



Date: January 24, 2013

To: Mayor Kleinschmidt and the Chapel Hill Town Council  
From: Robert Dowling, Executive Director  
Re: Quarterly status report for quarter ended December 31, 2013

The second quarter of the 2012-2013 fiscal year included the following highlights:

1. We sold four homes, one of which was new to the Home Trust inventory
2. We continued to experience high resale activity
3. We purchased a condominium in East 54 from one of our owners
4. Mortgage financing remains difficult
5. We learned that Greenbridge HVAC units will cost \$11,000 to replace

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**Four homes sold** – Of the four homes we sold in the quarter, one was new construction and three were resales of existing Home Trust homes. The new home, located in the Montclair neighborhood of Chapel Hill was our 200<sup>th</sup> home. We used \$20,000 of federal subsidy funds to allow these four homes to be affordable.

**Resale activity** – As I write this report we are actively selling seventeen homes, six of which are new and eleven of which are existing Home Trust properties. Of these seventeen homes, eleven are townhomes, five are condominiums and one is a single-family home. Only three of these seventeen are currently under contract. All five of the condominiums are resales, and one is under contract.

**East 54 condo purchase** – We purchased a condominium from a homeowner who could not abide the noise from a fitness studio located below her unit. After many months of working with the developer and the studio owner to reduce the volume of the music played in the studio, we decided to purchase the unit and allow our owner to purchase a condo in the Greenway building in Meadowmont. She is now happy and we are hoping to sell her East 54 condo to someone who likes zumba music.

**Mortgage lending** – Having lost Suntrust and RBC as our go-to lenders in recent years, we are reduced to just three banks that will make loans to our buyers. We are working to establish relationships with new lenders, including Self Help Credit Union. We are also hoping to establish a relationship with Fannie Mae, the Washington, DC based purchaser of many residential mortgages. Since many lenders sell their loans to Fannie Mae, it is increasingly important for us to understand the constraints imposed by Fannie Mae and determine how we can overcome those constraints. Obviously, if our buyers do not have access to mortgage loans, they cannot purchase our homes.

**Greenbridge HVAC** - The HVAC units at Greenbridge have been problematic, but we hope they last because replacement units are clearly not affordable to our homeowners. This is another long-term challenge that we'll need to address.