

A rectangular doormat with a light brown, fibrous texture. It features a black border with ornate, symmetrical scrollwork designs at the corners and midpoints. In the center, the words "WELCOME HOME" are printed in a bold, black, serif font, arranged in two lines.

WELCOME  
HOME



## OUR MISSION

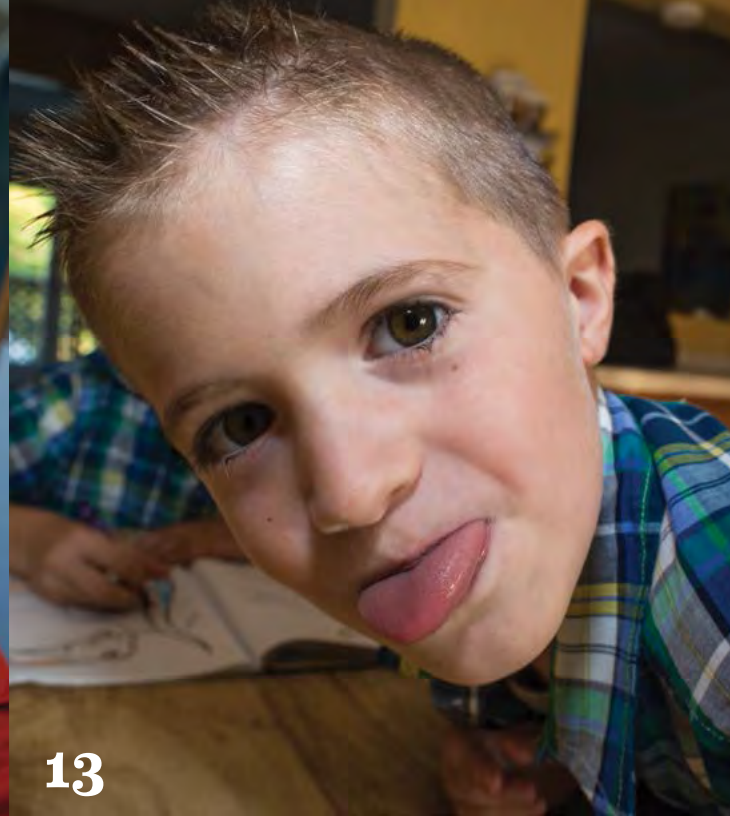
**In order to make the Commonwealth a better place to live while fostering community and economic development, the Pennsylvania Housing Finance Agency provides the capital for decent, safe, and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs.**

## Welcome Home

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2015 ANNUAL REPORT  
Pennsylvania Housing Finance Agency





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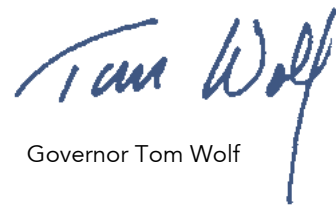
## A message from Governor Tom Wolf

More than 40 years ago, our state legislature made a wise investment that continues to benefit Pennsylvanians to this day, and will for years to come. It provided the initial seed funding to create the Pennsylvania Housing Finance Agency.

Established in 1972, PHFA was structured as a public corporation that would operate primarily off its own investments and program fees, not public tax dollars. Initially, it worked to promote the construction of affordable apartment buildings. Ten years later, it began making affordable home loans available to Pennsylvanians who had demonstrated they were ready for the responsibilities of homeownership.

As times changed and the housing market evolved, PHFA remained a leader among state housing finance agencies by expanding its home loan offerings, adding a statewide housing counseling network, and launching a foreclosure prevention program that has since become a national model for its effectiveness. All of this was accomplished with only occasional allocations of public tax dollars in special situations. The agency continues to expand affordable housing options in the Commonwealth thanks to that initial seed capital provided by our state leaders so long ago.

We're fortunate to have this resource available in Pennsylvania—helping renters and homebuyers with more affordable housing choices and, in the process, modernizing our housing stock and promoting economic development statewide. So, whether you are looking for an apartment or are ready to make the exciting leap into homeownership, I suggest you start your housing search with the Pennsylvania Housing Finance Agency. Their slogan is “Welcome home” with good reason, because their staff can help you find that apartment or house that’s just right for you.



Governor Tom Wolf



*Uptown Lofts on Fifth in Pittsburgh won an Innovation in Design Award from PHFA.  
See the related story on page 17.*



# 2015 Board of Directors



Board Chair  
The Honorable Robin Wiessmann



Board Vice Chair  
Thomas B. Hagen



Craig H. Alexander, Esquire



K. Scott Baker



Maria F. Coutts



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Ross J. Nese



John Paone



The Honorable Timothy A. Reese



Mark Schwartz, Esquire

## WELCOME HOME:

# A message from our executive director

A few years ago, we invited our staff to pick a promotional tagline, or slogan, for our agency. We got back more than 125 suggestions, and many were quite good. But the one that really stood out was “Welcome home.” We knew right away it was the best choice because it fit the mission of our agency so perfectly.

It’s amazing to me how two short words can carry such strong, emotional appeal. Welcome... meaning to be greeted warmly, and home... a comforting place where one feels safe and is surrounded by family. Put them together, and fond memories from our childhood and young adult years come flooding back in our minds.

### *A unique charge, a special opportunity*

We at the Pennsylvania Housing Finance Agency are fortunate to have jobs through which we help welcome people home. It’s no coincidence that the average length of service by our 316 employees is 12 years. I’m proud to share that 93 of our staff have been with PHFA for 10 years or longer, and 56 have been with the agency for more than two decades. People don’t work here that long just because of the paycheck. They make a career commitment to PHFA because they appreciate having a position that lets them affect people’s lives in such a profound and tangible way.

Every year, we help tens of thousands of Pennsylvanians find affordable apartments or homes that then become the center of their lives. It’s our privilege to have that responsibility, and we appreciate the satisfaction that comes from touching people’s lives so meaningfully.

### *Never losing sight of the human dimension*

Annual reports deal, of course, with such things as financial figures and balance sheets. But in this annual report, we’ve chosen to emphasize personal stories about families helped by PHFA as a heartfelt reminder that our agency’s work is foremost about people. It’s about providing affordable housing that helps others improve their quality of life and achieve their full potential, freed from worries about a safe and comfortable place to live. These stories illustrate why the mission of PHFA remains of critical importance today.

We appreciate our partners who support our work and extend its reach. We are joined by private sector businesses, non-profits, and other state agencies who share our passion for expanding affordable rental and homeownership options for Pennsylvanians. Together, we work to develop housing solutions that stay ahead of changing market conditions and consumer preferences. We also share the joy that comes with welcoming people home.

Brian A. Hudson, Sr.  
Executive Director and CEO







A wide variety of housing programs, all with one goal: To welcome people home

## Homeownership

### Home loans

As the housing marketplace has changed during the past few years, the agency has increased its offerings of competitively priced mortgage products. PHFA's home loans have features specifically tailored to address the needs of first-time buyers and people with limited income and savings.

### Mortgage Credit Certificates

MCCs have proven to be extremely popular because they allow qualified homebuyers to claim a tax credit of up to \$2,000 annually on their federal income tax return for the life of their PHFA mortgage.

### Closing cost and down payment assistance

It can be a challenge for first-time homebuyers to save enough money to cover closing costs and the down payment. One of the programs that makes PHFA stand out is its provision of a no-interest loan to help buyers with these costs.

### Home repair and improvement loans

The agency provides home repair loans to help people who qualify for such things as energy efficiency upgrades, making a house more accessible, and for repairs to an on-lot septic system or for first-time connections to a public sewer system.

### Refinancing

In response to customer inquiries, PHFA now offers mortgage refinancing. Homeowners who appreciate the personalized customer service provided by the agency now can stay with PHFA when refinancing their home loan.

## Rental Housing

### Rental housing search

Finding an apartment can be a tedious process, driving from address to address to check available units. PHFA and its partners oversee an online apartment search tool at PAHousingSearch.com that hunts for vacancies matching the renter's criteria, and which includes photographs as well as apartment details. Bilingual call center operators can perform the apartment search for people who don't have easy Internet access.

### Construction of affordable rental housing

Low-Income Housing Tax Credits provide financial support for developers wanting to build affordable rental units that will then be made available for an agreed-upon period, usually 30 years. Allocated by PHFA to those developments that best meet the agency's evaluation criteria, the tax credits are then sold by developers to private investors in order to raise capital for construction.

### Housing services

Seniors, people with disabilities, and others with special housing needs can often live productive, independent lives with the help of supportive services. Examples of housing services include transportation to the doctor or shopping, health and wellness programs, and job hunting resources. PHFA works to support the organizations that provide these critical services to renters living in multifamily buildings funded by the agency.

### Assistance for people with disabilities

Disabilities that make it difficult to work can also make it hard to find housing that accommodates people's special needs. Through a pioneering program funded by the U.S. Department of Housing and Urban Development, PHFA is working with the Pennsylvania Department of Human Services to provide rental assistance and supportive

## PHFA Staff



Top: Terri Redmond, Housing Counseling Department

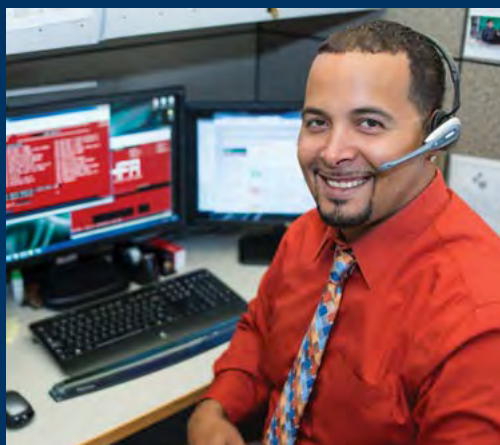
Bottom: Michelle Lugo, Homeownership Division

Opposite (L-R): Shanta Mauro, Loan Servicing Division; Linda Stewart, Multifamily Division; Steven O'Neill and Lauren Sulzer, Legal Division; Felicity Diggs, Loan Servicing Division

[more](#) ▶



## PHFA Staff



Top: Katie Dunlop, Homeowners' Emergency Mortgage Assistance Program

Bottom: Orlando Laureano, Customer Solutions Center

Opposite: PHFA's main office in downtown Harrisburg

services for people with disabilities. The goal is to keep people out of institutional housing and, instead, help them live independently.

## Consumer Assistance

### Consumer education

PHFA's emphasis on consumer education is guided, in part, by the observation that better management of one's personal finances helps people not only in relation to their housing decisions but in all facets of their life. That's why the agency has a financial education officer who leads seminars across the state to help people better understand financial concepts and options. The agency also oversees a free financial education website at [MoneysBestFriend.com](http://MoneysBestFriend.com) that is easy to navigate and filled with helpful information.

### Housing counseling

PHFA has a network of 77 approved counseling agencies located statewide to help people sort through their housing choices. By staying up-to-date on the latest developments in the marketplace, counselors can help consumers identify housing options of which they might not have been aware. Most agency services are available at no cost to consumers thanks, in part, to financial support from PHFA.

## Homeowner Assistance

### Foreclosure prevention

Sometimes bad situations happen, like the unexpected loss of a job or a serious illness. These major life events can cause a financial drain on a family's budget. PHFA's Homeowners' Emergency Mortgage Assistance Program, or HEMAP, can support people during these difficult times by helping them get current on their mortgage if they've fallen behind, giving them one less thing to worry about while they get their life

back in order. HEMAP assistance is in the form of a loan, not a grant—so homeowners do pay back this financial aid. The repayment of their HEMAP loan helps the program extend its reach to other homeowners in need.

## Special Housing Needs

### Housing in the Marcellus Shale region

The discovery of abundant natural gas in the state's Marcellus Shale region has been an economic boon for Pennsylvania. But it has placed a strain on available housing in areas where drilling for gas is occurring. An impact fee imposed on natural gas drillers through Act 13 provides money to the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund. Administered by PHFA, this fund supports local governments' efforts to make more affordable housing available in 29 affected counties.

## Customer Support

### Call center

PHFA has not only added a bilingual call center to help customers with their questions, but it has expanded hours of access to include weekday evenings until 9 p.m. and Saturdays until 5 p.m. The staff in the Customer Solutions Center has been extensively trained on all the agency's housing programs so they can provide quick and accurate answers to customer inquiries. They can be reached via a toll-free number: 1-855-U-Are-Home (827-3466).

### Loan servicing

PHFA has a portfolio of 54,000 home loans that its staff services from the agency's Harrisburg office. All PHFA mortgages are serviced in-house.

## Public Outreach

### Web resources

One of the advantages of the Internet is that it lets people access critical information at times of the day, and night, when it's most convenient for them. PHFA posts a wealth of information about its housing programs on the Web so consumers can research their housing questions, even after normal business hours when the agency's offices are closed.

### Social media messaging

People young and old turn to social media to stay connected and access helpful services. That's why PHFA has an active presence on Facebook, Twitter and YouTube.





**The real-life stories on the pages that follow are a small sampling that illustrate how PHFA's housing programs help people improve their lives, support communities' economic development efforts, and strengthen the state's economy.**



## Owning a home has made all the difference

Ask Laurie Henry what's better than a PHFA home loan, and she'll say two PHFA loans.

Laurie is speaking from experience, because a year after she moved into her three-story townhome, the heat pump went out. But Laurie didn't panic. She quickly learned that PHFA offers a low-interest loan for homeowners who need to make energy efficiency repairs. For a new homeowner, it was just the assistance she needed.

Like many single moms, Laurie had been renting while raising her two sons. Her apartment, while affordable, was on the third floor of a building in downtown Harrisburg. She had to park on the street. There wasn't a washer or dryer in the unit. Plus there was no yard where the boys could play. Laurie wanted something better.





Laurie's sons, Rylan (left) and Nolan.

Every year, she doggedly saved her income tax refund and started building her house fund. She also attended a homebuyers' workshop led by Tri County Community Action. The information provided a good refresher, she says, on how to handle one's personal finances. But more importantly, people who completed the six-hour class were eligible for a \$3,000 loan from Dauphin County that they could apply toward their closing costs. That brought Laurie closer to her goal.

**For Laurie, homeownership was a better option for her and her boys**

George Crumlich with Howard Hanna Real Estate Services was another huge help. Howard Hanna is a PHFA-approved lender, helping customers obtain mortgages funded by the agency. Laurie got Howard Hanna's contact information from a list of participating lenders on the PHFA website. Within two days of contacting George, he had Laurie pre-approved for a PHFA home loan.

Today, Laurie's active boys have a yard for playing, and she has a home with conveniences like a dishwasher and a garage. They've even adopted a dog.

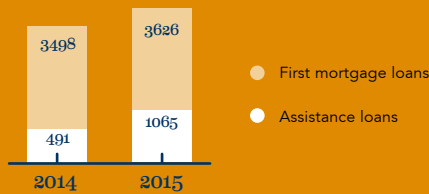
"It's been good for my boys," Laurie shares with a smile. "They have a backyard to play in. There's a strip of woods that they get to explore. There are lots of parks nearby. We can have backyard campfires, which we never could have had in the city."

Laurie advises other renters, including single parents, "In most cases, rent can be as much as you would be paying for a mortgage. It just doesn't make sense at all [to keep renting]. If you save your tax refunds and buckle down, and only buy what you need, and save for a couple years, you can have a house."

Consider PHFA, too, when you start your home search, Laurie advises—or if your heating or cooling system fails.

"I rave all the time about the people I dealt with at PHFA and how amazing they were," Laurie exclaims. "Both times I got PHFA loans, it has been amazing!"

**MORE ASSISTANCE LOANS**



PHFA saw an increase in mortgage loans in 2015, plus the number of closing cost and down payment assistance loans increased significantly—15 percent.

[more ▶](#)



**“I rave all the time about the people I dealt with at PHFA and how amazing they were.”**

— Laurie Henry, homeowner



Owning her own home provides Laurie with amenities and easier access to activities not available when she was renting. Her two boys also have more room, inside and outside, to play. 🏡



# An affordable apartment turns hardship into happiness

If you've had 13 strokes and a seizure by the time you're 54, you quickly learn to appreciate life. "I don't regret anything," says Davee Satchell from his wheelchair. "Because when I wake up and see the daylight, I am so happy. It gives me a chance to make today better than yesterday."

Davee grew up in the Hill District of Pittsburgh. He didn't care much for school, and it seemed like he was suspended from class more days than he attended. But he was a worker.

From age 11 until well into his 30's, he stayed busy working odd jobs to pay the bills and take care of his mother. Washing windows, shoveling snow, hauling garbage, and recycling soda bottles—Davee was a hustler, in the best sense of the word.







The nearby Duquesne Brewery clock.

But then Davee’s health began to suffer. Eventually he had to have his legs amputated, and his right side was paralyzed. He couldn’t work anymore, so he was living on disability income.

Over the years, it became harder to find an apartment that could accommodate his needs while meeting his budget. It looked like Davee might have to live at a shelter.

*Davee now lives in a clean, comfortable apartment—with something special*

Davee’s fortunes changed after lots of persistent phone calls by his caregiver and a caring response from Tia Tarrant at ACTION-Housing Inc., an affordable housing provider in western Pennsylvania. Funded, in part, with tax credits awarded by PHFA, ACTION-Housing was building two multifamily apartment buildings in the neighborhood where Davee grew up. Called Uptown Lofts on Fifth, they included some handicap-accessible units.

Davee received more good news when Potter’s House Ministries in Pittsburgh provided his security deposit.

“Oh, man, help me with the words,” Davee says, his emotions rising. “To me, it’s like a blessing from God. I’m grateful to the people that helped me get in the building, because it’s a place that can’t get any better. I love it here.”

His apartment has an accessible kitchen, living room, two bedrooms, and bathroom—at a rent he can afford. The apartment also held a special surprise, because the view from his unit includes a local landmark—the Duquesne Brewery clock—well known to Pittsburghers since 1933. For Davee, it added a reassuring sense of comfort.

“When I moved here, I could see the clock,” he says, gazing off. “I was blown away because I grew up with the clock. And in my room, the clock is right there [through the window]. I sit around and cry [when I see it]. I get emotional. But it’s a good cry. It’s not always a sad cry.”

It’s nice to know that Davee has finally found his way home.

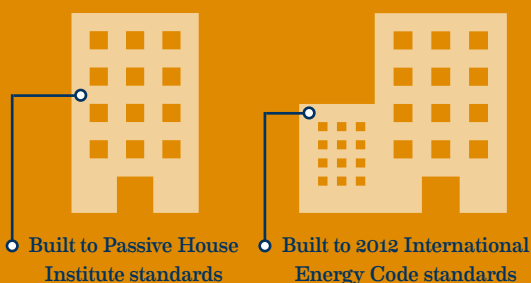
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**“I’m grateful to the people that helped me get in the building, because it’s a place that can’t get any better. I love it here.”**

— Davee Satchell

**ENERGY USAGE RESEARCH**



The two buildings at Uptown Lofts on Fifth will demonstrate the energy efficiency benefits of two different construction standards.



Living at Uptown Lofts on Fifth has not only provided Davee with much-needed housing—it's allowed him to maintain his independence in surroundings familiar to him from his youth. Also, family, friends and his caregiver are nearby to assist him. 🏡



## Putting to good use what she's learned

Spend a little time with Asia Wallace and you quickly deduce that the rooms in her house would never be painted beige. She lives life with so much enthusiasm that her home's rooms would have to be painted a bright rainbow of yellow, turquoise, peach and more. The very fact that she owns a home today is a testament to her positive attitude and strength of determination.

Eight years ago, Asia was living in Germantown, a neighborhood in Philadelphia, with her two children, and she sought to escape an abusive relationship. She decided to start her life over in Scranton, hoping for a fresh start for herself and a better life for her children.

Initially, they were living in Section 8 housing. But over time, Asia got better-paying jobs and was able to move into a market-rate apartment. Things were on the upswing, until her landlord told her he wanted her unit for his son, who was moving back to the area. She decided then that she needed to buy her own home.





Chino, Asia and Alaysia.

“I wanted my children to have a place to call home—their home, so they’re not moving in another two or three years after the lease is up,” Asia recalls. “I wanted us to have a place to call our own.”

**Counseling helped Asia make a better-informed homebuying decision**

Asia wasn’t sure where to start. But she got the help she needed from NeighborWorks Northeastern Pennsylvania, which offers an online, self-study course for renters who want to become homeowners. Housing counseling by agencies like NeighborWorks NEPA is funded, in part, with support from PHFA.

“The course just broke it down, like how a mortgage works,” Asia explains. “It taught me a lot, too, about how you have to get your credit together. They made it so easy to understand.

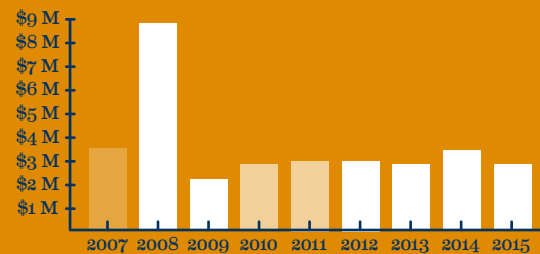
“I took the classes online, so it was on my own time and at my own pace. I loved how it had so much information, and it all made sense.

“At NeighborWorks, they educated me on how to become a homebuyer. Plus, they were friendly, too,” Asia smiles. “I’m forever grateful to NeighborWorks because they inspired me to not only get my own home with their help, but now I want to help other people become homeowners.”

Asia has since become a realtor and notary in Lackawanna County, making good on her promise.

She and her children now live in their dream home, with a nice yard, on the corner of their street. She’s painted the rooms the bright colors she loves, and some day, she hopes, they’ll even add some turquoise shutters.

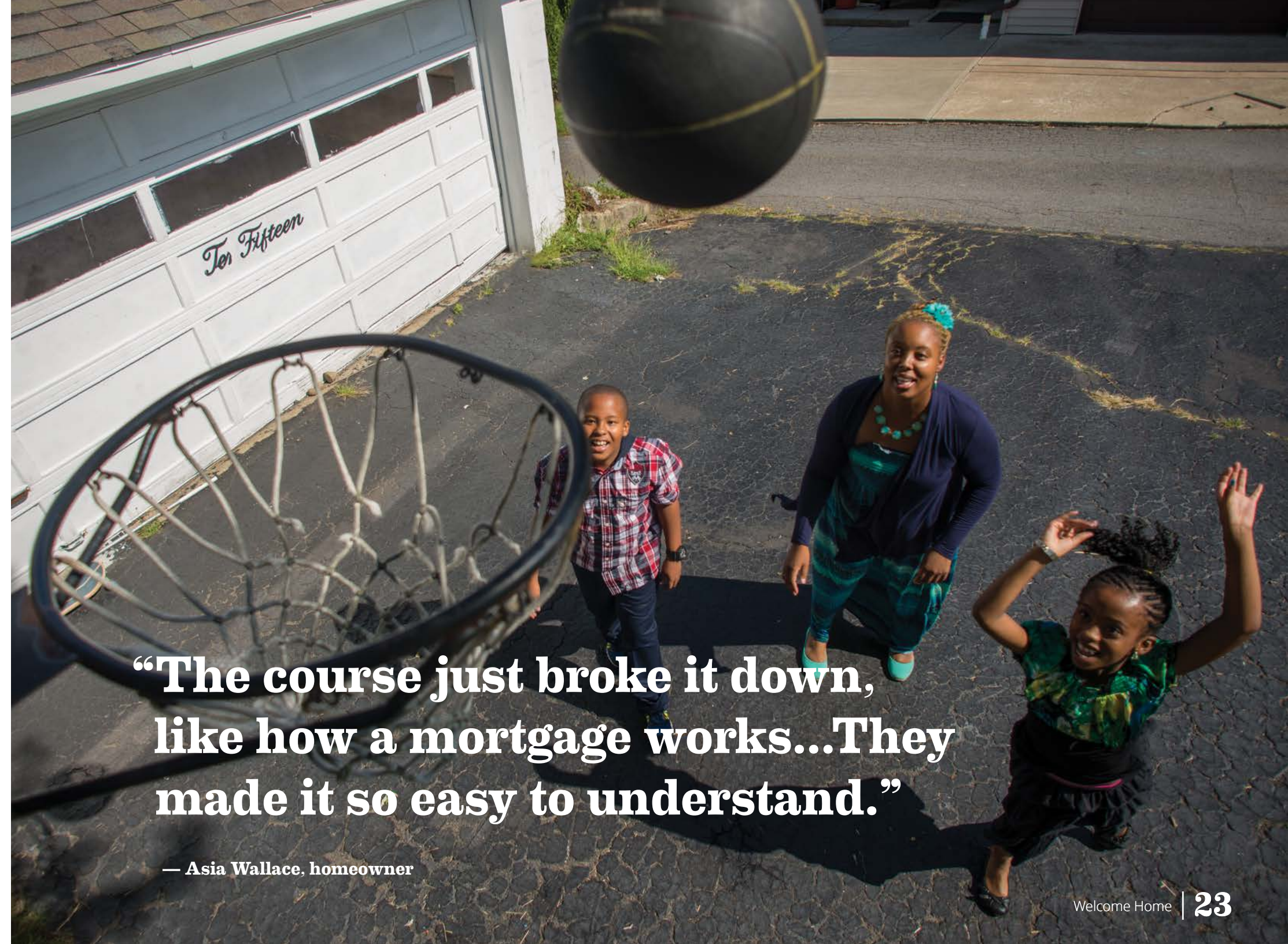
**FUNDING FOR COUNSELING**



● Top funding ● 2nd highest ● 3rd highest

PHFA has consistently been at the top, or near the top, of state housing agencies awarded funding through NeighborWorks America to provide foreclosure counseling for Pennsylvania homeowners.

[more ▶](#)



**“The course just broke it down, like how a mortgage works...They made it so easy to understand.”**

— Asia Wallace, homeowner



Asia credits the staff from NeighborWorks Northeastern Pennsylvania with educating her about the homebuying process. Shown during a visit at Asia's house are Ellen Holden (middle) and Chad Pettus, both with NeighborWorks.

Asia's vibrant personality is reflected in each of the home's brightly painted rooms. 🏡



## Coming back from the brink of foreclosure

Melissa McClaren and Laurel Bundy-McClaren were in a bind. Back in 2008, Laurel was the only income provider for their family, with six children under their roof. Money was already tight, with Melissa on disability, and then Laurel had complications following surgery. Before long, she, too, was out of work.

Bills started piling up. A car was repossessed. The heat and electricity were shut off. The situation was about as bad as things could get, and there was no hope in sight. The home they had purchased in 2004 in Millcreek Township, near Erie, was now in jeopardy. The prospect of being homeless with six children was frighteningly close to becoming a reality.

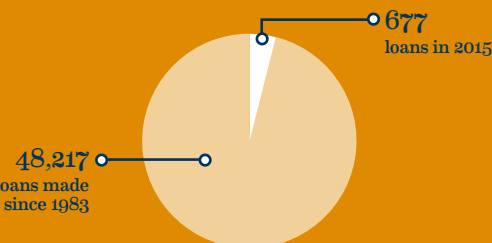
"Nobody could help us," Melissa anxiously recalls. "We couldn't go to anybody. Our parents didn't have the money. Nobody had money to help us out."





Melissa (in blue) and Laurel.

## PREVENTING FORECLOSURE



Total loan value: \$546 million

PHFA's foreclosure prevention program has become a national model for its success helping distressed Pennsylvania homeowners.

Even the public assistance organizations they turned to couldn't help. The situation was getting dire.

Then they received their Act 91 notice, required by law to be sent by banks to mortgage customers two months delinquent on their home loans. While it sounds official and bureaucratic, that Act 91 notice provided the caring support they needed. It alerted them to the foreclosure prevention assistance available from PHFA that proved to be their lifeline.

"I just know we called a couple different places, and you guys were the only ones that finally said, 'Yeah, we can help,'" Laurel adds.

### *Laurel and Melissa provide a true foreclosure prevention success story*

St. Martin Center in Erie played a critical role, helping them fill out their application for PHFA's Homeowners' Emergency Mortgage Assistance Program—commonly known as HEMAP.

"It was our lifesaver," Laurel stresses. "If we didn't get that HEMAP loan, we probably would have been out on the street. We couldn't have gone anywhere with six kids. It's not like you can say, 'Hey, friend, can we move in for a month or two till we can get back on our feet?'"

The HEMAP loan brought Melissa and Laurel current on their mortgage. By that time, Laurel was approved for disability payments, so their financial situation improved. Plus, Laurel's disability qualified the family for a loan modification, lowering their monthly mortgage payments.

Melissa and Laurel are a true HEMAP success story. Just this last June, they paid off their HEMAP loan. Their loan repayment, like those of other HEMAP loan recipients, helps fund the program so it can assist other homeowners in danger of foreclosure. Today, they remain current on their mortgage loan, and three of their children are now out on their own.

[more ▶](#)



**“If we didn't get that HEMAP loan, we probably would have been out on the street.”**

— Laurel Bundy-McClaren, homeowner



As with most busy families, Melissa and Laurel's home is full of activity all day long—including meals, music and color guard practice, homework assignments and more. The home is the family's focal point, so saving it from foreclosure was essential for the family's unity and well-being.

Below (L-R): Melissa, Emmaline, Laurel, Alexis and Austin



# Bringing a healing touch

The organization Project HOME is strongly motivated by its insight that we all need healing. In north Philadelphia, for a large segment of the city's downtrodden, it's leading the effort to bring healing to the community through the new Stephen Klein Wellness Center.

The neighborhoods served by the center once were vibrant, but now are worn and weary. Residents there are nearly twice as likely to live in extreme poverty as people elsewhere in the city. The unemployment rate, too, is twice the city's average. Domestic violence, child neglect, and homelessness are part of life's daily struggle there.

In this section of Philadelphia, many previously went without health care, or when they did get care it was in an emergency room and occurred only because some illness had reached a critical stage. That put people's lives at risk, and it over-burdened the health care system. The wellness center, opened in March of 2015, brings a preventative approach to care.







Janet Stearns, Project HOME's vice president of real estate development and assets, explains the wellness center's proactive mission: "We have primary care, behavioral health, dental care and a pharmacy. We have the YMCA as part of the facility. We have stress reduction and yoga classes. We have a food pantry. We have a teaching kitchen where they do demonstrations of how to cook fresh vegetables, for instance. It's really this integrated care that's so unique, having all those services under one roof."

*The new wellness center is providing a focal point for change in the community*

Walk through the doors of the wellness center, and something immediately becomes clear. Everyone who enters is treated with respect, and no one is turned away.

"It's pretty amazing to walk through on any particular day," Janet explains. "You may have some people in primary care. There may be some children [playing] in the lobby. Then you may see a homeless person being cared for, tenderly, who really just needs a shower, some clean clothes and a sandwich. We have this very homey, not institutional feeling. That was a big goal of the design of the facility."

Another goal was to have the wellness center provide a focal point for change in the neighboring area by attracting more investment. That's why Commonwealth Cornerstone Group got involved, awarding \$8 million in New Markets Tax Credits critical to the project's completion. Created as a community development entity by PHFA, CCG provides tax credits for revitalization projects across Pennsylvania.

"This building sitting here on the corner really sparks the vision for investment in the neighborhood," Janet confirms. "I think this neighborhood feels poised to reap the benefits of that investment."

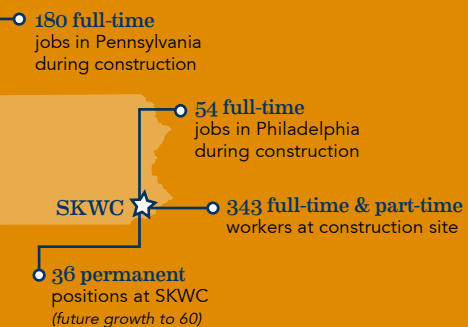
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**"This building sitting here on the corner sparks the vision for investment in the neighborhood."**

— Janet Stearns, Project HOME

**ECONOMIC IMPACT**



Projects like the Stephen Klein Wellness Center, funded by Commonwealth Cornerstone Group with New Markets Tax Credits, not only bring critically needed programs and services to the regions they serve, but they also create jobs and spur additional community investment.



The founders of Project HOME in Philadelphia, Sister Mary Scullion (left) and Joan Dawson McConnon, have created an organization that serves the frequently overlooked homeless and under-employed people in the city, with its outreach now extended through the construction of the new wellness center.

Bottom: Artwork like the sculpture "Woven Sanctuary" hanging in the center's entrance reflects Project HOME's goal of healing patients' mind, body, and spirit. 🏡



*Highland Park near Dillsburg, supported in part with Low-Income Housing Tax Credits and other funding from PHFA.*



## HIGHLIGHTS FROM 2015:

# Welcoming even more people home

This overview of agency achievements during the past year gives a sense of the large number of people who benefited from PHFA programs across a broad range of housing needs.

### Homeownership

PHFA made a total of 3,626 home loans in 2015, helping low- and moderate-income homebuyers who otherwise might not have received a loan to make their home purchase. These are homebuyers who the agency determined are ready for the responsibilities of homeownership. These loans had a total value of more than \$472 million.

The agency's Homeownership Division reports that 1,065 of these homebuyers received PHFA-funded down payment and closing cost assistance. This assistance is in the form of a small second loan that buyers pay back over 10 years.

Although news reports indicate that Millennials (people born from the early 1980's through the early 2000's) are having a difficult time qualifying for mortgages following the Great Recession, PHFA continues to serve this market; 48 percent of home loans made in 2015 went to buyers age 30 or younger.

PHFA continued its highly successful Mortgage Credit Certificate program for a second year. This program lets qualified homebuyers claim a tax credit on their federal income tax return for the life of their mortgage—up to \$2,000 annually. In 2015, 1,821 homebuyers took advantage of the MCC program; 426 of these buyers also received down payment and closing cost assistance from PHFA.

PHFA has various home repair and home improvement programs to help homeowners make their houses safer, more energy efficient or more accessible for a family member who has a disability. In 2015, 150 households took advantage of these programs for a total of \$2.2 million in loans.

### Affordable rental housing

Low-Income Housing Tax Credits awarded annually by PHFA help developers fund the construction of affordable rental housing across the Commonwealth. In exchange for the tax credits, owners agree to keep rents at agreed-upon lower

levels for an extended period, usually 30 years. In 2015, PHFA announced the allocation of \$38 million in tax credits and \$12.5 million in PennHOMES funding.

Tax credits allocated by PHFA are sold by developers to raise capital for their multifamily construction projects. The 2015 tax credits are generating approximately \$371 million in construction equity for the creation or rehabilitation of 40 affordable multifamily housing developments.

These developments, supported with PHFA tax credits and PennHOMES funding, will provide 1,900 new affordable rental units in Pennsylvania communities.

In addition, PHFA provided tax-exempt volume cap funding in the amount of \$134 million for 10 developments in the Commonwealth. These funds will be used for the construction or preservation of more than 1,400 units of affordable rental housing.

### Help for consumers to find affordable rental housing

PHFA, in partnership with five other government and private partners, funds and directs a statewide rental housing directory and locator service available online at PAHousingSearch.com. This free online service creates 24/7 access to rental housing and related resources. It has proven to be especially valuable after severe weather events when displaced families have needed immediate assistance to find replacement housing. A toll-free, bilingual call center not only helps renters who don't have easy online access, but it also assists landlords wanting to list their apartment vacancies.

PAHousingSearch.com averaged nearly 12,000 weekly searches in 2015, a 25 percent increase over 2014. More than 2,700 landlords now are listing units through the service.

### Supportive housing services

Housing services are critical for seniors, people with disabilities, and others trying to live independent, self-sufficient lives. These services include such things as transportation to grocery stores and help accessing government programs—assistance that can have a huge impact for residents in rental housing funded by the agency. As the state's population ages, housing services will help a growing number of elderly people remain in their own homes for as long as possible. In 2015, PHFA staff provided extensive support to advance the work of housing services professionals. This was accomplished through regional housing services forums benefiting 300 housing services professionals, plus three regional workshops about

understanding and reporting abuse that were attended by another 140. Additionally, 43 people working in this field received certification in service coordination via PHFA's partnership with California University of Pennsylvania. PHFA's annual Housing Services Conference—the only event of its kind in Pennsylvania—drew nearly 500 attendees to Pittsburgh for continuing education.

### Housing for people with disabilities

PHFA and the Pennsylvania Department of Human Services jointly received an award of \$8.5 million to prevent people with disabilities from being unnecessarily institutionalized or falling into homelessness. The funding was provided by the U.S. Department of Housing and Urban Development. This grant will provide permanent affordable rental housing and needed supportive services to extremely low-income people with disabilities, many of whom are hoping to transition out of institutional settings back into the community.

### Housing in the Marcellus Shale region

The influx of workers associated with natural gas drilling in the state's Marcellus Shale region has caused a housing shortage in the affected counties. Impact fees imposed on natural gas producers through Act 13 are directed to the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund, administered by PHFA. In 2015, \$9.3 million in PHARE funding was allocated for 45 housing proposals to improve the availability and affordability of housing in 29 counties.

### Community revitalization

In 2004, PHFA created Commonwealth Cornerstone Group, which funds mixed-used, commercial and community facility developments across Pennsylvania. CCG is what is known as a community development entity, meaning it's eligible to receive New Markets Tax Credits from the U.S. Department of the Treasury that can then be used to fund community revitalization projects. In 2015, CCG allocated \$41 million in New Markets Tax Credits to help fund five developments in Philadelphia, Pittsburgh (2 projects), Williamsport and Sharon. New Markets Tax Credits are used by developers to raise the capital needed for construction. It's estimated that these five projects created 792 temporary construction jobs and produced or retained 567 permanent jobs. In 2015, CCG secured an additional \$45 million in New Markets Tax Credits from the U.S. Treasury's Community Development Financial Institutions Fund. With this newest allocation, CCG has received a total of six NMTC awards with a value of \$271 million, which it has used to fund 25 developments in the state so far.

[more ▶](#)

3,626

Home loans

\$472 M

Value of home loans

1,065

Homebuyers receiving down payment and closing cost assistance

48%

Home loans to Millennials

1,821

Mortgage Credit Certificates issued

\$2.2 M

Value of home improvement loans

\$38 M

Tax credits awarded for building multifamily housing (LIHTCs)

\$12.5 M

PennHOMES funding for building multifamily housing

50

Total multi-family housing developments funded

3,300

Affordable rental units created or preserved

12,000

Weekly searches at PAHousingSearch.com

25%

Increase in housing searches since 2014

2,700

Landlords listing rentals at PAHousingSearch.com

500

Attendees at Housing Services Conference

\$8.5 M

HUD award to house people with disabilities

\$9.3 M

PHARE funding for Marcellus Shale region housing



### Consumer education and counseling

An underlying principle at PHFA is that the agency can help consumers best by providing them with detailed and comprehensive information to encourage well-informed housing decisions. With this in mind, PHFA provides financial support to 77 approved housing counseling agencies located conveniently across the state. In 2015, these agencies provided approximately 33,000 Pennsylvanians with free and accurate information and guidance to help them make smarter housing choices. New this year, the agency launched its Financial Fitness Program, providing free, confidential financial education and coaching for the agency's home loan customers who want to improve the management of their personal finances.

### Foreclosure prevention

PHFA is a national leader in its approach to reduce home foreclosures statewide through its Homeowners' Emergency Mortgage Assistance Program (HEMAP). This program helps homeowners facing unexpected financial hardships, providing time for them to get back on their feet and resume their mortgage payments. In 2015, PHFA disbursed almost \$9.7 million to prevent foreclosure on 677 homes. Since its creation in 1983, HEMAP has provided 48,217 loans and disbursed nearly \$546 million to distressed homeowners, helping many save their homes and protecting communities from blight.

HEMAP is not a grant but is a loan that homeowners pay back. The program proudly reports that 48 percent of its loans have been repaid; total repayments equal \$296 million. The payments made by HEMAP recipients on their loans are then used to help other homeowners facing foreclosure.

### Assistance for PHFA customers

PHFA's call center, known as the Customer Solutions Center, has now been fully staffed with seven customer service representatives and a supervisor. The CSC aims to provide the agency's customers with fast, friendly and accurate answers to their questions. In 2015, the CSC continued its ramp-up by handling 24,080 customer calls; the average call response time was eight seconds. At our customers' request, 1,887 information packets were mailed, sharing program brochures and fliers.



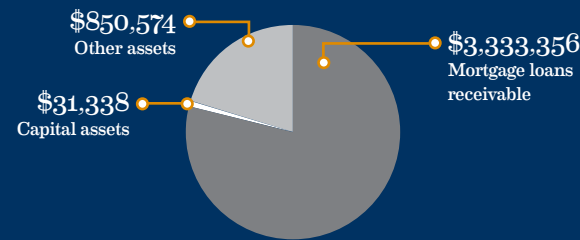
*Historic Iroquois Hotel Senior Apartments in New Cumberland, funded in part with Low-Income Housing Tax Credits from PHFA.*



## Report Highlights

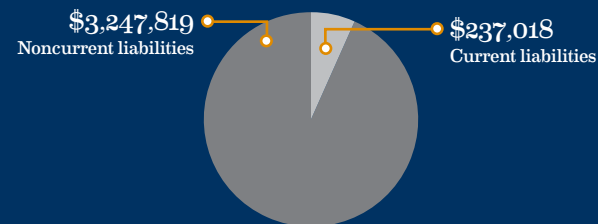
### Assets (in thousands)

Total value: \$4,215,268



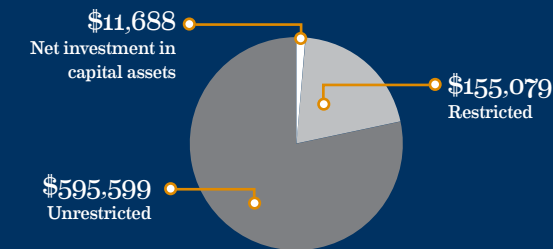
### Liabilities (in thousands)

Total value: \$3,484,837



### Net Position (in thousands)

Total value: \$762,366



# Condensed fiscal year 2015 financial statements

## Condensed Summary Balance Sheet (In thousands)

	2015	2014 (as restated)	Increase/Decrease	
<b>Assets:</b>				
Mortgage loans receivable	\$3,333,356	\$3,643,411	\$(310,055)	(8.5%)
Capital assets	31,338	31,216	122	0.4%
Other assets	850,574	873,798	(23,224)	(2.7%)
<b>Total assets</b>	<b>4,215,268</b>	<b>4,548,425</b>	<b>(333,157)</b>	<b>(7.3%)</b>
Deferred outflows of resources	35,815	44,306	(8,491)	(19.2%)
<b>Total assets and deferred outflows of resources</b>	<b>\$4,251,083</b>	<b>\$4,592,731</b>	<b>\$(341,648)</b>	<b>(7.4%)</b>
<b>Liabilities:</b>				
Current liabilities	237,018	228,845	(8,173)	(3.6%)
Noncurrent liabilities	3,247,819	3,628,641	(380,822)	(10.5%)
<b>Total liabilities</b>	<b>3,484,837</b>	<b>3,857,486</b>	<b>(372,649)</b>	<b>(9.7%)</b>
Deferred inflows of resources	3,880	3,936	(56)	(1.4%)
<b>Net position:</b>				
Net investment in capital assets	11,688	11,216	472	4.2%
Restricted	155,079	165,564	(10,485)	(6.3%)
Unrestricted	595,599	554,529	41,070	7.4%
<b>Total net position</b>	<b>762,366</b>	<b>731,309</b>	<b>31,057</b>	<b>4.2%</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$4,251,083</b>	<b>\$4,592,731</b>	<b>\$(341,648)</b>	<b>(7.4%)</b>

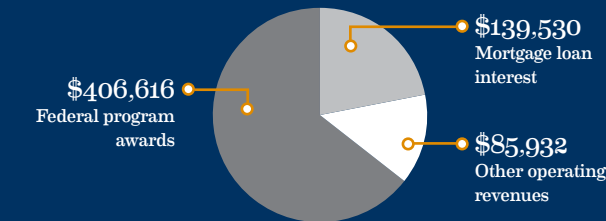
## Condensed Summary of Revenues, Expenses and Changes in Net Position (In thousands)

	2015	2014 (as restated)	Increase/Decrease	
<b>Revenues:</b>				
Mortgage loan interest	\$139,530	\$158,203	\$(18,673)	(11.8%)
Other operating revenues	85,932	90,968	(5,036)	(5.5%)
Federal program awards	406,616	405,638	978	0.2%
<b>Total revenues</b>	<b>632,078</b>	<b>654,809</b>	<b>(22,731)</b>	<b>(3.5%)</b>
<b>Expenses:</b>				
Interest and financing expenses	125,901	144,007	(18,106)	(12.6%)
Other operating expenses	68,504	65,107	3,397	5.2%
Federal program expenses	406,616	405,638	978	0.2%
<b>Total expenses</b>	<b>601,021</b>	<b>614,752</b>	<b>(13,731)</b>	<b>(2.2%)</b>
Change in net position	31,057	40,057	(9,000)	(22.5%)
Net position - beginning of year, restated	731,309	691,252	40,057	5.8%
<b>Net position - end of year</b>	<b>\$762,366</b>	<b>\$731,309</b>	<b>\$31,057</b>	<b>4.2%</b>

## Report Highlights

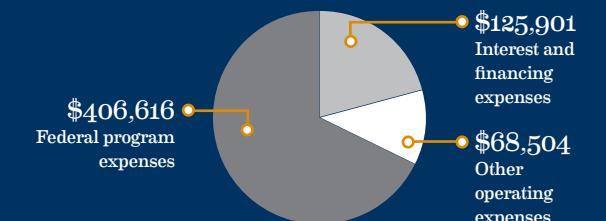
### Revenues (in thousands)

Total value: \$632,078



### Expenses (in thousands)

Total value: \$601,021



PHFA's complete financial report for fiscal year 2015, and for years past, is available for convenient public review on the agency's website.



# Photo credits

The professional photography in this year's annual report plays an integral part in telling our customers' stories and emphasizing the role that affordable housing has in their lives. We would like to acknowledge the people and organizations that made these pictures possible.



**Page 3**  
Photo courtesy of Jay Gorodetzer. Special thanks to Project HOME for making it available.



**Page 31**  
Photo courtesy of Project HOME



**Page 37**  
PHFA photograph



**Page 11**  
PHFA photograph



**Page 32**  
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**Page 41**  
Photo courtesy of Jeffrey Totaro. Special thanks to Asociación Puertorriqueños en Marcha for making it available.



**Page 30**  
Photo courtesy of Project HOME



**Page 33**  
Photo courtesy of Don Pearse Photographers, Inc. Special thanks to Delaware Valley Development Company for making it available.

**All other original photography with PHFA customers from across Pennsylvania and agency staff produced by Matthew L. Hankins.**



*The Paseo Verde housing development in Philadelphia, funded in part with Low-Income Housing Tax Credits from PHFA.*



**Home is the nicest word there is.**

—Laura Ingalls Wilder



At the Pennsylvania Housing Finance Agency, we care about the environment. That's why this annual report has been printed using recycled inks. Additionally, our printer uses environmentally responsible energy sources and has Forest Stewardship Council Certification.

The financial section of this report has been condensed to reduce the number of printed pages necessary. Our complete financial report is conveniently available on our website.

### About PHFA

The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental housing options for older adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, PHFA also promotes economic development across the state.

Since its creation by the legislature in 1972, it has generated nearly \$11.6 billion of funding for more than 155,690 single-family home mortgage loans, helped fund the construction of 122,590 rental units, and saved the homes of more than 47,500 families from foreclosure. PHFA programs and operations are funded primarily by the sale of securities and from fees paid by program users, not by public tax dollars. The agency is governed by a 14-member board.

PHFA is committed to the policy that all people shall have equal access to its housing programs and employment without regard to race, religion, gender, national origin, family status, disability, or age.

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