

2014 Entry Form
(Complete one for each entry.)

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name NIFA / Habitat Roof & Repair Loan Program

HFA Nebraska Investment Finance Authority (NIFA)

Submission Contact Robin Ambroz

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Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA Nebraska Investment Finance Authority

Entry Name NIFA/Habitat Roof & Repair Loan Program

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input checked="" type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

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Background

The Nebraska Investment Finance Authority (NIFA) and Habitat for Humanity of Omaha (Habitat) “Roof and Repair (RR) Program” was developed in 2009 to aggressively respond to the alarming increase of abandoned and dilapidated homes in some of Omaha’s older neighborhoods. Due in large part to failing roofs and damaged exterior components, a number of homes were being abandoned due to catastrophic interior water damage, mold, and electrical system failures because the homeowner simply did not have sufficient resources to invest in roof and other exterior repairs.

Demolition orders have been issued by the City of Omaha for over 750 homes in the older neighborhoods of North and South Omaha. Many of these homes might have been “saved” if needed exterior repairs and/or roof replacements had been carried out by the homeowners. With a limited demolition budget the City of Omaha is hard pressed to address the growing number of uninhabitable homes in these older sections of the City.

The RR Program, which provides a 0% interest, flexible term - home improvement loan was designed specifically to assist lower income homeowners in “saving” and “preserving” their homes. Through the Program, many “at risk” homes have been kept off the demolition list, ensuring that owners continue to have decent, safe and sanitary homes in which to live for years to come. Since the beginning of the RR Program, 143 homes have been preserved, with 65 more in the pipeline for improvement in 2014. (*see map attached as Exhibit A*)

The Basics

RR Program loans are available to owner occupants whose incomes are at or below 80% of the area median income in North and South Omaha. Because the RR loans are financed by NIFA with tax-exempt bond proceeds, the maximum loan is \$15,000. Each RR loan bears interest at 0% and provides for monthly amortizing principal payments. The loan term is flexible to suit the homeowner’s desires and financial capabilities, but is limited to a maximum ten year term. A promissory note is executed by the homeowner and a deed of trust is recorded on the property to be repaired. To be eligible to participate in the Program, the homeowner must be current on his/her property taxes and must have in place a current homeowner’s insurance policy. The RR loan may be subordinated to existing mortgage liens on the home.

Proceeds of the RR loan must be used by the homeowner for repairs to the home that substantially protect or improve the basic livability of the property and must be approved by NIFA in advance of the loan closing. To ensure that the RR loan is a “qualified home improvement loan” for federal tax law purposes, NIFA requires that the repairs satisfy the requirements of Section 201.20(b)(2) of the FHA Title I regulations. See list attached as Exhibit B.)

How it Works

Habitat staff identifies and pre-qualifies eligible homeowners for the RR Program and then verifies the need for the repairs to the home. Once approved by Habitat staff, the list of the identified repairs is submitted to NIFA’s Single Family Program staff for review and approval. Additionally, NIFA’s Single Family Program staff conducts a pre-closing review of the homeowner’s income to determine eligibility for Section 143 federal tax law purposes. Experience has demonstrated that many of the homeowners assisted by this Program do not have sufficient credit history (or in some case even a credit rating) nor

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sufficient income to obtain conventional bank financing, contributing to the reason repairs have historically been out of reach.

Once a homeowner is determined to be eligible for the Program and the proposes repairs approved by NIFA, a project specification is prepared by the Habitat RR Program Coordinator and, to obtain bids for the project, mailed to as many as four independent contractors. The resulting bids are shared with the homeowner and the homeowner selects a contractor to make the repairs. The loan documents (forms provided by NIFA) are prepared by Habitat and once signed by the homeowner, repairs on the home begin. The progress of the work is overseen by the Habitat RR Program Supervisor. Upon satisfactory completion of the work, the homeowner accepts the repairs as “completed in full”, receives originals of all warranties, and the contractor is paid through a disbursement of the loan proceeds by Habitat.

Habitat’s role in the determination of needed repairs and assisting the homeowner in the selection of a contractor is a key component of the RR Program. Habitat staff is in a position to assist in identifying qualified contractors and supervising the work, ensuring that each home repair project is completed to the satisfaction of both the homeowner and Habitat.

NIFA’s Partnerships

NIFA provides ongoing liquidity and “affordability“ for the Program by purchasing the 0% RR loans from Habitat at par. Currently, First National Bank (FNB), a large regional bank with headquarters in Omaha, services the RR loans. Working with Habitat staff, the NIFA Single Family team recently put in place NIFA’s secure loan software system for use in the RR Program. Habitat staff is now able to reserve, upload and monitor all RR loans on a 24/7 basis. This will increase efficiencies for both the NIFA and Habitat teams, creating an improved flow of the Habitat and NIFA resources to better serve the homeowners.

Habitat guarantees repayment of the principal on the RR loans sold to NIFA. Habitat is required to repurchase, at the request of NIFA, any RR loan which becomes 90 or more days delinquent. As additional security for this guarantee obligation, Habitat has established an escrow account for the benefit of NIFA in an amount equal to 10% of the balances of the RR loans. FNB, as the servicer of the RR loans, remits payments directly to NIFA’s bond trustee, Wells Fargo Bank. Wells Fargo also serves as custodian of the RR promissory notes for a minimal fee.

NIFA funds the RR Program with recycling dollars from existing (MRB) single family bond issues and bond proceeds from new (MRB) single family bond issues. The 0% RR loan is then blended with other, higher rate loans to achieve a full spread mortgage yield for the respective bond tax plan.

To assist Habitat with its administrative costs to manage the RR Program, NIFA has entered into a 3 year *Outreach Partnership Program agreement with Habitat which provides Habitat with a \$25,000 per year matching grant award for capacity and staffing expenses.

In addition to NIFA and Habitat, each participating homeowner is a “partner” in the RR program as well. Each homeowner receiving RR loan agrees to complete at least 25 hours of volunteer service with Habitat. This commitment involves the homeowner in the mission of Habitat, provides Habitat with very

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necessary volunteer hours and ultimately empowers the homeowner to make a difference both in the neighborhood and in the overall community.

Program Success

Since the Program's launch in August of 2009, NIFA has purchased one hundred and forty three (143) RR loans totaling \$1,580,863.88....representing 143 homes preserved! We anticipate purchasing up to sixty-five (65) loans in 2014 bringing the total RR loans to over 200 (and approximately \$3,000,000 in loans).

A reasonably estimated cost to demolish that number of homes those homes and replace them with new homes (conservatively estimated @ \$135,000 per home) would easily cost in excess of \$27 million. As demonstrated above, the financial return alone on investment of the RR Program exceeds 9:1. The social and economic benefits to homeowners, their neighbors and the community? Priceless!

Coordination with Other Resources

The RR program also coordinates with Omaha's Rebuilding Together Program and the City of Omaha's RAP Program. Any homeowner who does not qualify for the RR program is directed to Omaha's Rebuilding Together program that does repairs at no cost. Anyone who applies to Omaha's Rebuilding Together Program is first directed to the RR Program to see if they could afford a zero interest loan for their repairs. Since both programs have limited resources, this allows the homeowner to receive the level of subsidy that is appropriate to their income level. Because of the zero interest loan up to \$15,000, some of the homeowners are also eligible for the City of Omaha's RAP program, which provides a matching grant on home improvement loans up to \$15,000. This allows owners to address any interior repairs needed through this matching grant program.

While participating in the Roof and Repair Program, homeowners also receive assistance to clear credit discrepancies, judgments and probate issues. Volunteers also help them with clearing title and code violation issues. Homeowners also receive help obtaining homeowners insurance, which in some cases has not been in place on the dwelling for many years.

Testimonial – PROGRAM VIDEO

"I am so appreciative that NIFA saw an opportunity to partner with Habitat for Humanity and made it happen. Because of the partnership with NIFA, Habitat has been able to serve an addition 150 families. These critical home repairs have enabled more families to stay in their homes and protect their investment. Thank you for your partnership NIFA!" June 23, 2014

Amanda Brewer | CEO

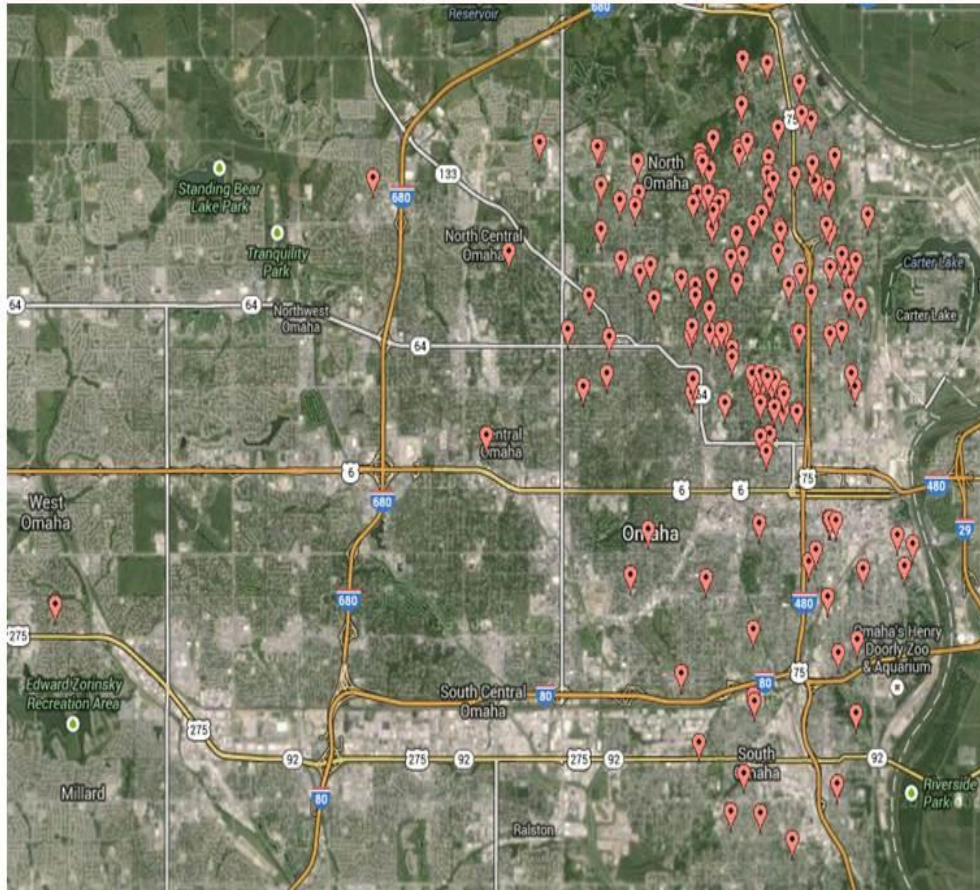
Habitat for Humanity of Omaha | 1701 N 24 Street, Omaha, NE 68110

Please see the **You Tube Video (published May 13, 2014)**

<https://www.youtube.com/watch?v=IG089SN6JZ8&feature=youtu.be>

Exhibit A

NIFA/Habitat Roof & Repair Loans 2009-2014



NIFA 2014

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Exhibit B

NIFA \ Habitat Roof & Repair Loans
Eligible Exterior & Interior Improvements

Improvement	Repair	Removal & Replacement	New
Air conditioning - must be central	X	X	X
Awnings	X	X	X
Bathrooms - fixtures & connections	X	X	
Burglar bars / decorative bars	X	X	X
Casements - window	X	X	
Ceilings	X	X	
Composition - shingles or siding	X	X	
Curbing	X	X	X
Doors - storm, fire, or screen	X	X	X
Downspouts	X	X	X
Driveways - must be private	X	X	X
Electric light fixtures, lines, or poles	X	X	X
Electric light systems	X	X	X
Fences - chain link, wood, or iron	X	X	X
Fire escapes	X	X	X
Foundations	X		
Furnaces - coal, floor, gas or oil	X	X	X
Garage door opener - must be hardwired into electric system	X	X	X
Garages	X	X	
Guttering	X	X	X
Plastering	X	X	
Plumbing	X	X	X
Porches	X	X	X
Railings	X	X	X
Retaining walls	X	X	X
Roof coating	X	X	
Roofing	X	X	
Sashes - window	X	X	
Screening - windows or doors	X	X	X
Security system - must be hardwired into electric system	X	X	X
Shingles	X	X	
Shutters	X	X	X
Sidewalks - must be private	X	X	X
Siding - cement, ceramic tile, brick, stone, wood, or aluminum	X	X	X
Sills	X	X	
Stairs	X	X	
Stuccoing	X	X	
Termite control with replacement of damage	X	X	
Trees - diseased or damaged AND a hazard to structure on property		X	
Utility building \ shed - must have permanent masonry/concrete foundation	X	X	X
Water heaters	X	X	X
Waterproofing - however, pumping or injecting any substance in the earth adjacent to or beneath the foundation or basement floor is NOT eligible	X	X	X
Weather stripping	X	X	X
Windows - screen, storm, or thermal	X	X	
Wiring - electrical	X	X	X

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Before



After

Property: 7411 N. 28th Ave.
Loan Amount: \$3,707.63
Loan Term: 5 years
Loan Payment: \$62.00/mo



Before



After

Property: 3318 Myrtle Ave.
Loan Amount: \$8,438.50
Loan Term: 10 years
Loan Payment: \$71.00/mo

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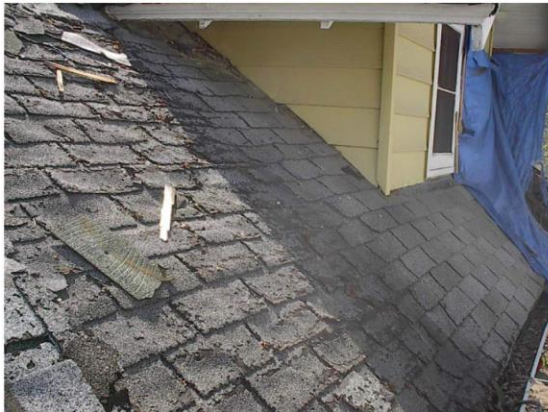


Before



After

Property: 4673 Kansas St,
Loan Amount: \$7,177.50
Loan Term: 10 years
Loan Payment: \$60.00/mo



Before



After

Property: 3177 Larimore St.
Loan Amount: \$13,655.00
Loan Term: 10 years
Loan Payment: \$114.00/mo