The MISSION OF HOMEWISE is to help create successful homeowners so that they improve their financial wellbeing and contribute to the vitality of our communities.

As we celebrate our 30th year, it’s a good time to pause and look at the work we’ve done and the positive impact made for individuals, families, and our communities. Since our founding in 1986, we’ve helped:

- 13,100+ households through financial education workshops
- 3,600+ people purchase homes
- 2,000+ people make home improvements
- 600+ people refinance their mortgages

And there is still so much more to come.

This year, we launched several new initiatives that support historically underserved populations and further our mission to help families improve their financial security and strengthen local communities. Our New Americans Lending Program offers those without a social security number a fixed-rate, affordable mortgage option to help break down the traditional barriers to accessing financing to buy a home. We’re also excited to launch our newest Homewise Homes community at Oshara Village in Santa Fe. We’re building 40 new energy efficient homes to help further support the availability of affordable, quality homes in Santa Fe. With flexible live/work space and a modern, clean design, we’re introducing something truly unique into the Santa Fe new home marketplace.

A major focus in the coming year will be to help support the revitalization of Albuquerque’s historic but vulnerable neighborhoods. Albuquerque is blessed with older neighborhoods that have rich histories and strong identities. Unfortunately, many of these neighborhoods have experienced disinvestment which threatens to displace existing residents, makes it difficult for families to find a home, and causes instability in the community. By developing and supporting homeowners through financial education and affordable lending, we can help stabilize home values and revitalize these core neighborhoods that are at a critical turning point between destabilization and vibrancy.

We invite you to read more about the work we are doing this year and into the future, as we celebrate 30 years of helping to create successful homeowners and building stronger communities.
OUR HISTORY

Homewise was founded as Neighborhood Housing Services of Santa Fe in 1986. At that time the organization focused on home improvement/rehabilitation services, with two employees working on projects primarily in one Santa Fe neighborhood. In the 1990s, Homewise grew into a full-service agency helping Santa Fe's low and moderate income residents buy homes. Since then Homewise has grown to a 62-employee organization offering a range of homeownership services throughout northern New Mexico.

THE HOMEWISE WAY

At Homewise we have developed and aim to operate under nine guiding principles. These principles were developed collaboratively with the involvement of the entire Homewise staff. At least one of these principles is discussed at our monthly all-staff meeting. From the way we treat our clients, to business partners, to investors, to each other, they are the code we try to live by. We call these principles the Homewise Way, and if you walk through our offices, you will see them proudly displayed on every employee’s desk.
OUR MANAGEMENT TEAM

(I 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
HOMEWISE BOARD OF DIRECTORS

Teresa Leger de Fernandez, Chair
Andrew Spingler, Vice Chair
David Hofmann, Treasurer
Erika Campos, Secretary
David Delgado
Frank Mathew
Dee Walsh
Anne Messbarger-Eguia
Martha Acosta
HOW OLD ARE OUR CLIENTS?

SHEILA & MARVIN
Homeowners, Homewise Homes at Rincon del Sol

33
18 - 24 years

179
25 - 34 years

128
35 - 44 years

98
45 - 64 years

19
65+ years
WHAT TYPES OF FAMILIES DO WE SERVE?

ERIKA
Homewise
New Americans
Lending Program participant

209
Single Adult

97
Single Parent

96
Married with Children

55
Married without Children
WHERE DO OUR CLIENTS WORK?

KALEIGH
Santa Fe Community College Early Childhood Development Teacher and Homewise Homeowner

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Business</td>
<td>110</td>
</tr>
<tr>
<td>Government</td>
<td>81</td>
</tr>
<tr>
<td>Other</td>
<td>77</td>
</tr>
<tr>
<td>Education</td>
<td>75</td>
</tr>
<tr>
<td>Healthcare</td>
<td>71</td>
</tr>
<tr>
<td>Local Business</td>
<td>57</td>
</tr>
<tr>
<td>Hospitality</td>
<td>50</td>
</tr>
<tr>
<td>Construction</td>
<td>43</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>35</td>
</tr>
<tr>
<td>Self Employed</td>
<td>27</td>
</tr>
<tr>
<td>Finance</td>
<td>13</td>
</tr>
</tbody>
</table>
HOW DO WE IMPACT OUR COMMUNITY?

1,015
Number of people who are better able to manage their money as a result of participating in our financial literacy and homebuyer education workshops

483
Number of new homeowners, all of whom have substantially increased their financial wellbeing

101
Number of homeowners who were able to save money by refinancing their mortgage or who wisely invested in their home through a home improvement

40
Number of Homewise Homes that were built with an emphasis on quality, value and energy efficiency
### FINANCIALS

#### Consolidated Statement of Financial Position

**Homewise, Inc.** For the year ending March 31, 2016

#### ASSETS

**CURRENT ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$5,953,592</td>
</tr>
<tr>
<td>Broker and other receivables</td>
<td>567,936</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>72,000</td>
</tr>
<tr>
<td>Amortizing mortgage loans receivable, current portion</td>
<td>1,301,797</td>
</tr>
<tr>
<td>Inventory</td>
<td>39,990</td>
</tr>
<tr>
<td>Development costs</td>
<td>4,992,717</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>12,928,032</strong></td>
</tr>
</tbody>
</table>

| Property and equipment, net                                                | 2,451,053    |

**Mortgage loans receivable**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortizing</td>
<td>50,924,312</td>
</tr>
<tr>
<td>Allowance on amortizing loans</td>
<td>(1,102,111)</td>
</tr>
<tr>
<td><strong>Total amortizing</strong></td>
<td><strong>49,822,201</strong></td>
</tr>
</tbody>
</table>

| Deferred                                                                    | 18,117,919   |
| Allowance on deferred loans                                                | (3,623,584)  |
| **Total deferred**                                                         | **14,494,335**|

**Total long-term mortgage loans receivable**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other real estate owned</td>
<td>367,611</td>
</tr>
<tr>
<td>Mortgage servicing rights</td>
<td>1,465,399</td>
</tr>
<tr>
<td>Development costs, net of current</td>
<td>9,463,512</td>
</tr>
<tr>
<td>Infrastructure deposits</td>
<td>27,920</td>
</tr>
<tr>
<td>Other assets</td>
<td>263,966</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$91,284,029</strong></td>
</tr>
</tbody>
</table>

*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.
## FINANCIALS

**Consolidated Statement of Financial Position**

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES
- Accounts payable and accrued expenses: $3,190,752
- Notes payable, community investment, current portion: 69,138
- Escrows and deposits: 1,524,757
- Lines of credit: 3,682,558
- Notes payable, current portion: 4,324,891

**Total current liabilities**: 12,792,096

#### LONG-TERM LIABILITIES
- Notes payable, net of current portion and unamortized discount: 35,681,574
- Notes payable, equity equivalent investment, net of unamortized discount: 900,514
- Notes payable, community investment, net of current portion and unamortized discount: 1,798,383
- Deferred grants revenue: 85,668
- Due to grantor agency: 1,031,281

**Total long-term liabilities**: 39,497,420

**Total liabilities**: 52,289,516

#### NET ASSETS
- Unrestricted: 27,662,413
- Temporarily restricted: 8,273,975
- Permanently restricted: 3,058,125

**TOTAL NET ASSETS**: 38,994,513

**Total liabilities and net assets**: $91,284,029

*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.
## Support and Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home development sales</td>
<td>$14,576,023</td>
</tr>
<tr>
<td>Government grants</td>
<td>1,073,745</td>
</tr>
<tr>
<td>Loan portfolio interest</td>
<td>2,757,761</td>
</tr>
<tr>
<td>Loan servicing income</td>
<td>466,841</td>
</tr>
<tr>
<td>Real estate sales commissions</td>
<td>1,245,173</td>
</tr>
<tr>
<td>Loan origination fees</td>
<td>1,548,669</td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>666,018</td>
</tr>
<tr>
<td>Bank interest</td>
<td>2,609</td>
</tr>
<tr>
<td>Amortization and valuation of mortgage servicing rights</td>
<td>465,345</td>
</tr>
<tr>
<td>Loss on sale of asset</td>
<td>(53,673)</td>
</tr>
<tr>
<td>Other revenue</td>
<td>242,993</td>
</tr>
<tr>
<td><strong>Total support and revenues</strong></td>
<td><strong>22,991,504</strong></td>
</tr>
</tbody>
</table>

## Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of home development sales</td>
<td>12,830,846</td>
</tr>
<tr>
<td>Program</td>
<td>7,175,504</td>
</tr>
<tr>
<td>Administrative</td>
<td>1,676,195</td>
</tr>
<tr>
<td>Fundraising</td>
<td>349,207</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>22,031,752</strong></td>
</tr>
</tbody>
</table>

## Change in Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in net assets</strong></td>
<td><strong>959,752</strong></td>
</tr>
</tbody>
</table>

## Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at beginning of year</td>
<td>38,034,761</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td><strong>$38,994,513</strong></td>
</tr>
</tbody>
</table>
2016 HIGHLIGHTS

BREAKING DOWN BARRIERS TO HOMEOWNERSHIP

The Homewise New Americans Lending Program is already proving to be highly successful at helping our underserved immigrant population attain affordable mortgage financing. The Program allows clients to use an ITIN (Individual Tax Identification number) instead of a Social Security number in the application process, making it possible for them to pursue their dream of homeownership.

A TRULY UNIQUE OPPORTUNITY FOR SANTA FE HOME BUYERS

Our newest Homewise Homes community at Oshara Village offers quality built, energy efficient homes with flexible work/live space and a modern, clean design. Homebuyers can also opt for innovative features such as solar energy packages and second story garage space that can be built as studio space or a rooftop deck.

HOMEWISE IN THE NATIONAL SPOTLIGHT

A CNBC national report highlights Homewise and the strong impact we are making in our communities. The in-depth story, entitled ‘Some Americans Can’t Afford to Buy Homes in Their Hometowns,’ focuses on why minority borrowers have been hurt the most by tight lending constraints, and what organizations like Homewise are doing to help.

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 live mariachi music, refreshments, and presentations by Homewise leaders, clients and advocates.

Read the full version of these highlights along with additional stories and media coverage at www.homewise.org/2016-annual-report
INVEST IN HOMEWISE

HOMEWISE COMMUNITY INVESTMENT FUND

You can directly impact the financial wellbeing of local families and individuals by supporting the Homewise Community Investment Fund (HWCIF). As a HWCIF investor, you will earn a monetary return on your investment while providing the necessary funding for:

• affordable fixed rate mortgages
• energy and water conserving home improvement loans
• the development of quality built homes that provide value and energy efficiency

SOLAR OPPORTUNITY LOAN (SOL) FUND

Help homeowners significantly reduce their electric costs by contributing to the SOL Fund. The Fund provides low interest, long-term fixed rate loans to low and moderate income families in Santa Fe so that they can incorporate solar power into their homes. Your tax-deductible donation will be matched up to $50,000 by our generous SOL Fund underwriting donors.

When you invest in our efforts to create successful homeowners, you become a partner with Homewise in building a strong future for New Mexico.

Contact Homewise today to learn more about our Funds and the various options available; we can help you choose how to best support your investment goals.

505.983.9473
invest@homewise.org

This notice is not an offer to sell securities.
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
- Century Bank
- First National Santa Fe
- First National Rio Grande
- Los Alamos National Bank
- New Mexico Bank and Trust
- Self-Help Credit Union
- UBS Bank
- U.S. Bank
- Washington Federal
- Wells Fargo

**Religious Institutions**
- Adrian Dominican Sisters
- Episcopal Diocese of Iowa
- Alternate Investment Fund
- 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 Health
- CHRISTUS St. Vincent Regional Medical Center
- City of Santa Fe
- CDFI Fund, US Treasury
- HUB International
- NeighborWorks America
- New Mexico Mortgage Finance Authority
- Opportunity Finance Network
- Santa Fe Public Schools
- Santa Fe Association of Realtors
- Stewart Title Company
- SVHsupport

**Individuals and Investment Funds**
- Access Strategies Fund
- Ann Alexander and Richard Khanlian
- Anonymous
- Avalon Trust
- Joel Frederick Barber
- Rutgers and Leslie Barclay
- Mikaela and Craig Barnes
- Anne Beckett
- Lawrence Carreon
- Fay M. Chandler
- Jill Cook
- Quarrier and Phillip Cook
- Harriet McKnight Crosby
- Anne E. Delaney
- Lori and David Delgado
- Elizabeth C. Derringer
- Julie E. Dolin and Bradford Armstrong
- Cliff Feigenbaum and Julie Moss
- Fresh Pond Capital clients
- Phyllis J. Hatfield
- Connie and Jonathan Heller
- Cynthia C. Hermes
- David Hofmann
- The Karuna Trust
- Elaine and Dennis Kelly
- Michael Joseph Kelly
- Shannon K. Kendrick
- Suzanne L. Lafetra
- Marta Jo Lawrence
- Teresa Leger de Fernandez
- Nahum Ward-Lev
- Ann Lockhart
- Viola Lujan
- F.J. Mathew
- Alicia and William Miller
- Genevieve and A. Paul Mitchell
- Monarch Community Fund
- Anja Murmann
- Laura M. Orchard
- Karen E. Orso
- Joseph and Lynne Ptacek
- James DeWolf Perry
- Stacy S. Quinn
- Katharine W. Reynolds
- Jennifer Roberts
- Celia D. Rumsey
- Wilson McAllen Scanlan
- Elizabeth and Richard Schnieders
- Nan Schwanfelder
- Barbara Seeley
- Martha and Patterson Simons
- Linda and Andrew Spingler
- The Sustainability Group
- Travis Family Gift Fund
- Trillium Asset Management
- Richard T. Tyner, Jr.
- Debra A. Walsh
- Donna Wardenaar
- Christopher Watson
- M. Thomas Wilson
- Woodlands Investment Management
- Peyton Young and Harry Shapiro
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homestartnm.org

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facebook.com/HomewiseSF
facebook.com/HomestartNM

BE INSPIRED
homewise.org/blog
homestartnm.org/blog

AMANDA
Homewise Solar Opportunity Loan (SOL) program participant

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