

mercy
HOUSING

Mercy Loan Fund Developments

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LENDING HITS \$200 MILLION MARK

Mercy Loan Fund made its first loan in 1985; four loans were made that year. Twenty-six years later 427 loans have been made totaling over \$200 million to developers of affordable housing in 35 states. These funds have helped provide more than 17,100 homes to over 48,300 people. The loans leveraged over \$1.4 billion in total development funding, an average of \$7.20 per dollar loaned.

"Reaching \$200 million in lending is a big milestone for Mercy Loan Fund," said Julie Gould, Mercy Loan Fund President. "In 26 years, we have expanded our presence to more than 150 cities and have provided hundreds of loans to affordable housing developers. We are proud of our accomplishments and look forward to making an impact for years to come."

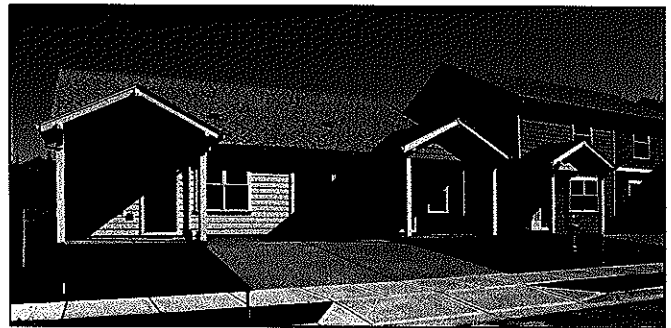
MERCY LOAN FUND PROVIDES FUNDING FOR SELF-HELP HOUSING

Most of Mercy Loan Fund's loans are made to support multi-family rental properties. However, Mercy Loan Fund also provides loans for homeownership. Clackamas Community Land Trust and Self-Help Housing Corporation of Hawaii, both new borrowers of Mercy Loan Fund, were provided financing for their self-help homeownership programs.

Mercy Loan Fund provided a \$275,000 acquisition/predevelopment loan to Clackamas Community Land Trust (CCLT) for the purchase of land to build 12 homeownership units in Oregon City, Oregon using the land trust and Self-Help models. CCLT, located in Milwaukie, Oregon, was formed in 1999 to address the growing crisis in the lack of affordable homeownership opportunities for working families. The mission of the CCLT is to provide permanently affordable homeownership opportunities and related educational resources to people of modest means.

CCLT's typical homeowner is a single mother working full time and raising her children. On average, at time of purchase, CCLT homebuyers earn 58% of area median income.

The Juneberry Lane development is now complete and is the first-ever residential project to receive the Earth Advantage Community certification. The

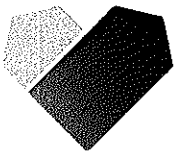


one-story homes are ADA-adaptable. All homes have received LEED-Platinum certification, ensuring they are as healthy for homeowners and the environment as possible. Homes have private yards and a shared common space for gardening and gathering. Buyers are required to contribute 50 hours (single adult households) or 100 hours (two adult households) towards landscaping and/or interior painting.

Mercy Loan Fund supported another self-help housing development when it provided a \$492,600 acquisition loan to Self-Help Housing Corporation of Hawaii (SHHCH) for the development of 14 homes in Hana, Maui called Helani Gardens.

SHHCH was created in 1983 with a mission of providing better living conditions for very low and low income families living in Hawaii.

(Continued on next page)



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Mercy Loan Fund

1999 Broadway, Suite 1000

Denver, CO 80202

Phone: 303.830.3386

Fax: 877.693.7965

e-mail: loanfund@mercyhousing.org

www.mercyloanfund.org

Self-Help Housing (Continued)

SHHCH provides technical assistance to families to qualify for mortgage financing, and instructions on the job to build their own houses through the team self help housing method. Families learn all the skills and help each other build the houses as a community. No money is needed up front as the families labor serves as their down payment.

Since its creation, SHHCH has developed 591 units in 46 different projects on the islands of Oahu, Kauai, Maui, and Molokai with total project costs of \$65,106,667.

The Helani Gardens project is the first affordable project in Hana in 35 years. Many of the families

assisted live in deplorable conditions. Many are in severely overcrowded conditions. For example, 17 in a three bedroom house and a family of five in a sub-standard one bedroom converted shed. Several do not have electricity, and some do not have potable water.

"SHHCH greatly appreciates Mercy Loan Fund's support, opening up possibilities of homeownership with standard living conditions to those in need in Hawaii," stated Claudia Shay, Executive Director of SHHCH.

Mercy Loan Fund is grateful for its partnership with both CCLT and SHHCH and the work they do to benefit low-income people.

MEET MERCY LOAN FUND'S NEW PRESIDENT



We are proud to introduce Julie Gould, President of Mercy Loan Fund. While Julie has been involved with Mercy Loan Fund for the past 10 years, she was officially named President in November 2010.

Julie first joined Mercy Housing, Inc. and Mercy Loan Fund's Boards of Directors in 2001 and continued to chair the Loan Fund Board until 2008. In March 2008, Julie joined Mercy Housing's staff, managing five departments across Mercy Housing to unify products, tools and services that provide community impact or community investment,

including a unique collaboration among nine of the largest non-profit health care systems to link health care and housing; Resident Services; and Resource Development.

Prior to joining Mercy Housing, Julie was Fannie Mae's Vice President for Community Lending.

"It's truly an honor to be a part of the Mercy Housing family—one which brings an uncommon balance of exceptional talent and commitment to the mission of affordable housing," Julie said. "I have enjoyed the past eight months leading the Mercy Loan Fund team and look forward to continuing to expand the Fund's capacity and outreach in the months and years to come."

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