



West Virginia Housing
Development Fund

The Fund for All of West Virginia



2016 Annual Report



The Honorable
Earl Ray Tomblin
Governor
Chairman of the
Board of Directors

Thank you for taking time to read The Fiscal Year 2016 Annual Report for The West Virginia Housing Development Fund.

This was a tough year for West Virginia. In June, parts of our state were devastated by flooding. Richwood, White Sulphur Springs, Clendenin and many other communities were ravaged by high water. The heartbreak and destruction were only matched by our resolve in the face of tragedy. Volunteers mobilized. People started to help. Months later, there remains much to be done, but the Fund is proud to be a part of the relief efforts. To assist those affected by flooding, we have implemented an affordable new loan initiative.

Rebuild West Virginia has been designed to help those whose homes were damaged or destroyed by high water. Our commitment to the people of this state is more than a mortgage – when natural disaster strikes, the Fund responds to help those in need.

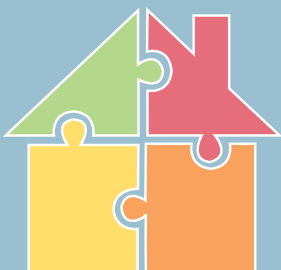
We also worked hard to continue our mission to help the residents of our state find safe, decent, affordable housing. The Fund continues to maintain “AAA” general obligation debt rating, the only state housing agency in the nation to achieve this. This distinction is a direct result of a devotion to making quality mortgage loans and customers’ commitment to what is often their biggest investment. Standard & Poor’s, one of the country’s most respected rating services, noted the extremely high credit quality of the Fund’s asset base, its ability to meet its legislative mandate, the dedication of the talented management team and its smart investment philosophy.

Community efforts extended beyond homeownership. We continue working with a number of stakeholders to help counties and municipalities utilize the West Virginia Property Rescue Initiative. This program helps those who want to rid their communities of blighted, dangerous properties.

Through our Special Assistance Lending Program, we partnered with Recovery Point West Virginia to help those recovering from drug addiction and substance abuse.

I truly appreciate the continued commitment of the Board of Directors and the Fund’s staff to work diligently to provide West Virginians with safe, decent and affordable housing.

Sincerely,





The **SPECIAL ASSISTANCE**
Lending program



“The Fund is committed to making West Virginia stronger and we have to do our part to address a growing epidemic of addiction...Recovery Point has a proven track record in this state and we hope those who utilize this program get the help they need.”

Erica Boggess
WVHDF Acting Executive Director



“This program has done so much for me. I feel like I have a purpose. There’s a reason for me to live and I love who I am. I love the things I do every day.”

Cassie Monday

CHARLESTON - Cassie Monday was in a bad place. The Ripley native was addicted, sick and looking for help. Eventually, she found a bed in a treatment facility out of state.

“I was away from home,” Monday said. “I saw other people getting to spend time with their family. It was hard.”

Those days are behind her. Monday has been clean for more than a year and now serves as peer mentor at Recovery Point of Charleston. The organization provides a long-term, residential recovery program exclusively for women. Those in the program will go through the 12 steps of Alcoholics Anonymous, and its supplemental curriculum, in a structured living environment. The model claims a 68 percent success rate.

Recovery Point is located on the city’s West Side. The 13,000-square foot building, 92-bed facility, which was once owned by a gas company, was renovated using the West Virginia Housing Development Fund’s Special Assistance Lending Program (SALP).

Once admitted, the women will start in a 10-bed detox room. They will stay there for three to seven days, depending on the intensity of their detox.

The room is always staffed by either a staff member or a peer mentor with medical training. From there, they graduate to more relaxed, residence-hall style living quarters. The entire program takes between seven months to a year to complete, depending on the individual.

Recovery Point was awarded a Fund SALP loan of \$125,000 to help renovate the center. SALP provides financial assistance for construction and rehabilitation projects to organizations engaged in the development and operation of programs or properties that improve group home housing opportunities and promote the general welfare of special needs populations or low to very-low income populations.

Monday is excited to begin her journey as a resident and peer mentor at Recovery Point.

ELKINS – Debra Westfall suffers from cerebellar ataxia.

It affects her motor skills and nervous system. She knows what she wants to do, but too often, her body and her brain fail to work in unison.

Still, she gets around well and her spacious new apartment is far more convenient than her previous home. Her former apartment was accessible, but it was far from ideal. The bathtub was too high, the kitchen was cramped, the laundry facilities were too far away and the doors were difficult to open.

“The doors were just so heavy,” she said, adding that the unit was on the upper floor of a multi-story building. After moving in last May, she now shares a roomy, two-bedroom unit at Northview Senior Apartments with her cat, Tommy Smurf.

Because she’s now living in a single-story apartment, it makes it much easier to get around. She can get out more. Westfall can ride her scooter to see her friends in a nearby complex or cruise up to the grocery store, which is about a block away.

Northview was developed by Woodlands Development Group and financed, in part, through a \$410,000 loan from the West Virginia Housing Development Fund’s HOMErent Program.

“Our construction crews are largely responsible for these units,” said Dave Clark, executive director of Woodlands Development.

“The units are fully adaptable. They can be adapted to fully accessible units in about one day. The apartments are very energy efficient. If our past apartments are any indication, the biggest heating bills these folks will see are \$60 per month. We are close to services and restaurants,” Clark added.

During a recent open house for Northview, Senator Shelley Moore Capito, R-W.Va., said the development was a great example of partnerships and working together to tailor projects to meet the needs of the community.

“It is phenomenal to see how the Randolph County Housing Authority with Woodlands, the West Virginia Housing Development Fund and others are helping to improve the lives of West Virginia’s senior community,” Capito said.



“I just love everything about this place. The kitchen is open, the doorways are wider and I just love the shower.”

Debra Westfall

HOMErent
program

The logo for the HOMErent program is set against a light green background. It features a stylized graphic of three houses with gabled roofs and windows. Below the graphic, the words "HOMErent" are written in a bold, white, sans-serif font, with "HOME" in all caps and "rent" in lowercase. Underneath that, the word "program" is written in a smaller, white, lowercase sans-serif font.



We are excited about the fifth full year of our Movin' Up Program. This program has been designed to help moderate-income homebuyers purchase a new residence. Movin' Up

does not have a first-time homebuyer requirement and is geared toward those who might have outgrown their current residence, want to downsize or just want to make a change. Our loan origination team has worked diligently to move this program forward. This year, we financed 197 homes for state residents totaling \$25,348,611.



West Virginia's rural and remote nature sometimes means a lack of public infrastructure. To help our residents, the Fund has partnered with the West Virginia Department of Environment Protection to develop the On-Site System. The program,

which was recognized by the Environmental Protection Agency as a model for improving water quality protection, is designed to help eligible households install, repair or replace on-site septic systems or connect to a public treatment system. This year, the On-Site program assisted 16 families and individuals, totaling \$107,264 in funding.



The Low-Income Housing Tax Credit Program is a federal tax incentive program to encourage private equity investments, rather than 100 percent federal government financing, for the production of affordable low-income residential rental housing. The LIHTCP provides a federal tax credit for a

period of ten years to the owners of qualified low-income residential rental housing. In order to be eligible for participation in the LIHTCP, a qualified low-income residential rental housing property must be occupied by individuals whose annual gross income is at or below 60 percent of the area median gross income. In 2016, 9 properties located in 8 counties received Low-Income Housing Tax Credits, producing 217 units.



Buying a home is expensive. It's often our biggest investment. To help our customers, the Fund established our Down Payment/Closing Cost Assistance Program. This year alone we

provided \$5,635,000 in closing cost assistance to homebuyers in the Mountain State.



The Low-Income Assisted Mortgage Program (LAMP) was developed in 1992 as a pilot program with Mountaineer Habitat for Humanity. The goal of the program was to enable those with very low incomes to become homeowners. The

program was later honored by Harvard University's Ash Center for Democratic Governance and Innovation. Because of LAMP's success, other Habitats across the state were invited to participate. The premise is simple – to enable non-profit housing groups to expand their abilities to provide homes for those who need them the most. The program allows participating non-profit housing providers to sell their loan to the Fund. By selling the loan, they can use money they would have otherwise tied up in mortgages to finance and maintain homes. This year, the Fund devoted \$495,552 to help families in need.



The Special Assistance Lending Program (SALP) is designed to provide financial assistance for construction and rehabilitation projects to nonprofit organizations engaged in the development and operation of programs and/or properties that improve group

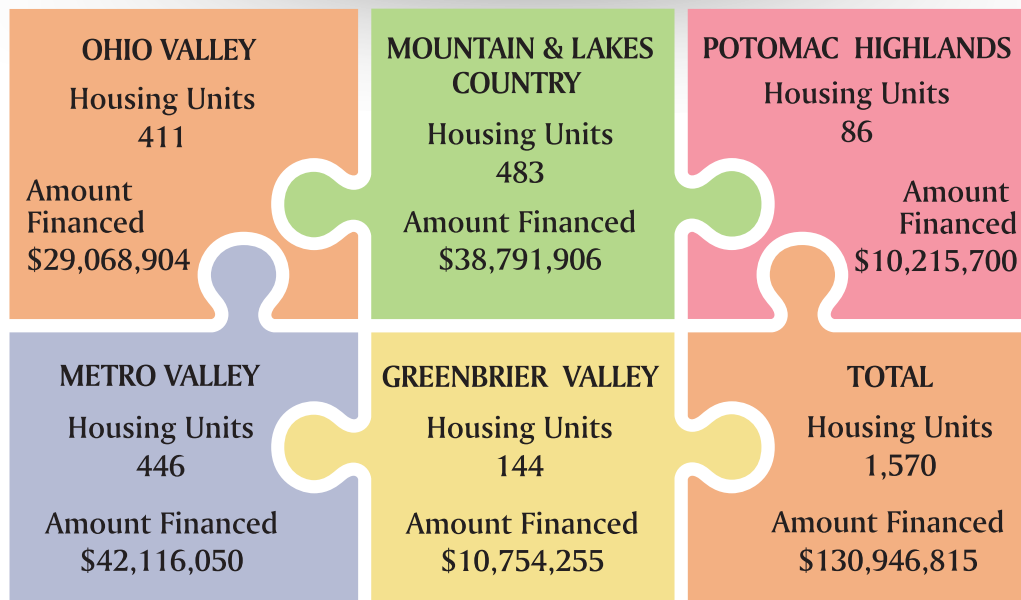
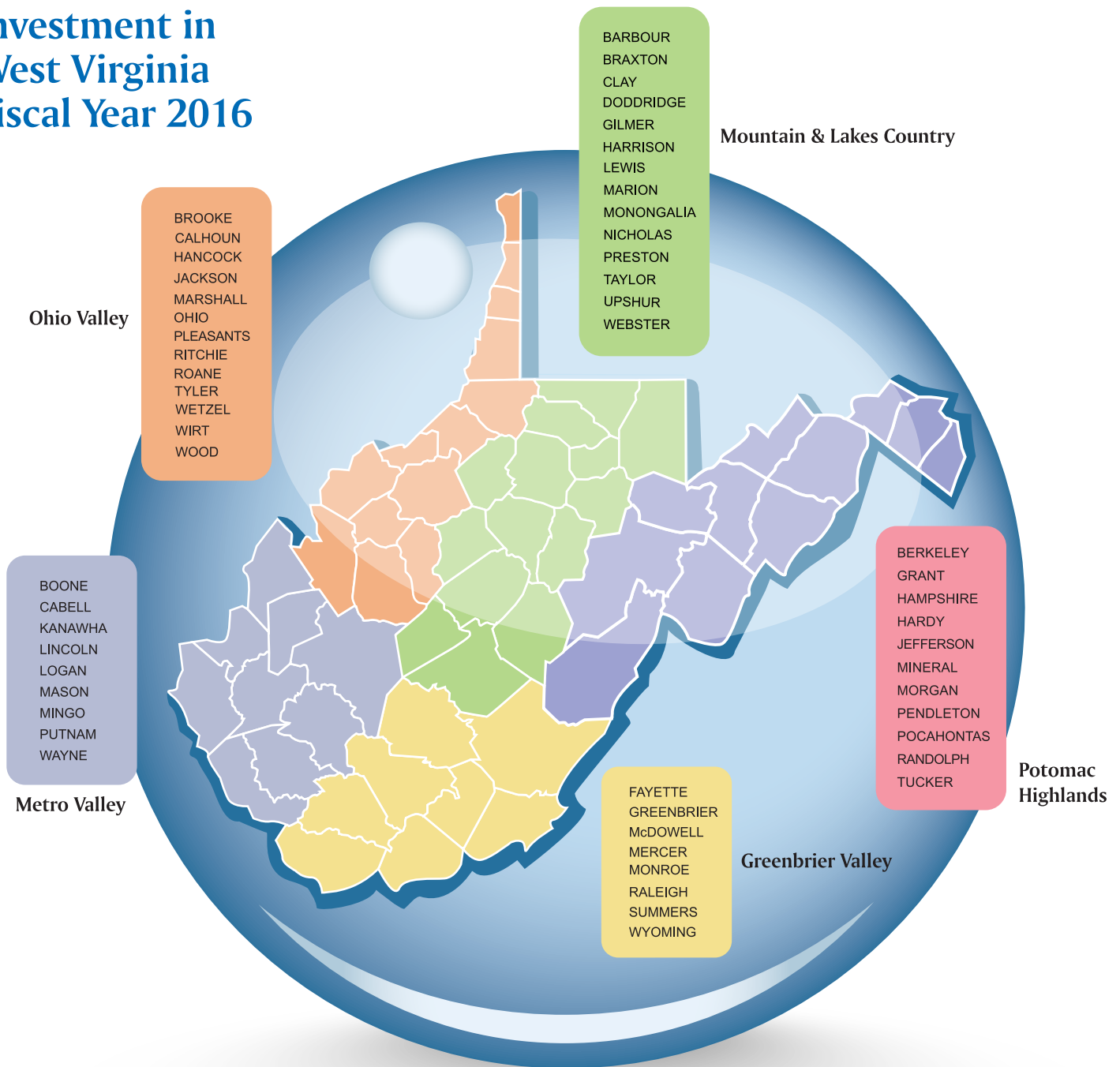
home housing opportunities and/or promote the general welfare of special needs populations or low to very-low income populations. SALP works with a coordinated system of state and local organizations that provide non-traditional group housing and/or critically-needed services to special needs populations such as: homeless individuals and families, victims of domestic violence, neglected and abused children, the elderly, individuals with HIV, those recovering from alcoholism or drug abuse, disabled veterans and families in transition from shelters to traditional housing. The Fund provided \$785,890 to help these developments and their residents.



Owning a home is a vital part of the American dream. Homeowners understand the importance of community and what it means to be part of something larger than themselves. We're proud to help

so many West Virginians turn their dream of owning a home into a reality. Working with lending partners from across the state, we provided over 470 homes for state residents totaling \$41,381,933 in 2016.

Investment in West Virginia Fiscal Year 2016



The Fund's New App

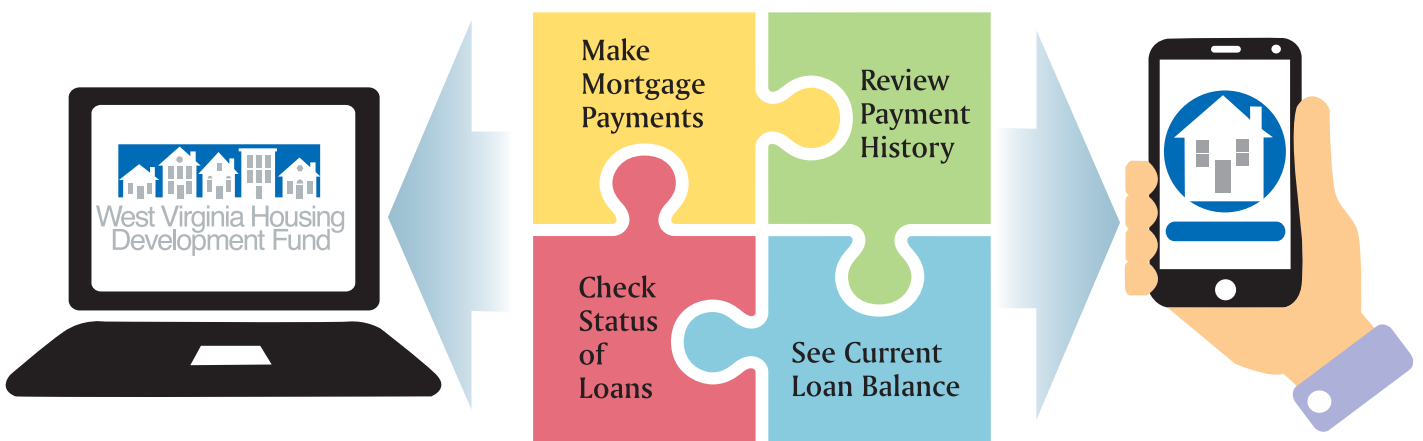
The West Virginia Housing Development Fund is proud to announce that 2016 was the year we released a new app for both iOS and Android devices.

"This is just the next step in making certain our borrowers can quickly and conveniently make their monthly mortgage payment," said Erica Boggess, the Fund's Acting Executive Director. *"Our customers have entrusted us with what is likely to be their biggest investment. We owe it to them to make sure they can connect with us on their schedule."*

Julie Aliff, Senior Director of Loan Servicing for the Fund, added that the app is a major benefit for Fund customers. *"We hope our borrowers see this as a way to utilize mobile technology. It's safe, secure and easy. I can speak on behalf of the entire loan servicing staff when I say this app will greatly improve the way our customers engage with the Fund,"* Aliff said.

She added that customers who want to use the app must first sign up for the service at the Fund's online mortgage-payment interface.

The release of our new app comes on the heels of a number of upgrades to our online mortgage payment system. Mortgage information is accessible online 24/7. Fund borrowers can log in to set up one-time or recurring payments, check the status of loans, see current loan balances, review payment history, review previous and current year-to-date totals, determine payment due date, make online payments, see monthly payment statements and annual escrow disclosures.



The Fund's New App

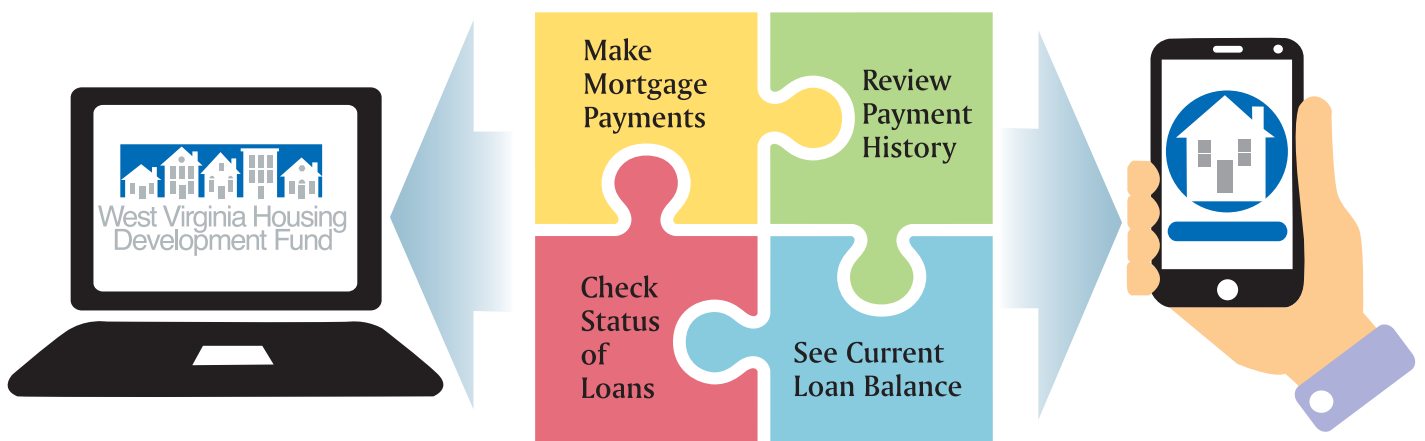
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Increasing Efficiency and Accuracy

This past year, the Asset Management and Technical Services Department has continued to implement and improve upon the use of software systems which have increased efficiency and accuracy in performing compliance monitoring activities.

In addition to processing on-site compliance monitoring reports electronically, the department sends and receives all supporting documentation as well as communicates electronically with property owners and managers through these systems.

New automated workflows have been implemented, expediting the process of producing and approving inspection reports. These systems are also being used to perform compliance reporting activities related to the LIHTC program as well as perform ongoing risk analysis of the portfolio.

Asset Management Specialists performed 28 Management and Occupancy Reviews (MORs) of our Section 8 Performance Based Contract Administration (PBCA) portfolio this year.

The department conducted 68 on-site inspections and compliance reviews related to the HOME and RD538 programs as well as tracked and reported the findings of the 103 inspections performed on the Section 42 LIHTC program by our contractor.

Also in the past year, Technical Services Inspectors performed approximately 350 inspections of new construction and rehab projects across multiple programs.



“Our entire organization prides itself on openness and transparency. We are proud of what we do and how we do it. This video reflects that.”

Jon M. Rogers
Senior Director of Single Family
Loan Originations

Fund Produces Videos to Inform Lending Partners About Mortgage Products

The West Virginia Housing Development Fund is proud to announce a new video designed to help our partners across the lending and banking industries better understand our mortgage loan products.

Lenders, or anyone who is interested in learning more about what our home ownership programs are comprised of, are welcome to watch.

Detailed in the presentation will be the Homeownership Program, (commonly known as either the first-time homebuyer’s program or the bond program) the Movin’ Up Program, (which gives seasoned homebuyers another home-buying choice) our Down Payment and Closing Cost Assistance Loan.

“Our lending partners are a vital part of our mission to help the residents of this state find safe, decent affordable housing,” said Erica L. Boggess, the Fund’s Acting Executive Director.

“They are busy professionals and we need to be able to communicate with them as their schedule dictates. This is a great opportunity to engage them at their convenience.”

The video, which can be found on the Fund’s YouTube account and at www.wvhdf.com, offers a fairly in-depth overview of how the programs work, which product is right for a potential homebuyer and what is required of the lender during the application and underwriting process.

“We hope the mortgage lending community, or anyone who just wants to learn more about what we do, will take a few minutes to watch this video,” said Jon M. Rogers, the Fund’s Senior Director of Single-Family Loan Originations.

Other videos produced by the Fund include: Getting Ready for Homeownership, a four-part series about what it takes to purchase a home as well as Ten Myths About the WVHDF: Realtor’s Edition, a video aimed at helping Realtors and real-estate agents understand our programs.

The Department of Fair Housing and Client Services

Our Department of Fair Housing and Client Services continues to review and approve all affirmative, fair-housing marketing plans and assist with the update and completion of annual reports to HUD. We also provide training for property owners, management companies, architecture firms and others throughout the state. In addition, this department tracks and supports the reporting and preparation of our annual affirmative action plan.



Executive Staff



Erica L. Boggess
Acting Executive Director

Kristin Shaffer - Senior Legal Counsel

Alicia Deligne - Legal Counsel - Compliance

Julie Davis - Senior Director - Finance & Quality Control

Jon Rogers - Senior Director - Single Family Loan Origination

Crystal Toney - Senior Director - Accounting & Administrative Services

Julie Aliff - Senior Director - Loan Servicing

Nathan Testman - Director - Multi-Family and Commercial Lending

Chad Leport - Managing Director - Internal Audit

Dorothy White - Managing Director - Section 8 Contract Administration

Michelle Wilshere - Managing Director - Low-Income Housing Tax Credits

Joshua Brown - Managing Director - Asset Management & Technical Services

Cathy Colby - Managing Director - HOME Program

Patti Shamblin - Director - Loan Origination

Taran Wolford - Managing Director - Human Resources

Financial Advisor

Piper Jaffray & Co.
612.303.6000
800 Nicollet Mall, Suite 800
Minneapolis, MN 55402

General Counsel

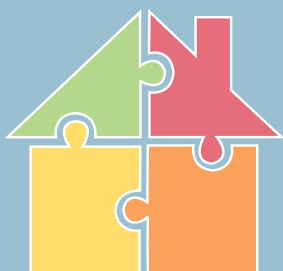
Jackson Kelly, PLLC
304.340.1000
1600 Laidley Tower
500 Lee St.
P.O. Box 553
Charleston, WV 25322

Auditors

Gibbons & Kawash, CPAs
304.345.8400
300 Chase Tower
707 Virginia St., E.
Charleston, WV 25301

Bond Counsel

Hawkins, Delafield & Wood, LLP
212.820.9300
One Chase Manhattan Plaza
42nd & 43rd Floors
New York, NY 10005



West Virginia Housing
Development Fund

Board of Directors

The Honorable
Earl Ray Tomblin
Governor
Chairman of the Board



Robert "Bob" S. Kiss
Governor's Designee
Cabinet Secretary
WV Dept. of Revenue



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John Perdue
WV Treasurer



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Walt Helmick
WV Commissioner
of Agriculture



Everette Sullivan
Retired
WV Council
of Carpenters



Sam Kapourales
Kapourales
Properties, LLC



Julia Elbon
Prime Properties, Inc.



J.D. Stricklen
Stricklen Properties



R. Fred Clark
Retired
Banker & Consultant



Jeff Borman
Financial Advisor
LOC Investment
Advisers



Mary Skeens
Executive Director
CommunityWorks in
West Virginia



For more information contact:
George Gannon
Communication Manager
304.391.8643
ggannon@wvhdf.com



West Virginia Housing Development Fund

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5710 MacCorkle Ave., SE, Charleston, WV 25304
304.391.8600 / 800.933.9843 / www.wvhdf.com