

The FAHE Investor Newsletter

# COMMUNITY FOCUS



## USDA Renews 502 Agreement with FAHE

In early 2010, officials at the U.S. Department of Agriculture (USDA) approved a special set aside of \$25 million in mortgage funds for low-income homebuyers in Central Appalachia through the Federation of Appalachian Housing Enterprises (FAHE) and its affiliates.

Known as the 502 Demonstration, it was the first partnership of its kind nationwide, wherein nonprofit lenders were given unprecedented access to fast-track the deployment of federal funds. Loans originated through this pilot program featured payment assistance and interest rates as low as 1%, and for qualified borrowers, 100% financing and alternative credit analysis were also available.

On Nov. 30, 2010, the USDA approved a renewal of the Memorandum of Understanding between USDA and FAHE, which moves the 502 Demonstration from a demonstration program in 2010 to a program funded with regular 502 dollars in 2011. With this program, FAHE and its members are able to access program dollars for both new construction and existing housing in USDA eligible areas in Central Appalachia.



*The Birchfields (center) were one of the many families to benefit from the original 502 Demonstration program.*

The focus of the program is FAHE's service area in Central Appalachia and its pockets of persistent poverty. As an association of nonprofit housing providers, FAHE is uniquely positioned to deliver affordable mortgage products in some of the country's most underserved communities.



P.O. Box 908, Berea, KY 40403 | (859) 986-2321 | www.fahe.org

FAHE leads a network of Appalachian organizations to sustainable growth and measurable impact through collective voice and provides access to capital that creates housing and promotes community development.



A member of the **OPPORTUNITYFINANCE NETWORK**



*National Rural Housing Conference dinner: Tom Carew with HAC board president Twila Martin Kekahbah. Photo by Jay Mallin*

## FAHE Staffer Honored at National Rural Housing Conference

At their National Rural Housing Conference in early December, the Housing Assistance Council (HAC) presented the Cochran/Collings Award to FAHE's Director of Membership, Tom Carew. The Cochran/Collings Award honors individuals who have provided outstanding and enduring service, with national impact, for the betterment of housing conditions for the rural poor.

Housing Assistance Council," said Carew. "My most recent work on the National USDA Packaging Demonstration really recognizes the superb team Jim King has put together here at FAHE. It is this team that has made the Central Appalachian demonstration with USDA very successful, and so far the best performing in the country!"

*(Continued on page 3)*

"It was a great honor to receive the Cochran/Collings award from the

## FAHE and Frontier Housing Help Flood Victims Find New Home

Opal Spears and her daughter had lived in their Carter County, KY home for 26 years before it was destroyed by a flood in May 2010. The two women lost everything in the flood, and Opal was forced to place her daughter, who has a disability, in a nursing home while she searched for a new place to live.

Earlier that year, FAHE Member Frontier Housing launched an outreach initiative to local realtors, and Ross Realty in Grayson Kentucky referred Spears to Frontier for help. Once she found a home to purchase, Frontier and FAHE's JustChoice Lending put together a financing package and provided Spears with closing cost and down payment assistance.

While waiting on her financing to be completed, Spears purchased furniture for her new home and had it stored at an offsite facility. Unfortunately, the area was struck with more flooding in July, and all of Spears' purchases were destroyed, but Spears was able to use money from FEMA to replace these items and furnish her new home.

Thanks to FAHE's JustChoice Lending and Frontier Housing, Spears and her daughter were reunited in their new home after only two months. The home was not only affordable, but also accessible for Spears' daughter, and out of reach of any future flooding.

Spears said that she was very pleased with her experience with Frontier, and that she would recommend them to anyone looking for help on financing a new home.

## Date Set for 2011 Spring Retreat

FAHE's Spring Retreat will be held April 27-28, 2011. This year's retreat will take place at historic Boone Tavern in Berea, KY. Members will gather to formulate a strategic plan for the next five to 10 years.



## FAHE Staffer Honored at National Rural Housing Conference

*(continued from page 1)*



*Carew speaking at the Housing Assistance Council's National Rural Housing Conference. Photo by Jay Mallin*

Throughout his 39-year career dedicated to the provision of affordable housing in the Appalachian region and beyond, Carew has always advocated making change on the national level to improve housing for the rural poor throughout the country.

Tom first came to Appalachia as a college volunteer in Lewis County, KY in early 1971. His first trip was for a week, but Carew returned for a two-year stint as a volunteer with the Glenmary Home Missioners, a Catholic order working in Central Appalachia and the Deep South. Those two years turned into 40. "To be honest I fell in love with Kentucky, the people, the rich culture and the beauty!" said Carew.

His work on USDA's Section 502 Demonstration Program benefits rural families nationwide. The demonstration has proven ways to increase the efficiency of the 502 program, making delivery of affordable financing more effective.

Outside of his position at FAHE, Carew founded FAHE Member Frontier Housing and served as its Executive Director for 25 years. He serves as a director and advisor to many organizations and agencies including the National Rural Housing Coalition, the Homeless and Housing Coalition of Kentucky, the Christian Appalachian Project. Among his other accomplishments in these positions is provision of testimony to Congress on a broad range of rural housing issues. Carew and his family live in Morehead, KY where he is a city councilman.