

# 2014 CALENDAR & 2013 ANNUAL REPORT



40<sup>TH</sup>

ANNIVERSARY  
EDITION

**vhfa.org**  
Vermont Housing Finance Agency

PETER SHUMLIN  
Governor



**Peter Shumlin**  
81<sup>ST</sup> GOVERNOR OF VERMONT



As the Vermont Housing Finance Agency (VHFA) reports on its activities of the past Fiscal Year, it is also looking forward to its bright future. This coming year VHFA will celebrate its 40<sup>th</sup> anniversary of serving low- and moderate-income Vermonters. Over the course of VHFA's history in our state, we have seen Vermont's population increase by 40 percent, and yet throughout this period we have maintained a high level of homeownership and a commitment to affordability, as we have invested in our community centers and worked to improve the aging housing stock. VHFA has been a critical player in achieving these policy goals.

When I drive through our state's downtowns I can see the clear mark of the Agency's work. VHFA has made investments to help turn around struggling downtowns like Guildford and to rebuild neighborhoods destroyed by fire in places like Enosburg. VHFA's important work has enriched our communities and has a positive effect on all of us.

Over the course of its first 40 years VHFA has assisted 28,000 homebuyers, the majority of whom were first time buyers. VHFA has spearheaded innovative projects such as the state's Housing Awareness Campaign, while maintaining a high quality portfolio of loans to serve lower income Vermonters.

I am very proud of the work of the Vermont Housing Finance Agency and its impact on our great state. I look forward to its continued success in the next 40 years.

Sincerely,

Peter Shumlin  
Governor

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**Sarah Carpenter**  
VHFA Executive Director



**Tom Pelletier**  
VHFA Board of Commissioners



The pages of this report describe the Vermont Housing Finance Agency's efforts of this past fiscal year. They also provide a trip down memory lane since the report reviews VHFA's role supporting the housing needs of thousands of Vermonters over the Agency's first 40 years.

VHFA was created on April 11, 1974 by an act of the legislature during a time when affordable homeownership was a deep concern throughout Vermont. The 1970s were a period of rising home prices and increasing interest rates. Across the country, states' ability to respond to the need for affordable housing was expanded with the creation of Housing Finance Agencies (HFAs). Many HFAs were created in the 1970s and, like VHFA, charged with the authority to sell tax-exempt bonds to finance affordable housing. The introduction of VHFA home mortgages enabled lower income Vermonters to purchase homes and achieve financial security.

During this same time the federal government was directly funding the creation of publically subsidized affordable rental housing across the country. Tax laws in effect during the 1970s enabled private capital to fund limited partnerships which developed the housing. Starting in 1977, VHFA began using its tax exempt bonding authority to provide additional funding. Affordable rental housing was - and remains - crucial in meeting the needs of the most vulnerable Vermonters. As a result of VHFA's stewardship, all of the properties from Brattleboro to Burlington initially funded more than 40 years ago are still housing working Vermonters today. In addition to ensuring the maintenance of affordable rental housing, VHFA has continued to support the development and financing of public and private quality housing throughout the State.

VHFA has worked tirelessly for 40 years with the goal of making Vermont housing affordable and accessible. We are ready to continue this work well beyond our 40<sup>th</sup> anniversary in April, to support the Vermonters who need us most.

Thomas N. Pelletier,  
Chairperson

Sarah Carpenter,  
Executive Director

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Photo: Leslie Black-Plumeau

## Spotlight on Staff

### David Adams Inducted into the New England Mortgage Bankers Hall of Fame

VHFA's Chief of Program Operations, David Adams, was inducted into the New England Mortgage Bankers Hall of Fame in September 2012. Hall of Fame induction is the highest honor bestowed peer-to-peer for New England mortgage banking professionals. It highlights the outstanding contributions inductees have made to the New England mortgage banking industry over the past 25 years and to the communities they serve.

Being selected "is a humbling experience," Adams said. He attributes much of his success to those he's worked with since he began his career in 1969. Since joining VHFA in 1999, Adams has been overseeing its homeownership, development, and multifamily management departments. Prior to that, Adams worked at Vermont Federal Bank and Vermont National Bank.

### Pat Loller Named Human Resources Professional of the Year

VHFA's Director of Administration, Patricia Loller, was named Vermont's Human Resources Professional of the Year by the Society of Human Resources Management's Vermont State Council.

Pat has been at VHFA for over 15 years. During this time she helped guide the agency through transition and reorganization in her role first leading the IT department and then in an expanded role that covers all administrative operations, including human resources. With "her usual diligence, attention to detail and grace, Pat's leadership in these areas has helped VHFA become a model place to be employed," explained Executive Director Sarah Carpenter.

### Sam Falzone Honored by New England Affordable Housing Management Assoc.

The New England Affordable Housing Management Association (NEAHMA) honored Sam Falzone, VHFA's Director of Multifamily Programs at their 25th Annual Conference. Sam was chosen as this year's Agency Staff Person of the Year. Sam was an original NEAHMA Board member in 1989 and has maintained his support for this prominent New England training organization for many years.

Sam has been the Multifamily Program Director at VHFA since 1991 and been with the Agency since 1979 where his major focus has been on preservation of Vermont's affordable housing.

### Maura Collins Named Top-40-Under-40 in Vermont

VHFA's Maura Collins received a Rising Star award from the Vermont Business Magazine in 2012. Rising Star awards recognize 40 of Vermont's most accomplished young leaders, all of whom are younger than 40. Maura has led VHFA's policy and planning initiatives for the past six years and prior to that forged new roads for the Agency in housing research and data sharing. "Among all the players who build, operate, and finance housing, Maura has emerged as one of the state's most effective coalition builders and communicators," commented Sarah Carpenter, VHFA's Executive Director. "Maura's focus and passion for an issue as critical as affordable housing has benefited low-and moderate-income residents across the state." ■

## Agency Accomplishments

### Down Payment and Closing Cost Assistance

In April 2013, VHFA began offering down payment and closing assistance grants to qualified home buyers for the first time since before the housing crisis. The grants are available through the MOVE ASSIST program as well as to borrowers who qualify for a VHFA first mortgage insured by USDA Rural Development or the Veterans Association.

The grants enable qualified low- to moderate-income Vermonters to clear one of the most difficult barriers to buying a home – accumulating the required down payment or funds to pay closing costs.

### State Housing Credits Expanded for Manufactured Housing Loan Program

After Tropical Storm Irene, 561 mobile home owners in Vermont were left with damaged or destroyed homes. Although funding became available through FEMA and private donations, many displaced mobile home owners could not access enough money to purchase affordable and energy efficient replacement homes.

The legislature authorized VHFA to allocate additional Affordable Housing Homeownership Tax Credit funding to assist low-income Vermonters to purchase or repair mobile homes, prioritizing those displaced by Tropical Storm Irene. VHFA, in partnership with the Champlain Housing Trust and the statewide network of Neighborworks Home Ownership Centers, created the Manufactured Housing Loan Program to provide 0% second mortgages to income qualified households to purchase new energy efficient mobile homes using the equity generated by the state tax credit.

### Preserving Vermont's Affordable Rental Housing Stock

VHFA's pro-active planning, financial support and teamwork with partner agencies paid off in FY 2013 when two affordable rental housing locations in Burlington's desirable waterfront neighborhood were preserved for the long-term. Since the 1980s, Wharf Lane and Bobbin Mill Apartments have been home to many area households whose incomes are not sufficient to afford prevailing market rate rents.

The preservation agreements that VHFA negotiated with the owner of both properties in 2001 paved the way for the Burlington Housing Authority to acquire them and ensure their continued availability to lower income Vermont renters. This fiscal year VHFA provided construction financing and a \$1.95 million permanent loan for the building's purchase and renovation. Although VHFA has been involved in the preservation of many rental properties statewide, these two are especially important successes due to their location near the waterfront and high real estate prices in the surrounding neighborhood.

### Housing Conference Focuses on the Future of Housing Policy in Vermont

Governor Shumlin opened the November 2012 Statewide Housing Conference by recounting the challenges the state has overcome since the devastation of Tropical Storm Irene. The remainder of this day-long conference featured Vermont's Housing Hero awards and an exciting keynote speaker whose achievements in housing research and federal policy-making are widely acclaimed: Dr. Xavier de Souza Briggs. The Housing Hero awards went to Governor Madeleine Kunin for her commitment as Vermont's Chief Executive to affordable housing when federal support declined during the 1980s and to Shaun Gilpin and the Vermont Mobile Home Program for coordination and work with mobile home residents in the aftermath of Tropical Storm Irene.

### VHFA-Maintained Web Sites Brought in House

In addition to its primary web site ([www.vhfa.org](http://www.vhfa.org)), VHFA developed and maintains several additional sites that facilitate sharing information relevant to housing in Vermont. These sites include the Vermont Housing Data ([www.housingdata.org](http://www.housingdata.org)), Vermont Rental Codes ([www.rentalcodes.org](http://www.rentalcodes.org)), Vermont Housing Managers Association ([www.vhma.net](http://www.vhma.net)) and Vermont Resident Services Coordinators ([www.vrsc.org](http://www.vrsc.org)) web sites. In July 2012, VHFA's IT and communications staff worked together to move these sites from an externally-hosted platform to our in-house server. The move provides these sites with greater stability and security.

### Identifying Municipal Housing Needs and Tools

VHFA's Policy and Planning staff visited several municipalities this year to assess their housing needs and identify tools and next steps toward addressing those needs. Much of this work was funded through the multi-year ECOS project organized by the Chittenden County Regional Planning Commission for which VHFA was a sub grantee. South Burlington, Williston, and Essex Junction were included in this effort and additional work was done with Cambridge and Jeffersonville. In each community, VHFA staff examined demographic and housing stock trends, gauged local housing costs and described planning tools that can be used at the local level to promote housing affordability. ■

VHFA's pro-active planning, financial support and teamwork with partner agencies paid off in FY 2013.

# Vermont Housing Finance Agency is born

Olde Windsor Village, now called Windsor Village Apartments, was converted to affordable rental housing for seniors as a result of VHFA's first multifamily bond series in 1977. The property is home to 77 low-and moderate-income Vermont households. Photo: VHFA files



Governor Thomas P. Salmon.  
Photo: Fabian Bachrach, courtesy of Vermont Historical Society

The Vermont State House Legislative Chamber.  
Photo: Holley St. Germain

## THE VHFA TIME LINE

### 1974

VHFA is created by Act 260 of the Vermont General Assembly and signed into law by Governor Thomas P. Salmon on April 11. VHFA issues \$13.8 million in single-family bonds, representing approximately 600 loans on October 3.

### 1975

Housing needs study shows need for 21,000 new or rehabilitated housing units.

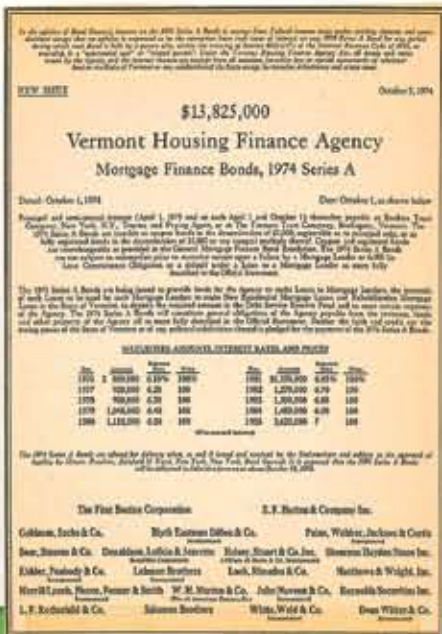
### 1976

VHFA receives a commitment of \$1 million annually in Section 8 Rental Assistance funds.

### 1977

VHFA issues its first two multifamily bond series totaling more than \$13 million, providing long-term financing for 445 senior housing units.

While conventional home mortgage loans made in the early 1970s were typically for 20 years, requiring 20 percent down payment, VHFA's first sale of bonds allowed it to provide 600 Vermont households with mortgages at about one percent lower than conventional rates, a 25 year term and as little as 5 percent down.



The official statement for VHFA's first bond deal, published in Vermont newspapers in September 1974. Image: Rutland Herald, September 25, 1974.

**DECEMBER : 2013**

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**JANUARY 1 : NEW YEAR'S DAY : VHFA CLOSED**  
**JANUARY 20 : MARTIN LUTHER KING DAY : VHFA CLOSED**

## JANUARY 2014

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**FEBRUARY : 2014**

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# New loan types expand assistance to more Vermonters

The twenty-two apartments in the Linden Terrace building in Rutland were created in 1978 with a loan from VHFA. Photo: Sam Falzone

Although the approach has been modified since VHFA's first home improvement loan in 1978, the Agency continues to help renovate Vermont's aging housing stock, now through the HARP program in which VHFA purchases foreclosed homes, renovates them, and sells them to qualified low-and moderate-income home buyers. Photo: VHFA files



## THE VHFA TIME LINE

### 1978

VHFA partners with two lenders to deliver the Agency's first home improvement loans. The Agency commits \$450,000 to the program, available at 7.5%.

### 1979

VHFA commits \$2 million for energy conservation loans for 1,500 households.

### 1980

VHFA initiates the Graduated Payment Mortgage Program that allows borrowers smaller monthly payments in the early years of their loan.

### 1981

It's a challenging year for VHFA. Tax-exempt financing rates soar to 15%. Conventional rates end the year hovering near a high point of 17%.

Amidst rising conventional interest rates, VHFA continues to issue bonds for home mortgages and development of multifamily rental housing, winning AA ratings from Moody's and recognition as one of the strongest housing finance agencies in the country. VHFA's programs expand to meet more types of need while the federal government starts limiting its role by reducing the availability of Section 8 rental subsidies.

**JANUARY : 2014**

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**FEBRUARY 14 : VALENTINE'S DAY**  
**FEBRUARY 17 : PRESIDENT'S DAY : VHFA CLOSED**

## FEBRUARY 2014

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Average interest rates in the U.S. for conventional 30-year home mortgages.

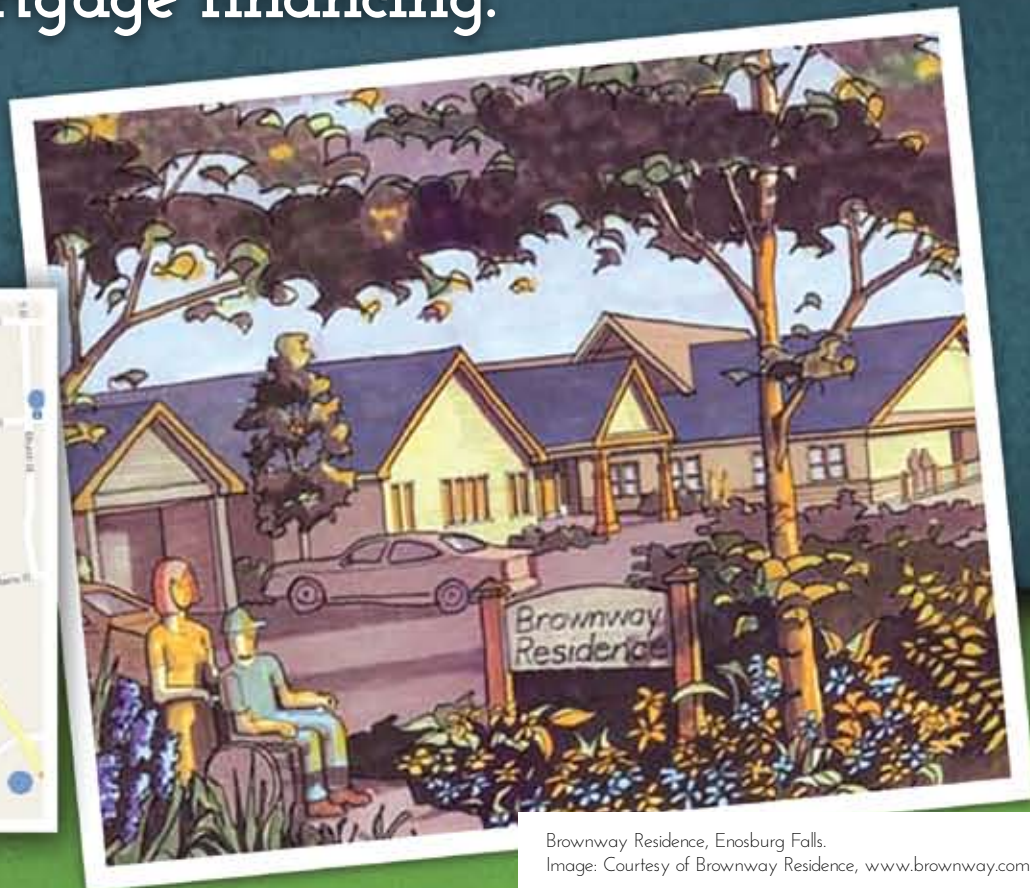
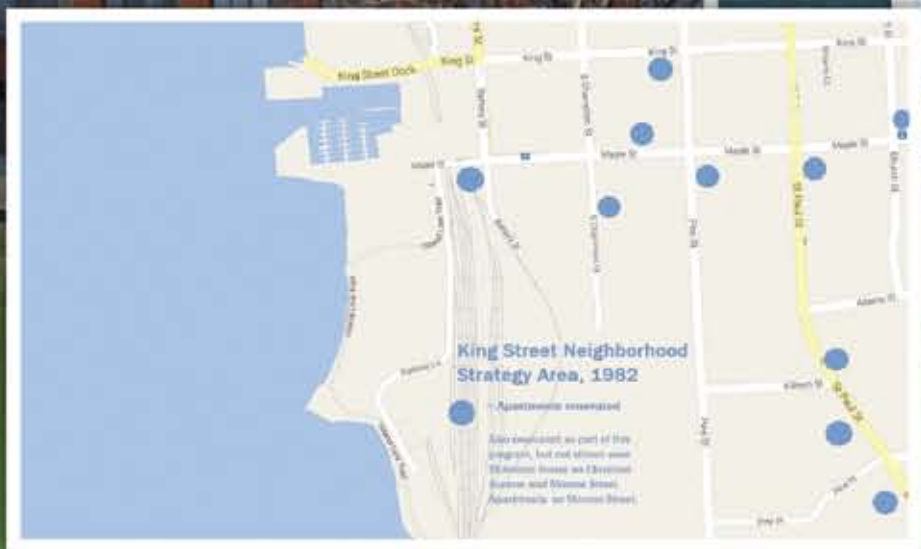
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# Navigating federal housing policy changes, VHFA continues fast pace of rental and home mortgage financing.

The apartments in the Wharf Lane building and Bobbin Mill complex were two of the ten affordable rental housing sites financed by VHFA in the early 1980s as part of the King Street Neighborhood Strategy Area program. The apartments at these two locations remain in the city's stock of affordable housing today thanks to the forward thinking preservation agreements VHFA negotiated with the building's owner in 2001. Photos: VHFA files



Brownway Residence, Enosburg Falls. Image: Courtesy of Brownway Residence, www.brownway.com

## THE VHFA TIME LINE

# 1982

VHFA and the City of Burlington complete the rehabilitation of 232 units in a 10-block historic district of the city under the federally-assisted King Street Neighborhood Strategy Area program.

# 1983

VHFA sells its last new multifamily bond issue to finance rental housing subsidized with the Section 8 Substantial Rehabilitation/New Construction program.

# 1984

In the absence of Section 8 subsidies, VHFA initiates financing of "mixed" income multifamily housing and small-scale rehabilitation programs.

# 1985

VHFA finances its first Level III Community Care Home in Enosburg Falls, through an innovative partnership between state and federal agencies and the Franklin-Lamoille Bank.

**FEBRUARY : 2014**

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- MARCH 3 : VERMONT TOWN MEETING DAY
- MARCH 9 : DAYLIGHT SAVINGS TIME BEGINS
- MARCH 17 : ST. PATRICK'S DAY

## MARCH 2014

Debbie Alexander and her family moved to their Salmon Run apartment in Burlington in the 1980s.



Photo: VHFA files

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**APRIL : 2014**

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TOLL-FREE IN VERMONT: 800.339.5866



# VHFA facilitates critical new housing programs for Vermont as federal real estate tax provisions change dramatically.



Michael Richardson, center, Housing Vermont President, with Elizabeth Mulliken, Housing Vermont, and Timothy Hayward, Vermont Bankers Association in June 1988. Photo: Manchester Journal

Gary and Patricia Younger purchased their Brattleboro home in 1988 shortly before this photo was taken. "We couldn't have bought this house without VHFA's help through down payment assistance and the MOVE program." Photo: VHFA files

## Vermont Housing Finance Agency Conducts Homeowner Survey

While many Vermonters are finding it increasingly more difficult to purchase their first home, it is not for lack of interest or motivation, according to a recent survey conducted by the Vermont Housing Finance Agency.

Late in January the VHFA sent questionnaires to 2,345 households who had contacted the VHFA's information hotline since August 1987. Completed questionnaires were received from 809 households, representing a high return rate for a mail questionnaire. The results were tabulated by the Center for Rural Studies at the University of Vermont.

The purpose of the study was to learn more about needs and preferences of potential home buyers. "We need to be well informed so that we can offer better assistance and more appropriately targeted mortgage programs," says Allan Hunt, Executive Director. "We already know the demand for affordable housing is great. If we can im-

prove our understanding of the specific needs of the population we are trying to serve, we can develop better home ownership opportunities for low-and-moderate-income Vermonters."

Since July of 1987 more than 400 loans have been made under the VHFA's Mortgages for Vermonters (MOVE) program. The median household income of current VHFA borrowers is \$26,820. Over 53 percent of the survey respondents and household incomes between \$20,000 and \$35,000. The median household income of survey respondents was approximately \$22,500.

Other demographic data gathered are also typical of what we would expect to find among the first-time home buyer market. Most of the respondents young households—70 percent were under the age of 35. Many households did not have children (45.9 percent) and if they did they were more likely to be of a very

young age. Most of the respondents currently are renters (71.6 percent) and many live in households it two or more full time wage earners (36 percent).

A majority of the respondents cited the high prices of real estate as the greatest difficulty they face in trying to buy a home, followed by accumulating the cash necessary to cover down payment and closing costs. Over 60 percent of the respondents expect to pay between \$50,000 and \$80,000; less than 10 percent expect to spend in excess of \$80,000 to purchase their home.

Finally, the survey asked about willingness to attend sessions for the public on determining how much of a mortgage they could afford. The response was overwhelmingly positive throughout the state, with 92 percent saying they would be likely to attend a free seminar or workshop in their county.

Image: Manchester Journal, 7/6/1988

### THE VHFA TIME LINE

# 1986

VHFA shifts internal resources and creates a research and development arm to respond to housing needs and diminishing federal resources and support.

# 1987

Vermont Housing and Conservation Board legislatively created to prioritize funding for affordable housing, agriculture, land conservation and historic preservation.

With Vermont Energy Efficiency Corp., VHFA establishes Energy Rated Homes of Vermont, a rating system to help lower income and first-time home buyers avoid high energy costs.

# 1988

VHFA founds Housing Vermont to help turn newly created federal Low-Income Housing Tax Credits into equity for housing development statewide.

## Happy 40<sup>th</sup> Anniversary, VHFA!

On April 11, VHFA turns the big 4-0. During the past 40 years, VHFA has:

- Financed home purchases for 28,000 owner households
- Financed the development of homes for 8,500 renter households
- Supported construction or rehabilitation of 315 rental complexes
- Supported renovation of 73 foreclosed upon homes

...and much, much more!

MARCH : 2014

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- APRIL 11 : VHFA'S 40<sup>TH</sup> ANNIVERSARY
- APRIL 14 : PASSOVER BEGINS
- APRIL 20 : EASTER SUNDAY
- APRIL 22 : EARTH DAY

## A P R I L 2 0 1 4

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MAY : 2014

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# VHFA supports its partners to enter the 90's with an even stronger housing delivery system.



Senator Jim Jeffords with VHFA staff Hollis Hope, Marcia Mattoon, Emily Watson, and Jeffrey Francis at Officers' Row at Fort Ethan Allen in Colchester and Essex. Photo: VHFA files

"We did it!" was the cheer of Northgate residents as Joanne Centabar, resident, waves their deed to permanent affordability at Northgate Apartments in Burlington. Behind Centabar (l. to r.) are Governor Madeleine Kunin, development consultant Emily Achtenberg and residents Matt Massie and Lynn Witter. Photo: Sam Falzone



Allen Hunt, VHFA's Executive Director, announces a new innovation loan program in 1990 with Governor Madeleine Kunin and Senator Jim Jeffords. Photo: VHFA files



## THE VHFA TIME LINE

# 1989

VHFA creates a mortgage program to support efforts of non-profit organizations creating shared appreciation home ownership opportunities, called the Perpetually Affordable Housing Program.

# 1990

As part of its ongoing multifamily preservation program, VHFA helps preserve and rehabilitate the 336-unit Northgate Apartments complex in Burlington. The facility was at risk of being converted to market-rate units.

# 1991

Under VHFA's leadership, construction begins on Officers' Row at Fort Ethan Allen in Colchester and Essex. Turn-of-the-century officers' housing is preserved, rehabilitated and developed into affordable housing.



Lynn Devereux, a single parent of two children, Ethan and Erin, purchased her Fair Haven home in 1990 through the Perpetually Affordable Housing Program. Photo: VHFA files

**APRIL : 2014**

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**MAY 11 : MOTHER'S DAY**  
**MAY 26 : MEMORIAL DAY : VHFA CLOSED**

# MAY 2014

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**JUNE : 2014**

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# VHFA continues prominent role serving a quarter of Vermont's home buyers and allocating Low Income Housing Tax Credits to new rental housing developments around the state.

VHFA's home buyer fairs help educate Vermonters about the process of buying a home. Photo: VHFA files



Carmen Blatt of the Vermont Home Mortgage Guarantee Board. Photo: VHFA files

## THE VHFA TIME LINE

# 1992

The Vermont Legislature sends Interest on Real Estate Trust Accounts (IORTA) funds to VHFA to create a pilot program and a new source of down payment assistance. Up to 150 100% loans could be made each year for three years.

# 1993

Congress authorizes and makes permanent the Mortgage Revenue Bonds (MRBs) and Low-Income Housing Tax Credit programs.

# 1994

VHFA and Vermont Home Mortgage Guarantee Board explore consolidation of operations to increase efficiencies.

**MAY : 2014**

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**JUNE 15 : FATHER'S DAY**

# JUNE 2014

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**JULY : 2014**

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Clayton Griffith was a long-time resident of the Lane Shops in Montpelier. Lane Shop was one of the first apartment complexes in Vermont to receive an allocation of Low-Income Housing Tax Credits. Photo: Sam Falzone



TOLL-FREE IN VERMONT: **800.339.5866**

# VHFA spreads housing education and assistance to all corners of the state through homeownership centers.



Painting: Polly Thibault

## THE VHFA TIME LINE



Breaking ground in 1997 on renovations at 600 Dalton Drive for people living with HIV/AIDS. The 11-unit facility included supportive services by Vermont CARES. Photo: VHFA files

1995

The Agency purchases its three-story headquarters at the corner of King and St. Paul streets in Burlington.

1996

VHFA supports Burlington Community Land Trust, Gilman Housing Trust and Rutland West Neighborhood Housing Services in opening 3 homeownership centers. (Within the next two years, Rockingham Area Community Land Trust opens a center in Springfield and CVCLT opens one in Barre, also with VHFA support.)

1997

A record-breaking year for single-family reservations: \$79.3 million and the development of Vermont's first housing facility for people living with HIV/AIDS begins when VHFA sells 600 Dalton Drive, Colchester, using below-market financing.

With VHFA's support and partnership since 1996, Vermont's five homeownership centers provide many essential services directly to Vermonters, including homebuyer education, delinquency prevention, home rehabilitation and disaster recovery assistance.



- 1. RuralEdge  
48 Elm St, Lyndonville, VT
- 2. Champlain Housing Trust  
88 King St, Burlington, VT
- 3. Central Vermont Community Land Trust  
107 North Main St, Barre, VT
- 4. NeighborWorks of Western Vermont  
110 Marble St, West Rutland, VT
- 5. Windham & Windsor Housing Trust  
68 Birge St, Brattleboro, VT

VTHomeOwnership.org

**JUNE : 2014**

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**JULY 2014**

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**JULY 4 : INDEPENDENCE DAY : VHFA CLOSED**

**AUGUST : 2014**

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# VHFA forges into the new millennium with the energy of a new leader at the helm.

Green Mountain Seminary in Waterbury was the first building in Vermont to receive an allocation of state housing credits in 2000. The building contains 16 apartments. Photo: VHFA files



Jacklyn Santerre, of VHFA's Homeownership Department, considers impacts of mortgage insurance changes for VHFA and VMHGB. Photo: VHFA files

Breaking ground for construction of the Gardens in Williamstown, a 51-unit building for the elderly financed with Low-Income Housing Tax Credits and a VHFA loan. From left to right: VHFA's Executive Director, Sarah Carpenter; John Weixel, Granite Savings Bank; Joe Boyd, Randolph National Bank; and property owners Richard Dybvig and Mary Norman. Photo: Sam Falzone

## THE VHFA TIME LINE

# 1998

On Dec. 14, Sarah Carpenter succeeds Allan Hunt as VHFA Executive Director. A native of Burlington, Sarah had been Executive Director at Cathedral Square Corp. since 1983.

# 1999

Vermont Home Mortgage Guarantee Board is sold to PMI and VHFA strikes a new relationship with MGIC.

# 2000

VHFA spearheads a successful effort to encourage Congress to increase caps for the Low-Income Housing Tax Credit Program and private activity bonds. A new Vermont State Housing Tax Credit program adds \$100,000 in badly needed credits to supplement the federal allocation.



VHFA and the HomeOwnership Centers receive a "Best Practices" award from HUD.



JULY : 2014

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AUGUST 16 : BENNINGTON BATTLE DAY

## AUGUST 2014

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SEPTEMBER : 2014

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TOLL-FREE IN VERMONT: 800.339.5866



# Vermont Housing Finance Agency



As home prices soar at an unprecedented rate and demand for VHFA financing continues to run high, VHFA mobilizes the power of information to help address growing needs for affordable housing.

VHFA's Executive Director, Sarah Carpenter, describes the mission of the Vermont Housing Awareness Campaign in 2001. Photo: Craig Bailey

## THE VHFA TIME LINE

### 2001

VHFA helps launch the Vermont Housing Awareness Campaign, a statewide public education initiative to address Vermont's housing shortage through planning and development of housing for all Vermonters.

### 2002

VHFA's homeownership department wins award from the National Council of State Housing Agencies for program excellence for its housing choice voucher initiative.

### 2003

On April 1, VHFA and the University of Vermont's Center for Rural Studies create the Vermont Housing Data web site ([www.housingdata.org](http://www.housingdata.org)) –the largest single source for Vermont market rate and affordable housing information.

The Vermont Housing Data website, launched in 2003, has become the go-to location for information about Vermont's residents and their homes.



**AUGUST : 2014**

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**SEPTEMBER 1 : LABOR DAY : VHFA CLOSED**  
**SEPTEMBER 24 : ROSH HASHANAH BEGINS**

## SEPTEMBER 2014

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**OCTOBER : 2014**

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# As the housing market soars, VHFA works to promote financial security among Vermont's homeowners and renters.



Governor Douglas and Senator Jeffords. Photo: VHFA Files

In the mid-2000s, the efforts of VHFA's multifamily management and development staff resulted in the preservation of 5 to 10 additional properties as affordable rental housing each year. Photo: Craig Bailey



Flanked by Governor Jim Douglas (left) and VHFA's Executive Director, Sarah Carpenter (right), Tom Candon, Vermont's Deputy Commissioner of Banking and Securities, in 2004 explaining the importance of educating home buyers about hidden features of some mortgages, such as rising interest rates, balloon payments and fees. Photo: VHFA Files



## THE VHFA TIME LINE

2004

VHFA helps launch the Vermont Responsible Lending Initiative, a public outreach campaign to educate consumers to be savvy when taking out loans and to watch out for unscrupulous lenders.

2005

In light of expiring contracts, VHFA continues to preserve Vermont's affordable rental housing stock by helping to extend contracts for five more properties.

2006

VHFA begins to play a larger role in statewide homeless planning efforts and issues the first of a series of housing research issues papers.

The first of a series of issue papers published by VHFA to share the results of analysis about the Vermont housing market.



SEPTEMBER : 2014

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## OCTOBER 2014

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OCTOBER 3 : YOM KIPPUR  
 OCTOBER 13 : COLUMBUS DAY  
 OCTOBER 31 : HALLOWEEN

NOVEMBER : 2014

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TOLL-FREE IN VERMONT: 800.339.5866

Throughout the uncertainty of the Great Recession, VHFA stays the course by providing an uninterrupted source of mortgage financing as well as new tools to help Vermont combat the downturn.



Since 2009, the HARP program has helped Vermont communities with foreclosed property and buyers like Joe and Meghan Swan purchase homes. The 4-bedroom home in St. Albans purchased by the Swan family was large enough for their family of five and had been fully renovated through the HARP program. Photo: Leslie Black-Plumeau



Robin Lyndaker bought her first home in 2007 in Swanton with financing from VHFA. Photo: Craig Bailey

## THE VHFA TIME LINE



A common multifamily development funding application is launched through a partnership of VHFA with other housing agencies.



Publishing of the Housing Matters daily blog begins ([www.vhfa.org/about/news/blog/](http://www.vhfa.org/about/news/blog/)) and VHFA issues its first multipurpose bond indenture for both home purchase mortgages and multifamily rental housing development.



VHFA implements Housing Assistance Rehabilitation (HARP) program funded through federal Neighborhood Stabilization program through which VHFA will purchase and rehabilitate foreclosed homes and resell them to qualified low- and moderate-income home buyers.

**OCTOBER : 2014**

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## NOVEMBER 2014

SUNDAY MONDAY TUESDAY WEDNESDAY THURSDAY FRIDAY SATURDAY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
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**NOVEMBER 2 : DAYLIGHT SAVINGS TIME ENDS**  
**NOVEMBER 11 : VETERAN'S DAY**  
**NOVEMBER 27 : THANKSGIVING : VHFA CLOSED**  
**NOVEMBER 28 : VHFA CLOSED**

**DECEMBER : 2014**

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VHFA's Housing Matters blog began in 2008. By 2013, over 1,400 posts had shared Vermont housing information to its network of followers.



# VHFA extends the benefits of the national housing recovery to low- and moderate-income Vermonters.

HUD Secretary Shaun Donovan draws a record-breaking crowd delivering the keynote address at the Vermont Statewide Housing Conference in 2010. Photo: Craig Bailey

Aaron Keech and Justine Sears purchased their Burlington home in 2012 with the help of a low 3.75% fixed-rate 30-year mortgage through VHFA. Photo: Leslie Black-Plumeau

## THE VHFA TIME LINE



The largest statewide housing conference in Vermont's history is held in November by VHFA with support from partners and VHFA sponsors.



VHFA launches Rental Housing Codes website ([www.rentalcodes.org](http://www.rentalcodes.org)) to provide guidance on the health and safety standards for rental housing in Vermont.



In response to pleas of support service agencies who work with low-income Vermonters, VHFA led the development of a single housing application for tenants faced with the multiple applications created by multiple apartment subsidies.



In April 2013, VHFA began to offer down payment and closing cost assistance grants through its MOVE ASSIST program and to borrowers who qualify for a VHFA first mortgage insured by USDA Rural Development or the Veterans Association.

NOVEMBER : 2014

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DECEMBER 16 : HANUKKAH BEGINS  
DECEMBER 25 : CHRISTMAS DAY : VHFA CLOSED

## DECEMBER 2014

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
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JANUARY : 2015

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VHFA launches the Vermont Rental Codes ([www.rentalcodes.org](http://www.rentalcodes.org)) website in 2011.



# Homeownership Activity

Percentage of Area Median Income	Percentage of VHFA Borrowers
LESS THAN 50%	9%
50.1 to 80%	45%
80.1 to 100%	28%
MORE THAN 100%	18%

VHFA Average Borrower Profile	
Income	\$ 55,046
Mortgage Amount	\$156,136
Home Price	\$163,375

Program	Purchases	Loan volume
Conventional	107	\$16,182,612
Govt. Guaranteed	295	\$46,592,438
<b>Total</b>	<b>402</b>	<b>\$62,775,050</b>

## The Interest on Real Estate Trust Account (IORTA)

The Interest on Real Estate Trust Account (IORTA) program is funded with the interest earned on earnest money and real estate contract deposits. Real estate brokers are required to put most of these deposits into pooled interest-bearing trust or escrow accounts and financial institutions are required to remit the interest made to Vermont Housing Finance Agency for use in its homeownership programs.

For 21 years, funds from the proceeds of IORTA have been dedicated to VHFA for homeownership mortgage down payment or closing cost assistance. During that time, more than 1,028 loans have been assisted with IORTA funds.

- Funds VHFA received in FY13 from IORTA accounts (i.e. deposits): **\$37,639**. These funds will assist Home Ownership Center buyers with down payment or closing costs.
- Balance of IORTA funds in VHFA's accounts as of June 30, 2013: **\$114,986**.

IORTA funds county volume					
Addison	\$6,012,708	Franklin	\$6,864,428	Rutland	\$9,863,794
Bennington	\$2,817,276	Grand Isle	\$982,785	Washington	\$7,095,510
Caledonia	\$12,281,905	Lamoille	\$2,477,830	Windham	\$4,463,716
Chittenden	\$17,423,511	Orange	\$1,982,406	Windsor	\$7,718,799
Essex	\$1,635,350	Orleans	\$9,293,540	<b>Total</b>	<b>\$90,906,058</b>

## Homeownership development loan and state tax credit activity

Project Name	Location	Units	VHFA Short-Term/Construction Loan	State Housing Credits
Village Glen (Cottages)	Middlebury	7	\$1,180,000	60,000
Manufactured Home Replacement Program	Statewide	6		37,108

# Rental Activity

Through funding for **13 projects** in the state, VHFA facilitated the creation or rehabilitation of 430 affordable rental housing units this year.

The Agency provided long term fixed rate financing totaling **\$4.6 million** to seven projects.

The Agency provided **\$7.3 million** in construction short term financing to four projects.

Another **\$7.1 million** was loaned to Bobbin Mill and Lamoille View apartments through the MacArthur Foundation.

Allocated Housing Credits in the amount of **\$745,000** were awarded to two projects, generating **\$5.9 million** in equity to help create these housing units.

Over **\$500,000** in Bond Housing Credits were awarded to five projects which used tax exempt bond financing, generating **\$5.0 million** in equity.

The multifamily housing financed by VHFA in FY13 created an estimated **\$100.1 million** in economic activity across the state by creating and sustaining jobs and generating income for Vermont workers and businesses.

- = Activity in FY 2013
- ◆ = Activity in a prior FY

Project Name	Town	Units	Short-Term/Construction Loan	Permanent Loan	MacArthur Loan	0% Loan	Predevelopment Loan	Bond Housing Credits	Allocated Housing Credits	State Housing Credits
Benson Heights (SENIOR)	BENSON	15	■	■		■		■		■
Bobbin Mill Apartments Redevelopment	BURLINGTON	51		◆	■				◆	◆
Chester Gage	CHESTER	12	■					■		■
Courtyard Apartments (SENIOR)	WINOOSKI	101		■						
Governor's Mansion (SENIOR)	NEWPORT	15		■		■				
Hilltop Family Housing	ST JOHNSBURY	32							■	
Kelley's Field (SENIOR)	HINESBURG	24					■			
Lamoille View Apartments Redevelopment (SENIOR)	MORRISVILLE	25	■	■	■			■		■
Maple Street Senior Apartments (SENIOR)	HARDWICK	16	◆	■				■		■
Proctor Place (SENIOR)	PROCTOR	12		■						
Roaring Branch (Bennington Family Housing)	BENNINGTON	26							■	■
South Square Apartments (SENIOR)	BURLINGTON	65		■						
Thayer House - Phase II (SENIOR)	BURLINGTON	36	■					■		



# Housing Acquisition & Rehabilitation Program

This fiscal year VHFA completed its fourth year administering the Housing Acquisition and Rehabilitation Program (HARP). This program, which was originally created by the federal government as a part of the stimulus package (called Neighborhood Stabilization Program I, or NSP I) was launched in 2009 and was expanded with a new round of funding this fiscal year (NSP III).

As a part of this program, VHFA purchases foreclosed upon homes, rehabilitates them (including significant energy and weatherization upgrades to reduce the long-term operating costs of the homes), and provides a substantial down payment subsidy when the home is re-sold to a qualified lower income Vermont household. The homes remain perpetually affordable, and VHFA takes any proceeds from the sale of the home and re-invests them into another purchase. Through the HARP Program, VHFA has put nearly 1,500 construction and trades people to work over the past four years, while at the same time reinvigorating neighborhoods and communities where these homes might otherwise have become blighted run-down structures.

Through the end of FY13, VHFA has purchased 68 homes, with another five under contract. 52 homes have been rehabilitated and sold to homebuyers, eight more have been rehabilitated and are being marketed for sale, and 13 additional are undergoing rehabilitation now.

Household incomes for homebuyers assisted through NSP I ranged from approximately \$18,000 to \$70,000 with an average of \$43,000. About 950 contractors employing almost 1,500 individuals have been directly employed by these programs. This does not take into account sub-contractors who are hired by those who work as general contractors. The actual number of people working on these homes is therefore likely to be much higher. This has been a key employment tool for this industry in the state. According to the surveys VHFA has requested from each contractor who is self-employed or a sole proprietor:

- Half of the contractors responding report household income lower than the county median income where they live.
- One-quarter reported they had no other significant work in progress at the time they were awarded their HARP home contracts.

Virtually every home that comes through the HARP program has undergone significant energy improvements, such as installation of high efficiency heating systems, energy star replacement windows, air sealing and insulation upgrades, hot water heaters, high efficiency kitchen appliances and light fixtures, and low flow toilets and showerheads.

Buyers benefit because HARP homes are priced to be affordable. Properties are sold for the lesser of the total acquisition/rehabilitation cost or the appraised value upon completion. Grants of up to \$75,000 provided by the HARP program combined with major improvements and energy savings result in a truly and perpetually affordable home. The grants stay with the home from one owner to the next so that the home remains affordable for subsequent buyers.

The HARP program is funded through \$9.9 million in Housing and Economic Recovery Act funds from the U.S. Department of Housing & Urban Development (HUD). The funds are part of the larger Neighborhood Stabilization Program administered by Vermont's Agency of Commerce and Community Development and HUD. ■

Through the HARP Program, VHFA has put nearly 1,500 construction and trades people to work.

## Board of Commissioners

VHFA is governed by a nine-member Board of Commissioners. The Board includes four ex officio members and five members appointed by the Governor of Vermont, representing private and public lending, real estate and housing development interests.



**TOP ROW:**

Lisa Mitiguy Randall (Vice President of Lending, Vermont Federal Credit Union); Thomas N. Pelletier, Chairman (President and Chief Executive Officer, Northfield Savings Bank); Dagne Canney (Principal Broker, Vermont Real Estate Sales Co.); Jennifer Hollar, Ex Officio (Deputy Commissioner of Department of Housing and Community Development, designee for the Secretary of Agency of Commerce and Community Development); Sarah Carpenter (Executive Director & Secretary); Thomas J. Candon, Ex Officio (Deputy Commissioner of Banking, designee for the Commissioner of the Department of Financial Regulation); and Lamont Barnett (Owner of The Rock and Hammer)

**BOTTOM ROW:**

Gustave Seelig, Ex Officio, Vice Chairman (Executive Director of the Vermont Housing & Conservation Board); Beth Pearce, Ex Officio (State Treasurer); and Jeanne Morrissey (President of J.A. Morrissey, Inc.)

## Statement of Net Position : June 30, 2013

DOLLARS IN THOUSANDS

ASSETS	Operating Fund	Single Family Programs	Multi-Purpose Programs	Multi-Family Programs	Total
Cash and Cash Equivalents	\$ 2,654	\$ 38,236	\$ 16,070	\$ 10,877	\$ 67,837
ACCRUED INTEREST RECEIVABLE: Investments	–	194	73	117	384
Mortgage Loans	1,212	892	703	390	3,197
Mortgage Backed Securities	–	309	105	–	414
Other Receivables and Prepaid Expenses	56	203	120	44	423
Investments	100	11,988	7,035	4,811	23,934
Mortgage Loans Receivable, Net	10,918	138,218	114,510	115,280	378,926
Mortgage Backed Securities	–	102,373	37,519	–	139,892
Capital Assets	756	–	–	–	756
Real Estate Owned	729	1,974	1,218	–	3,921
Due From (to) Other Funds	510	–	60	(570)	–
<b>Total Assets</b>	<b>16,935</b>	<b>294,387</b>	<b>177,413</b>	<b>130,949</b>	<b>619,684</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Accumulated Decrease in Fair Value of Hedging Derivatives	–	6,553	3,867	1,070	11,490
<b>LIABILITIES</b>					
Accrued Interest Payable	39	2,347	940	1,181	4,507
Other Payables	529	249	86	4	868
Funds Held on Behalf of Mortgagors	1,403	–	–	692	2,095
Notes Payable	7,861	–	–	17,390	25,251
Bonds Payable	–	273,355	140,110	98,369	511,834
Fair Value of Derivative Instrument - Interest Rate Swaps	–	6,553	3,867	1,070	11,490
Unamortized Bond Premium (Discount), Net	–	907	917	(103)	1,721
Deferred Income	346	–	–	–	346
<b>Total Liabilities</b>	<b>10,178</b>	<b>283,411</b>	<b>145,920</b>	<b>118,603</b>	<b>558,112</b>
<b>NET POSITION</b>	<b>6,757</b>	<b>17,529</b>	<b>35,360</b>	<b>13,416</b>	<b>73,062</b>

## Statement of Revenues, Expenses and Changes in Net Position : Year ended June 30, 2013

DOLLARS IN THOUSANDS

OPERATING REVENUES	Operating Fund	Single Family Programs	Multi-Purpose Programs	Multi-Family Programs	Total
INTEREST INCOME: Investments	\$ –	\$ 1,786	\$ 535	\$ 392	\$ 2,713
Mortgage Loans	684	9,326	7,669	6,224	23,903
Mortgage Backed Securities	72	3,020	1,466	–	4,558
Fee Income and Other Revenue	859	–	46	7	912
Gain on Sales of Loans and Securities	441	–	–	–	441
Gain on Bond Redemptions, Net	–	437	300	–	737
<b>Total Operating Revenues</b>	<b>2,056</b>	<b>14,569</b>	<b>10,016</b>	<b>6,623</b>	<b>33,264</b>
<b>OPERATING EXPENSES</b>					
Financing Costs, Including Interest	581	11,433	6,843	4,869	23,726
Mortgage Service and Other Fees	171	308	235	–	714
Salaries and Benefits	2,981	–	–	–	2,981
Operating Expenses	848	92	57	97	1,094
Provision for Losses on Loans and Real Estate Owned	65	1,104	1,073	217	2,459
<b>Total Operating Expenses</b>	<b>4,646</b>	<b>12,937</b>	<b>8,208</b>	<b>5,183</b>	<b>30,974</b>
<b>Operating Income (Loss)</b>	<b>(2,590)</b>	<b>1,632</b>	<b>1,808</b>	<b>1,440</b>	<b>2,290</b>
<b>NON-OPERATING REVENUES</b>					
Net Depreciation in Fair Value of Investments	–	(5,448)	(1,835)	(34)	(7,317)
Federal Program Revenue	6,035	–	–	–	6,035
Federal Program and Administration Costs	(6,035)	–	–	–	(6,035)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>–</b>	<b>(5,448)</b>	<b>(1,835)</b>	<b>(34)</b>	<b>(7,317)</b>
<b>Income (Loss) Before Transfers</b>	<b>(2,590)</b>	<b>(3,816)</b>	<b>(27)</b>	<b>1,406</b>	<b>(5,027)</b>
Net Transfers From (to) Other Funds	3,390	(1,954)	(568)	(868)	–
<b>Increase (Decrease) in Net Position</b>	<b>800</b>	<b>(5,770)</b>	<b>(595)</b>	<b>538</b>	<b>(5,027)</b>
<b>NET POSITION</b>					
Net Position at Beginning of Year, as Previously Reported	5,369	27,446	39,609	14,245	86,669
Cumulative Effect of Change in Accounting Principle	588	(4,147)	(3,654)	(1,367)	(8,580)
Net Position at Beginning of Year, as Restated	5,957	23,299	35,955	12,878	78,089
<b>Net Position at End of Year</b>	<b>6,757</b>	<b>17,529</b>	<b>35,360</b>	<b>13,416</b>	<b>73,062</b>

These condensed financial statements are based on audited financial statements. Complete audited financial statements are available at VHFA's web site ([www.vhfa.org](http://www.vhfa.org)) or upon request.



## ADMINISTRATION

**EXECUTIVE DIRECTOR**  
Sarah Carpenter

**DIRECTOR OF ADMINISTRATION**  
Patricia Loller

**ADMINISTRATIVE ASSISTANT**  
Victoria Johnson

**HUMAN RESOURCES/OFFICE COORDINATOR**  
Brittany Riley

## INFORMATION SYSTEMS

**MANAGER**  
Rick Jean

**NETWORK ADMINISTRATOR/SYSTEMS SPECIALIST**  
Chris MacAskill

**SQL SERVER REPORT WRITER AND ANALYST**  
Tim Collins

## LEGAL

**GENERAL COUNSEL**  
George Demas

**LEGAL COORDINATOR**  
Brenda Howley

## POLICY AND PLANNING

**MANAGER**  
Maura Collins

**RESEARCH & COMMUNICATIONS COORDINATOR**  
Leslie Black-Plumeau

## FINANCE

**CHIEF FINANCIAL OFFICER**  
Tom Connors

**BOND FINANCING AND INVESTMENTS MANAGER**  
Michelle Packard

**CONTROLLER**  
Tom Kimball

**FINANCE OPERATIONS MANAGER**  
Lisa Clark

**ACCOUNTING SPECIALIST**  
Brittany Benton

**MORTGAGE LOAN ANALYST**  
Patrick DiMambro

**FINANCIAL ANALYST/COMPLIANCE SPECIALIST**  
Brittany Garland

**FINANCIAL ANALYST**  
Robert Purcell

## PROGRAM OPERATIONS

**CHIEF OF PROGRAM OPERATIONS**  
David Adams

**HARP COORDINATOR**  
Lori Gilding

## DEVELOPMENT

**DIRECTOR**  
Joe Erdelyi

**DEVELOPMENT UNDERWRITER**  
Joshua Slade

## HOMEOWNERSHIP

**DIRECTOR**  
Jacklyn Santerre

**ADMINISTRATIVE ASSISTANT/LOAN SERVICING**  
Kathy Cawley

**LOAN SERVICING ASSISTANT**  
Tara Brown

**OPERATIONS COORDINATOR**  
Veronica DeVos

**HOMEOWNERSHIP SPECIALIST**  
Diane Edson

**LOAN SERVICING SPECIALIST**  
Pat LaFond

**OUTREACH COORDINATOR**  
Seth Leonard

**LOAN SERVICING SPECIALIST**  
Carolynn Mossey

**LOSS MANAGEMENT SPECIALIST**  
Polly Thibault

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