



November 1, 2016

As we've reached our fiscal year midway point, we'd like to share with you an update on the work Homewise is doing. On the following pages you will find information about:

- Our mid-year financial and mission impact update
- The success of our collaborative LIFT program, a downpayment assistance program conducted in partnership with Wells Fargo, other local banks, NeighborWorks America, and the City of Albuquerque
- A profile of Ann Alexander and Richard Khanlian, our partners in creating the Solar Opportunity Loan Fund
- An update on our New American lending program
- Homewise news, awards, and events

Through the support of our partners, investors, and contributors, we've already met with over 900 new clients this year to help them get started on their path to homeownership. And at 197 new homeowners created, we're well on our way to our yearly goal of 408.

As we reach toward our goals, we remain deeply committed to our mission and our promise to serve as good stewards of your partnership. We thank you for your continued support of Homewise.

Sincerely,

Mike Loftin
Chief Executive Officer

Laura Altomare
Director of Communications
and Resource Development

FY17 Mid-Year Financial and Mission



IMPACT

April 1, 2016 - September 30, 2016



197 TOTAL HOMEBUYERS CREATED

Financial Education

528

Households attending Financial Fitness and Homebuyer Education workshops

932

Households meeting with a Home Purchase Advisor for the first time

324

Households completing their financial action plan to become ready to purchase a home

Lending Services

173

Clients purchasing a home with Homewise financing

23

Clients saving money with a refinance loan

29

Clients investing in their home with a home improvement loan

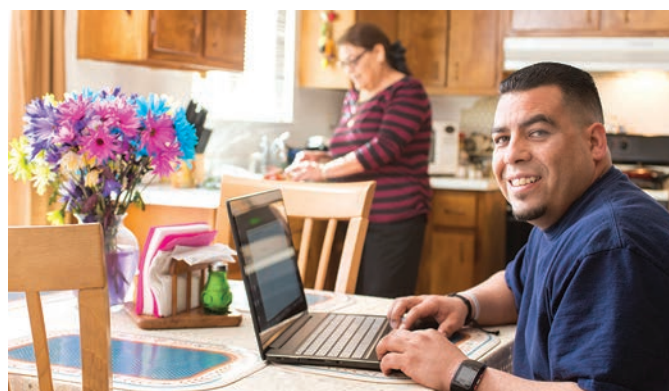
Client demographics

Median household income: \$55,568
(lowest: \$13,992)

82% First time homebuyers



Hispanic.....	59%
White.....	35%
Asian.....	4%
Native American and Other.....	2%



Portfolio Strength



30-day Mortgage Delinquency Rate

1.62% Homewise borrowers

2.69% National conventional borrowers

8.45% National FHA borrowers

As of June 30, 2016

Major Grant Awards

\$3,100,000 Capital Magnet Fund

\$2,000,000 CDFI Fund

\$305,350 Additional grants, contributions, and program sponsorships

Homewise Community Investment Fund

\$845,000 New Fund Investments

\$2,700,000 Total Fund Investments

Lending Capital

\$3,500,000 New Capital Raised

LIFT Impact Report

The LIFT program is a collaboration between Homestart (the Albuquerque-based division of Homewise), Wells Fargo Bank N.A., Wells Fargo Foundation, NeighborWorks America and the City of Albuquerque designed to provide sustainable homeownership opportunities to individuals and families throughout Albuquerque. The program provides \$15,000 of down payment assistance per household, forgivable after five years. Launched in May 2015, the final LIFT loan was completed in May 2016. Today, there are 221 new Homeowners in Albuquerque because of the LIFT program.

Many LIFT homeowners bought homes in low-income census tracts with higher than average vacancy rates. By incentivizing homeowners to stay in their home at least five years, the LIFT program helps increase occupancy, stabilize and revitalize these vulnerable neighborhoods. Over 75% of new LIFT homeowners are at or below 80% of the Area Median Income and 50% report it would have taken another three years or more to achieve homeownership without the assistance the LIFT program provided.

The following pages offer an overview of the economic impact of the LIFT program, as well as information about household demographics and client employers. And we invite you to read the story of how the LIFT program helped Nancy Gaucin, a nursing student at Central New Mexico Community College and now, thanks to LIFT, a new homeowner too!





WHERE THEY ARE EMPLOYED

- 84 Local Businesses
- 60 National Businesses
- 33 Healthcare
- 28 Government (city, state & federal)
- 20 Education
- 20 Other
- 12 Hospitality Industry



MEDIAN ANNUAL INCOME: \$39,142 (lowest: \$13,992)

HOUSEHOLD TYPES

115



Single adult

34



Married with children

16



Male single parent

46



Female single parent

11



Married without children

FROM HOUSE TO HOME

"Along with going to school, buying this house was an investment in my future."



New homeowner Nancy Gaucin (left) with her home purchase advisor Sandy Hernandez

A Little LIFT Goes a Long Way for Young Homebuyer

Nancy Gaucin has achieved quite a bit in her 25 years. She's a full-time student at the Central New Mexico Community College, where she is pursuing a bachelor's degree in radiologic sciences while working full-time as an x-ray technician.

She also recently purchased her own home, thanks to the LIFT program, a collaboration among Wells Fargo, NeighborWorks America and Homestart.

Nancy began looking for a house while she was attending community college, and that's when she learned about NeighborWorks member Homestart (an affiliate of Homewise) and the HomeLIFT program, which provides downpayment assistance to qualified borrowers.

Nancy was the first customer to register for the launch event for the Albuquerque program. Once she was approved to receive LIFT funds, she signed up for homebuyer education right away. She learned about the homebuying process, how to be prepared for unexpected expenses and how to budget.

"I'm pretty good at budgeting, but I didn't know how to work with a realtor," she

says. That information in particular helped her be a savvy customer when working with her real estate agent.

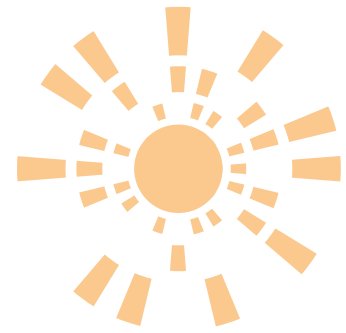
Soon, with assistance from LIFT plus the money she had saved on her own, Nancy found the perfect house. She was able to move from a mobile home to a house in a centrally located neighborhood near stores and businesses. Her mortgage payment is just \$40 more per month than she was paying previously in rent.

Nancy says she likes the stability of being a homeowner. "Along with going to school," she noted, "buying this house was an investment in my future."

After she gets her degree, Nancy plans to apply to a program to become a physician's assistant. In her limited spare time, she's done some remodeling work on the house. She's also gone back to Homestart to speak about her experience with their team.

"The people at Homestart tell me they're proud of me, and that I'm an example to other young people. They make me feel like a star!" she says. "I'm very blessed."

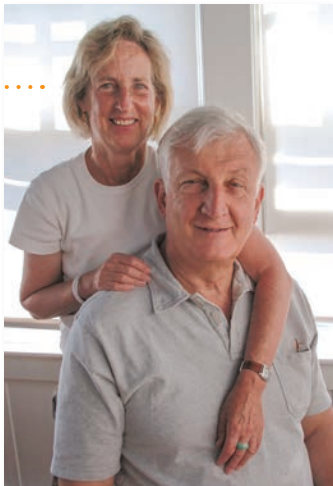
PARTNER PROFILE:



Richard Khanlian and Ann Alexander, founders of the SOL Fund

Today solar energy is becoming more accessible to low and moderate income households in Santa Fe thanks to two local environmentalists-turned-investors. Richard Khanlian and Ann Alexander have set out to make solar available to everyone.

Concerned with climate change and our unsustainable reliance on fossil fuel, Richard and Ann wanted to contribute to a better future for the next generation. Since putting solar on their homes, they've enjoyed the many advantages of solar. And now they are helping homeowners who would otherwise be unable to afford solar.



Ann Alexander
and Richard Khanlian

**"We want to make
a meaningful
statement with
the SOL fund
and provide clean
energy options for
everyone."**

Once they had an idea in place and the funds to support it, the couple began looking for a partner to facilitate the program. They chose to work with Homewise, an affordable housing nonprofit in Santa Fe. The SOL (Solar Opportunity Loan) fund was created to provide long-term fixed-rate loans for solar installations to low and moderate income households. "We want to make a meaningful statement with the SOL fund and provide clean energy options for everyone," says Khanlian.

The program, which began in November 2014, is seeing results. Since inception, the SOL fund has loaned out over \$460,000 to help 18 families and individuals solarize their homes. Participants are single adults, single parents, and couples with children, all with incomes under 120% of Santa Fe's area median income.

In addition to providing initial funds to support the program, Richard and Ann have also pledged a dollar-for-dollar match to contributions from other donors. "The goal is to encourage more people to donate so we can leverage our investments to grow the fund and help more people go solar," says Alexander.

Their idea works. The program is aimed at reducing and eliminating the barriers that prevent low and moderate income households from investing in solar. Providing long-term fixed-rate financing opens the door for many residents that are unable to make the large up-front investment and the energy and cost saving benefits are seen by those who need it the most.

FROM HOUSE TO HOME



If you are considering going solar “do it as soon as you can. Get rid of your electric bills today!”



Home Expansion Plans Aided by Solar Savings

Pulling into Eric Luchetti’s driveway, the first thing you see are giant palettes of cement blocks.

In those stacks of blocks are his plans. Plans to build a garage big enough to house his Harley Davidson, his pickup truck, and have enough room for a workshop. Eric likes to build and fix things. Since buying his home, he’s already added on another bedroom and a front porch. Another major improvement he’s made is adding solar panels to his roof.

Eric wanted to go solar primarily to save money on his electric bill and take advantage of tax credits. After his first month on solar, he saw not only significant savings on his bill, but actually got a \$5 check back from PNM. Eric’s plan is to use the money he saves on his electric bill to save up for all electric appliances. “Right now my appliances run on propane, and it costs over \$1,000 each time I fill the propane tank. When I switch to electric appliances I’ll be able to use solar energy to power them too, and save even more money!”

Eric started his switch to solar by going online to do his research. After learning as much as he could about the process and costs, he decided to go with Positive Energy Solar, a local New Mexico company. Positive Energy recommended he give Homewise a call to find out how we could help him finance his solar project. That’s when he heard about the Homewise Solar Opportunity Loan fund, a special program that offers affordable, fixed-rate financing to low-to-moderate income households throughout New Mexico. Just two days after making the call, Eric’s solar loan was approved and he was ready to make the switch.

After Eric replaces his appliances, his next big project will be to build that garage he’s been planning. And with the money he’ll keep saving, he’ll keep adding more plans to improve and expand his home for years to come. Eric isn’t shy about his advice for anyone who is considering going solar, “Do it as soon as you can” he says, “Get rid of your electric bills today!”

>>> UPDATE:

The Homewise New American Lending Program

Many of those in the immigrant population do not have a Social Security number and most have limited credit history. With most banks and mortgage lenders, this often disqualifies them from obtaining an affordable mortgage loan. Often the only creditors who will lend to these borrowers are those with portfolio products offering high interest rates and unfavorable terms. Without access to affordable financing, homeownership remains an out-of-reach dream.

In partnership with a mission-focused credit union, Homewise offers a special New American mortgage lending program for clients with an ITIN (Individual Tax Identification number) instead of a Social Security number.

Since Homewise launched our New American lending program in June of 2014, we've helped create over 75 new homeowners throughout New Mexico. At the mid-point of this fiscal year, we've already loaned over \$2.7 million dollars through this program, creating 24 new homeowners in just the last 6 months.

Room for the Whole Family

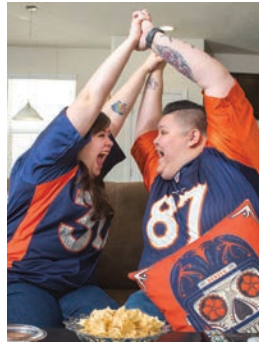


Rafael and Maria attained their dream of homeownership through this program, and they couldn't be happier to finally have a home of their own. Their pride of ownership is obvious. Rafael has already remodeled the dining room and bathroom, and his next project is to paint the outside and put up a new

fence. Perhaps most importantly, his first home improvement was to build an entire room of shelves in the basement for Maria's shoe collection. Maria is an avid shoe lover and was excited to show us her collection of dressy heels and boots, but it's the dancing shoes she loves best. Maria and Rafael love to dance and go out as often

as they can to a local night club where he used to work on the janitorial crew.

These days, while they still enjoy dancing, their greatest love is spending time with their two grandchildren who also live in the home along with their two daughters. One of the best parts of owning a home is finally having space for their family to be together. "On the weekends I make tamales for the whole family. Everyone comes over, my sisters, cousins, and we have room for them all." Maria's love for her family time is obvious and this year she finally had the space to host her grandson's birthday party at home, "Exactly where I'd always wanted it to be."



Read even more on
our websites, or follow
us on Facebook! ▼

homewise.org/about-us/in-the-news
homestartnm.org/about-us/in-the-news

facebook.com/HomewiseSF
facebook.com/HomestartNM



Homewise Happenings



Homewise Chief Executive Officer Mike Loftin with NeighborWorks America guests Paul Weech, President and CEO, Chad Klawetter, Senior Relationship Manager, and Marietta Rodriguez, Vice President, National Homeownership Programs.

Celebrating 30 years of homeowner success!

On June 7, Homewise hosted our 30th Anniversary celebration as part of NeighborWorks Week, a national week-long celebration of strengthening communities through homeownership. Nearly 200 guests enjoyed refreshments, live mariachi music, and presentations by the leaders of Homewise and NeighborWorks America. Over \$650 in raffle prizes were awarded and a very special presentation was given by Angelina Hull, a recent Homewise client who is now a proud homeowner.

Homewise Honored by New Mexico Mortgage Finance Authority

Homewise was awarded the Outstanding Community Achievement Award for 30 years of helping to create successful homeowners. The award was presented at the 11th biennial New Mexico Housing Summit in Albuquerque, NM in September.



Accepting the award were: Rachel Silva, Marketing Manager; Elena Gonzales, Albuquerque Market Manager; Mike Loftin, Chief Executive Officer; Laura Altomare, Director of Communications and Resource Development.

Award Winning Homewise Homes

Homewise was thrilled to win four awards at the 2016 Santa Fe New Mexico Area Homebuilder's Haciendas - A Parade of Homes. Our Mimosa model at 14 Via Secunda in Tessera was awarded Best Design, Best Outdoor Space, Best Energy Efficiency and Best Water Efficiency.

Homewise was also honored to receive the 2016 Santa Fe Mayor's Sustainability Award for our Homewise Homes. Energy efficiency is not only an important part of an environmentally responsible home, but is also critical to reducing monthly and longer-term ownership costs. Homewise Homes use on average 40% less energy and 30% less water than a standard code-built home.

Homewise Homes is currently building in four communities throughout Santa Fe, with its newest development on Harrison Road scheduled to break ground later this year.

You can read more about the energy efficiency we build into every Homewise Home in an article published in the September issue of Green Money Journal at <http://bit.ly/2eOqH7b>



Accepting the awards for Homewise were Mike Loftin (far left), Chief Executive Officer, and members of the Homewise Real Estate Development team (starting 4th from right): Brian Anderson, Rich Silva, Wendy Vander Ham, and Eugene Chavez.

THE HOMEWISE MANAGEMENT TEAM



On behalf of our clients, staff, and Board of Directors, thank you for your continued support of Homewise.

(l to r): **Mark Vanderlinden**, Chief Lending Officer; **Lisa Wilson**, Chief Financial Officer; **Agiola Bejko**, Manager of Coaching, Education & Outreach; **Mike Loftin**, Chief Executive Officer; **Augusta Candelaria**, Qualifying Broker; **Laura Altomare**, Director of Communications & Resource Development; **Brian Anderson**, Director of Real Estate Development; **Elena Gonzales**, Albuquerque Market Manager

