

**2014 Entry Form**  
(Complete one for each entry.)

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

Entry Name **VHDA's Strategic Home Improvement Program**  
 HFA **Virginia Housing Development Authority**  
 Submission Contact **Brian Matt**  
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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 **Virginia Housing Development Authority**

Entry Name **VHDA's Strategic Home Improvement Program**

Communications	Homeownership	Legislative Advocacy	Management Innovation
<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"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<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	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

**Virginia Housing Development Authority  
VHDA's Strategic Home Improvement Program**

***“VHDA's Strategic Home Improvement Program is a creative partnership between two different housing agencies serving the needs of first-time homebuyers in Virginia. Both VHDA and the FHLB went the extra mile to ensure the program's success.”***

***Lori Vaughn, FHLB Program Manager  
Village Bank Mortgage Corporation***

**Brief Description**

The Virginia Housing Development Authority recently partnered with the Federal Home Loan Bank of Atlanta (FHLB) on the Strategic Home Improvement Program (SHIP), which promotes the purchase and improvement of foreclosed properties located throughout Virginia. This collaboration resulted in an affordable housing finance initiative designed to advance the mutual strategic objectives of providing safe, sound and decent housing for low to moderate income Virginians. Eligible properties included FHLB member bank Real Estate Owned (REO) and VHDA REO single family residential properties meeting FHA minimum property standards located throughout Virginia.

The funding for this program includes:

- VHDA below-market rate first mortgage financing
- FHLB of Atlanta down payment and/or closing cost assistance up to \$10,000
- VHDA grant up to \$10,000 for post-purchase home improvements

Eligible borrower requirements include:

- First-time homebuyers
- Maximum household income of 80 percent AMI (FHLB Atlanta requirement)
- Meets qualifications for a standard VHDA loan
- Minimum \$1,000 borrower contribution
- Matching funds requirement for FHLB Atlanta funds
- Owner-occupied/primary residence only

**When/Why It Was Undertaken**

The goal of SHIP is to demonstrate how effective partnerships and leveraging of resources can transform previously foreclosed homes into community assets.

**What VHDA Has Accomplished**

VHDA successfully helped Virginia families purchase homes through the SHIP program. It fulfilled its mission of affordability by allowing an additional 1/2% below its standard pricing option and making available a number of loans, including FHA, VA, RD and Conventional. The SHIP program also targeted previously foreclosed homes which reduced the inventories for both VHDA and FHLB Atlanta member bank REOs. The grant funds helped bring value back to the properties by upgrading kitchens and

## **Virginia Housing Development Authority VHDA's Strategic Home Improvement Program**

bathrooms; installing new appliances; installing windows, doors, and other energy efficient features; repairing or replacing the roof and/or flooring; and fixing any deficiency items noted on the home inspection.

### **Why It Is Meritorious and Meets NCSHA Award Judging Criteria**

#### **Innovative**

The Federal Home Loan Bank of Atlanta's Affordable Housing Program is a unique business development opportunity. The FHLB Atlanta has never partnered with a Housing Finance Agency before, and the SHIP program aligns with both companies' affordable housing missions.

#### **Replicable**

This partnership has established a precedent and developed a relationship which will make it easier to collaborate on new programs in the future. In just the short amount of time that the SHIP program has been available, VHDA successfully closed six loans. There was the possibility of expanding the program if the funding time frame for both FHLB and VHDA had been extended. This success can be achieved with any HFA and is a window of opportunity to help meet state housing needs with additional resources.

#### **Responds to an important state housing need**

Through unique funding resources, SHIP provides an inventory of affordable real estate owned and foreclosed properties in need of minor rehabilitation for first-time homebuyers. This program not only helps Virginian's obtain affordable homeownership but also helps to stimulate the local economy and promote community development.

#### **Demonstrates measurable benefits to HFA targeted customers**

The SHIP program supports VHDA's strategic plan because it addresses the housing needs of underserved households while ensuring an inventory of affordable housing that supports strong, viable communities. For example, previously foreclosed homes that were in need of repairs have now been improved and updated adding value to the homeowner and neighborhood. Also, homeowners are more likely to keep their mortgage obligations after attending the required FHLB CredAbility Counseling and the VHDA Homeownership Education course.

#### **Proven track record of success in the marketplace**

To date, VHDA's SHIP program has provided affordable first mortgages to six families totaling \$605,916.

## Virginia Housing Development Authority VHDA's Strategic Home Improvement Program

### **Provides benefits that outweigh costs**

This program allows first-time homebuyers to help stimulate their local economy and make an investment back into their community, in addition to assisting local banks by reducing their foreclosure inventory.

### **Demonstrates effective use of resources**

This program offers competitively priced loan financing, community development grants, and other banking services to help member financial institutions make affordable home mortgages and provide economic development efforts to neighborhoods and communities.

SHIP effectively utilizes its resources by combining several affordable funding sources for the purchase of foreclosed properties. In addition, the completion of needed repairs improves the property not only for the homeowner, but for the community as well.

### **Effectively employs partnerships**

By implementing the SHIP program, VHDA and FHLBank Atlanta created a strong, effective partnership. For example, this program gave FHLBank Atlanta the opportunity to access VHDA's network of lenders currently involved in the program, and at the same time allowed VHDA access to FHLBank of Atlanta's down payment assistance funds for first-time homebuyers.

### **Achieves strategic objectives**

VHDA's focus is on meeting critical housing needs by increasing affordable housing opportunities. SHIP helps meet this objective this by offering affordable financing for first-time homebuyers, down payment and closing cost assistance, and the ability to make post-purchase home improvements, all of which ultimately enhances their home buying experience.

### **Conclusion**

The SHIP program provided an excellent opportunity for VHDA and FHLBank Atlanta to establish a long-term partnership. Although this program was designed to be of limited duration, it allowed VHDA to work through the mechanics of dealing with an entity the size of the FHLB Atlanta. It also allowed VHDA to see how well its bank-held lending partners interacted with FHLBank Atlanta, and has laid the groundwork for cooperation with similar programs in the future.