

A stylized house icon in a light blue color, centered on the page. The house has a gabled roof and a chimney on the right side. Inside the house, there is a sunburst pattern of radiating lines, also in light blue. The background is a solid dark blue.

Every home tells a story...

**AFFORDABLE HOUSING
CENTERS OF PENNSYLVANIA**

Annual Report 2017

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STAFF



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Communications Manager

OFFICERS

President: Bridget Pugh
Radian Guaranty Inc.

Treasurer: Bruce Dorpalen
National Housing Resource Center

Secretary: Syreeta Moore, Esquire
Team Clean, LLC

BOARD OF DIRECTORS

Mildred Brown, *Retired Housing Activist*

Louise Bundy, *Chairperson of the 47th Ward*

Andrew Frishkoff, *Philadelphia LISC*



Every home tells a story...

As I reflect on how much AHCOPA accomplished during each preceding year, I am marveled by the significant role that we play in assisting households toward improving their financial and housing situations. When clients come to us, they are filled with a lot of emotions. For households looking to purchase a home, they are optimistic and open to a range of possibilities to enjoy the blissful moments of homeownership; celebrating family reunions or college graduations; or even creating a man cave.

Alternatively, there are those clients who are facing foreclosure. They recognize that there is a real possibility of losing the home that promised to serve as their financial legacy and a place for social stability. Uncertain about the options regarding their payment delinquency, they have reached out to us for a resolution.

Clients come to AHCOPA because they are encountering barriers to achieve their goal – specifically, a combination of a lack of information, resources and hope. At AHCOPA, we work to break down those barriers. When clients leave our office we want them to feel empowered and enlightened – to know that the journey that they are embarking on can be triumphant.

2017 was an exciting year. Our most notable accomplishment was opening the new satellite office in Northeast Philadelphia. We have strengthened partnerships with stakeholders that are involved in our first-time homebuyer market. We have expanded the footprint of our counseling services with our eHome America online course, allowing first-time homebuyers throughout Pennsylvania to fulfill their respective counseling requirements.

This year, AHCOPA also increased its capacity to communicate our services and events. We launched a new design of our website, www.ahcopa.org, featuring the capability to register aspiring homeowners to attend our first-time homebuyer workshops. It was thrilling to observe that we confirmed registrants hours within the website launch.

AHCOPA also revived its Facebook page with more frequent content posts on homebuyer education and money management. We also regularly publish a Constant Contact e-newsletter to announce the release of various first-time homebuyer grants; home maintenance tips; recommendations on money management; and much more.

As always, I want to express our gratitude for our financial supporters. A special thank you is in order to the Pennsylvania Housing Finance Agency for awarding AHCOPA a grant contract under the Pennsylvania Housing Affordability Rehabilitation Fund. This program allowed us to open our office in Northeast Philadelphia. I also want to recognize our newest financial supporters, Radian, Fulton Bank, Key Bank and Bryn Mawr Trust. Thank you for believing in us and understanding the importance of our work.

Sincerely,

Kenneth Bigos

Expanding to...

NORTHEAST PHILADELPHIA

For 2017, AHCOPA wanted to increase our operational capacity to serve an expanded area of potential clientele. In order to do this, we felt compelled to open an additional counseling office. The City of Philadelphia has 25 housing counseling agencies located in various sections of the City. Despite this, the Northeast Philadelphia community lacked an accessible housing counseling agency. Why was this particular area short of such a significant resource? We began research to answer this very important question.

A review of the U.S. Census records reported demographic and housing statistics indicating there was a need for housing counseling services in Northeast Philadelphia. It is an area of the city known for its high rate of homeownership and stable communities. However the rate of homeownership in Northeast Philadelphia dropped significantly since the 2000 census, despite tremendous population growth. The foreclosure rate here has been higher in comparison to the entire City of Philadelphia and property values have stagnated or declined.

To establish and cultivate AHCOPA's presence in Northeast Philadelphia, the executive director has been an active member of NESTco (Northeast Services Team) since 2016. Coordinated by Philadelphia Councilman Bobby Henon, this community coalition consists of houses of worship, non-profit groups and the local library. NESTco focuses on strategies to streamline services that each agency provides to increase the quality-of-life for the community recipients. AHCOPA's Executive Director Kenneth Bigos serves as the Treasurer of NESTco.

Based on the data collected and the network AHCOPA established, expanding to Northeast Philadelphia made perfect sense. In the spring of 2017 AHCOPA was awarded a grant through the Pennsylvania Housing Affordability Rehabilitation program from Pennsylvania Housing Finance Agency to support the expansion. This grant expedited the timeline to expand. In September 2017 leased a storefront location at 6325 Frankford Avenue and began offering counseling services in October! The demand for counseling services after the first few months have exceeded our expectations and we look forward to increase our influence and impact in Northeast Philadelphia for 2018.



Philadelphia City Councilman Bobby Henon (2nd from left) attends the Northeast Office Grand Opening Reception

STATS

For Northeast Philadelphia



46

Mortgage
Foreclosure
Clients

14

Pre-purchase
Clients

4

Financial and
Credit Improvement
Clients

4

First-time
Homebuyer
Workshops

From 2000 to 2010



11% Population increase in
Northeast Philadelphia



Increase in Poverty Rate:

Zip Code 19135... **177%**

Zip Code 19149... **147%**

Zip Code 19124... **54%**



Decline in Homeownership Rate:

Zip Code 19135... **18%**

Zip Code 19149... **16%**

Zip Code 19124... **14%**



Every home tells a story... **VICTORY IS HERE!**

In the Spring of 2017, Joseph Goldfedder knew that he desired the status of homeownership, but was doubtful of his ability to buy a house. During a visit with his bank, he was informed that his student loan debt and lack of accessible funds for the home purchase transaction would disqualify him for a mortgage. Despite the less than encouraging news from that meeting, Joseph met with AHCOPA soon after. We identified particular loan programs that would better fit his situation and referred him to some of our lender partners.

From that list of lenders, Joseph chose Prime Lending. Upon reaching out to them, they shared in his excitement of making progress toward his goal of homeownership. He was pre-approved for a PHFA mortgage with the option to take out a no-interest loan to pay his closing costs. Not only was he pre-approved, Joseph also qualified for a \$2,000 grant because his new home was in a low to moderate income census tract and the seller gave him assistance with the closing costs. This combination of resources equipped Joseph with

what he needed to successfully purchase a house - a step that he initially imagined would be much farther off in the future.

After visiting just one house, Joseph decided that it was what he wanted and placed an offer. His offer was accepted and went to closing in August 2017! His new home is twice the size of his former studio apartment, with room for his art studio. Joseph now enjoys two freedoms – redesigning the house with his preferences and no financial obligation to a landlord.



He is not only building financial equity, but also social wealth as he is more active with his neighbors and feels connected to his community.



Every home tells a story... **HOPE IS HERE!**

Although Margarite Hannibal and Galveston Morris had already dreamed of owning a home one day, they found themselves highly motivated to move forward in pursuit of that dream due to a unique and time sensitive circumstance. Already more than discontent with paying rent, Margarite was quite surprised to find out that the house she was living in would soon be in foreclosure after she happened upon a man taking pictures of the property. From that moment, Margarite and Galveston assertively forged their path to homeownership.

When Margarite initially signed up for AHCOPA's first time home buyer program, one of the most important components of her sessions focused on credit counseling. Over the course of a year, she was given guidance on establishing a positive credit history. The most encouraging influence from AHCOPA came by simply providing her with a human touch to our counseling. Margarite felt that her motivation was rewarded at each step in the process, giving her a "do what you have to do" attitude.

When Margarite and Galveston were prepared to apply for a mortgage, they chose a lender referred by AHCOPA. The lender participated in the First Front Door program, which awarded them \$5,000 in closing cost assistance, in addition to a \$500 grant from the City of Philadelphia. In June 2017, they closed on a home in the Olney section of Philadelphia! When asked how it feels to own a home, Galveston says that a dream has been fulfilled. After living in income based housing developments for 28 years, he views their new home as a blessing.

Margarite is just as thankful. For many years, she had a short term view of handling her affairs, fulfilling obligations one month at a time. She now thinks about things for the long term and has the ambitious goal of paying off the mortgage early. She hopes to pass her home on to her family, creating a financial legacy that was not previously possible.

After living in income based housing developments for 28 years, he views their new home as a blessing.





Every home tells a story... **ENDURANCE IS HERE!**

Similar to many other individuals who feel the financial impact of leaving the workforce due to a disability, Jannie Shippen eventually found herself delinquent on her mortgage. During the initial foreclosure prevention consultation with AHCOPA, her counselor proceeded with a course of action that included a mortgage modification and applying for a HEMAP loan from the Pennsylvania Housing Finance Agency. Unfortunately, both of these retention options did not work out and Jannie felt that she was even closer to losing her home when a sheriff sale was scheduled.

Soon after, AHCOPA learned about a new resolution option - a loan program from Boston Community Capital. The Stabilizing Urban Neighborhoods Initiative is a loan program designed to refinance mortgages if the client has the capacity to resume paying the mortgage when it is brought current. This loan program does not consider credit history, only debt-to-income and loan-to-value ratios. While

pursuing this option with Boston Community Capital, Jannie was skeptical but adopted a **“whatever it takes”** state of mind on saving her home.

To keep her at ease, Jannie’s counselor maintained transparency and answered all of her questions throughout the loan application process. Eventually, AHCOPA was able to have the sheriff sale postponed. In November 2017, Jannie was approved for the loan with Boston Community Capital!

Jannie now has a fresh start and the nightmare of the foreclosure is over. Her home is a gathering place for her family, filled with joy and laughter. The tradition of having the grandchildren at her house every Sunday can continue. Ms. Shippen is back to building equity in her property and enjoying the freedom of making decisions regarding her property on her own terms.

Every home tells a story... **OPTIMISM IS HERE!**



Sandra describes herself as always being proactive. When she came to see AHCOPA for help in August 2016 she was not delinquent on the mortgage. However her reserves were being depleted and the property needed repairs that she could not afford to pay. If her situation did not change soon, she would not have been able to keep the property.

Sandra was also aware that the Home Affordability Modification Program (HAMP) was expiring at the end of the year and wanted to take advantage of the benefit to lower her monthly interest rate which was at 6.5%. Sandra's challenge in qualifying for that program was that she owned the home with someone else that no longer lives in the property. In previous applications the bank wanted to see his income information, despite the fact he does not contribute to the household expenses.

To take advantage of the program the AHCOPA counselor recommended that the co-borrower be removed from the deed. After this notable change, her workout packet was submitted to Wells Fargo and Sandra was approved for the HAMP modification. Her mortgage interest rate was reduced from 6.5% to 2%, translating to a \$660 decrease in her monthly obligation!

The new, highly favorable terms not only gave Sandra the financial flexibility to complete necessary repairs on her home, but also reduced her stress and allowed her to have a much more optimistic view of her future.

Her mortgage interest rate was reduced from 6.5% to 2%, translating to a \$660 decrease in her monthly obligation!

AHCOPA by the Numbers...

PRE-PURCHASE COUNSELING

Pre-Purchase Workshop Attendees

538

Clients Receiving Individual Counseling Sessions

445

Clients Counseled that Successfully Purchased their Home

125

Median Home Sale for Clients that Purchased their Home:



\$14.2 million

Amount of Mortgage Financing Underwritten for Clients that Purchased their Home



73%

Homebuyers Counseled by AHCOPA Obtained Down Payment Assistance



Loans that were Underwritten:

73%

FHA Loans

25%

Conventional Loans

2%

USDA/VA Loans

FORECLOSURE PREVENTION PROGRAM

Households Received
Counseling for Mortgage
Foreclosure Prevention

229

Households Successfully
Resolved their Mortgage
Prior to Foreclosure

62

Households Received
Counseling for Real
Estate Tax Delinquency

114

80% Successfully Entered into
Repayment Plans



TOP LENDER REFERRAL PARTNERS:

Finance of America Mortgage

Freedom Mortgage

Huntingdon Valley Bank

Prime Lending

Meridian Bank

Quaint Oak Mortgage

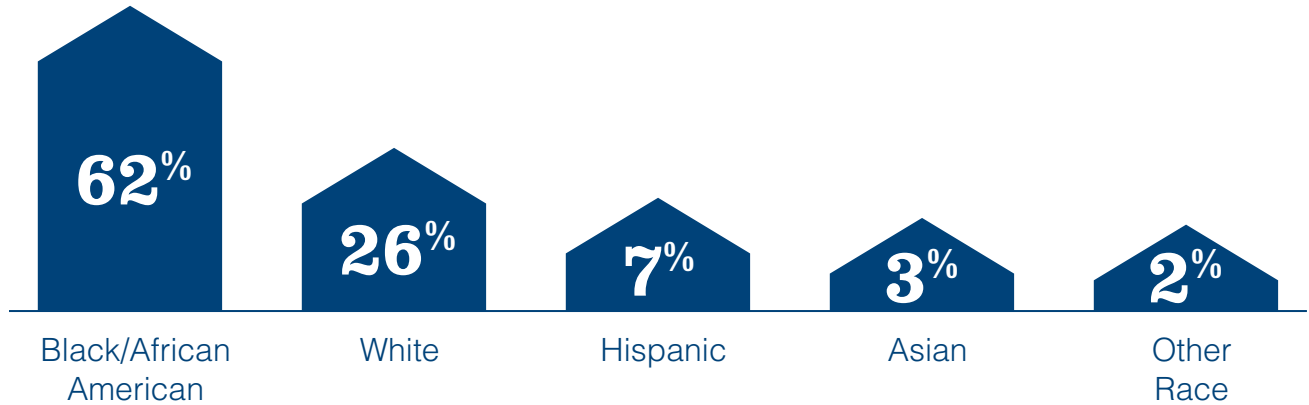
Santander



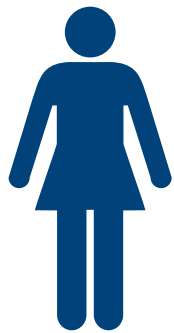
Who did we Serve...

CLIENT DEMOGRAPHICS

Racial Composition of Clients that Purchased Homes



Gender Statistics



69%

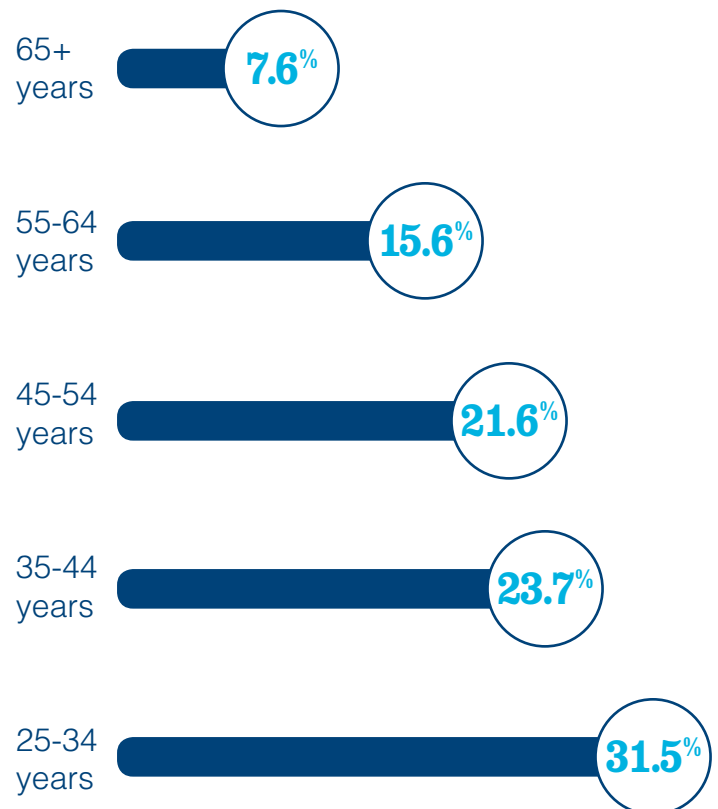
Female



31%

Male

Client Age Breakdown

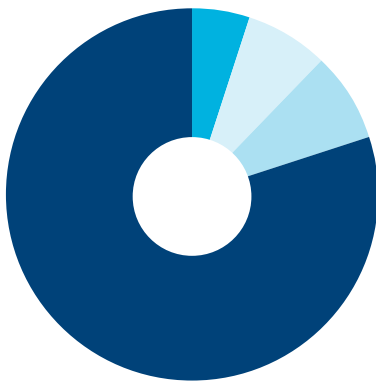




Residence of Clients Counseled

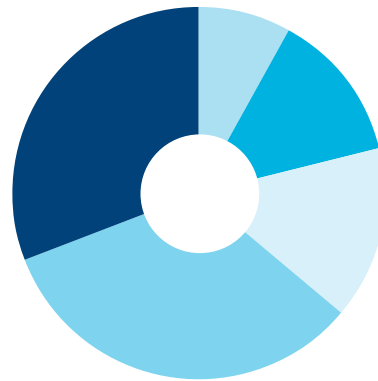
- A** - North Philadelphia: **25%**
- B** - Olney/Logan: **17%**
- C** - Germantown/West Oak Lane/
NW Philadelphia: **14%**
- D** - West Philadelphia/Overbrook: **13%**
- E** - Outside of the City: **8%**
- F** - Southwest Philadelphia: **7%**
- G** - Northeast Philadelphia: **7%**
- H** - Frankford/Kensington/Fishtown: **5%**
- I** - South Philadelphia: **4%**

Client Racial Background



- 80%** Black/African American
- 8%** White
- 5%** Hispanic
- 7%** Other or mixed race

Income Breakdown

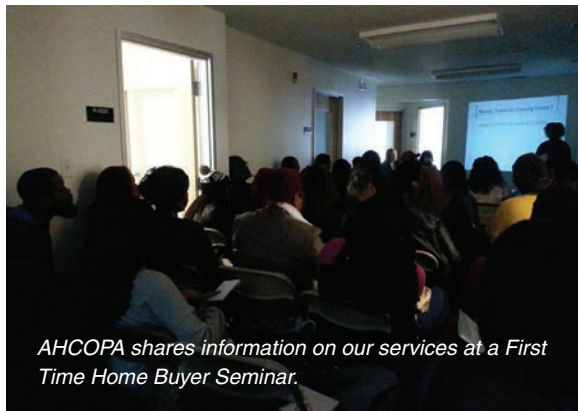


- 31%** Below 30% of AMI
- 33%** 30-49% of AMI
- 15%** 50-79 of AMI
- 8%** Above 80% AMI
- 13%** Chose not to respond

AHCOPA in Action...

EVENTS & OUTREACH

Freedom Mortgage/Domain Realty Info Session



AHCOPA shares information on our services at a First Time Home Buyer Seminar.

AHCOPA Info Session at Free Library



Jazz on the Ave



Strawberry Mansion Day



Philadelphia City Council President Darrell L. Clarke (center) presents former NFL star and current NBC10 Anchor Vai Sihakema (2nd from right) with an award for his service in the community.

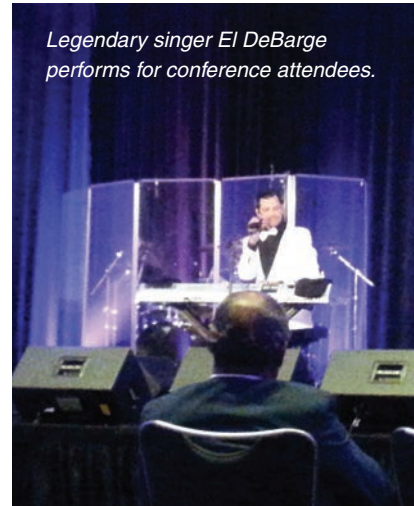
HomeFree-USA Conference



Ken welcomes conference attendees to the wonderful city of Philadelphia.



Ken Bigos with Marcia Griffin, Founder & President of HomeFree-USA.



Legendary singer El DeBarge performs for conference attendees.

Wordsworth CUA Info Session



Career Discussion with Michelle Snow



AHCOPA's Mission is to increase and preserve homeownership opportunities for low to moderate income and minority residents of PA. We are a HUD-Certified, Non-Profit Housing Counseling Agency.

Ken Bigos and Michelle Snow discuss pursuing a satisfying career path and securing a legacy of wealth through homeownership.

OUR 2017 SUPPORTERS

Alston Beech Foundation

Bank of America

BB&T Bank

Beneficial Foundation

Bryn Mawr Trust

Chase Bank

City of Philadelphia, Division of Housing
and Community Development

Fulton Bank

Home Free USA

Key Bank

Patricia Kind Family Foundation

Pennsylvania Housing Finance Agency

PNC Foundation

Radian Guaranty

Santander Foundation

State Farm Insurance

Wells Fargo



**AFFORDABLE HOUSING
CENTERS OF PENNSYLVANIA**

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AffordableHousingCenter - AHCOPA