



annual report 2011

HOUSING ASSISTANCE COUNCIL



The Housing Assistance Council (HAC) is a national nonprofit corporation established in 1971 to increase the availability of decent and affordable housing for rural low-income people. HAC provides below-market financing, technical assistance, training, research, and information services to the for-profit, nonprofit, and public sectors. HAC is governed by a 27-member board of directors. Board members include representatives of private industry, government, and public and nonprofit housing agencies at the national, state, and local levels. HAC is an equal opportunity lender.

MISSION

HAC's mission is to improve housing conditions for the rural poor, with an emphasis on the poorest of the poor in the most rural places. To fulfill this mission, HAC's major program and policy goals are to

preserve and increase the stock of low-income rural housing and promote rural community development

assist in the creation and expansion of housing development capacity in rural areas

increase the use of low-income rural housing and community development programs by minorities and women in underserved areas

promote a strong, effective, and supportive governmental role in rural low-income housing and a broader public understanding of rural America

provide information and education about rural housing needs and poverty to the public

proactively analyze the changing resource needs for housing production in rural areas, design national programs to address resource gaps, and seek partnerships to help fund them

Dear Friends,

HAC was founded in 1971 to improve housing conditions for the poorest of the poor in the most rural of places. At its founding, HAC's board and staff knew that building the capacity of local communities would be central to meeting this charge, as local groups would not be able to meet the dire housing needs that existed without first building their own skills. HAC was created to provide these communities with the financial, informational, and technical resources that would ultimately enable them to create affordable, sustainable housing options for rural low-income residents.

In 2011, HAC celebrated its 40th anniversary and throughout the year has had the opportunity to reflect on its ongoing commitment to building capacity in rural communities. In the context of today's economic and housing problems, the needs of low-income communities have become even more pronounced. HAC has been steadfast in its support of rural communities and has focused its resources on strengthening the communities that are often suffering the brunt of these economic challenges. This year's annual report highlights the impact of HAC's work, specifically illustrating how HAC's programs have built capacity in rural America.

Looking back over the past year, as well as the past 40 years, HAC is reminded that its success is a reflection of strong relationships with its external partners. HAC maintains these relationships not only through programming, but also through ongoing dialogue with the network of organizations that are working across the nation to create affordable housing. In 2011, HAC completed its stakeholder survey, hearing from more than 270 partners in communities across the nation. These survey respondents shared their insights on how they use HAC's programs, how their communities have been impacted, and how HAC can improve its delivery of services. We appreciate the time and effort that participants took in providing input,

and we look forward to implementing some of what we learned through the process.

In 2011, HAC is proud to have:

COMMITTED \$11.6 million in loans and grants to 94 organizations across rural America to support the construction or preservation of affordable homes and to build local capacity;

STARTED a new Rural Senior Housing Initiative, which will provide lending, technical assistance, training, grants, and research to support affordable housing solutions for the elderly;

RECEIVED two very strong ratings from the U.S. Government Accountability Office (GAO) and the Opportunity Finance Network (OFN) CARS™, reflecting high assessments of HAC's work and internal operations;

HOSTED more than 1,500 participants at 18 training events across the nation.

PUBLISHED its first coedited issue of *Rural Voices* with the Rural Community Assistance Partnership (RCAP), highlighting the interconnections between infrastructure and affordable housing development;

HAC looks back on 2011 with pride, knowing that through partnership we have made significant strides in our effort to build capacity, support affordable housing development, and strengthen rural communities. Ever mindful of the challenges ahead, we remain hopeful that 2012 will bring even greater successes.

In community,



Joseph Debro, Chair



Twila Martin-Kekahbah, President



Moises Loza, Executive Director

building development capacity

LOANS AND GRANTS



HAC PROVIDES CAPITAL

for affordable single-family and multifamily housing developments through the provision of direct loans to rural housing providers across the country. These loans provide organizations with needed resources to fund predevelopment costs, site acquisition, construction, and more. HAC has maintained strong partnerships with its borrowers for the past 40 years and is a certified community development financial institution (CDFI).

HAC loans have helped organizations across the country build their capacity to provide safe, secure, affordable housing in rural America. HAC balances careful underwriting and meaningful collateral with flexibility and an understanding that a rural community's best housing developer may potentially begin without significant housing development experience. In 2011, HAC committed \$11.1 million in lending to 39 organizations across rural America to support the construction or preservation of 863 affordable units.

The HAC loan fund provides local developers with low-cost financing, as well as the added bonus of staff members who are knowledgeable about rural affordable housing development. In results from HAC's 2011 stakeholder survey, over 80 percent of respondents reported that HAC's loan products were offered at terms and interest rates competitive with other CDFIs and commercial lenders. Impressively, 98 percent of loan fund respondents indicated that the HAC loan fund products were an important resource for rural housing development organizations. Survey respondents also noted that HAC staff members understand their orga-



nization's project and community development in general, and that staff members are responsive to requests for information and assistance. Overall, 94 percent of survey respondents thought that HAC makes an effort to meet the needs of borrowers.

HAC's Self-Help Homeownership Opportunity Program (SHOP), which is funded by the U.S. Department of Housing and Urban Development (HUD), provides recoverable grant financing to organizations working with families that contribute their own "sweat equity" to building their

homes. SHOP is an important part of HAC's work, and in 2011, HAC provided \$4.28 million in SHOP funding to various organizations. SHOP not only acts as an efficient and effective way for families and individuals to secure safe housing; it also builds community capacity in rural regions. Affordable Homes of South Texas noted that their SHOP loan "[brought] the community together because [people] work together in the sweat equity and ... get to know each other." HAC's SHOP program has been a critical resource for housing providers across rural America.

HAC's Preservation Revolving Loan Fund (PRLF), supported by the U.S. Department of Agriculture (USDA) and the John D. and Catherine T. MacArthur Foundation, provides organizations with financing to preserve affordable rental properties. In 2011, HAC committed \$1.13 million to housing providers across the country to preserve 139 affordable rental units. These units play an important role in rural regions where few affordable rental properties exist.

HAC loans provide organizations with more than just direct financing. Organizations are able to continue building their capacity by leveraging HAC loans, bringing additional resources to their rural communities. In 2011, organizations that received HAC loans were able to leverage an additional \$116.9 million in funding. HAC loans have helped organizations like Proyecto Azteca of Texas create "complete neighborhoods" that "have a major impact on positive social interactions among residents, improve the visual attractiveness of the community, and make it affordable for families to own their home." HAC loans enable organizations to provide not only safe, affordable housing, but also a sense of place and security for rural families and individuals.

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HAC Loans and Recoverable Grants

ORGANIZATION	STATE	APPROVED	UNITS
Crawford-Sebastian Community Development Council	AR	\$383,870	19
Northwest Regional Housing Authority	AR	90,000	6
South Arkansas Community Development	AR	90,000	6
Burbank Housing Development Corp.	CA	900,000	60
Peoples' Self-Help Housing Corporation	CA	360,000	24
Self-Help Enterprises	CA	450,000	30
South County Housing Corporation	CA	450,000	30
Milford Housing Development Corp.	DE	60,000	4
Florida Home Partnership	FL	1,005,000	67
Western Region Idaho	ID	500,000	62
Frontier Housing	KY	150,000	10
Housing Development Alliance	KY	300,000	20
Kentucky Highlands Community Development Corporation	KY	90,000	6
Leadership Development Council	KY	80,000	23
Ashley Directions	LA	400,000	30
Housing Assistance Corporation of Cape Cod	MA	100,000	50
Marquette County Habitat for Humanity	MI	105,000	7
Ozark Foothills Development Assoc.	MI	150,000	10
North Carolina Indian Housing Authority	NC	50,000	5
Telamon Corporation	NC	75,000	5
Phoenix Holding Group	ND	315,000	42
PathStone Corporation	PR	135,000	9
Inter-Lakes Community Action Agency	SD	240,000	16
Community Action Network	TN	150,000	10
Creative Compassion	TN	75,000	5
Crossville Housing Authority	TN	150,000	24
Eastern Eight Community Development Corporation	TN	276,000	23
Lower Valley Housing Corporation	TX	750,000	60
Neighborhood Housing Services of Dimmit County	TX	340,000	5
Proyecto Azteca	TX	169,000	13
Color Country Community Housing	UT	300,000	20
Housing Authority of Southeastern Utah	UT	105,000	7
Mountainlands Community Housing Trust	UT	120,000	8
Neighborhood Nonprofit Housing Corporation	UT	450,000	30
Rural Housing Development Corp.	UT	750,000	50
Community Housing Partners Corporation	VA	525,000	35
Helping Overcome Poverty's Existence	VA	345,000	23
People Incorporated of Virginia	VA	75,000	5
Southern Appalachian Labor School	WV	60,000	4
TOTAL		\$11,118,870	863

building knowledge capacity

RESEARCH AND INFORMATION



HAC'S RESEARCH AND INFORMATION division provides the data and analysis necessary for rural housing providers to increase their rural housing knowledge capacity. Research and Information conducts both basic and applied research that can be shared with rural housing organizations across the country. The division is well versed in current policy and programmatic topics in the field and ensures that organizations across the country are kept up-to-date with pertinent legislative and regulatory changes. HAC's policy information briefs and comments on federal housing programs ensure that policymakers, government officials, and the general public take rural perspectives into consideration. Research and Information is able to connect rural housing providers to targeted communications, outreach, and research reports so that they are able to build knowledge and better serve their communities.

HAC disseminates information across rural America through a variety of means. *Rural Voices*, HAC's quarterly magazine, focuses on affordable housing issues in rural America and provides housing organizations across the nation an opportunity to share their insights and experiences on a variety of topics. *Rural Voices* gives rural-focused organizations an opportunity to learn from each other and find new solutions to housing concerns. *Rural Voices's* topics this year included a review of the impact of USDA housing programs on local communities, a look into housing in the Lower Mississippi Delta, and an examination of affordable rural senior housing programs and policy. HAC also published an issue of the magazine in collaboration with Rural Community Assistance Partnership (RCAP). Released in the fall, the issue emphasized practical strategies for developing affordable housing with safe and cost-effective infrastructure. Articles focused on successful projects that improved opportunities for affordable housing and water and waste services for low-income rural families and communities.

Through tools such as its website (www.ruralhome.org) and the biweekly newsletter, *HAC News*, HAC helps educate local rural housing providers and stakeholders on current housing topics. Results from HAC's 2011 stakeholder survey showed that 80 percent of respondents regularly read *HAC News* and found that it increased their knowledge of rural housing issues. Over half of the respondents visited HAC's website frequently.

HAC's research projects focus on topics that are important to rural housing providers. Research reports provide organizations with new knowledge and information through analyses of national trends and topics. In 2011, HAC completed the first half of its flagship decennial report, *Taking Stock*. The report is an analysis of rural housing trends based on 2010 Census data and 2010 Home Mortgage Disclosure Act lending data, incorporating national, regional, and local examinations of housing conditions and trends. HAC has published short information pieces highlighting specific

Special Initiatives

Special initiatives give HAC the ability to focus its comprehensive tools on addressing specific populations or critical issues. With generous support from The Atlantic Philanthropies, HAC launched the Rural Senior Housing Initiative in 2011 to support affordable housing for very low- and low-income rural seniors. The initiative aims to advocate for better-funded programs and increase the capacity of organizations that currently build affordable housing for rural seniors.

The initiative includes several components to support the development of rural senior housing, such as a small grants program, training and technical assistance, loans for both homeownership and rental senior housing, advocacy on rural senior issues, and research and publications on these issues.

In November 2011, 53 stakeholders in the field of rural affordable senior housing met in Seattle, Washington, for "Housing Seniors in Rural America: Aging in Place in a Shifting Landscape." This symposium provided participants with a chance to learn about resources for conducting their senior housing activities, discuss the intersection of housing and supportive services, and hear about innovative approaches from practitioners in the field. Participants who completed evaluations felt that the event helped them develop new strategies for building senior housing capacity in their organizations. One said, "There were several great presentations that helped me understand financing, construction for seniors, handicapped, expansion of services, and community facilities."

HAC plans to award the first round of Rural Senior Housing Grant funding in March 2012, and will hold a senior housing training in Burlington, Vermont, in June 2012.

data findings, and it will continue to prepare such pieces, leading up to the release of *Taking Stock* in 2012.

HAC reports provide rural housing practitioners with critical analyses that enable them to better understand the impact of policies and programs on their development efforts. In 2011, HAC completed a report on the impact of the 2010 Census numbers on eligibility for USDA housing programs. The report identified 500 places that could potentially lose their USDA Rural Development eligibility status given population changes. The report provided housing practitioners who rely on USDA's housing programs with much-needed data and information to address concerns surrounding program eligibility.

In collaboration with the Corporation for Supportive Housing (CSH), HAC also completed a tool kit for conducting homeless counts on Native American lands. The tool kit provides strategies for Native housing organizations across the country to conduct their own counts that better reflect homelessness on Native American lands. With this resource, Native communities will be better prepared to understand and address the burgeoning homelessness issues confronting them.

Major reports in 2011 included: *What Are We Missing?* *HMDA Asset-Excluded Filers*, *Nonprofit Capacity in the Lower Mississippi Delta Region*, and *Rural Reentry: Housing Options and Obstacles for Ex-Offenders*. HAC also published a variety of *Rural Research Notes*, brief information pieces focused on specific aspects of rural areas, throughout 2011.



building internal capacity

TRAINING AND TECHNICAL ASSISTANCE



HAC'S TRAINING and technical assistance division provides critical resources to increase the capacity of local organizations so that they can better fulfill their affordable housing missions. Respondents to HAC's 2011 stakeholder survey indicated that training and technical assistance from HAC had a positive impact on multiple capacity-building indicators, such as strengthening financial management capacity, diversifying funding sources, meeting diverse community housing needs, and improving ability to incorporate "green" technologies in housing development. With regional offices in California, Georgia, Missouri, and New Mexico, HAC is able to provide direct assistance to organizations across the country. By leveraging regional partnerships with staff knowledge and expertise, the regional offices allow HAC to provide effective and immediate assistance to local rural housing organizations.

HAC staff members provide hands-on guidance and build the capacity of rural housing organizations and communities through the technical assistance program. HAC is a non-membership organization that maintains an open-door technical assistance structure. This enables HAC to respond to the needs of rural communities that are looking for assistance, be it a simple phone call to answer a question or more in-depth, hands-on assistance. HAC provides ongoing assistance to organizations and communities that have specific needs. In 2011, HAC provided immediate and ongoing technical assistance to hundreds of organizations. An example of HAC's technical assistance efforts includes the following:

In April 2010, a tornado struck Yazoo County, Mississippi, leaving several of the homes Esther Stewart Buford Foundation (ESBF) had developed either severely damaged or destroyed and ruining tools and materials from an active job site. In December 2010, just as ESBF had recovered from the tornado and, with HAC's assistance, was completing the first

homes built in Yazoo City since the storm, a second tornado struck. Throughout 2011 HAC dedicated ongoing technical assistance to the organization as it worked to rebuild and repair the damaged homes. Linda Smith, Executive Director of ESBF, said, "Had it not been for the immediate response of HAC to restore our losses, families in Yazoo County would not have been able to rebuild so quickly. The very first call I received when the first tornado hit, which was over the weekend, was from HAC staff calling to check up on us and ask how they could help."



Training has been a critical piece of HAC's capacity-building strategy for most of its 40-year history. HAC's training and technical assistance division organized 17 training



sessions in 13 states, hosting nearly 600 participants in 2011. Training topics included green building, construction management, successful nonprofit operations, asset and fiscal management, and rural senior housing. HAC also held five audio web training sessions on topics ranging from a walk-through of the HUD Rural Innovations Fund grant application to changes to USDA eligible areas.

HAC continued its successful peer exchange model by convening two peer-to-peer trainings hosted by Eastern Eight Community Development Corporation in Johnson City, Tennessee, during summer 2011. With support provided by HUD, HAC facilitated two weeklong training events targeted to Tennessee-based Community Housing Development Organizations (CHDOs). In these peer sessions, Eastern Eight Community Development Corporation generously shared its administrative forms, project tools, policies, and procedures with 19 nonprofit executives and board members from organizations throughout Tennessee. In an evaluation one participant said, “[This training] needs to be required for all executive directors.”

In order to help build local capacity HAC makes grants to local rural housing organizations across the nation. While some funds can be used for a variety of administrative purposes, including computer equipment purchases, staff training, consultant fees, and predevelopment costs, others are targeted to specific efforts, such as housing for elderly persons or green building. When asked about the impact of these funds, one stakeholder survey respondent said, “[The HAC] grant is helping us move forward with building the long-term stability and capacity of our organization.” Through its various initiatives, HAC provided approximately one-half million dollars in capacity-building and training grants to local rural organizations in 2011.

“I can use the information to improve the condition of the houses throughout the organization.”

– Event participant

Building Sustainable Housing

In September 2011 HAC hosted a training event in Albuquerque, New Mexico, titled “Sustainable Affordable Housing: Developing Healthy and Energy Efficient Homes for Nonprofits.” The workshop curriculum, which was developed by HAC, consisted of two days of classroom instruction and a half-day tour of Karsten Homes Modular Construction Plant, a leading Version-3 Energy Efficient Manufactured Home developer. Attendees were given detailed instructions on the construction, from the foundation to the roof and everything in between, of sustainable homes. Topics included maximizing energy savings, solar energy usage, and maintaining one’s investment in sustainable housing.

board of directors



HAC is governed by a 27-member board of directors. Board members include representatives of private industry, government, and public and nonprofit housing agencies at the national, state, and local levels.

Joe Debro

HAC chair, Trans Bay Engineering and Builders, Oakland, California

Twila Martin Kekahbah

HAC president, Turtle Mountain Band of Chippewa, Bismarck, North Dakota

Polly Nichol

HAC vice president, Vermont Housing and Conservation Board, Montpelier, Vermont

Moises Loza

HAC second vice president, HAC, Washington, D.C.

Robert Calvillo

HAC secretary, Affordable Homes of South Texas, McAllen, Texas

Richard Tucker

HAC treasurer, Washington, D.C.

Gideon Anders

National Housing Law Project, San Francisco, California

Andrew Bias

Mennonite Housing Rehabilitation Services, Wichita, Kansas

Peter N. Carey

Self-Help Enterprises, Visalia, California

Janaka Casper

Community Housing Partners, Christiansburg, Virginia

Sandra Ferniza

Arizona State University, Tempe, Arizona

Marvin Ginn

Native Community Finance, Laguna, New Mexico

Ninfa R. Gutierrez

Yakima, Washington

Swynice Hawkins

Tri-County Community Development Corporation, Hughesville, Maryland

Ilene Jacobs

California Rural Legal Assistance, Marysville, California

Lenin Juarez

Action Gypsum Supply Company, Houston, Texas

Dave Lollis

Lexington, Kentucky

Arturo Lopez

Coalition of Florida Farmworker Organizations, Homestead, Florida

Maria Luisa Mercado

Lone Star Legal Aid, Galveston, Texas

William Powers

Rural California Housing Corporation, Sacramento, California

Pedro Rodriguez, Jr.

Waukesha, Wisconsin

Irene E. Sikelianos

Delphi, Albuquerque, New Mexico

Rep. Bennie G. Thompson

U.S. House of Representatives, Bolton, Mississippi

Dazetta Thorne

Seventh District Pavilion, Crowley, Louisiana

Jose Trevino

Lansing, Illinois

Lauriette West-Hoff

Durham, North Carolina

Peggy Wright

Arkansas State University-Delta Studies Center, Jonesboro, Arkansas

supporters

HAC is very grateful to the following friends and partners for their support through grants, loans, contracts, and contributions.

Affordable Housing Finance magazine

Gideon Anders

The Atlantic Philanthropies

Bank of America Foundation

Joseph and Tamara Belden

California Coalition for Rural Housing

Calvert Foundation

Congregation of the Humility of Mary

Council for Affordable and Rural Housing

Jessie Ball du Pont Foundation

Enterprise Community Partners

Episcopal Diocese of Iowa

Fannie Mae

F.B. Heron Foundation

Federal Home Loan Bank System

Federation of Appalachian Housing Enterprises

Florida Non-Profit Housing

Ford Foundation

Freddie Mac

Glenmary Home Missioners

Habitat for Humanity

The Hearst Foundations

The Home Depot Foundation

John D. and Catherine T. MacArthur Foundation

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Little Dixie Community Action Agency

Local Initiatives Support Corporation

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Mary Reynolds Babcock Foundation

Morgan Stanley

National Association of Realtors™

National Housing Conference

National Trust for Historic Preservation —
Housing Initiative

NCALL Research

NeighborWorks™ America

Norman Hurwitz

Pacific Housing Advisors

PathStone

William and Gloria Powers

Reno & Cavanaugh, PLLC

Rural Community Assistance Corporation

Rural Community Assistance Partnership

Rural LISC

Seton Enablement Fund

Sisters of Charity, Blessed Virgin Mary

Sisters of St. Francis of Philadelphia

Sisters of the Holy Cross

Sisters of the Presentation of the Blessed Virgin Mary

Society of Mary

Southeast Rural Community Assistance Project

State Farm Insurance

Byron and Elizabeth Stookey

Leslie R. Strauss

U.S. Department of Agriculture—Rural Development
Business and Cooperative Programs

U.S. Department of Agriculture—Rural Development
Housing and Community Facilities Programs

U.S. Department of Health and Human Services
Compassion Capital Fund

U.S. Department of Housing and Urban Development

U.S. Department of the Treasury—Community
Development Financial Institutions Fund

U.S. Green Building Council

Wachovia Bank

offices



HAC is headquartered in Washington, D.C., with regional offices in Georgia, California, Missouri, and New Mexico. HAC's National Office houses staff from the executive office, finance and administration, loan fund, research and information, and technical assistance and training divisions.

NATIONAL OFFICE

Moises Loza, *executive director*

Joe Belden, *deputy executive director*

Karin Klusmann, *loan fund director*

Jeff Mosley, *training and technical assistance director*

Theodore J. Russell, *finance and administration director*

Theresa Singleton, *research and information director*

Alem Berhane, *managerial accountant*

Montika Brooks, *special projects assistant*

Janice Clark, *rural senior housing program manager*

Tiffany Clark, *administrative assistant*

Myra Cobb-Davis, *senior loan specialist*

Stefani Cox, *research assistant*

Jorge Diaz, *portfolio manager*

Lance George, *research associate*

Tierah Holloway, *accounting assistant*

Tanisha Jacob, *loan fund assistant*

Jennifer Kinney, *loan specialist Northeast/Southeast*

Kristine Kizzie, *loan specialist West*

LaVerne Lawrence, *staff accountant*

Carlos Muralles, *SHOP program manager*

Eric Oberdorfer, *research associate*

Dierdra Pressley, *loan officer*

Rachana Shrestha, *loan specialist Midwest*

Dan Stern, *communications and outreach manager*

Leslie Strauss, *senior policy analyst*

Lilla Sutton, *executive coordinator*

Jennifer Tirado, *loan specialist Southwest*

Keith Wiley, *research associate*

jann Yankauskas, *senior loan officer*

SOUTHWEST OFFICE

HAC's Southwest Regional Office in Albuquerque, New Mexico, has provided technical assistance and training to rural nonprofits serving the border colonias, Native American lands, and migrant farmworkers for more than 35 years.

Gene Gonzales, *director*

Graciela Loya, *administrative assistant*

Anselmo Telles, *housing specialist*

SOUTHEAST OFFICE

Located in Atlanta, Georgia, the Southeast Regional Office was created in 1972 to respond to the dire need for decent affordable housing in rural communities throughout the region. Southeast staff members assist many rural housing development organizations in the high-poverty communities of the Black Belt Region and the Mississippi Delta.

Carolyn Branton, *director*

Christina Adeshakin, *housing specialist*

Shonterria Charleston, *housing specialist*

Cheryl Cobbler, *administrative assistant*

Kelly Cooney, *housing specialist*

MIDWEST OFFICE

The Midwest Regional Office, in Kansas City, Missouri, opened in 1999. Midwest staff members provide training and technical assistance and respond to the unique needs of the region. Their areas of expertise include tax credit financing, organizational development, single-family and multifamily development, and HOME program regulations.

Nicole Opfer, *director*

Marla Mangogna, *administrative assistant*

Stephanie Nichols, *CHDO project manager/housing specialist*

WESTERN OFFICE

Located in Sacramento, California, the Western Regional Office primarily provides training and technical assistance in the states of Alaska, California, Hawaii, Idaho, Montana, Nevada, Oregon, and Washington.

Karl Ory, *director*



financials

Housing Assistance Council

Consolidated statements of financial position

	Unaudited 9/30/2011	Audited 9/30/2010
ASSETS		
Cash and cash equivalents	\$9,993,331	\$19,038,020
Investments in marketable securities	19,213,246	8,177,777
Cash in restricted guarantee fund reserves	658,536	674,610
Contracts and grants receivable	3,821,383	1,347,496
Loans and advances, net of \$20,447,877 and \$28,701,794 in potentially forgivable loans and loan loss allowances at 09/30/2011 and 09/30/2010, respectively.	20,553,526	22,531,721
Accrued interest receivable	598,064	996,563
Prepaid and other assets	44,098	119,933
Investments in partnerships at net realizable value	5,010	5,010
Land held for resale, net of provision for unrealized losses of \$371,973 and \$50,000 at 09/30/2011 and 09/30/2010.	881,313	1,081,406
Furniture & equipment, net of accumulated depreciation of \$89,009 and \$77,297 at 09/30/2011 and 09/30/2010.	39,042	50,754
Total assets	\$55,807,549	\$54,023,290
LIABILITIES		
Accounts payable	38,350	83,123
Accrued personnel costs	401,762	398,262
Accrued interest payable	64,028	74,292
Refundable advances	52,558	52,558
Other liabilities	20,673	792
Notes payable	15,548,307	15,871,781
Total liabilities	16,125,678	16,480,808
NET ASSETS		
Unrestricted		
Board designated to support current lending	4,086,185	4,086,185
Undesignates	6,917,304	4,814,675
Total unrestricted net assets	11,003,489	8,900,860
Temporarily restricted	17,903,079	18,216,319
Permanently restricted	10,775,303	10,425,303
Total net assets	39,681,871	37,542,482
Total liabilities and net assets	\$55,807,549	\$54,023,290

Consolidated statements of activities and changes in net assets

	Unaudited Year End 9/30/2011	Audited Year End 9/30/2010
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues, gains, and other support:		
Grants and contributions	\$309,347	\$475,400
Interest income on bank accounts and short term investments	197,026	72,444
Realized and unrealized gains and losses on investments	(156,607)	(16,967)
Loan interest income and service fees	10,430	(42,013)
Other income	259,478	33,610
Total unrestricted revenues	621,554	522,474
Net assets released from restrictions	14,420,312	14,101,188
<i>Total unrestricted revenues, gains, and other support</i>	<i>15,041,866</i>	<i>14,623,662</i>
Expenses		
Loan administration	7,496,745	8,933,426
Research and information	788,977	934,694
Training and technical assistance	3,146,035	2,615,590
Management and general	1,507,480	1,463,909
<i>Total expenses</i>	<i>12,939,237</i>	<i>13,947,619</i>
Increase in unrestricted net assets	2,102,629	676,043
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Grants and contributions	13,580,160	11,621,016
Interest income on bank accounts and short term investments	415,074	264,033
Realized and unrealized gains (losses) on investments	(262,853)	(70,752)
Realized and unrealized gains (losses) - other	0	53,000
Loan interest income and service fees	466,539	762,784
Conference registration and support	217,426	201,352
Other revenue	(309,274)	(14,440)
<i>Total temporarily restricted revenues</i>	<i>14,107,072</i>	<i>12,816,993</i>
Released from restrictions net of deficits absorbed by Permanently Restricted Net Assets	(14,420,312)	(13,649,493)
Decrease in temporarily restricted net assets	(313,240)	(832,500)
CHANGES IN PERMANENTLY RESTRICTED ASSETS		
Grants and contributions	350,000	1,910,000
Loan losses and expenses in excess of accumulated earnings	0	(451,695)
Increase in permanently restricted net assets	350,000	1,458,305
Increase (decrease) in net assets	2,139,389	1,301,848
Net assets, beginning of year	37,542,482	36,240,634
Net assets, end of year	\$39,681,871	\$37,542,482



offices

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