



Date: August 12, 2015

To: Mayor Kleinschmidt and the Chapel Hill Town Council
From: Robert Dowling, Executive Director
Re: Quarterly status report for quarter ended June 30, 2015

The final quarter of the 2014-15 fiscal year included the following highlights:

1. We sold ten homes, five of which are new to our inventory
2. We hired three new staff members
3. We successfully prevented another foreclosure
4. We continued working with SECU on mortgages for our buyers

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Ten homes sold – Our under-staffed sales team knocked it out of the park by closing on ten homes in 13 ½ weeks. Those ten homes required \$126,000 of subsidy. Two of the homes were sold to households over 80% of AMI. The five new homes were in the Burch Kove development in Chapel Hill and the Ballentine development in Carrboro. As of June 30, 2015 there were 237 homes in our inventory, 194 of which are in Chapel Hill; 43 of which are in Carrboro. As of 8/12/15 we are actively marketing 10 homes, 5 of which will be new to our inventory. Of the 10 homes, 6 are under contract.

Three new staff members – Our Director of Operations, Lori Woolworth, hired a PT construction manager, a FT sales person and FT bookkeeper during the quarter. All three have joined the staff as of the date of this report. Lori also obtained her provisional Realtor license. We now have ten employees, two of whom are part-time; three of whom are Realtors. As a result of our growing staff, we will be relocating our offices to Conner Drive in Chapel Hill at the end of the calendar year.

Foreclosure prevented – As we have done many times in the past, we prevented a homeowner from being foreclosed upon by working out an arrangement with the lender. The lender agreed to accept a payment from the Home Trust in exchange for clear title to the property. So, although the homeowner was required to leave their home, they were able to avoid a foreclosure.

Mortgages from SECU – We continued discussions with the mortgage lenders at SECU and as of this date we are confident that they will soon be making loans to their members who purchase our homes. They are also willing to allow their members to refinance existing loans. Although SECU does not make 30-year fixed rate loans, their willingness to provide mortgages will be very helpful to some of our buyers and current homeowners. Once we work out the details with SECU, we will focus on further expanding lending options for our home buyers. We believe that commercial banks may be more willing to make loans if they are able to sell those loans in the secondary market. Although this is a formidable challenge, we are making progress and we have help from national partners.