

NCSHA 2016 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 15, 2016

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact awards@ncsha.org or 202-624-7710.

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

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

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

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

Ohio Housing Finance Agency
2nd Mortgage Bond Transaction
Homeownership: Empowering New Buyers

The Ohio Housing Finance Agency (OHFA) currently utilizes the To Be Announced (TBA) Market for the funding of loans, lender compensation and homebuyer assistance. Utilizing this market has enabled OHFA to offer affordable loans and assistance to low to moderate income homebuyers; however the cost of such funding can be expensive. Those homebuyers utilizing OHFA's down payment assistance products represent 90 percent of the loan reservations; with 40 percent using 2.5 percent assistance and the remaining using 5 percent assistance. Under the current funding strategy, the cost for the premium to provide this assistance to homebuyers is 250 and 500 basis points respectively, which in turn results in a significant increase in the rate charged to the homebuyer. OHFA is always looking for creative and innovative ways to efficiently fund loans in order to provide as low a mortgage rate as possible to our low to moderate income homebuyers.

In the spring of 2015 OHFA was presented with an idea to utilize current performing and amortizing second lien mortgages as well as GNMA Mortgage-Backed Securities held in the OHFA portfolio as collateral for a \$6 million bond transaction that would be used to fund new second mortgage loans. The \$6 million in new second mortgages would support nearly \$200 million in first mortgage loans (none of which would be used as collateral for the transaction). OHFA's transaction was the first bond-funded second mortgage loan in nearly seven years. The bond was to be unrated and had an expected coupon of 9 percent.

OHFA determined it advantageous to go to market in the summer of 2015. The transaction required extensive investor education and marketing but was successful; achieving a 7.5 percent coupon and two investors. These positive results netted a cost of 258 basis points for new second mortgage loans regardless of the assistance amount (either 2.5 percent or 5 percent). In comparison with TBA, the second mortgage bond transaction allowed for a reduction of 50 percent in costs on the 5 percent assistance loans (formerly 500 basis points). Reducing the cost of assistance allowed OHFA to reduce interest rates from 0.12 percent-.50 percent to the homebuyer.

OHFA Rates w/TBA Pricing using 2nd Mortgage Bonds

GNMA

PREMIUM PRICING DPA

	Unassisted	2.5% Assistance	5% Assistance
	3.750%	4.125%	5.000%
Heroes	3.500%	3.875%	4.750%
G4G	N/A	3.875%	4.750%

BOND FUNDED 2ND

	Unassisted	2.5% Assistance	5% Assistance
	3.750%	4.125%	4.500%
Heroes	3.500%	3.875%	4.250%
G4G	N/A	4.000%	4.375%
Change in Rate		0.375-0.5%	

FNMA

PREMIUM PRICING DPA

	Unassisted	2.5% Assistance	5% Assistance
	4.250%	4.625%	5.125%
Heroes	4.000%	4.375%	4.875%
G4G	N/A	4.375%	4.875%

BOND FUNDED 2ND

	Unassisted	2.5% Assistance	5% Assistance
	4.250%	4.625%	5.000%
Heroes	4.000%	4.375%	4.750%
G4G	N/A	4.500%	4.875%
Change in Rate		0.125%	