



Entry Form 2017 Annual Awards for Program Excellence

Entry Deadline: Thursday, June 15, 2017, Midnight ET

Each entry must include a completed entry form. Please complete a form for each entry your HFA is submitting. The completed entry form will become the first page of your entry.

This form is a fillable PDF. Type your information into the entry form and save it as a PDF. Please do not write on or scan the entry form. **Questions: Call 202-624-7710 or email awards@ncsha.org.**

Entry Title: Enter your entry's title exactly as you wish it to be published on the NCSHA website and in the awards program.

Category:

Subcategory:

Entry Summary: A 15-word (max) summary of the program, project, or practice you are entering.

HFA:

HFA Staff Contact:

Phone:

Email:

Visual Aids:

Are you mailing to NCSHA 10 copies of any visual aids that cannot be included in your entry PDF? Yes No

Payment:

My HFA is mailing a check to NCSHA.

My HFA is emailing the credit card authorization form to awards@ncsha.org.

2017 NCSHA Awards

Wyoming Community Development Authority

Home\$stretch

Category: Homeownership

Subcategory: Empowering New Buyers

Home\$stretch DPA Loan

For many years, first-time homebuyers enjoyed the luxury of a rather significant preferred interest rate on their WCDA loans. However, with the onset of the 2008 housing crisis, the HFA industry was suddenly faced with unprofitable mortgage revenue bond executions. This rate advantage disappeared and WCDA struggled to add new loans to the portfolio. The result was a dramatic runoff of the loans on our balance sheet. In recent years, many lenders in the state of Wyoming have adopted the practice of offering “grant dollars”, funded by premium pricing strategies, to assist with a borrower’s down payment and closing costs. Many lenders had abandoned WCDA’s down payment programs in favor of this new “grant”.

In an effort to stay competitive, give borrower’s a more financially responsible option for funding their down payment and closing costs, and increase our volume, WCDA restructured our approach to down payment assistance from an interest bearing, monthly amortizing loan product to a more attractive product and branded it Home\$stretch.

On March 30, 2016, WCDA rolled out our initial \$1 million in Home\$stretch funding. Home\$stretch could be utilized in conjunction with any of our first mortgage products, and has the following features:

- 0% interest rate
- No monthly payment
- Due on sale or refinance or 30 year maturity
- Minimum borrower contribution; \$1,500
- Maximum loan amount \$10,000

Due to the success of the program the board later approved an additional \$5,000,000 for this innovative program.

Marketing

Home\$stretch was marketed heavily to lenders and realtors through memorandums, emails, postcards, and personal visits. In addition to the business to business marketing, Home\$stretch was marketed statewide to the public through radio, billboards, social media, online advertisements, cinema advertisement, and print items.

Radio Script Example:

“Dad [speaking]: *I went through the Wyoming Community Development Authority homebuyer education class, found a realtor, got pre-approved for a mortgage loan, dotted the I's, crossed the T's, had a budget in place...and fell hard for a house just out of reach. Life has never cut me much slack, but I was determined not to settle, so I called WCDA about Home\$stretch. It's a zero percent, no monthly payment loan program designed to help you stretch your buying power—it gave my budget a boost, and I got the house with the backyard like a football field. So now my son and I can scrimmage before Broncos games in the fall—even though I'm a Cowboys fan.*

Woman [speaking]: *WCDA encourages you to use Home\$stretch to make the most of your horizons—you might be eligible for up to ten-thousand dollars in assistance toward your down payment.*

Laying the foundations for future happiness is what they do best. To learn about details and conditions, visit wyomingcda.com or ask your lender about WCDA's new Home\$stretch down payment loan program. And remember: your home is right around the corner.

Tag: *0.080% APR based on an average loan of fifty-five hundred dollars. Equal opportunity lender.”*

Results

From the time frame, March 30, 2016 to May 6, 2016 our first mortgage volume increased by \$5,942,582 or 45% and DPA volume increased by \$316,877 or 122%. Reservations for the Home\$stretch DPA loan were coming in at an average rate of \$86,000 per week and we would be out of the \$1 million by June 2016.

In May, the Board of Directors approved an additional \$3 million to be used for Home\$stretch DPA loan funding. As of January 31, 2017, total first mortgage purchase volume increased by \$36.7 MM or 43%. DPA purchase volume has increased by \$1.7 MM or 109.0%. Total additional net revenue since purchasing our first Home\$stretch loan was \$508,772.

Wyoming Community Development Authority
Home\$stretch
Homeownership: Empowering New Buyers

Statistics on the allocation of Home\$stretch funds are as follows:

- Total Allocation: \$4,000,000
- Purchased: \$2,881,908 457 Loans
- Committed: \$ 255,762 40 Loans
- Reserved: \$ 417,449 61 Loans
- Remaining Allocation: \$ 444,881

In January 2017, after seeing the positive results to our loan volume, the Board of Directors approved an additional \$2 million allocation. At this time, we modified the Home\$stretch program to be utilized only with our Standard MRB loan products to have a greater impact on our balance sheet.

Home\$stretch purchase volume numbers comparing May 1 to April 30, (both FY 2015-2016 and FY 2016-2017):

- Total first mortgage purchase volume increased by \$49.0 MM or 47%. DPA purchase volume has increased by \$2.2 MM or 114%.
- The increase in the Standard MRB volume of \$20.3 MM or 28%, we will earn \$142,080 more in interest income (assume a rate of 3% and a 7 year average life of loan).
- The increase in volume in the HFA program of \$18.3 MM or 119%, will generate approximately \$182,884 (at a 1% gain) from secondary market premiums paid.
- The increase in volume in the Advantage program of \$10.5 MM or 64%, will generate an additional \$313,834 (at a 3% gain) from secondary market premiums paid.
- The Home\$stretch volume will result in a loss in revenue due to the 0% interest rate of \$26,464 (assume a rate of 3% and a 7 year average life of loan).
- Total additional net revenue since purchasing our first Home\$stretch loan is \$601,434.

Wyoming Community Development Authority

Home\$stretch

Homeownership: Empowering New Buyers

Visual Aids



INTRODUCING HOME\$TRETCH

0% INTEREST RATE, 0.080% APR, AND NO MONTHLY PAYMENTS

\$1 MILLION IN FUNDS AVAILABLE. FIRST COME. FIRST SERVE. WYOMINGCDA.COM



INTRODUCING HOME\$TRETCH

OUR DOWN PAYMENT
ASSISTANCE LOAN
PROGRAM IS HERE
TO HELP.

Wyoming Community Development Authority

Home\$stretch

Homeownership: Empowering New Buyers



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**0% INTEREST RATE .080% APR
NO MONTHLY PAYMENTS**

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0 % INTEREST RATE, .080 % APR AND NO MONTHLY PAYMENTS

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