



transforming
lives, neighborhoods
and communities



homewise®

FY2018 ANNUAL REPORT

This year's annual report theme of 'Transforming lives, neighborhoods and communities' is one that resonates throughout the organization on many levels. Much of our focus this year has been to further expand the work we continue to do as part of our core strategy. This includes creating new homeowners through financial education and coaching, realtor services, and affordable mortgage lending. It also includes financing home improvements and mortgage refinancing for existing homeowners.

And now with the purchase and renovation of the Orpheum Community Hub in the Barelas neighborhood of Albuquerque, the introduction of our program to help revitalize Albuquerque's historic and financially vulnerable neighborhoods, and the launch of El Camino Crossing, our all-solar live/work community in Santa Fe, Homewise is advancing an even more transformative and comprehensive community development strategy.

Our Albuquerque neighborhood revitalization work includes a specific focus on addressing properties that have become symbols of disinvestment and turning them around to create symbols of revitalization and hope for new homeowners and neighborhoods. And through the Orpheum Community Hub, we are contributing to the revitalization of the Barelas and surrounding neighborhoods by bringing increased affordable homeownership opportunities, arts and culture activity, and commercial development to the area.

In Santa Fe, Homewise launched our newest Homewise Homes community at El Camino Crossing. This unique all-solar community features single family homes, live/work units, and commercial space for neighborhood-friendly local businesses. With sales launched in September of 2017, we've already sold 38 of the 40 single family homes available and are preparing to break ground on the live/work units this summer. We will also soon be announcing some exciting commercial tenants who will be moving into the community!

We invite you to read more about these projects and more transformative stories from the people we serve in the pages of this year's annual report. As we work each day to positively impact the lives of our neighbors and our communities, 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



**ERIKA
CAMPOS**
.....
Chair,
Board of
Directors



Homewise by the NUMBERS

80+
employees

in Santa Fe and
Albuquerque

¿Como
puedo
ayudarte?

75%

of staff who work
with clients daily
speak Spanish

\$113.9 M
total assets

Up 15% from
FY2017



6,458 hours

of free, one-on-one
financial coaching in
English and Spanish



\$4.57 M
**Grants and
Contributions**

Homewise is unique in that
we are a nonprofit, but are
completely self-sufficient
operationally, so 100% of
grants and contributions go
directly to client education
and providing affordable
lending options.



62
classes

We offer free
financial fitness
and homebuyer
education classes
in English and
Spanish.

3 
**communities in
development**

Award-winning, energy
efficient Homewise
Homes® are available
at El Camino Crossing,
Oshara Village and
Tessera.

\$10.98 M 

downpayment
assistance pro-
vided to qualified
borrowers

1.01%

**30-day mortgage
delinquency rate**
for loans 30 days or
more past due.

As of the end of FY18, a near
perfect 99% of clients had paid
their mortgage on time.

\$371M

in loans
serviced
monthly



FINANCIALS

Homewise, Inc.

For the year ended
March 31, 2018

*See Notes to Financial
Statements.*

The financial information presented herein has been compiled from the audited financial statement of Homewise, Inc. and Related Entities. Complete financial statements with accompanying notes and schedules are available upon request.

Consolidated Statement of Financial Position

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$13,132,227
Broker and other accounts receivable	2,038,579
Grants receivable	6,500
Amortizing mortgage loans receivable, current portion	1,412,675
Inventory	30,995
Development costs, current portion	4,990,419

Total current assets	21,611,395
-----------------------------	-------------------

Property and equipment, net	4,147,519
-----------------------------	-----------

Mortgage loans receivable

Amortizing, net of current portion	55,772,559
Allowance on amortizing loans	(1,370,928)

Total amortizing	54,401,631
-------------------------	-------------------

Deferred mortgage loans receivable	22,999,350
Allowance on deferred loans	(4,600,000)

Total deferred	18,399,350
-----------------------	-------------------

Total long-term mortgage loans receivable	72,800,981
--------------------------------------------------	-------------------

Other real estate owned	171,040
Real estate held for investment - rehab properties	402,355
Mortgage servicing rights	2,251,615
Development costs, net of current portion	8,271,356
Qualified low income community investment	3,795,897
Other assets	429,269

TOTAL ASSETS	\$113,881,427
---------------------	----------------------

FINANCIALS

Homewise, Inc.

For the year ended
March 31, 2018

*See Notes to Financial
Statements.*

The financial information presented herein has been compiled from the audited financial statement of Homewise, Inc. and Related Entities. Complete financial statements with accompanying notes and schedules are available upon request.

Consolidated Statement of Financial Position

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$1,419,599
Accrued expenses	650,536
Escrows and deposits	2,327,972
Lines of credit, current portion	2,888,050
Notes payable, current portion	5,964,694
Notes payable and community investment, current portion	1,228,741
Security deposits	7,977

Total current liabilities	14,487,569
----------------------------------	-------------------

LONG-TERM LIABILITIES

Lines of credit, net of current portion	298,605
Notes payable, net of current portion and unamortized discount	41,854,104
Notes payable, equity equivalent investment, net of unamortized discount	1,893,301
Notes payable, community investment, net of current portion and unamortized discount	2,300,512
Deferred grants revenue	4,300,656
Due to grantor agency	962,907

Total long-term liabilities	51,610,085
------------------------------------	-------------------

Total liabilities	66,097,654
--------------------------	-------------------

NET ASSETS

Unrestricted	35,329,933
Temporarily restricted	10,619,090
Permanently restricted	1,834,750

TOTAL NET ASSETS	47,783,773
-------------------------	-------------------

Total liabilities and net assets	\$113,881,427
-----------------------------------------	----------------------

FINANCIALS

Homewise, Inc.

For the year ended
March 31, 2018

*See Notes to Financial
Statements.*

The financial information presented herein has been compiled from the audited financial statement of Homewise, Inc. and Related Entities. Complete financial statements with accompanying notes and schedules are available upon request.

Consolidated Statement of Activities

REVENUES

Home development sales	\$19,497,906
Loan origination fees	2,594,880
Real estate sales commissions	1,918,519
Loan portfolio interest	3,251,373
Loan servicing income	699,243
Amortization and valuation of mortgage servicing rights	740,821
Government grants	1,169,839
Contributions and grants	3,401,067
Bank interest	1,954
Gain on sale of asset	215,341
Other revenue	1,195,976
Total revenues	34,686,919

EXPENSES

Cost of home development sales	16,452,167
Program	9,719,742
Administrative	2,238,717
Fundraising	549,312
Total expenses	28,959,938
Change in net assets	5,726,981
Net assets at beginning of year	42,056,792
Net assets at end of year	\$47,783,773

How do we impact our COMMUNITY?



1,824
Class attendees

You don't have to be ready to buy a home in order to work with Homewise; we can help you get there with one-on-one coaching and group workshops. One class participant recently shared that attending a Homebuyer Education class "...was the best decision I made! I now feel more comfortable and confident about starting my journey to homeownership."



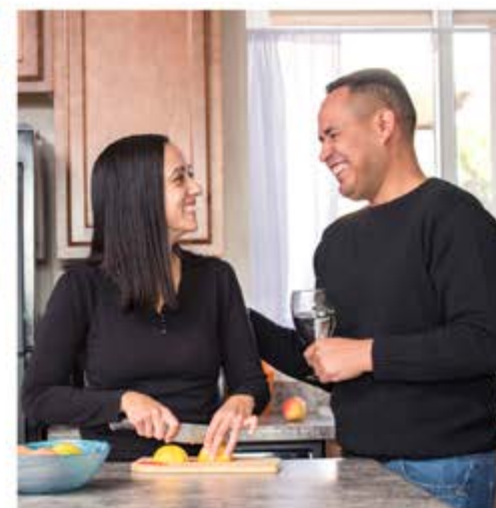
484
New homeowners

Homeowners Patrick and Esperance are refugees from the Republic of Congo who worked with Homewise to build a new life in Albuquerque. "I save money every time I pay the mortgage," says Patrick, "because I am investing in a home that I will be able to pass down to my children."



85
Refinance and Home
Improvement Loans

Greg wanted to take advantage of our New Mexico sun to provide clean, sustainable energy to his home. He was able to go solar with a home improvement loan. "Now is the time to switch to solar," he said, "and Homewise makes it easy!"



53
New Homewise Homes

Although Alex and Kristine thought that their income would prohibit them from buying a home in Santa Fe, they were able to move into a new, 4-bedroom home in our beautiful Tessera community.



How we improve our clients' financial wellbeing

▲
Credit
score

78 point increase*
Average increase for clients who started with a score under 640

▲
Savings

\$4,000 increase*
Median increase for clients who started with less than \$5,000 savings

▼
Debt

\$104 monthly decrease*
Median decrease for clients who started with 10% or more debt ratio

*clients who successfully completed the steps in their financial action plan

.....

Ricardo and Claudia spent a year working on their credit issues before they were ready to purchase a home. "Credit is important. Pay attention to it," Ricardo advises. "You have to have good credit to buy nice things." When asked what the best thing about having their own home is, they both answered without hesitation "freedom."

Who are our clients?

by household

106

SINGLE
PARENT

239

UNRELATED &
SINGLE ADULTS

156

MARRIED +
CHILDREN

70

MARRIED, NO
CHILDREN

by age group

30

18 - 24 years

293

25 - 34 years

240

35 - 44 years

232

45+ years

by employer

108

LOCAL BUSINESS

106

CITY, STATE &
FEDERAL GOVT

103

HEALTHCARE

88

HOSPITALITY

76

NATIONAL BUSINESS

69

EDUCATION

59

CONSTRUCTION

41

NONPROFIT

32

SELF EMPLOYED

17

FINANCE



The Barelas barber



Raul's dream

of owning his own barbershop in the historic Barelas neighborhood of Albuquerque set him on the path to homeownership and community engagement.

Raul grew up in the historic Barelás neighborhood near downtown Albuquerque.

In his teenage years, he found his calling cutting hair while working at a local barbershop owned by a well-known and highly respected member of the community. The training and mentoring he received stuck with him. Raul dreamt of one day owning his own barbershop in Barelás where he could welcome people of the community and carry on the traditions of his predecessor. But just like for most of us, the demands of adult life soon took over and his dream moved to the back burner.

Over the years, Raul faced many challenges. He went through years of struggle with addiction and crime. Reflecting on his past, Raul can't help but be thankful that he met his wife Shamrah during some of the hardest times in his life.

Raul and Shamrah went on to have three children. They lived paycheck to paycheck and money was always tight. But no matter how hard things were, Raul always looked forward to going to his son's wrestling matches on the weekends. Seeing the passion that his son had for wrestling made the whole family want to join the fun. As Raul's children became increasingly enthusiastic about

sports, he felt strongly that supporting their pursuits should be a priority. Raul had come to a turning point in his life; he had found his motivation for sobriety and better financial wellbeing.



Raul and Shamrah knew that owning their own home was an important step in their long-term financial security and decided to explore what it would take to become homeowners. They learned that they would need to start by working on their credit and save for a down payment. After three years of discipline and hard work, they were ready to start looking for a home. During their search, they came across the HomeLift down payment assistance program. HomeLift provided qualified borrowers with \$15,000 to use toward down payment and closing costs on their home purchase. The extra financial boost they received from the HomeLift program was enough to make homeownership a reality. They closed on their brand new home nine months later.

Today, Raul and Shamrah are saving almost \$200 a month over what they used to pay in rent for a much smaller home.

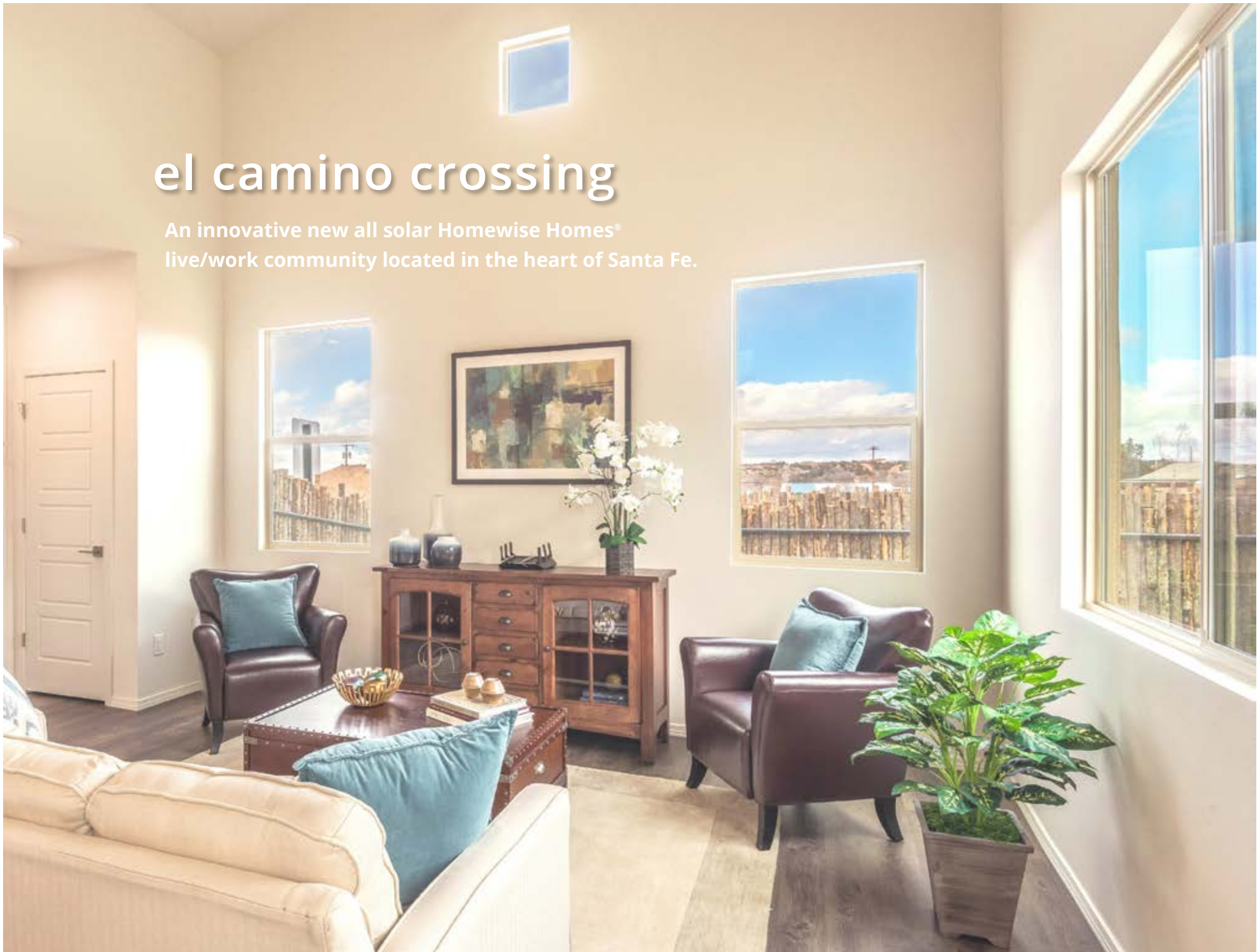
The positive changes in their life brought about by homeownership didn't stop there. With the money they had originally saved for their down payment (and were able to keep because of the HomeLift assistance), along with the money they were saving each month, Raul was finally able to turn his dream of owning his own business into a reality. Supported by his family and friends, Raul opened the Barelás Rose Barbershop just one year after becoming a homeowner.

As he establishes his business roots, Raul is also looking for ways to maximize his impact on the Barelás neighborhood. He has already turned the extra space in his barbershop into a family gym where he can watch his kids hone their athletic skills, and now he has plans to open the gym to the public and offer a free or low cost martial arts program for other children. Raul's personal success has inspired him to create greater opportunity and vitality for an entire community.



el camino crossing

An innovative new all solar Homewise Homes®
live/work community located in the heart of Santa Fe.



from vacant, neglected space...



to vibrant
community



El Camino Crossing has a dedicated park where families can play, relax, and socialize with neighbors. The park includes a public art installation of sculptures representing the mountain ranges of northern NM, after which the six El Camino Crossing home floorplans were named. The sculptures were created by local artist Jeff Overlie.

40

single family
homes



13 homes, or 33%, were sold to individuals or families of low-income.* Homewise went beyond the City of Santa Fe's affordable housing requirement of 15% of homes, selling an additional 7 homes to low-income buyers.

*Households earning below 80% of the Area Median Income (AMI).

Still to come at El Camino Crossing...



24 live/work spaces

Our unique live/work options can accommodate various endeavors, including office space, an art/music studio, or a micro business. In addition, homes are wired with fiber optic cable for high speed internet access.

13 condos

For those who are ready to downsize or prefer to live more simply, El Camino Crossing offers 1-bedroom, 705 square foot condos.

8,000 sq. ft. for retail & commercial use

Local, neighborhood friendly businesses such as restaurants, coffee shops, and retail/service merchants will be at the north end of the community off Agua Fria.

Solar made simple

Homewise is committed to sustainable living. Our award winning Homewise Homes® are built with energy efficient and water-conserving features, and homes in our El Camino Crossing community come with a maintenance-free photovoltaic solar package to further help conserve energy and save money.



Homewise solar statistics:

\$276

potential average yearly savings on electric bills for El Camino Crossing homeowners*



203

number of households since 2010 that have converted to solar energy or made solar-related improvements through our affordable financing options.

44%

solar loan clients who are low-to-moderate income



*based on a 4-panel 1.38kW system with the capacity to produce about 2,363 kWh hours per year.

Our SOL Fund is increasing the number of solar energy users among low-to-moderate income families in NM.

Using solar energy helps reduce our carbon footprint. Offsetting 2,363 kWh per year of energy (the amount capable of being produced by a 1.38kW system) saves about

1.8 metric tons of carbon



This is roughly the equivalent of:

eliminating greenhouse gas emissions from

4,310 miles

driven by a typical passenger vehicle



or

eliminating the CO2 emissions from burning

1,924 lbs of coal



Figures obtained from the EPA's greenhouse gas equivalencies calculator.



Homewise is the recipient of the Green Organization designation from NeighborWorks America.

Revitalizing our
neighborhoods



homewise[®]

**Building community
one home at a time**

www.homewise.org

In the heart of Barelas,
from abandoned house...



...to a home that gives
“hope to the neighborhood.”



Moving in a Positive Direction



To learn more about our commitment to the Barelás community, watch our video at 2018annualreport.homewise.org

1,155 sq. ft., 3 BR, 1 bath

\$92K in renovations

first of 12 homes to be renovated this year



To see BEFORE and AFTER photos of the renovation, visit 2018annualreport.homewise.org

Homewise is contributing to neighborhood revitalization without displacement by working with new and existing homeowners to reduce vacant home inventory, stabilize home values, and turn properties that have become symbols of disinvestment into symbols of revitalization and hope.

Our revitalizing efforts have been focused on the historic Barelás and South Broadway neighborhoods in Albuquerque, where we have been acquiring disinvested properties in need of extensive rehabilitation, completing the necessary work, and offering the newly improved homes for sale to individuals and families at affordable prices.

The first renovation project was a home that sat in the heart of the Barelás neighborhood. Built in 1916, it had provided comfort and stability to generations of families. Sadly, the home had fallen into serious disrepair after being vacant for the last 4-5 years, and had become a target for drug use and other illegal activity. "We would have to call the police regularly," noted one neighbor, who took it upon herself to pick up used syringes off the sidewalk.

Homewise purchased the home and immediately went to work on a complete overhaul. Four months and approximately \$92,000 in construction costs later, the home is now beautifully restored while maintaining its unique character and aesthetic ties to its Barelás roots.

"It's like night and day for the whole neighborhood," said the neighbor. "We don't have to live on high alert anymore."

She went on to say that she loves the good energy Homewise is bringing to the area. "The neighborhood has such a cool flair and character. There are so many diverse people and cultures and we all get along well and care for each other. Homewise is helping to transform Barelás in a promising direction."



Homewise
at the Orpheum

from disinvested property...



...to Community Hub



600+ new homeowners

With the Orpheum Community Hub as our Albuquerque Homeownership Center, we are positioned to create over 600 new homeowners and help more than 60 homeowners make necessary home improvements in Albuquerque over the next three years.

1,430 sq ft of space for classes and training

Allows for almost twice as many participants as we are currently able to accommodate. The space will also be offered to other organizations in the community as an arts performance venue and meeting space.

22 affordable rental apartments

will be preserved and improved as part of our renovation process. A community of artists, creative entrepreneurs, and young families make up the majority of current tenants.

Watch our video at 2018annualreport.homewise.org and see how we are helping to make a positive impact in the area.



1:26 min



Become part of the solution

We invite you to consider a unique opportunity to help New Mexican families improve their financial wellbeing by contributing to the renovation of our classroom facility at our new Albuquerque homeownership center location.

Homewise recently purchased the Orpheum Building at 2nd Street and Coal Avenue, located in the heart of the communities we most heavily assist, to serve as our Albuquerque homeownership center. The 22,000 square foot Orpheum building will allow Homewise to accomplish significant impact, not only for the surrounding historic neighborhoods, but for Albuquerque as a whole. We are embarking on a major repair and renovation project to transform the historic building into a community development hub that will help revitalize the surrounding neighborhoods and contribute to Albuquerque's overall economic vitality.

While the added space and accessible central location of our new building will allow us to serve even more clients in the coming years, the classroom itself is in need of repair and renovation in order to suitably accommodate the delivery of our financial literacy and homebuyer education programs.

We are seeking to raise a total of \$250,000 for the classroom renovation project. Your contribution will allow us to expand access for class attendees by improving the parking area, adding an exterior entrance, and accessible restroom facilities. Your contribution will also support the purchase and installation of classroom furniture, supplies, and advanced educational technology.

Your tax-deductible donation of any amount can be made online at

<https://donatenow.networkforgood.org/orpheum>

You can also call us at **505.983.9473** or email invest@homewise.org

Thank you for considering this opportunity to contribute to helping thousands of New Mexican families increase their financial wellbeing and achieve successful homeownership through financial literacy and homebuyer education.



OUR PARTNERS

Throughout our history Homewise has had the generous support of local and national financial institutions, foundations, religious institutions, city, state and federal government agencies, community businesses and individuals. We gratefully acknowledge the active endorsement of our mission by our investors and contributors.

Financial Institutions

Ally Bank
Bank of America
Bank of the West
BBVA Compass
Century Bank
First National Santa Fe
First National Rio Grande
Los Alamos National Bank
New Mexico Bank and Trust
Self-Help Credit Union
Texas Capital Bank
UBS Bank
United Business Bank
U.S. Bank
Washington Federal
Wells Fargo

Foundations

Albuquerque Community Foundation
Bank of America Charitable Foundation
Calvert Social Investment Foundation
Frost Foundation
Los Alamos National Laboratory Foundation
McCune Charitable Foundation
Jessie Smith Noyes Foundation
Onota Foundation
PNM Resources Foundation
Erich and Hannah Sachs Foundation
Santa Fe Community Foundation
Wells Fargo Housing Foundation

Religious Institutions

Adrian Dominican Sisters
Lutheran Family Services
Mercy Investment Services
Religious Communities Investment Fund
Seton Enablement Fund
Sisters of Charity of the Incarnate Word

Community Businesses, Government Agencies and Nonprofits

CHRISTUS St. Vincent Regional Medical Center
City of Albuquerque
City of Santa Fe
CDFI Fund, US Treasury
Housing Partnership Network
HUB International
NeighborWorks America
NeighborWorks Capital
New Mexico Mortgage Finance Authority
Opportunity Finance Network
Prosperity Now
Prosperity Works
Santa Fe Public Schools
Stewart Title Company
SVHsupport
Univest Rancho Viejo/Estancia Homes

Individuals and Investment Funds

Ann Alexander and Richard Khanlian
Anonymous
Avalon Trust
Avalon Trust clients
Joel Frederick Barber
Anne Beckett
Beth Beloff and Marc Geller
David Brasier
Erika and Glenn Campos
Lawrence Carreon
Jill and Paul Cook
Quarrier and Phillip Cook
Susan and Conrad De Jong Fund
Lori and David Delgado
Anne Messbarger-Eguia
Cliff Feigenbaum
Fresh Pond Capital clients
Elena Gonzales
Edward Grasskamp
John Guffey
Naomi and Robb Hirsch
Michael Kelly
Teresa Leger de Fernandez
Nahum Ward-Lev
Ann Lockhart

Michael Loftin
Viola Lujan
Genevieve and A. Paul Mitchell
Monarch Community Fund
Felicia and Daniel Morrow
Julie Moss
Mariel Nanasi and Jeffrey Haas
Agnes Noonan
Laura M. Orchard
Karen E. Orso
Joseph and Lynne Ptacek
Stacy S. Quinn
Celia D. Rumsey Charitable Trust
Miriam Sagan
Gail Saunders
Tom Saunders
Wilson Scanlan
Elizabeth and Richard Schnieders
Nan Schwanfelder
Martha and Patterson Simons
Linda and Andrew Spingler
The Sustainability Group clients
Alexis Tappan
Trillium Asset Management clients
Debra A. Walsh

OUR MANAGEMENT TEAM

Mike Loftin
Chief Executive Officer

Mark Vanderlinden
Chief Lending Officer

Laura Altomare
Chief Communications
Officer

Elena Gonzales
Director of Albuquerque
Operations

Agiola Bejko
Director of Coaching,
Education & Outreach

Daniel Slavin
Director of Real Estate
Development

David Brasier
Director of Finance

OUR BOARD OF DIRECTORS

Erika Campos, Chair

Dee Walsh, Vice Chair

Andy Spingler, Treasurer

Anne Messbarger-Eguia, Secretary

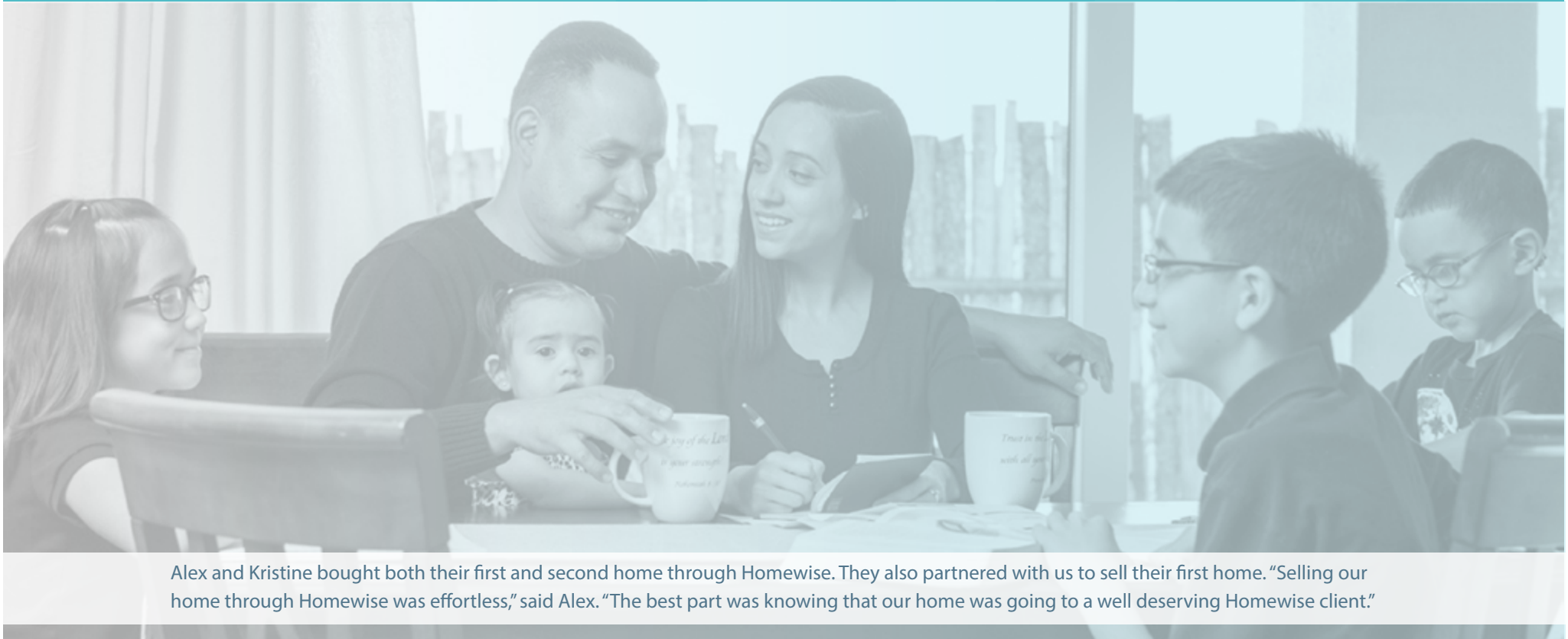
Teresa Leger de Fernandez

Agnes Noonan

Dr. Shelle VanEtten de Sanchez

Paul Vogel

Katherine Ulibarri



Alex and Kristine bought both their first and second home through Homewise. They also partnered with us to sell their first home. "Selling our home through Homewise was effortless," said Alex. "The best part was knowing that our home was going to a well deserving Homewise client."



LEARN MORE

homewise.org

ENGAGE

facebook.com/HomewiseNM

twitter.com/homewisenm

[Linkedin](#)

WATCH

[vimeo](#)



| Santa Fe Homeownership Center
505.983.9473 1301 Siler Rd, Bldg D

| Albuquerque Homeownership Center
505.243.6566 4401 Lomas Blvd NE, Ste B

| Orpheum Community Hub (to be completed in 2019)
505.795.0545 500 2nd St SW ABQ