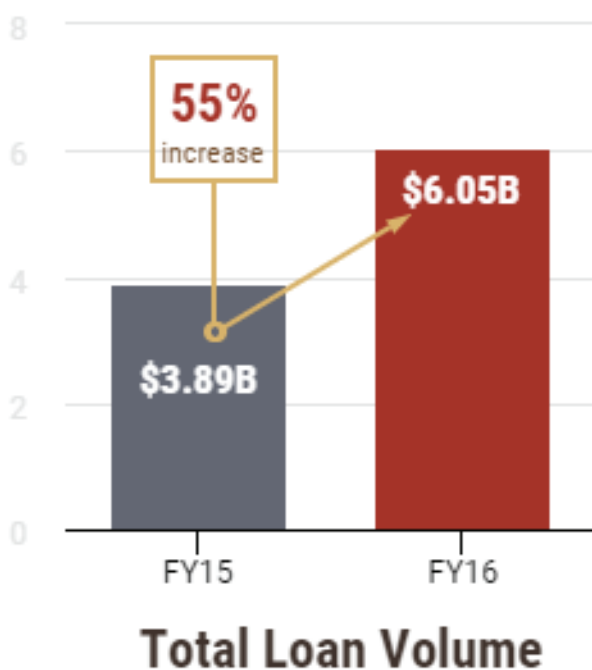
Servicing many different types of mortgages including FHA, VA, Rural Development, conventional uninsured and conventional insured loans, ServiSolutions is the largest mortgage loan servicer located in Alabama.

FY16 Highlights

Redesigned the *www.ServSol.com* website to give the site a more modern look, better navigation, and a News section where important notices can be posted.

Upgraded Customer CareNet (CCN), ServiSolutions' online account management site, which gave the site an updated look, new features, more intuitive navigation to improve online account management and payment processes, and the ability for customers to Go Paperless.

ServiSolutions Year Over Year Production





The Alabama Housing Finance Authority is a public corporation and instrumentality of the State of Alabama created July 25, 1980, by Act No. 80-565 of the Alabama Legislature.

The bonds of the Alabama Housing Finance Authority are not obligations of the State of Alabama and are not repaid with tax dollars. AHFA is a self-sustaining organization which pays all operating expenses from program revenues.



View the 2016 financial statements at: www.ahfa.com/financials



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