

# Cornerstones



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## Is Idaho's Housing Industry Poised for a Comeback?

This is the question many wish they had the answer too, but no one, not even the best economist or fortune teller, can likely answer with 100 percent accuracy. Idaho's housing industry has been in despair for the last few years, and not even the consistency of record low mortgage rates has been able to pull it out of despair so far. However, several industry indicators are slowly starting to turn in the right direction, hopefully indicating a positive change for the housing industry.



### Housing Price Index

Idaho recorded its first positive Housing Price Index (HPI) since the fourth quarter of 2007 in the third quarter of 2011 at 0.93 percent. The positive posting continued for

the fourth quarter of 2011 at 0.90 percent. The HPI is a broad measure of the movement of single-family house prices, and is a

weighted, repeat-sales index. This means that the HPI measures average price changes in repeat sales or refinances on the same properties. The HPI information is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975, and serves as a timely, accurate indicator of

house price trends at various geographic levels. The Federal Housing Finance Agency (FHFA) publishes quarterly reports that include the HPI for each of the 50 states.

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## Market Trends: Refinancing

First-time homebuyers are not the only ones benefiting from the current housing market conditions. Many are taking advantage of the all-time low mortgage interest rates and government programs such as the Home Affordable Refinance Program (HARP) to refinance their home. HARP, which allows homeowners with Freddie Mac or Fannie Mae owned mortgages to refinance their home loans, was recently extended until December 31, 2013. HARP was also enhanced to allow homeowners to refinance loans at higher loan-to-values, and without needing a property appraisal when a reliable automated valuation model estimate is available. This change will open the door for many who have been unable to refinance because of the decline in property values, and will increase the number of refinance transactions in the state once the HARP changes are fully implemented this spring.

Homeowners typically refinance to obtain lower monthly mortgage payments, a shorter term on their mortgage loan, or both. To get a better understanding

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# Is Idaho's Housing Industry Poised for a Comeback?

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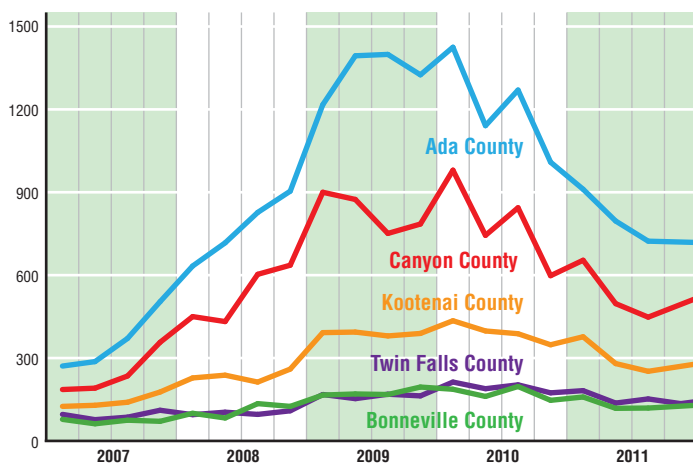
## Housing Affordability Index

Because of low mortgage rates and home prices, another indicator has been extremely positive for several years – the Housing Affordability Index. The most recent national index posted by the National Association of REALTORS® (NAR) was for the fourth quarter of 2011 at 195.7, and the West region, which includes Idaho, posted an index of 159.6 in December of 2011. According to NAR's website, the Housing Affordability Index is a relative index where a value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced existing single-family home. This calculation takes into account the relationship between median home price, average effective interest rate for loans closed on existing homes, and median family income. The higher the index, the better housing affordability is for buyers. This is only good news if people are able to take advantage of the affordability and purchase homes though. According to Dr. Lawrence Yun, economist for NAR, one reason these purchases are not happening at the pace we'd like to see is the excessively tight underwriting, which is preventing many creditworthy individuals from obtaining mortgages. "We can anticipate a bigger recovery if underwriting standards return to normal," said Yun. "Additionally, steady job additions will provide a better support for housing in 2012."

## Foreclosure Rates

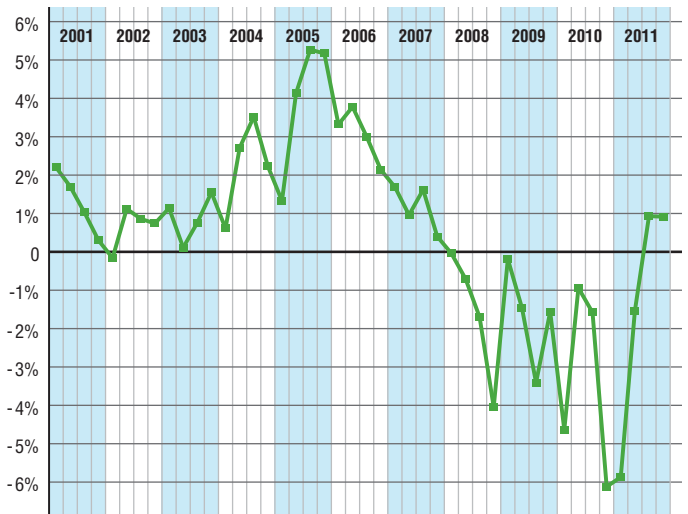
Another indicator that could be positive is the declining rate of foreclosures throughout the state. Since spiking in 2009, foreclosures in Idaho have steadily declined with some minor hiccups along the way. In fact, according to the latest delinquency survey released by the Mortgage Bankers Association (MBA) for the fourth quarter of 2011, the foreclosure rate for all loan types in Idaho dropped from 3.66 percent in 2009 to 2.83 percent in 2011. This decline is being further substantiated by the declining rates of the number of notice of defaults being filed in counties throughout Idaho, as shown in the chart below.

## Notice of Mortgage Loan Defaults



Source: Idaho Data Providers/County Recorders' Offices

## Percent Change in Home Prices



Source: FHFA House Price Index Quarterly Report

These are encouraging statistics since a reduction in foreclosures helps keep the inventory of homes down and helps to stabilize home prices. However, we can't necessarily expect foreclosure rates to return to pre-housing crisis rates any time soon. "Now that banks have worked through their paperwork issues I expect a more structured release of foreclosure starts in 2012. Although, I don't expect them to reach the peak levels of 2009, I do see us maintaining a higher plateau of filings throughout 2012," said Charlie Nate, president of Idaho Data Providers.com. Nate not only tracks the default filings in the Treasure Valley, but also tracks the number of REO (bank-owned) properties for sale that have also been on a decline. According to Nate some of this decline is credited to banks beginning to rent their foreclosed properties rather than list them for sale. "This may stabilize the market in the short term, but it could have the long-term effect of keeping market prices depressed for the next several years," said Nate. Others agree. "If foreclosed properties are not coming back on the market because banks are holding onto them, it is good for the market now, but if they suddenly start releasing them again, it could make the situation worse later on," said Kevin Price, CEO of the Idaho Association of REALTORS®.

Although some positive indicators are starting to appear, there is still a shadow of doubt and worry about the housing industry. Price said, "There are indications statewide that the decline is slowing, but the view of real estate has to be broader than our state, or even our country. There are some extraneous variables currently in flux, such as the value of the U.S. dollar, which could have a negative effect on Idaho's housing market and economy in general."

There seems to be as many indications the housing industry is improving as there are concerns by industry professionals that the improvement we would like to see is still a ways off. Only time will tell just how poised the housing market is for a comeback. ■

# Buy, Renovate, Sell, Rinse, and Repeat: NSP Funds



The Great Recession is now known to be the worst global economic crisis since the Great Depression. One of its aftermaths is that it has forced thousands of homeowners into foreclosure. To mitigate the impact of foreclosures in communities across the U.S., the federal government has put into effect different programs. One such

and Idaho received NSP3 funds to stabilize neighborhoods whose viability continues to be damaged by the economic effects of properties that have been foreclosed upon and abandoned.

Idaho Housing and Finance Association (IHFA) is the administrator of the \$24.6 million in Neighborhood Stabilization Program funding for the state of Idaho. With this program homeowners purchase a home and when the developers' acquisition

Homeownership Assistance available to the new buyer based on need, which can be used for interest write downs, closing costs, or to help fill the financing gap.

"The Neighborhood Stabilization Program provides several benefits to the community, their economic environment, and the home-buying market," said Bob Reed, director of housing development at Mercy Housing Northwest – Idaho, one of the NSP1 participating partners.

"This program delivers a newly rehabilitated home to first-time homebuyers with energy-efficient appliances and heating and air conditioning systems at a reasonable price that enhances the overall neighborhood."

Funds were awarded to Idaho in March 2009 and homeowners were able to start purchasing move-in-ready foreclosed properties in September 2009. Because some of the loans are already being repaid, as of December 2011, the original \$19.6 million has generated an

additional \$16 million. IHFA anticipates that the NSP1 funds will generate 2.5 times the original allocated amount resulting in more properties going back to homeowners at affordable prices across Idaho counties including Ada, Bannock, Bonneville, Canyon, Elmore, Gem, Kootenai, Owyhee, Payette, and Twin Falls.

The impact of NSP1 is being felt by communities and individuals alike. "Having these homes available to lower-income purchasers, especially with the extra mortgage assistance, makes a dramatic difference in the ability to purchase a safe, decent home," said Melanie Gygli, division manager for Neighborhood and Community Services, city of Pocatello, a NSP1 participating partner. "Some families have been able to move from severely substandard housing; in one case, the owner had it demolished shortly after the family moved into its new home."

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## NSP Participating Partners

- Advocates Against Family Violence Inc.
- AutumnGold Senior Services Inc.
- Ada County Housing Authority
- Canyon County Habitat for Humanity
- City Life
- City of Boise
- City of Idaho Falls
- City of Nampa
- City of Pocatello
- Habitat for Humanity of Magic Valley
- Housing Solutions of Idaho, Inc.
- Mercy Housing
- North Idaho Housing Coalition
- The Housing Company

A NSP renovated home in Nampa

loans are repaid, the funds come back to IHFA to be reinvested. As funds are "recycled" back into the program, they multiply the impact in the communities where funds are being invested.

## NSP1: Foreclosed Properties Meet Families' Needs

Through the first round of NSP funds, also known as NSP1, the state of Idaho was awarded \$19.6 million from the 2008 Housing and Economic Recovery Act. The funds are used for homebuyer activities and/or rental properties for special needs housing.

IHFA works with participating partners that have been selected through an application process. These partners—nonprofit developers and city municipalities—are in charge of finding the properties, purchasing them, and repairing them as needed. They also set aside funds specific to each property for



(photos courtesy of Mercy Housing)

program is the Neighborhood Stabilization Program (NSP) and it is making an impact in those communities in Idaho that need it most.

The goal of NSP is to revitalize neighborhoods through the acquisition and rehabilitation of foreclosed or abandoned property in targeted areas throughout Idaho. Based on the ongoing market crisis, new rounds of funding have been awarded,

# Six Lending Partners Earn Top Loan

Each year, Idaho Housing and Finance Association (IHFA) honors top lending partners in Idaho who have helped make the IdaMortgage home loan program a success. IHFA values all of its industry partners, but these six loan originators were selected to receive top honors in their area of the state as they represented the most IdaMortgage homebuyers during 2011.



**Deborah Kishbaugh**, mortgage loan originator for Mountain West Bank, received top honors in North Idaho. Deborah has been in the lending industry since 1973, and moved into mortgage banking in 1987 when

she uprooted and moved to California. Upon moving back to Idaho, Deborah said she finally found her “home away from home,” when she landed her current job the summer of 2007. IdaMortgage programs are excellent for her first-time homebuyer clients. “I enjoy working with IHFA because the staff is extremely knowledgeable, very timely, and provides excellent customer service, which is imperative in any business relationship,” said Deborah. “I always tell my clients they will love the servicing department at IHFA.” She is successful in this business because she is passionate about what she does and enjoys helping people fulfill their dreams of homeownership.



**Leon Baker**, who has been providing top notch service to his clients for the last 16 years, received top honors in Southwest Idaho. Leon is a home loan consultant with First Mortgage Company

of Idaho. “I think the IdaMortgage loans are best for my clients because of the local servicing IHFA offers. It makes a big difference for people to be able to call locally and easily get an answer to questions they might have on their loan.” According to Leon there are many people in the Treasure Valley who like to have a physical location to go make their payment. “I really enjoy the personal aspect of helping people get into a home they love, it is such an emotional and enjoyable time for them,” said Leon. He also enjoys the mortgage industry because of the technical aspects of working with numbers to show people how to refinance and even get out of debt at times.

## Market Trends: Refinancing

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of what is happening with refinances around the state; we asked industry professionals what they are seeing with refinances and why their clients are refinancing:

“We have seen a significant increase in refinancing over the last quarter. I think people are realizing the low rates are providing them a large enough spread with their original loan rate to make refinancing a sensible thing and are beginning to act. The changes to the HARP program should provide even more refinances.”

– **Debbie Brown, Mortgage Loan Officer, D.L. Evans Bank, Pocatello.**

“We have been receiving more inquiries over the past few months and things really picked up after the first of the year. I think people are hearing more about refinance options in the media lately and feel a little more optimistic about the future. They are more prepared to reinvest in their homes and enjoy lower monthly payments.”

– **Kevin Dane, Mortgage Loan Originator, Bank of Idaho, Twin Falls.**

“We have definitely seen an increase of refinancing, and right after the new year the flood gates seemed to have opened up, making it hard to keep up at times. The news is making people aware there are better options now and

many of our clients are choosing to take advantage of the low rates to secure lower monthly payments.”

– **Teresa Berglin, Loan Officer, Eagle Home Mortgage, Coeur d’Alene.**

“We have absolutely seen an increase of refinancing requests and transaction, but not everyone fits the current programs and there are still many we have been unable to help. People are consistently hearing about the low rates and deciding to save on their monthly mortgage payments, and a few are taking advantage of shorter loan terms.”

– **Iva Deobald, Sales Manager, First Mortgage Company of Idaho, Boise.** ■

# Originator Recognition



**Debbie Ackerman**, mortgage industry veteran, received top honors in Eastern Idaho. Debbie is a loan officer with Bank of Idaho, and has been in the business for over 20 years. Debbie credits her ability to keep up with the multitude of changes that occur in the mortgage industry to her willingness to learn through the “school of hard knocks,” and credits working

alongside knowledgeable coworkers for her success. “Having in-house underwriter’s who know what they are looking for is a real key to my success,” said Debbie. She likes working with IHFA as they are easy to work with, and likes the IdaMortgage programs as they fit just about everyone, especially the new Preferred loans, with low-to-no mortgage insurance required.



**Troy Eppich** recently changed jobs to become the Blackfoot site manager and senior loan consultant for City First Mortgage Services. Prior to this position, he owned a one-person lending company, Hometown Mortgage Lending. It was at Hometown Mortgage where Troy received top honors in Southeast Idaho. Troy plans to continue his successful partnership

with IHFA in his new position. “I think the IdaMortgage loan programs IHFA offers provide a wide range of products that are perfect for the rural development area I operate in,” said Troy. “The IHFA staff members really care about their customers and it is great having them located in Idaho.” He attributes his success with his willingness to work hard for his clients and always searching for the best programs to assist them.



**Debbie Owen** was not only an IdaMortgage top loan originating partner in 2011, but also received top honors from Guild Mortgage Company for being a top 50 producer last year; which is quite an accomplishment for a company of this size. She received her top honors in South Central Idaho. Debbie has worked in the mortgage industry for 15 years and became the branch manager for Guild Mortgage Company three years ago. “I am very proud of the company I work for,” said Debbie.

“We have the largest purchase market share in the Twin Falls and Jerome area.” Debbie enjoys the mortgage industry as people are so appreciative when you help them get into a home of their dreams, whether it is their first home or a step-up purchase. “My clients really benefit from IdaMortgage programs especially being able to take advantage of down payment and closing cost assistance,” said Debbie.



**Brenda Imel** with Potlatch No. 1 Federal Credit Union received top honors for the Lewis-Clark Valley. Brenda has been a mortgage officer with Potlatch for nearly two years and has been in the industry for over ten years. “Although my clients are creditworthy, the IdaMortgage products do not require higher credit scores other lenders are requiring, which is a real benefit,”

said Brenda. She enjoys helping people get into their first homes or upgrading to new homes, but lately has been busy in another area of the industry. “I have been assisting homeowners to lower their mortgage payments through refinancing, which in this economy is very gratifying as well,” said Brenda. ■

## Buy, Renovate, Sell, Rinse, and Repeat: NSP Funds

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### NSP3: Focusing on Canyon County

Despite the NSP1 efforts, foreclosures in some areas of the country were still on the rise. NSP3 was developed to help stabilize specific neighborhoods, which are still suffering the negative economic effects of foreclosed upon and abandoned properties. In Idaho, the U.S. Department of Housing and Urban Development (HUD) identified neighborhoods in Canyon County as being hit the hardest.

On March 11, 2011, HUD approved the request submitted through the Substantial Amendment by IHFA to administer the state of Idaho’s allocation of \$5 million for NSP3 funding. HUD’s NSP3 is authorized under the Wall Street Reform and

Consumer Protection Act of 2010 (Dodd-Frank Financial Reform Act of 2010).

In January 2012, IHFA started obligating NSP3 funds to participating nonprofit developers to acquire, renovate, and resell approximately 38 homes in Canyon County. It is anticipated that by summer 2012, the homes will be ready for new homeowners to move in. After recycling the funds, IHFA expects participating developers will remove 70 additional properties from the market and sell them to new homeowners at affordable prices.

“Although the real estate market continues in a state of flux, being able to bring new homeownership opportunities back to residents of Canyon County is very exciting

and rewarding,” said Douglas Peterson, director of The Housing Company.

For both NSP rounds homebuyers have to meet certain requirements to qualify, including:

- Income restrictions of up to 120 percent of area median income (the programs require 25 percent of the grant to service households at 50 percent AMI or less).
- Homebuyers don’t have to be a first-time homebuyer, but they cannot currently own any other property.
- Homebuyers must use an IHFA-approved lender. No subprime loan activity allowed.
- Homebuyers must complete *Finally Home!*® Homebuyer Education. ■

# Rental Vacancy Rates Hit Record Lows



Demand for apartment units is up and landlords report that vacancies are at record lows. Vacancy rates nationwide are 5.2 percent, the lowest since 2001. In Idaho, the reported vacancy rates from surveys by Mountain States Appraisal and the Southwest Chapter of the National Association of Residential Property Managers (NARPM) are 5.7 and 3.4 percent respectively. Idaho's free online listing and locator service *housingidaho.com* shows a 5.19 percent vacancy rate statewide, down from 8.70 percent in 2008.

The Idaho Affordable Housing Management Association (AHMA), which manages over 600 affordable rental units across the state, is witness to this trend. "We have seen an increase in our waiting list, which is currently six to eight months, depending

As demand rises, developers take notice, and new affordable apartments are starting to spring up. In Caldwell, the new Hope Plaza Apartments has 48 units for low-income families and those escaping family violence. In Coeur d'Alene, Riverstone West has just opened 50 apartment units for lease, and there are 50 more new units for families being built in Sandpoint at the Milltown Apartments. Rexburg will add 51 units for families with the completion of Rockwell Court. Seniors across Idaho will also have new affordable units in Hailey (28), Sandpoint (50), Post Falls (84), and Boise (200).

## Searching for Rental Housing

What's good news for landlords is not necessarily good news for tenants. Rental unit demand has increased rental rates slightly. The Southwest Chapter of NARPM's survey shows that while average rental monthly rates have had small fluctuations

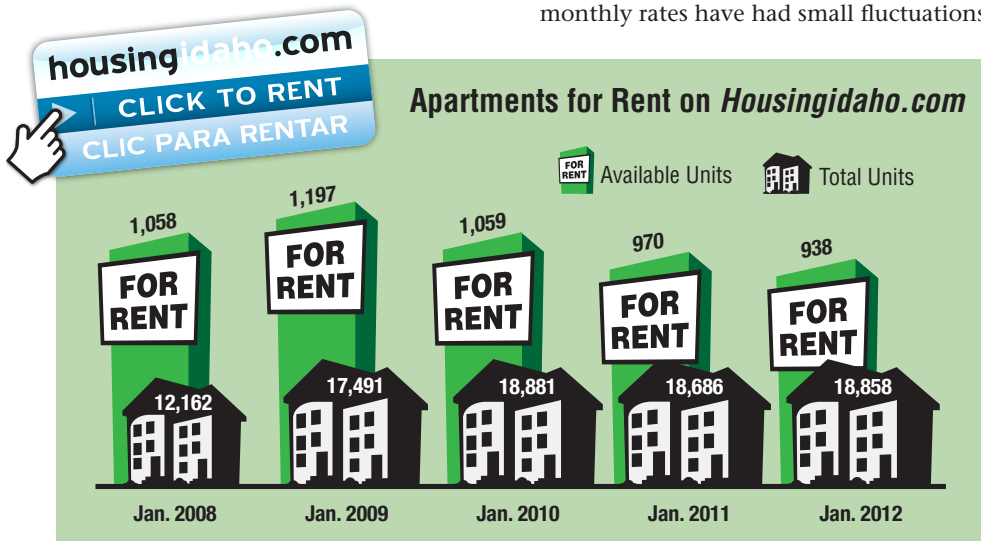
Although data shows a slight increase in rent costs, tenants looking for affordable housing have options. *Housingidaho.com* has a high percentage of affordable units listed. Sponsored by Idaho Housing and Finance Association, the site is a free service to be used by anyone searching for rental housing. Landlords and property managers can list their units for free on the site as well.

"We list our properties with *housingidaho.com* and recommend renters to use the site," said Gill. "It allows you to search with specific criteria, like how much you'd like to pay per month or what geographical area you want to live in." In addition, the site is supported by a toll-free, bilingual call center, and it connects people to other housing resources through links, providing helpful tools for renters such as an affordability calculator, rental checklist, and renter rights and responsibilities information.

Even though there are more rental units in Idaho now than a few years ago, looking for the perfect place to live is not easy with higher demand and lower vacancy rates. Data from *housingidaho.com* shows a 53 percent increase in property listings from 2008 to 2011, while at the same time the availability rates shrank from 8.7 percent to the current 5.2 percent.

Angie and her family are 'renters-in-waiting' in the Treasure Valley. Currently, the couple and their two children are looking for a rental property. Because Angie's husband is still looking for a permanent job, buying a home is out of the equation for the moment. "We have been looking for affordable rentals for about a year, but everything that we like is out of reach right now, so we are living with family until we can find a good rental property."

Angie hasn't tried *housingidaho.com*, but in the past has relied instead on free publications, newspapers, or craigslist. Now that she has heard about it she plans to visit the site. "I'm going to try *housingidaho.com* now. I've been looking for a reliable local website to help me find rental listings, but every time I find something online it requires you to give your email address and it ends up being an out-of-state company. *Housingidaho.com* may be the local rental housing resource I've been looking for." ■



on the region, compared to a two-month waiting list from a few years ago," said Noel Gill, vice president of Idaho AHMA and vice president of operations of Northwest Real Estate Capital Corporation.

Gill points to the current economic climate to explain the lower turnover rates. "People are now having longer terms of residency than before. Incomes may go up, but tenants don't feel ready to move and prefer to stay as long as their income levels keep them eligible, while before they were moving to higher-end apartments faster."

since 2007, they have increased in the third quarter of 2011 by 5.8 percent for a 3-bedroom single-family home and by 4.9 percent for a 3-bedroom apartment.

The change in the rental market is due in part to the high rates of foreclosures. Those families who lost their home have now become renters. Others are tenants by choice, because they feel cautious about entering the housing market due to job insecurity or because they think homes are still depreciating in value. A third group that may be interested in buying homes is prevented from doing so by stricter lending standards.

# A Place to Call Home



Lane and his wife Lisa of Caldwell made their dream come true and found a place they can call home. Their home was purchased at an affordable price and

they now pay \$100 less in monthly mortgage payments than they used to pay for rent in a smaller apartment. The house was renovated, including new siding, carpeting, cabinets, and appliances. And the best part is that this "like-new" home was ready to move in the same day they purchased it.

Families like Lane's, looking to buy decent, affordable housing in Canyon County are in luck. Idaho Housing and Finance Association (IHFA) is administering funds for the HOME Investment Partnership Program, a pilot program in Canyon County designed to buy foreclosed properties, renovate them and resell them to families with household incomes of 120 percent and below the area median income. Canyon County was selected because of its high foreclosure rates and the negative impact this is having on the county's neighborhoods.

The HOME Investment Partnership Program was made possible thanks to HOME funds from the U.S. Department of Housing and Urban Development (HUD).

Lane has been renting since he was 18 years old. At 29, with a family of three, he said he was tired of renting, living in small spaces, and having noisy neighbors. His rental agreement was to end on December 31, 2011, but in September he decided they were moving to a house. "I had planned that if I couldn't find a home to purchase we would rent one."

With the limited income from a single take-home-pay, properties in the Boise and Eagle area where he works were out of reach. The family started looking in Canyon County with help of their REALTOR®.

They looked at several properties that they could afford, but Lane said they were run down and in need of repairs.

"With time pressing, I thought I'd have to buy a property and fix it myself," said Lane. "I was even looking into a renovation mortgage program, when my mortgage broker told me I qualified for the HOME Investment Partnership Program through IHFA."

Lane had already visited the property in Caldwell and liked it. The house had been purchased and rehabilitated by The Housing Company (THC), and was ready to move in. "We were lucky that THC was able to sell us the turn-key home. We had



just looked at another property in Meridian and it looked like a bear had lived there: holes in the walls, insulation everywhere, punched doors. And it was more expensive."

Thanks to the program's \$3.5 million, the dream of homeownership will be possible for Lane and approximately 30 more families. As houses are bought and the developers' acquisition loans are repaid, the funds are recycled back to the program, helping increase the number of families who will benefit from these affordable housing opportunities. The program started in late spring of 2011, and as of December 31, 2011, the HOME Investment Partnership Program had renovated and resold 19 single-family homes in Canyon County, repaying over \$1.2 million in HOME funds to IHFA.

"This was a great opportunity for me and my family to finally buy a home," said Lane. He completed the purchase and moved into his new home on December 17. "Without the extra support provided by this program, I couldn't have afforded a move-in-ready home that fit my family's needs and budget."

Homebuyers aren't the only beneficiaries of this program. Neighborhoods are being revitalized by returning currently vacant properties to occupied status. Once abandoned houses will again

have green yards and kept-up exteriors, with a subsequent crime-prevention effect. Local businesses are also being sought to implement some of the repairs that are necessary to make the houses ready to sell, and IHFA's program is encouraging local women- and minority-owned businesses to bid for the home repairs.

"Without the extra support provided by this program, I couldn't have afforded a move-in-ready home that fit my family's needs and budget."

— Lane, homeowner

The real estate and development industries are also benefitting. Well-established nonprofit developers partnering with IHFA found the properties and are renovating them and, in turn, these organizations work with real estate agents to find the right homeowners for each property. While the similarities with NSP1 and NSP3 (see page 3) are evident, what makes this program unique is that properties go from abandoned to occupied in a shorter period of time.

AutumnGold, Mercy Housing, and The Housing Company are the three development companies that were awarded grant funding through a competitive process to participate in the HOME Investment Partnership Program. ■

# Programs and Services Updates

## \$46,853 Donated to Avenues for Hope Housing Challenge to Prevent Homelessness Across Idaho

The Home Partnership Foundation announced 16 Idaho nonprofits were the recipients of the Avenues for Hope Housing Challenge and leadership grants from its online campaign, which ran Nov. 14 through Dec. 31, 2011. The Avenues for Hope Housing Challenge raised \$46,853—including donations and challenge grants—to help prevent homelessness



Julie Williams, Executive Vice President IHFA and Home Partnership Foundation, and Ben Skinner, Founder of OATHS and Bishop Kelly High School senior.

in Idaho. The challenge also encouraged community members' contributions to support shelters and safe housing for Idaho's homeless and most disadvantaged.

Over 390 people contributed to the campaign resulting in \$19,878 in individual donations made to the nonprofits of their choice, which qualified the nonprofits for a total of \$27,000 in challenge grants that were awarded to

help prevent and end homelessness. Out of the 32 nonprofits participating in the statewide campaign, 16 were awarded challenge grants from the Foundation for having the largest number of donations of \$25 or more. In addition, two leadership grants from the KeyBank Foundation were awarded to the organizations who received the largest number of donations of \$100 or more.

"We are excited about this first campaign that relied upon internet and social media strategies to raise donations for homeless assistance across the state," said Gerald Hunter, Idaho Housing and Finance Association president and executive director, and Home Partnership

Foundation president. "Because of the economic downturn, the number of people on the brink of homelessness continues to increase. The Foundation, along with the hard work of the nonprofits who provide critical services to the homeless, appreciated the broad community support this campaign received. This funding will help enhance resources for nonprofits that typically rely on limited funds during a time of growing needs."

The Foundation, which was created by IHFA in 2005 to help people build a strong foundation for their lives through stable, safe and affordable housing, coordinated the fundraising efforts. To learn more, visit [www.homepartnershipfoundation.org](http://www.homepartnershipfoundation.org).

### Donations

Organization	Location	Eligible Gifts	Donations	Challenge Grants Awarded
CATCH, Inc.	Boise	92	\$3,875	\$7,000
Interfaith Sanctuary Housing Services, Inc.	Boise	82	\$4,720	\$3,000
The Jesse Tree of Idaho	Boise	37	\$1,180	\$3,000
Family Services Alliance of Southeast Idaho	Pocatello	35	\$1,400	\$3,000
Sojourners' Alliance	Moscow	28	\$1,058	\$2,000
CLUB Inc.	Idaho Falls	27	\$875	\$3,000
Advocates Against Family Violence, Inc.—Hope's Door	Caldwell	22	\$785	\$1,500
Family Care Center Inc.—Idaho Falls Rescue Mission	Idaho Falls	14	\$1,925	\$500
Family Promise of North Idaho, Inc.	Coeur d'Alene	11	\$800	\$500
Lemhi County Crisis Intervention—The Mahoney House	Salmon	10	\$300	\$500
Alternatives to Violence of the Palouse	Moscow	8	\$625	\$500
Mini-Cassia Shelter	Rupert	5	\$250	\$500
SHIP—Supportive Housing and Innovative Partnerships	Boise	4	\$1,150	\$500
Aid for Friends	Pocatello	3	\$175	\$500
Corpus Christi House—STEP UP Education Center	Boise	3	\$75	\$500
Organization Assisting The Homeless Student—OATHS	Boise	2	\$75	\$500

To view a complete list of participants and grants awarded visit [www.avenuesforhope.org](http://www.avenuesforhope.org)

## New Preferred Loans Offer Low-to-No Mortgage Insurance Requirements

IHFA now offers two new conventional loans: the Preferred–No MI and the Preferred–Low MI. These loans are exclusive to IHFA and have low-to-no private mortgage insurance required, resulting in lower monthly mortgage payments for homeowners. In addition, both loans may be coupled with IHFA's Good Credit Rewards 2<sup>nd</sup> Mortgage down payment assistance.

Susan Semba, IHFA vice president of Homeownership Lending, said the goal of the new loan products is to offer more options for people in the private

conventional loan market. "Our mission is to help make mortgage payments as affordable as possible, and these products offer lower net payments than traditional programs," she said. "Although the interest rates on these loans may be slightly higher than other IHFA loan products, because of the low-to-no mortgage insurance premiums, the monthly payment is lower."

IHFA has started training its lending partners about the two new products, which have received unanimous support. Lenders are saying that this loan will

save borrowers money and underwriting approval will be easier. "Borrowers may save \$150 a month on a loan of \$150,000 because they are not paying mortgage insurance, or borrowers may choose to borrow more to purchase a larger home," said Cindy Bengal, IHFA's business development team leader.

"We think the loans will be very popular, they are private insured conventional loans that will compete very well with the government insured products," said Semba. To view complete loan product features visit [www.IdaMortgage.com](http://www.IdaMortgage.com).



## Small Business Receive Needed Funding, Thanks to the Collateral Support Program

Small businesses in Idaho are now taking advantage of the new Collateral Support Program (CSP). As a result they are receiving the collateral funding needed in the form of cash deposits administered by IHFA but made available through Idaho banking institutions. IHFA is currently accepting applications for this program through its participating lending partners. So far 15 applications have been received and 8 small businesses have received collateral support. The original \$13.2 million allocation is expected to support more than \$130 million in new private lending in Idaho over the next five years.

Basics about the program:

- The loans can be used to cover a wide variety of purposes, such as start up costs, working capital, or construction, among others, or business acquisition and expansion. Any small

business owner employing 500 or less people and authorized to conduct business in Idaho may qualify for the CSP.

- Collateral funds are pledged to the lender by IHFA for the benefit of the small business as security for their qualified loan.
- When the loan is paid back, the funds recycle back to IHFA and will be reinvested in new small business loans.
- The CSP is offered on a first-come, first-served basis to qualified Idaho small business borrowers.
- Loans must generally first meet all lender underwriting credit criteria with the exception of the collateral shortfall.

Small businesses should contact their current lending institution first and ask about the CSP. If a lender is not a program participant, please contact IHFA directly at [coryp@ihfa.org](mailto:coryp@ihfa.org), 208-331-4725, or visit the "Small business loan programs" link at [www.ihfa.org](http://www.ihfa.org). ■

## IHFA's Community Involvement Statewide

Idaho Housing and Finance Association's (IHFA) commitment to Idaho communities is an integral part of the way we do business. Because of this, IHFA partners with stakeholders to expand housing opportunities, build self sufficiency, and foster economic development statewide. We attend numerous events to share important information about our many programs and services.

### IdaMortgage Ada County Area REALTOR® Appreciation Luncheon – Boise

Top IdaMortgage REALTORS® in Ada County were honored by IHFA at this event. Nearly 100 REALTORS® enjoyed the "STARS" IdaMortgage awards luncheon presentation saluting top area REALTORS®. Top recognition awards were presented to Janice Stieger of Group One, who received the gold award; Sheila Smith of RE/MAX Capital City, who received the silver award; and Amy Miller of

Keller Williams Realty, who received the bronze award. Recognition was also given to IdaMortgage's top lending partner in Ada County over the last year, Guild Mortgage, as well as our top loan originators Lance Hendricks with Idaho Central Credit Union, Terry Heffner with Guild Mortgage, and Terry Anderson with Academy Mortgage.

### Rake Up Boise – Boise

IHFA's Rake Up Boise team consisted of nearly 20 IHFA staff members, friends, and family. The group braved the cold to rake the yard of a community member in need. This 26th annual event coordinated by Neighborhood Housing Services was very successful.



IHFA employees donate to annual Toys for Tots drive.

### Toys for Tots Drive – Boise

IHFA employees once again made Christmas possible for area children by generously donating toys to the U.S. Marine Corps Reserve Toys for Tots program. This program collects new, unwrapped toys for needy children.

### Spokane/Kootenai County Real Estate Summit – Coeur d'Alene

IHFA sponsored this annual event hosted by the Spokane-Kootenai Real Estate Research Committee. This informative event drew over 350 REALTORS® and other housing industry professionals from northern Idaho and eastern Washington.

### Business After Hours – Coeur d'Alene

IHFA sponsored this annual event held by the Coeur d'Alene Chamber of Commerce. IHFA staff and 100 other vendors networked with over 1,500 attendees during this event.

### Agent-to-Agent Holiday Open House – Boise

IHFA staff attended this event hosted by the Ada County Association of REALTORS® (ACAR). The staff networked with over 200 area REALTORS® and other housing industry professionals.

### Idaho Community Banker's Association (ICBA) Leadership Conference – Boise

IHFA participated at this annual event as a major conference supporter sponsoring the legislative reception. IHFA's staff was able to discuss the Collateral Support Program.

### Food Drive – Statewide

IHFA joined forces with Western States and other area businesses to help "Dump Hunger" and support families in need across Idaho. The staff collected the equivalent of 6,101 pounds of food or just over 42 pounds per employee, which was donated to food banks in Idaho.

Look for IHFA at events listed on page 11. ■



IHFA's Susan Semba presents a recognition award to CBH Homes team Teschia Fishburn, Katie Tutt, Christine Comstock, and Mira Piva. (left to right)

# Housing Developments Statewide

Idaho Housing and Finance Association (IHFA) has administered funding for the creation of more affordable housing throughout the state. Low-Income Housing Tax Credits (LIHTC) provide a dollar-for-dollar federal tax liability reduction to the development equity investors. Another source of funding for multifamily projects is the Tax Exempt Multifamily Bonds issued through IHFA. Here's a look at some of the developments currently under construction throughout Idaho.



## Riverstone West, Coeur d'Alene

A new apartment complex was completed this winter and started leasing units this spring in Coeur d'Alene. Riverstone West Apartments has a total of 50 units in four buildings, with 31 being LIHTC units.

One of the things that makes Riverstone West exceptional is its desirable location by the river. "This affordable housing is being developed in the company of the higher-end condo/riverfront property area," said Todd Prescott, Whitewater Creek vice president and secretary, when talking about the ideal location of the apartment complexes. Also, the apartments are close to some of Coeur d'Alene's main streets and arteries, making going downtown an easy, short trip. "Riverstone West brings affordable housing close in to the employment base and transportation," Prescott added.

Riverstone West is funded with a \$642,561 LIHTC and a \$575,000 HOME loan awards administered by IHFA. Additional funding comes from the Lake City Development Corporation's Tax Increment Financing and from a Community Development Block Grant (CDBG) loan.

## Affinity at Boise, Boise

As more baby boomers reach retirement age, the demand for senior housing continues to grow nationwide. With that in mind, Inland Group of Spokane is building Affinity at Boise (originally named Traditions), which will offer seniors in Boise an active retirement life at an affordable price. Funded with \$13,850,000 of Tax Exempt Multifamily Bonds issued through IHFA, the project broke ground in August 2011 and will be completed in the fall of 2012. The

Tax Exempt Multifamily Bonds require that 30 of the 150 units be set aside to residents earning no more than 50 percent of the area median income.

The project will feature a four-story building with interior corridors, two elevators, secure access entries, oversized windows, central hot water, exteriors decorated with stone accents, and 161 parking spaces—including 41 garages. The lobby will feature a fireplace, and the ground floor also offers amenities such as a mail room, pub, theater, and multi-purpose room. All apartments in the project include a fully-furnished kitchen, individual washer and dryer, free cable/satellite, and free Wi-Fi access.

Additional amenities throughout the community include a family dining room, internet café, fitness center, craft room, Wii and billiards room, card room, library, indoor pool and spa, aerobics/dance studio, workshop, outdoor BBQ area, community garden, and up to 80 storage units. Just in case residents decide all these amenities are not enough, Affinity is located two blocks east of N. Eagle Road and within walking distance of several restaurants and retail stores.

"The demographics as well as the cultural, educational, recreational, and business opportunities of Boise fit perfectly with the active and enriching lifestyle choices of our Affinity communities," said Scott Scelfo, asset manager at Inland Group. "We are very excited about our Affinity at Boise project and look forward to working with the many businesses and organizations throughout the community to make Affinity at Boise a special place to live." ■

Rendering of Affinity at Boise



# Calendar of Events



## Finally Home!®

### Homebuyer Education Classes

Classes are specifically designed for first-time homebuyers and are taught throughout the state by regional training partners. Contact the location nearest you for class schedules or go to [www.ihfa.org](http://www.ihfa.org) and follow the links.



#### Regional Training Partner Locations:

**Benewah, Kootenai, and Shoshone Counties:** Coeur d'Alene Association of REALTORS®, 208-667-0664

**Bonner and Boundary Counties:** Bonner Community Housing Agency; registration is handled by the Selkirk Association of REALTORS® at 208-265-2227.

**Boise/Meridian:** Neighborhood Housing Services, Inc., 208-343-4065 ext. 118, or visit [www.nhsid.org/services/homebuyer.html](http://www.nhsid.org/services/homebuyer.html)

**Caldwell:** Caldwell Board of REALTORS®, 208-459-3301

**Idaho Falls:** Greater Idaho Falls Association of REALTORS®, 208-523-1477 (English and Spanish classes available)

**Lewiston:** Community Action Partnership, 208-746-3351

**Nampa:** Nampa Association of REALTORS®, 208-467-9534

**Pocatello:** Pocatello Neighborhood Housing Services, 208-232-9468

**Twin Falls:** College of Southern Idaho, 208-732-6442, or e-mail [dgause@csi.edu](mailto:dgause@csi.edu) (English and Spanish classes available)

**Finally Home!® Online:** The Finally Home!® Homebuyer Education course is offered online and is available in English and Spanish. Cost is \$50 at [www.finallyhomecourse.com](http://www.finallyhomecourse.com).

### March

- 16 Caldwell Board of REALTORS® Luncheon, Caldwell, 208-459-3301
- 21 Idaho Real Estate Commission (IREC) Meeting, Boise, 208-334-3285
- 21-23 Association of Idaho Cities Mountain West Institute, Boise, 208-344-8594
- 25-28 NAHRO 2012 Legislative Conference, Washington, DC, 202-289-3500
- 27 Mayor's Business Day and Area Business Connection, Idaho Falls, 208-523-1010

### April

- 1-30 April is Fair Housing Month
- 4 Eastern Idaho Roundtable Meeting, Pocatello, 208-331-4703
- 5 Magic Valley Housing Roundtable Meeting, Twin Falls, 208-331-4703
- 9 Treasure Valley Housing Roundtable Meeting, Nampa, 208-331-4703
- 18 Region II Housing Roundtable Meeting, Lewiston, 208-331-4703
- 19 Region I Housing Roundtable Meeting, Post Falls, 208-331-4703
- 23-25 NCSHA 2012 Legislative Conference, Washington, DC, 202-737-1234
- 25 IdaMortgage Twin Falls Area REALTOR® Appreciation Luncheon, Twin Falls, 208-331-4774
- 26 Mini-Cassia Chamber of Commerce Women's Conference, Burley, 208-679-4793
- 29 – May 1 National Green Building Conference & Expo, Nashville, TN, 202-266-8133

### May

- 14-19 National Association of REALTORS® Midyear Legislative Meetings, Washington, DC, 800-874-6500
- 15-17 Women Council of REALTORS® Midyear Meeting, Washington, DC, 208-459-8814
- 16-18 National Association of Counties (NACo) Western Interstate Region Conference, Santa Fe, NM, 202-624-7710
- 21 Idaho Real Estate Commission (IREC) Meeting, Boise, 208-334-3285
- 28 Memorial Day, IHFA Offices Closed

### June

- 7 IdaMortgage Idaho Falls Area REALTOR® Appreciation Luncheon, Idaho Falls, 208-331-4774
- 12-14 Idaho Association of Commissioners and Clerks Conference, Lewiston, 208-345-9126
- 20-22 Association of Idaho Cities Annual Conference, Boise, 208-344-8594
- 26-29 NCSHA Housing Credit Conference and Marketplace, Denver, CO, 303-436-1234
- 27 NAHMA Summer Meeting – Public Policy Issues Forum, Boston, MA, 703-683-8630

### July

- 4 Independence Day, IHFA Offices Closed
- 13-17 National Association of Counties (NACo) Annual Conference, Pittsburgh, PA, 202-624-7710
- 18 Idaho Real Estate Commission (IREC) Meeting, Boise, 208-334-3285

## Conference on Housing and Economic Development

### Update Your Calendars:



- The Conference on Housing and Economic Development is now scheduled for **October 9-10, 2012** at the Riverside Hotel in Boise.
- Sponsorship opportunities and exhibit spaces are available.
- Registration materials will be available in spring 2012.
- **For more information, call IHFA's Marketing and Communications Department at 208-331-4884 or visit [www.2012housingconf.com](http://www.2012housingconf.com).**

# Cornerstones

Cornerstones is published triannually by IHFA for stakeholders, policy makers, and affordable housing partners. IHFA is a housing and finance business organization dedicated to providing and promoting affordable housing solutions throughout Idaho. Please direct questions and comments to the IHFA Marketing and Communications Department.

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Please check Idaho Housing and Finance Association's website at [www.ihfa.org/newsroom/publications/newsletters.aspx](http://www.ihfa.org/newsroom/publications/newsletters.aspx) to view past issues. To order additional copies or subscribe, please contact the IHFA marketing and communications department at (208) 331-4884 or e-mail [marcomm@ihfa.org](mailto:marcomm@ihfa.org).

## IHFA Facts:

- IHFA has invested more than \$5.8 billion for 75,330 home loans for Idahoans.
- Since the program's inception, IHFA has awarded \$50.5 million in Low-Income Housing Tax Credits which have generated over \$381 million in equity towards the construction and rehabilitation of 10,228 rental units in 228 developments.
- IHFA provides service for 23,612 Idaho home loans (single-family).

# I always dreamed of planting bulbs

in the flower beds of my very own yard



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Programs are subject to change at any time. Funds are limited and certain restrictions apply.



## IHFA Numbers to Know

<b>Existing Home Loans</b> Toll-Free in Idaho	<b>(208) 331-4888</b> 1-800-526-7145
<b>Lenders and Mortgage Brokers</b> Toll-Free in Idaho	<b>(208) 331-4883</b> 1-800-219-2285
<b>IdaMortgage (New Home Loans)</b> Toll-Free in Idaho Website: <a href="http://www.idamortgage.com">www.idamortgage.com</a>	<b>(208) 424-7066</b> 1-866-432-4066
<b>Administration</b>	<b>(208) 331-4889</b>
<b>Bond or Investor Information</b>	<b>(208) 331-4885</b>
<b>Grant Programs</b> Toll-Free in Idaho	<b>(208) 331-4881</b> 1-877-447-2687
<b>Hearing and Speech Impaired</b> Toll-Free in Idaho	1-800-545-1833 Ext. 400
<b>Homebuyer Education and Housing Counseling</b> Toll-Free in Idaho Website: <a href="http://www.ihfa.org">www.ihfa.org</a>	<b>(208) 331-4876</b> 1-877-888-3135
<b>Home Partnership Foundation</b> Website: <a href="http://www.homepartnershipfoundation.org">www.homepartnershipfoundation.org</a>	<b>(208) 424-7010</b>
<b>The Housing Company</b> Toll-Free in Idaho Hearing and Speech Impaired Website: <a href="http://www.thehousingcompany.org">www.thehousingcompany.org</a>	<b>(208) 331-4890</b> 1-800-361-5181 1-800-545-1833 Ext. 628
<b>Housing Information &amp; Referral Center</b> Toll-Free in Idaho Website: <a href="http://www.housingidaho.com">www.housingidaho.com</a>	1-877-438-4472
<b>Human Resources</b> Toll-Free in Idaho	1-888-900-3713
<b>Multifamily Development</b>	<b>(208) 331-4880</b>
<b>Rental Assistance</b> Toll-Free in Idaho	<b>(208) 331-4886</b>
Coeur d'Alene	(208) 667-3380 or 1-866-621-2994
Idaho Falls	(208) 522-6002 or 1-866-684-3756
Lewiston	(208) 743-0251 or 1-866-566-1727
Twin Falls	(208) 734-8531 or 1-866-234-3435
<b>Housing Authority Numbers for Southwest Idaho</b>	
Boise City/Ada County Housing Authority	(208) 345-4907
Southwest Idaho Cooperative Housing Authority	(208) 585-9325
(Adams, Boise, Canyon, Blaine, Gem, Owyhee, Payette, Valley, & Washington Counties)	