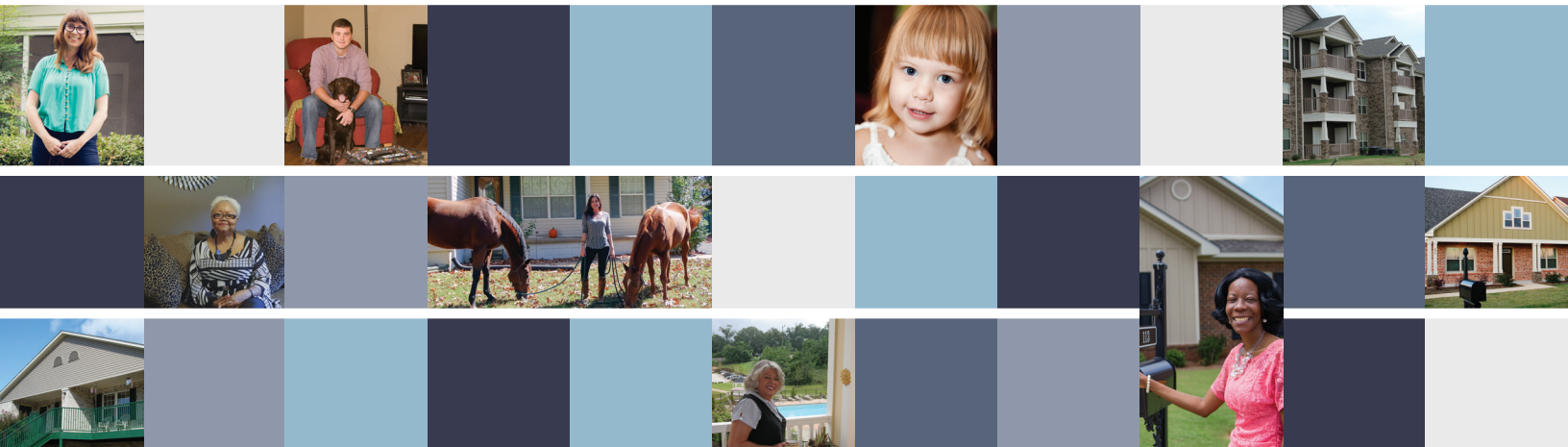


ALABAMA HOUSING FINANCE AUTHORITY

1980-2015

35 years: Strength, Stability, Homes



BOARD OF DIRECTORS (as of 9/30/15)

Dr. Shelton E. Allred, Chairman
Ted. B. Watts, Vice Chairman
Robert L. Smith, Secretary/Treasurer
Jennifer P. Autrey
Anthony L. Barnes
Young Boozer (ex officio)
Thomas R. Doyal
John Harrison (ex officio)
Greg Henderson
Bobby Herndon
Ray Long
Bill Newton (ex officio)
Carolyn Norman
Michael C. Toles
Peter M. Weiss

IN MEMORY OF ANTHONY BARNES

In October 2015, the Alabama Housing Finance Authority (AHFA) staff and Board mourned the death of Board member Anthony Barnes of Birmingham. Barnes was appointed to the AHFA board in January 2009 by former Lieutenant Governor Jim Folsom Jr. A public servant and real estate professional, Barnes was a former chairman of the Birmingham Water Works Board and founded Barnes & Associates, serving as president and CEO.

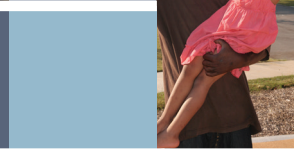
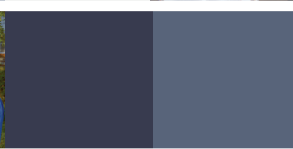
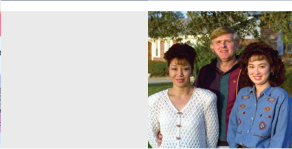
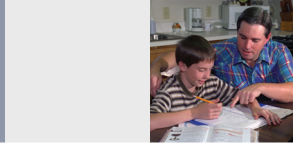
Leadership



LEGISLATIVE OVERSIGHT COMMITTEE (as of 9/30/15)

Lt. Governor Kay Ivey (ex officio)
Speaker of the House Mike Hubbard (ex officio)
Representative Corey Harbison
Representative Jack W. Williams
Representative Laura Hall
Representative Oliver Robinson
Senator Bill Hightower
Senator Jimmy Holley
Senator Del Marsh
Senator Paul Sanford
Senator Clay Scofield
Senator Bobby Singleton
Senator Rodger Smitherman

We thank our employees for their dedication and exemplary service to help realize AHFA's mission of bringing affordable housing to Alabamians.



In 2015, the Alabama Housing Finance Authority (AHFA) celebrated its 35th anniversary.

This annual report is like many others since it highlights our accomplishments and work in FY15. There were many accomplishments we are proud of – including winning a national award for one of our programs, celebrating the 15th anniversary of our Step Up homeownership program, and our Multifamily Division hosting a new training opportunity and announcing the allocation of funds to 19 multifamily developments. We also recognized the 10th anniversary of ServiSolutions®, surpassed the \$3 billion mark in our servicing portfolio, continued our support of Alabama’s Habitat for Humanity program, and helped more Alabama families facing possible foreclosure.

I hope you’ll read on to find out more about these and other accomplishments in FY15.

This annual report is also different – we wanted to provide a look back at our last 35 years. That’s why you’ll see a timeline that traces our history, and pictures that look back at some of the families we’ve helped over the years as well as homes and developments our programs made possible.

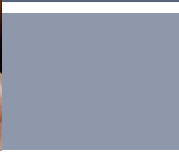
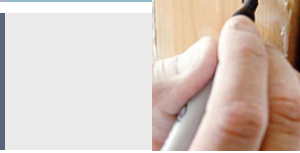
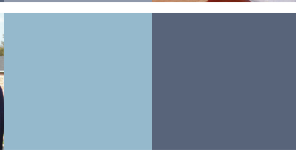
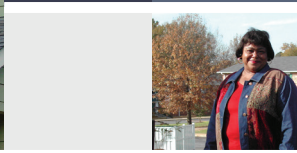
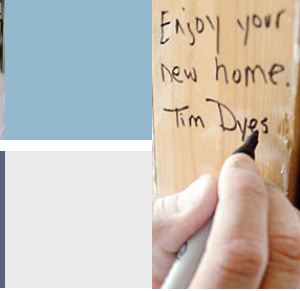
Since we began in 1980, we’ve helped more than 105,000 households. We’ve seen a lot of changes in the past 35 years, but one thing that has not changed and will not change is our commitment to providing affordable housing to Alabama families. Our staff and board members past and present have always been committed to and passionate about our mission. We look forward to many more years of making home possible.

Handwritten signature of Gene Allred in black ink.

Dr. Shelton E. Allred, Chairman

Handwritten signature of Robert Strickland in black ink.

Robert Strickland, Executive Director



Homeownership

STEP UP

Step Up helps buyers who can afford a mortgage, but need help with the down payment, prepaid items and closing costs. The program offers a competitive 30-year fixed interest rate, and participants may earn up to \$97,300, regardless of household size or location. +

MORTGAGE CREDIT CERTIFICATES

A Mortgage Credit Certificate (MCC) reduces the amount of federal income tax homebuyers must pay, which in turn frees up income to qualify for a mortgage. Borrowers can claim a federal tax credit worth 20-50 percent of mortgage interest paid each year. MCCs can be combined with the Step Up program to maximize affordability. +

FY15 Highlights



The Alabama Home Buyer Initiative (AHBI), authorized by the Alabama Legislature, ran from March 2014 – March 2015. AHBI benefited more than 1,600 homebuyers and generated approximately \$243 million in home sales. AHBI complemented AHFA's Step Up mortgage program by paying the upfront single PMI premium and eliminating PMI costs for the homebuyer.



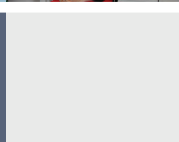
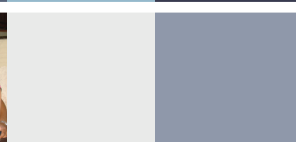
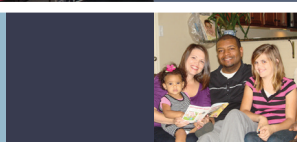
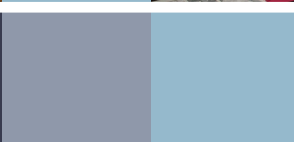
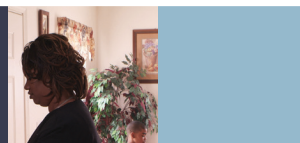
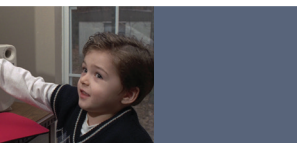
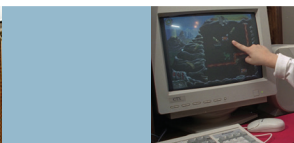
AHFA celebrated 15 years of Step Up, its flagship homeownership program. When it began on September 8, 2000, Step Up made Alabama the first state to provide innovative financing and down payment assistance for moderate-income homebuyers. Since then, Step Up has helped more than 13,000 Alabama families.

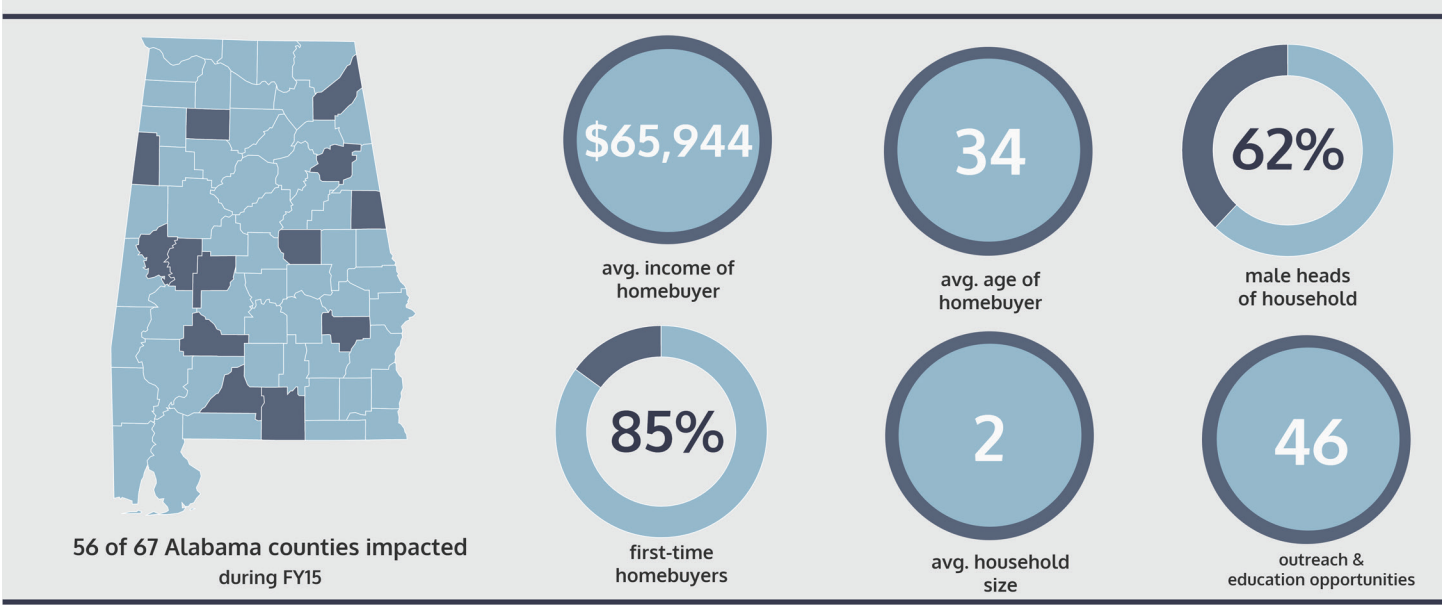


Increases in allowable household income and maximum sales price limits mean that more Alabama families qualify for AHFA's Mortgage Credit Certificate program. [Click here to view the new income and sales price limits.](#)

2,250 FAMILIES ASSISTED in FY15

7 MILLION IN MORTGAGE LOANS





Success Stories



Mary Bland took advantage of the Step Up program, as well as the limited-time Alabama Home Buyer Initiative, which eliminated PMI costs on her mortgage.

She said, "This was the easiest and most rewarding experience. I have told everyone this was a piece of cake." +



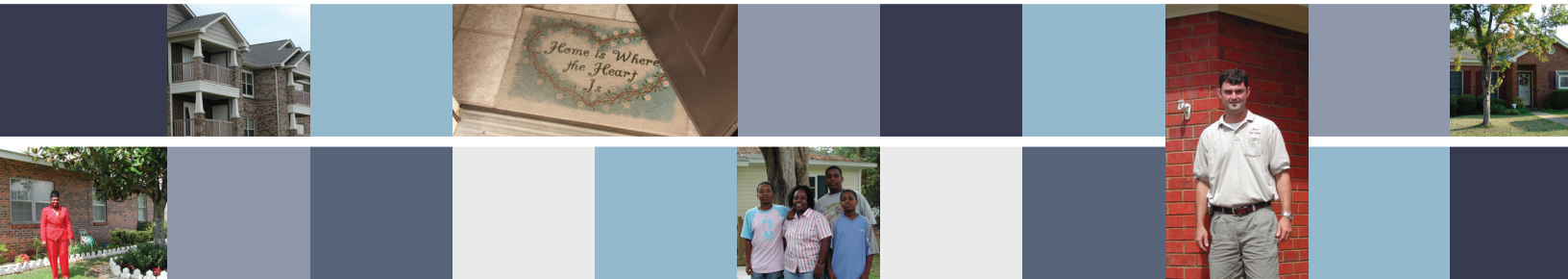
Gidget Maxwell used a Mortgage Credit Certificate to help her afford a home that met all of her needs.

She said, "Being a homeowner means a lot to me. I feel stronger as a woman, very independent. I'm very blessed and thankful." +



Step Up financing helped Joanne Renfro purchase a home in a quiet neighborhood where she can raise her granddaughter.

She said, "We love our new home and our new neighborhood. This was without a doubt the best decision for us. It is a dream come true." +





Rental

BONDS

AHFA provides financing through bonds which offers developers below-market interest rates in exchange for reserving a portion of their units for tenants earning less than the area's median income. +

HOUSING CREDITS

Serving as Alabama's administrator of the Housing Credit program, AHFA helps developers build or rehabilitate housing to be rented to low-income families at affordable rates. This financial incentive encourages developers to increase the supply of rental housing for economically disadvantaged families. +

HOME INVESTMENT PARTNERSHIPS

HOME, a federally funded program, provides annual allocations that may be used by developers to build affordable housing. Housing Credits and HOME, as primary AHFA funding sources, are often utilized with other supplemental housing resources. +

FY15 Highlights



In June, the staff and board announced 19 multifamily housing developments selected to receive allocations of 2015 HOME Investment Partnerships Program funds and/or Housing Credits. The approved developments will create 1,071 units of affordable housing across Alabama.

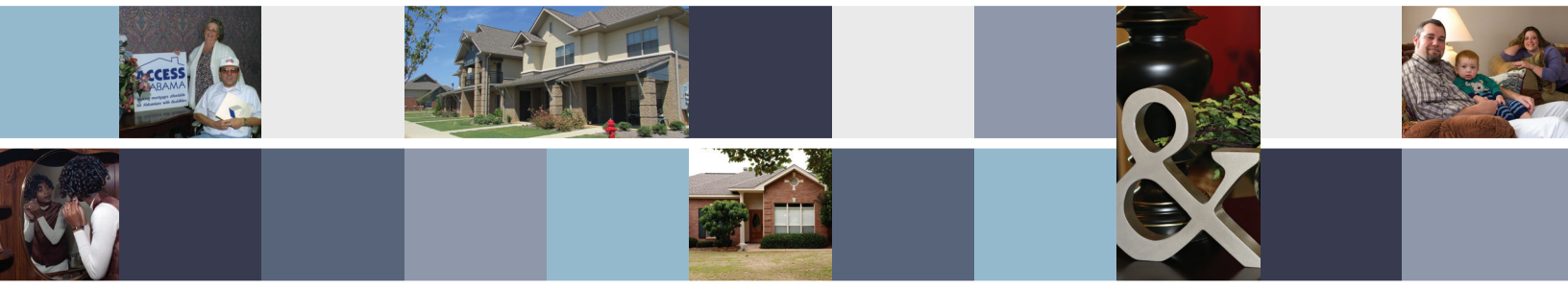


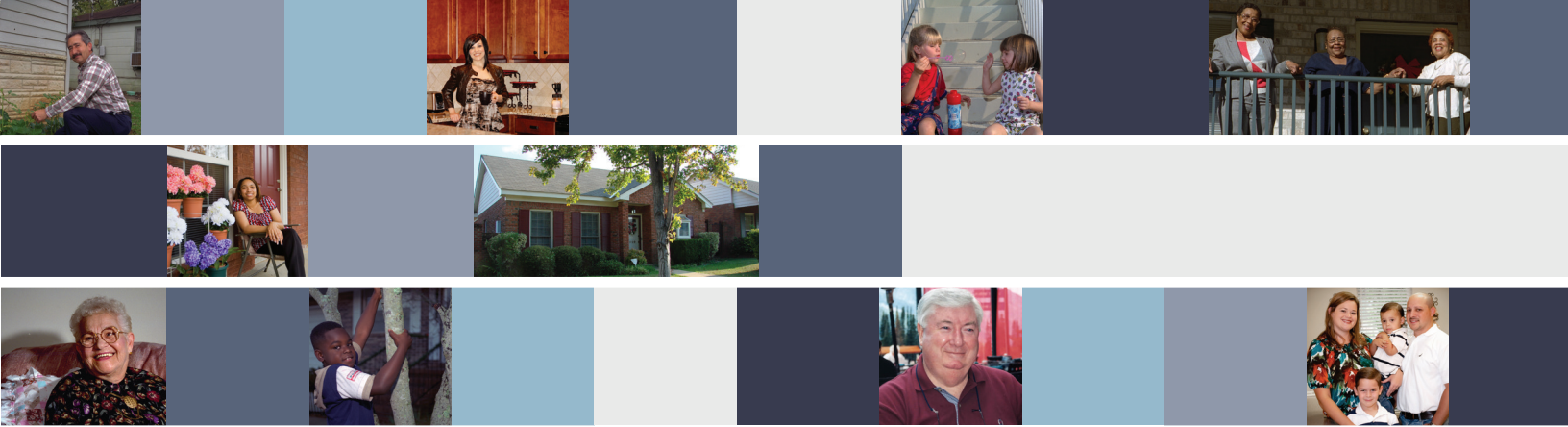
The Multifamily Division conducted its first-ever workshop with environmental professionals to discuss the important role of their reports in applications for HOME and Housing Credit funding. Attendees learned about AHFA's regulatory responsibilities and environmental requirements, and provided valuable input.



Amy Cable, manager of four affordable housing developments in Theodore, was honored as AHFA's 2015 Manager of the Year. The award recognizes outstanding management staff at AHFA-funded developments. Pictured: Amy Cable, AHFA's Manager of the Year, her husband Keith, Rural Development's Maintenance Person of the Year, and representatives of Apartment Services & Management, Inc.

19 DEVELOPMENTS AFFORDABLE RENTAL AUDITS **1,071** UNITS OF HOUSING **408** *funded in FY15* **15** OUTREACH & EDUCATIONAL OPPORTUNITIES





TOTAL ACTIVE & APPROVED MULTIFAMILY DEVELOPMENTS

as of September 30, 2015

Program	Developments	Units	Funding \$
Bonds	50	5,428	\$226,602,490
Housing Credits/HOME	602	28,207	\$467,780,810
Housing Credit/HOME with Other Programs	23	1,173	\$ 69,398,647
Other Programs (TCAP, GO-Zone and Exchange)	57	4,083	\$ 77,653,905
TOTAL	732	38,891	\$841,435,852

Success Stories



Valor Grove, the first development of its kind in the nation, opened on the campus of the Tuscaloosa VA. It offers affordable housing for homeless veterans who are transitioning back into their communities.

"We help them with clothing, get them ready for job interviews, help them with resumes, work with them to get VA benefits and more," Tuscaloosa VA representative Damon Stevenson said. +



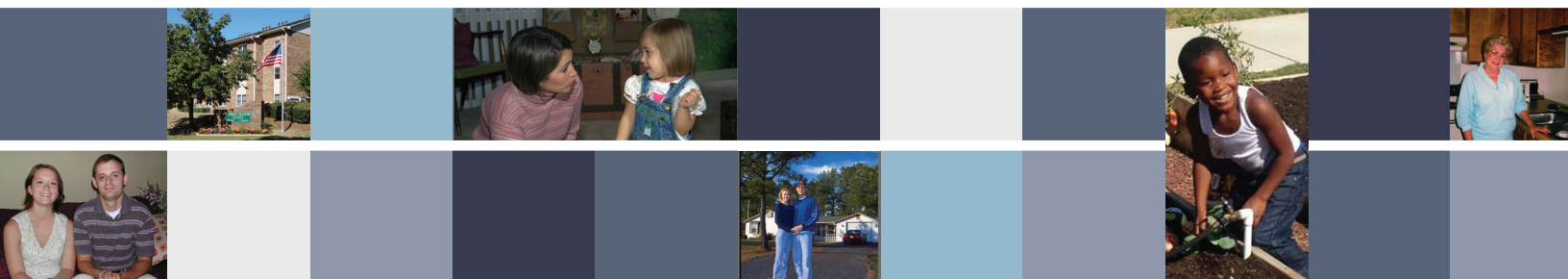
The Village at Oliver Place is one example of Phil Campbell continuing its recovery from the devastating April 2011 tornadoes that destroyed much of the town. Residents like the Cleghorn family are enjoying living at the development.

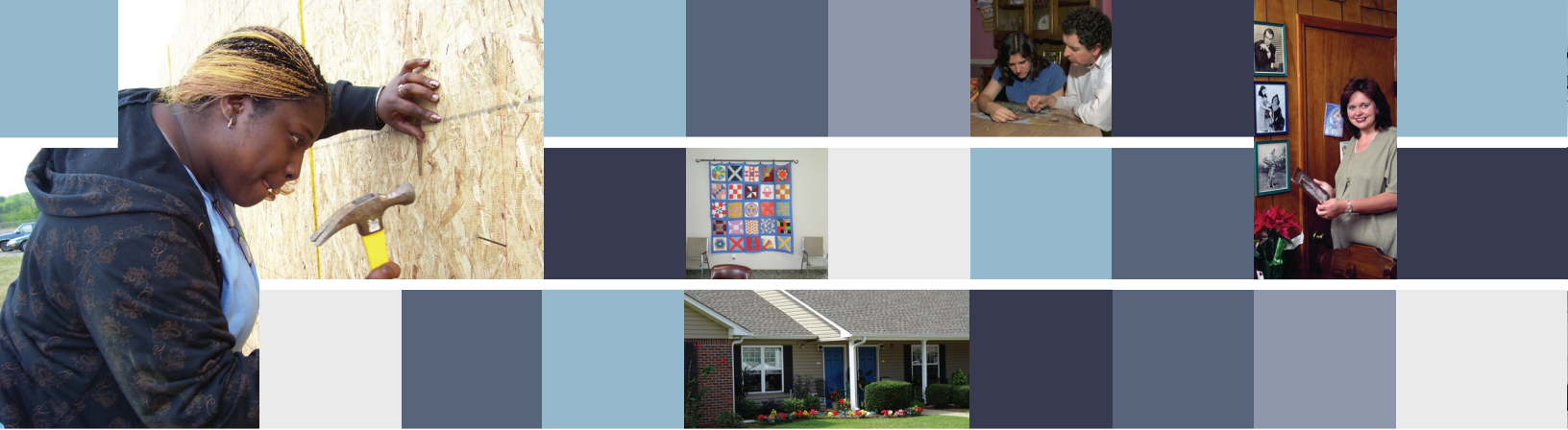
"We love the space, layout, upstairs area - it just suits our needs perfectly. We appreciate this place and love it," said Barry Cleghorn. +



Residents of Tuskegee's Pinecrest Apartments share their experience with a rehabilitation effort at their development, which was part of an innovative solution to rehabilitate 13 aging USDA properties in Alabama.

Brenda McCarthy shared, *"It has really been a blessing to live here. I truly enjoy it, and I wouldn't want to be anywhere else."* +





HABITAT FOR HUMANITY

AHFA purchases Habitat affiliate loans which allows the affiliates to receive loan amounts up front in a lump sum while AHFA receives the monthly payments from affiliates for the life of the loan. The affiliate then uses the up-front funds to build more housing for low-income families. Homeowners also contribute “sweat equity” to the construction of their own homes as well as other Habitat homes.

FY15 Highlight



AHFA was a proud sponsor of the Greater Birmingham Habitat for Humanity’s Home Builders Blitz 2015. Habitat partnered with area home builders to raise the walls on 11 homes in partnership with low-income families seeking decent and affordable housing in the city of Clay.

Pictured: Homeowner Rayetta Russell, whose home was sponsored by AHFA and the Mortgage Bankers Association of Alabama and constructed during the blitz build.

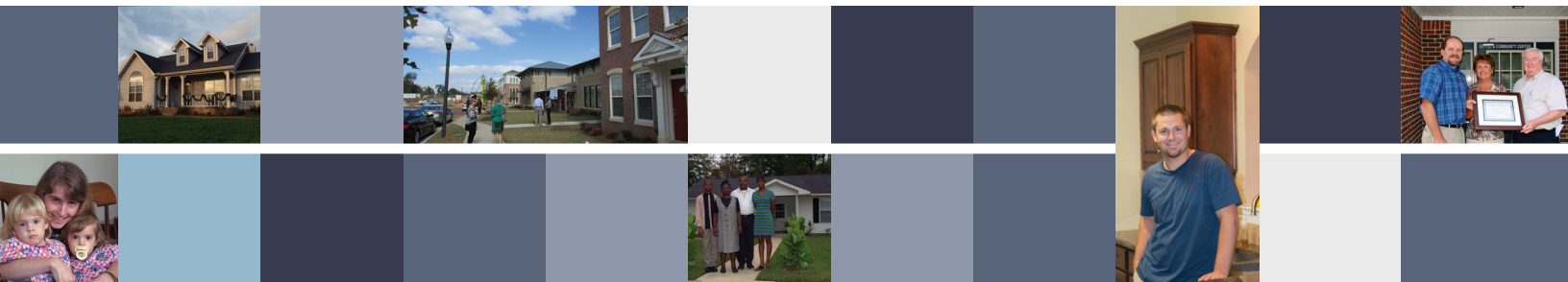
Success Story



Bessie and Eddie Cochran knew full well the 500 hours of required “sweat equity” they had to fulfill by helping build other Habitat homes before construction would begin on their home in Abbeville. The Cochrans made the work a family affair, completed 800 hours, and continue to assist their local affiliate, Wiregrass Habitat for Humanity.

“It’s a blessing,” said Bessie. “I really enjoy our home. When we used to be moving all over the place, I didn’t feel like I had anything that was mine. And this is mine – I can pass it on to my kids.”+

11 LOANS PURCHASED *in FY15* **\$819,371**





HARDEST HIT ALABAMA

AHFA administers Hardest Hit Alabama (HHA), a federal foreclosure prevention program for qualified homeowners struggling to pay their mortgage payments. HHA offers mortgage payment assistance for unemployed or underemployed homeowners, as well as loan modification and short sale options for borrowers facing financial hardships. +

FY15 Highlight



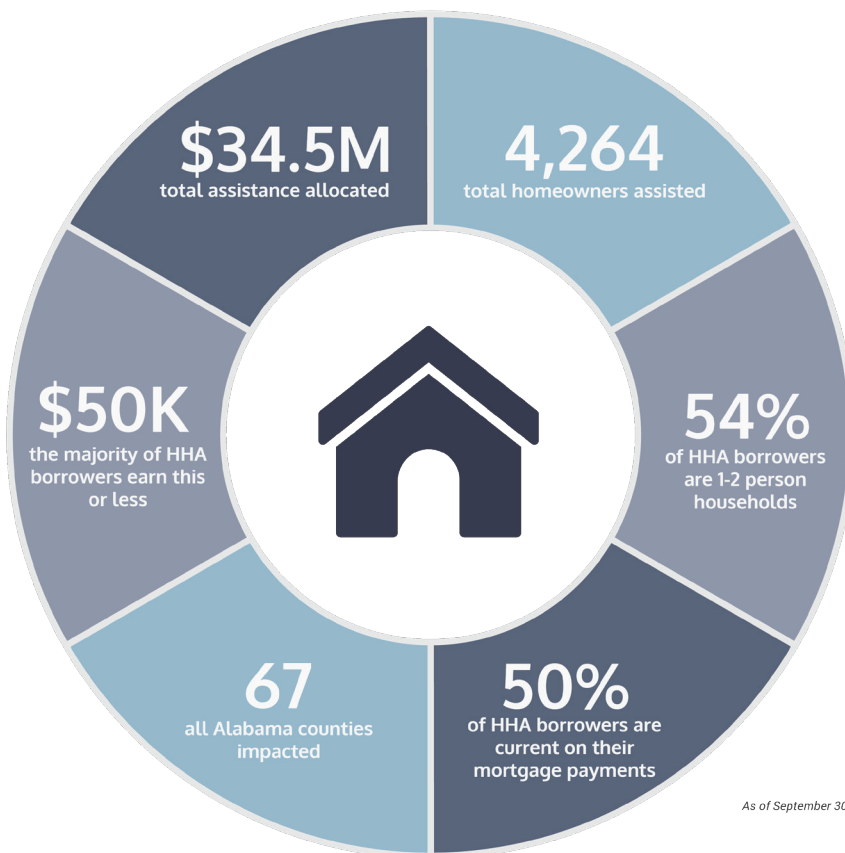
New HHA TV and radio commercials began airing statewide in FY15. The commercials direct homeowners to call a counselor or visit the HHA website for more information. +

Success Story

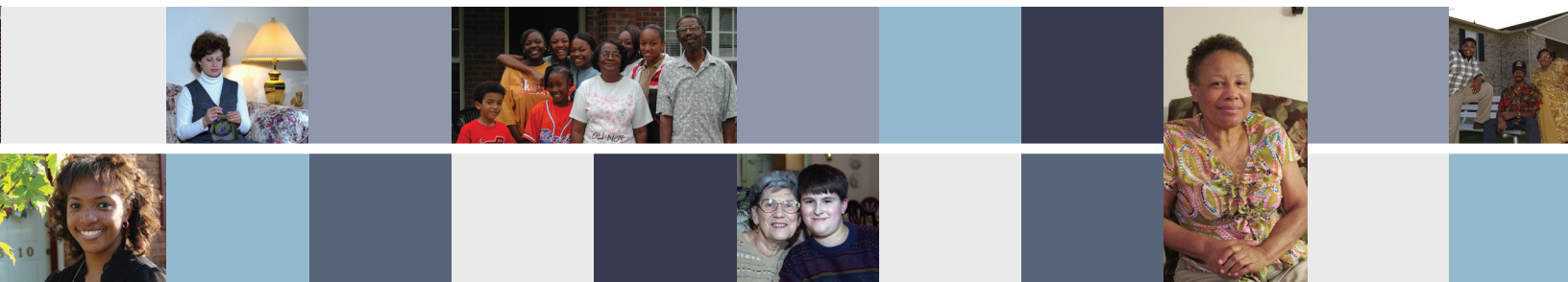


Cora Jones thought the home in Prattville that she had worked so hard for was in jeopardy when her income ceased.

"I was in a bind, and I couldn't get my house payment caught up," said Jones. *"I was to a point of giving up. But, I didn't want to lose my house."* +



As of September 30, 2015





History

AHFA is created by an act of the Alabama Legislature

1980

First employee is hired, Executive Director Robert Strickland

1987

Down Payment Assistance Program introduced

1990

First Multifamily Bonds issued, financing 416 units for \$13M

1983

Mortgage Credit Certificate Program created

1989

AHFA purchases \$25,000,000 Mortgage Bond (M)

1993

Limited offering, Alabama Home Buyer Initiative, is released

2014

ServiSolutions expands to include community banks in Alabama

2010

\$15.6M in Credits added to AL for Katrina recovery

2006

AHFA celebrates 15 years of Step Up and 10 years of ServiSolutions

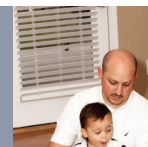
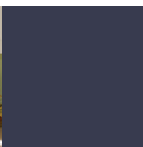
2015

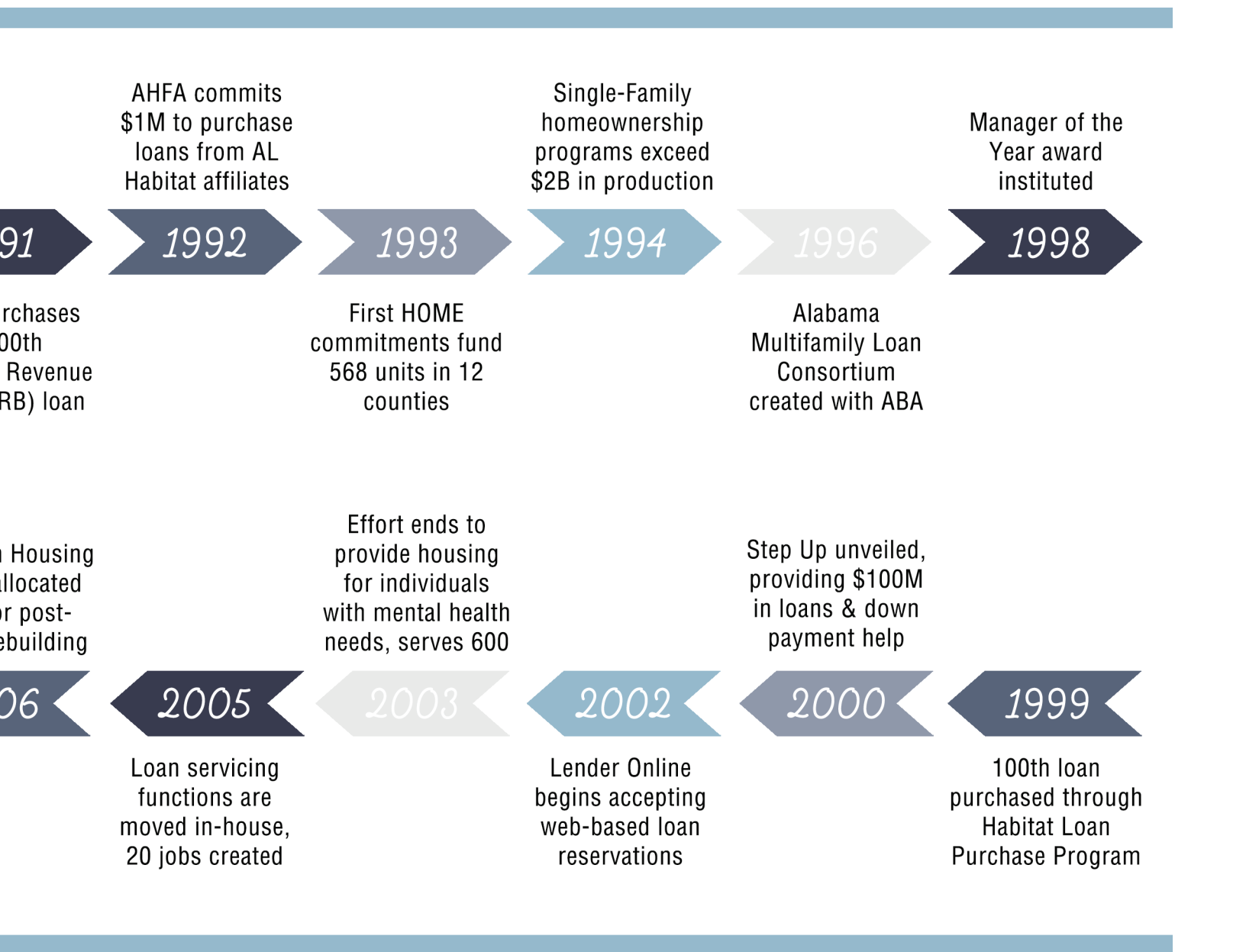
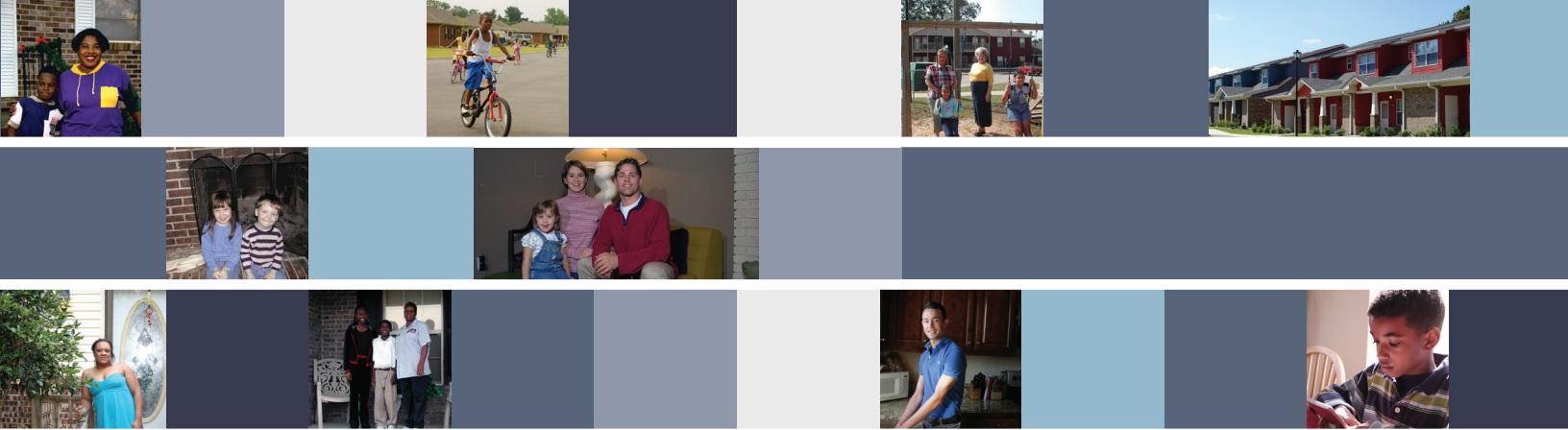
Foreclosure prevention effort, Hardest Hit Alabama, debuts

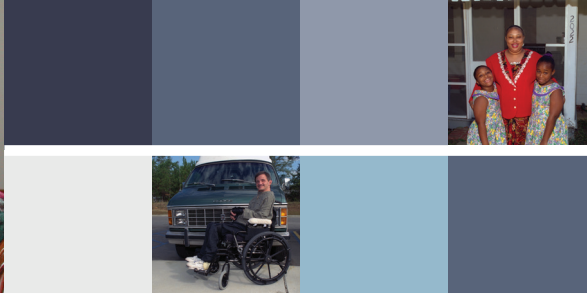
2011

Moody's upgrades AHFA's issuer rating to Aa2

2007







Servicing

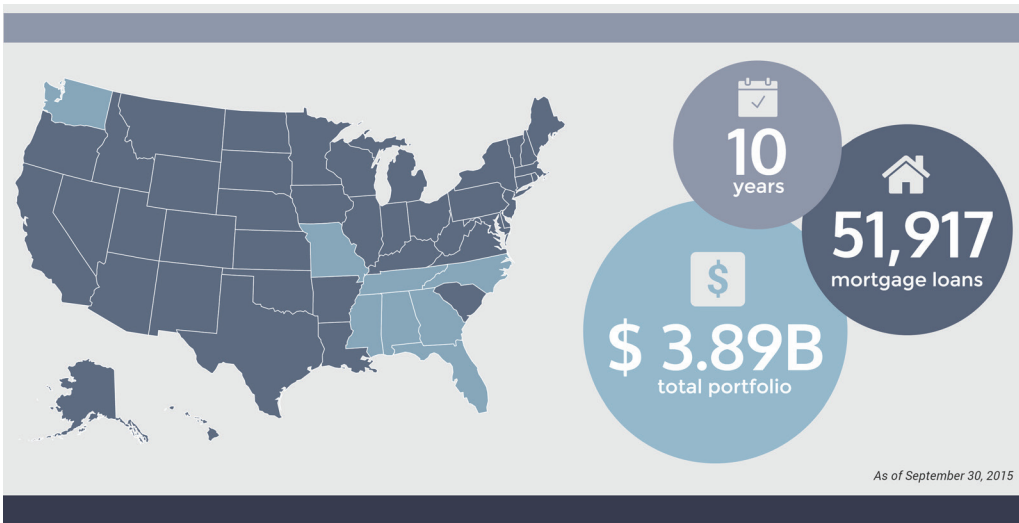
SERVISOLUTIONS®

ServiSolutions is the mortgage servicing department of AHFA and offers residential mortgage servicing for financial institutions. Servicing all types of mortgages including FHA, VA, Rural Development, conventional uninsured and conventional insured loans, ServiSolutions is the largest mortgage loan servicer located in Alabama.

ServiSolutions also services mortgage loans in Florida, Georgia, Mississippi, Missouri, North Carolina, Tennessee and Washington. +

FY15 Highlights

- In 2015, ServiSolutions celebrated its first decade of home loan servicing and exceeded \$3 billion in total loan volume. AHFA Executive Director Robert Strickland said, "The growth of ServiSolutions, and as a result AHFA, continues to be an extraordinary journey."
- ServiSolutions reported a total delinquency ratio of 3.9 percent in March. That marked AHFA's lowest total delinquency ratio ever and a significant decrease from the average delinquency ratios of approximately 17 percent which were reported when ServiSolutions acquired the portfolio and began servicing in 2005.





The Alabama Housing Finance Authority is a public corporation and instrumentality of the State of Alabama created July 25, 1980, by Act No. 80-565 of the Alabama Legislature.

The bonds of the Alabama Housing Finance Authority are not obligations of the State of Alabama and are not repaid with tax dollars. AHFA is a self-sustaining organization which pays all operating expenses from program revenues.

View the 2015 financial statements at: www.ahfa.com/financials



ALABAMA HOUSING FINANCE AUTHORITY

Come on home, Alabama.

