

Program Description

In 2001, WCDA developed two housing programs for rehabilitation of substandard housing called Spruce Up Wyoming. The Spruce Up Wyoming I and II Programs have been developed by WCDA to address the availability of decent affordable housing across the State.

I. Spruce Up Wyoming I Program

- A. The Spruce Up I Program allows for home purchase and rehabilitation by first time homebuyers using:
 - 1. The FHA 203(k) loan program, or
 - 2. Rural Development Guaranteed loan, or
 - 3. A temporary bridge/construction loan originated by the WCDA participating lender with the permanent take out loan being the WCDA Spruce Up Wyoming II loan under one the FHA, VA, or Rural Development loan programs.
- B. Once the necessary repairs / replacement of the five major systems have been addressed in the work write-up, the borrower may include other items in the rehabilitation.
- C. Funding for this program is set-aside from each bond issue (MRB/NIBP).

II. Spruce Up Wyoming II Program

- A. The Spruce Up Wyoming II Program allows for either home purchase and rehabilitation or home refinance and rehabilitation using:
 - 1. The FHA 203(k) loan program, or
 - 2. Rural Development Guaranteed loan, or
 - 3. A temporary bridge/construction loan originated by the WCDA participating lender with the permanent take out loan being the WCDA Spruce Up Wyoming II loan under one the FHA, VA, or Rural Development loan programs
- B. Once the necessary repairs / replacement of the five major systems have been addressed in the work write-up, the borrower may include other items in the rehabilitation.
- C. Requires a Minimum of \$15,000 in repairs, purchase price of home may not be more than \$145,000, home must be 20 years old or older.
- D. Funding for this program is made available through pre-Ullman funds.

Innovation

Our agency has been involved in various housing rehab programs over the years and we have had very little success with programs that were run through non-profits or cities and counties. Most programs that are community based, do well for a short time but are usually successful because of one employee. When that person is gone, the program falls apart. WCDA was interested in having a successful housing rehab program on a statewide basis. We felt our lender partners were our best delivery mechanism. While we have always purchased FHA 203(k) loans under our single family programs, it wasn't until 2001 when we began offering lower rates for these loans that the programs really kicked into high gear.

Replicable

These programs could be replicated by most HFAs under either the whole loan programs or GNMA MBS programs.

Respond to important state housing need

In 2001, the Wyoming Housing Data Base Partnership reported that there were 25,115 homes in Wyoming identified by the county assessors as being in below average condition. Funds from the Spruce Up Wyoming I and II Programs are being made available to address the condition of these homes.

Demonstrate measurable benefits to HFA targeted customers

The Spruce Up Wyoming I program has purchased 297 loans in 37 cities in Wyoming for homebuyers with incomes at or below the applicable MRB income and purchase price limits at the time of loan closing. The Spruce Up II program has purchased 149 loans in 34 cities for homebuyers/homeowners with incomes at or below \$77,000.

Proven track record of success in the market place

Eleven years have passed since the inception of this program. We no longer have to offer rates under our typical program rates to entice either the lender or the real estate agents to use the product. Both lenders and real estate agents are aware of the programs and the programs sell themselves.

Provide benefits that outweigh costs

The only real cost differential between these programs and our bond program is in the review of the rehabilitation paperwork, tracking the loans to make sure the work gets completed and final inspections are submitted.

Demonstrate effective use of resources

This program has been an extremely effective use of resources. Our agency does what it does best which is creating programs and developing resources. Our lender partners do what they do best which is mortgage lending and construction lending. Being able to provide these two programs on a statewide basis through the lender network is really an important delivery mechanism with little to no cost differential to our agency. Encouraging the use of the FHA 203 (k) loan which is a single close acquisition / rehab loan saves the borrower from having to pay for a construction/bridge loan in order to buy the house and pay for the rehab work. Most of our borrowers would not have the upfront cash requirements (20%-25%) necessary to obtain a construction loan.

Effectively employ partnerships

The WCDA Participating Lenders have really been the major partner in this effort. WCDA now hands out awards to these lenders each year. We recognize them in front of their peers at the annual Mortgage Lenders Association conference. We also provide public recognition for their efforts in our

marketing materials. They are the reason we have been able to reach 37 communities with these programs.

Achieve strategic objectives

Our primary strategic objectives were to provide an affordable housing rehabilitation program for both homebuyers and homeowners that could be administered on a statewide basis.

Our agency has only one office located in Casper, Wyoming. The state is very rural with only 563,000 persons spread over a 97,000 square mile region. Rehabilitating an average of 40 homes per year throughout the state without staff for administration is a major accomplishment.

Please see attachment for visual aid.



Before & After of an exterior rehabilitation in Basin, WY including a new roof, exterior doors, paint, sidewalk, and a new lawn.



Before & After of a kitchen remodel in Casper, WY.

