

ANNUAL REPORT • 2008



responding
to community
needs



Accomplishments of FY '08

- ◆ NCALL's Loan Fund originated, underwrote, and approved 5 community development loans valued at \$2.8 million using our own and participating capital.
- ◆ Counseled and assisted 213 first-time homebuyer closings, leveraging over \$37 million in attractive mortgages and over \$1.5 million in down payment and settlement assistance.
- ◆ Counseled and assisted 31 rural households to obtain USDA Rural Development mortgages, leveraging \$5.5 million in subsidized federal assistance.
- ◆ Fielded 321 foreclosure prevention inquiries and counseled 117 households, with 43 retaining their home while others work through the process.
- ◆ Educated 193 people participating in Growing Your Money financial literacy classes, with 134 graduates.
- ◆ Assisted 18 Mutual Self-Help Housing grantees that closed 132 homeownership loans resulting in an average sweat equity savings of \$28,253 per home.
- ◆ Renovation of an 88-unit multi-family apartment community was completed in Seaford, Delaware. Additionally, the renovation of two homes took place in Claymont, DE.
- ◆ NCALL was a top homeownership producer in Delaware and the Mid-Atlantic District within the NeighborWorks America network, maintaining an exemplary rating.

"At its January 2008 meeting, the Organizational Health Tracking System Committee made up of senior officers and directors, affirmed that NCALL's current Exemplary rating will be continued for your NeighborWorks organization. NeighborWorks America is committed to developing and supporting a Network of Excellence to achieve our joint mission to strengthen communities and transform lives." Eileen M. Fitzgerald, Chief Operating Officer, NeighborWorks America

Message from the President and Executive Director



NCALL's Executive Director Joe Myer and Board President Roland Ridgeway.

Dear Friends:

These certainly are difficult times and 2008 as for most has been a challenging year for NCALL, with 2009 promising much of the same.

NCALL has used these times to be as responsive to community needs as possible. This stems from strategic planning by an engaged Board of Directors and a staff that have a willingness to assist modest income families and nonprofit customers affected by the housing and financial crisis.

Our Growing Your Money financial literacy courses are fundamental to families improving their finances, moving towards homeownership, or rescuing and preserving their home after experiencing a hardship. Families are extremely engaged in the 5-week classes; they appreciate the peer support knowing they are not in this alone. They also learn that basic banking and money management can empower and transform.

Now within the eye of the foreclosure

storm, NCALL has responded creatively by reallocating personnel resources to address increased inquiries and case load, conducting monthly foreclosure prevention workshops as another avenue to connect with people in trouble, and finally, advertising our services and working collaboratively with the State Bank Commissioners Office, the Lt. Governor's Foreclosure Task Force, and the Delaware Federation of Housing Counselors.

NCALL will play a critical role in Neighborhood Stabilization Program efforts within various jurisdictions, partnering throughout the state to provide the required counseling to help prepare homebuyers to purchase renovated foreclosed properties and anchor our communities.

Amidst the credit crisis, NCALL's Loan Fund remains available to assist nonprofit customers with their affordable housing, community development, and community facility projects, bringing important

capital resources to Delmarva.

To you, our friends, partners, and stakeholders, whose support and resources makes the significant accomplishments possible within this report, we say a heartfelt "thanks." We take stewardship seriously through conservation and cost cutting efficiencies as we advance our mission.

Roland R. Ridgeway, President

Joe L. Myer, Executive Director

Homeownership Counseling



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CALL's education and counseling readies families for successful homeownership amidst a difficult economic climate.

◀ Alishia's children love to climb the tree in front their Dover home. Originally from Boston, MA, Louis came to Delaware in 1992 to attend Delaware State University. By 1999, she had graduated, married, had one baby and was pregnant with a second when her divorce occurred. Although devastated, she was determined to take care of her family. While getting her Masters degree and working temp jobs, she fell behind on rent and bills. She ended up homeless in 2004 and living in an emergency shelter. The Dover Housing Authority took her into their rent to own program. This is when Alishia began working with NCALL.

"Homeownership has always been my dream, but I kept hitting a wall," she said. "I had to believe it was possible for myself; I wasn't going to give

up." Alishia grew up in the inner city with a divorced mom who said she could have whatever future she wanted, but no one in her family had ever owned a home. "I wanted to break the cycle by starting something new, giving my kids a different future. This home is the beginning of a new legacy and an inheritance for my children. Lack of information keeps people stuck. The process of buying a home is intimidating and overwhelming. NCALL takes your hand and walks with you through the journey. Credit repair also takes work. NCALL empowers you to work hard for yourself."

Since moving into her home, Alishia has become a published author, started her own company, and created a support group to help empower women who are divorced or divorcing.

How Do We Do It?

- Assist families in becoming financially ready for homeownership.
- Offer access to sound and attractive mortgage products.
- Aid families in learning the complicated mortgage and home buying process inside and out.
- Help families participate in this "buyers market" as informed consumers.
- Even in these difficult times, make the dream of homeownership a reality.

Homeownership Counseling Statistics

New Clients this Year:	525
Clients Assisted this Year:	755
Mortgage Loans Closed:	213
Mortgage Dollars Leveraged:	\$37,842,547
Average Mortgage:	\$177,665
Clients Who Used DPSA*:	172
DPSA Leveraged:	\$1,524,428
Female Head of Household:	43%
Minority Households:	45%

*DPSA is Down Payment & Settlement Assistance Programs.

Rural Delaware Homeownership Initiative Statistics

New Clients this Year:	100
Clients Assisted this Year:	403
RD 502 Loans Closed:	31
Total RD 502 Mortgage Funds Leveraged:	\$5,525,365
Average Mortgage:	\$178,237
Average Income:	\$27,927
Moved out of Overcrowded or Substandard Housing:	58%
Minority Households:	77%
Below 50% of County Median Income:	74%

Foreclosure Prevention



NCALL's counseling helps to prevent foreclosure for families experiencing hardships or unaffordable mortgages. Financial literacy empowers people to become informed consumers, ready to shape their housing future.

◀ Ron owns his home and his own business, but this past year all that was in jeopardy. Like many people, this Vietnam Veteran almost lost his home to foreclosure.

After several booming years in the lawn care business, the drought in the summer of 2007 put a definite crimp in his income. After a few months of using his savings to stay afloat, Ron knew he needed help. He started calling his mortgage servicer with no success. Then he received a list of agencies that provided foreclosure counseling services in the area. NCALL was on the list and he made the contact.

With NCALL's assistance, Ron applied for the Delaware Emergency Mortgage Assistance Program (DEMAP), which provides assistance up to \$15,000. While awaiting their

decision, NCALL continued working with Ron by communicating with his mortgage servicer and helping him to demonstrate reliable income. After working with NCALL for approximately five months, Ron received the DEMAP loan resulting in a four month respite from his mortgage. "My NCALL counselor really stuck with me," he said. "It was a great outcome that really gave me some breathing room. If it wasn't for NCALL I would be living in my truck. It's a really good experience to know that someone is working to help you. NCALL did wonders!"

"NCALL does more than most people imagine," says Ron. "I have recommended NCALL to several people. If you don't call NCALL, don't blame me!"

How Do We Do It?

- Foreclosure Prevention
 - ◆ Provide support and information to often distraught families.
 - ◆ Analyze family finances to see what resources are available.
 - ◆ Assist families in negotiating remedies to address their hardship or unaffordable mortgage and develop an action plan.
 - ◆ Offer monthly workshops to help families at earliest possible stage.
- Growing Your Money & Individual Development Account Program
 - ◆ 5-week classes on banking, credit, debt, budgeting, savings, and loans.
 - ◆ Offering special saving vehicles such as IDAs.
 - ◆ Peer interaction—strengthening one another through experiences.
 - ◆ Personal achievements result in confidence, knowledge, and opportunity.

Foreclosure Prevention

Inquiries: 321
 Households counseled: 117
 Positive Resolutions: 43
 Still in counseling: 60

Growing Your Money

Participants: 193
 Graduates: 134
 Minority Households: 76%
 Low Income: 84%
 (Below 80% of Median)

Individual Development Accounts

Participants Enrolled: 52
 IDA's Matched: 11
 Matched Savings: \$37,701
 Average Savings: \$1,342
 Average Income: \$27,012
 Average Family Size: 3.2

Housing Development



NCALL's development services add and preserve affordable apartments and homes addressing community needs for families and the elderly.

◀ In 1972, when Better Homes of Seaford's (BHS) Chandler Heights was developed, it was the first affordable housing complex in Seaford, Delaware. By 2004, the 12 buildings that make up the Chandler Heights community needed an update. Structurally, the 91-unit complex was still sound, but all of the systems were outdated. Another concern was maintaining the Section 8 rent subsidies for the future. That is when BHS's Executive Director Bill Roupp turned to NCALL.

"NCALL is best at completing the detailed financing applications for our developments. They have been our partner since 1990 and have helped us develop each of our apartment communities," said Mr. Roupp. This undertaking turned out to be more extensive than originally planned. Construction began in 2005 and went to permanent closing on May 2008.

All the buildings were completely gutted during the renovation. Highlights of the transformation include making all of the units handicapped accessible, adding 5 handicapped units, installing air conditioning and improving the buildings' security and energy efficiency. One of the buildings that previously housed three apartments and a small office was converted into a much needed community center, complete with a library, computer room, kitchen and meeting space. The complex now has 88 apartments that range in size from one to three bedrooms. The residents are all 50% of median income or below and their rent is subsidized by HUD to be affordable based on their income.

According to Mr. Roupp, "NCALL stays with the development process all the way through and gives us expertise we don't have. I am the sole

How Do We Do It?

- Working with community non-profits to address local needs and increase nonprofit owned housing stock.
- Leveraging state and federal resources to build family and elderly apartments.
- Preserving affordable apartments by saving expiring subsidies through modernization and energy efficiency.
- Introducing important asset management training.

employee of BHS; we are a lean organization. Working with NCALL keeps us from having to hire additional staff. They fill the void as far as development is concerned as well as following through on construction." This partnership has worked very well, as BHS is the largest nonprofit apartment producer in Sussex County.

Under Construction and Completed in FY '08

- Chandler Heights Renovation, Better Homes of Seaford, Inc., Seaford, DE – 88 units
- Knollwood Revitalization, New Knollwood Civic Association, Claymont, DE – 3 units

NCALL was pleased when our partner, Millsboro Housing for Progress, Inc., won the 2008 Tax Credit Excellence Award for Old Landing II Apartments. This national honor is given by the Affordable Housing Tax Credit Coalition for the most outstanding Low Income Housing Tax Credit properties. It celebrates the best in affordable rental housing.

NCALL Loan Fund



NCALL's community development lending facilitates affordable housing production and nonprofit capacity through the provision of credit not available elsewhere.

◀ According to the State of Delaware, there are 4,000 substandard housing units in Sussex County. Sussex County Habitat for Humanity has been helping to turn the tide by building affordable homes since 1991. They target families with less than 60% of area median income. Each adult in their partner families has to put in 250 hours of their own sweat equity and in return they own a new, affordable home at 0% interest. The organization receives about 70 applications for homes each year. They started out building one home per year, all run by volunteers. In 2004 they hired Kevin Gilmore, Executive Director, as their first paid staff. Now that they have a staff of five and are producing eight homes per year with many volunteers, they need a suitable office. That is where NCALL's Loan Fund came in to help.

NCALL provided a two phase loan to assist Sussex County Habitat for Humanity purchase land and build an office so they can have a permanent place to operate their growing organization. "We are currently using part of our Restore retail space in Georgetown for our office," says Mr. Gilmore. "Not only is it encroaching on our retail space, the building is 100 years old, and not energy efficient. Today we are wearing our coats to work. Our office is a hub of activity for our volunteers and partner families, as well as our staff."

"We did not want the fact that we were acquiring an office to take away at all from our mission. If we had to raise the additional funds to build the office up front, that would mean less money would be going to the families we are trying to help. Working with NCALL was our best option. We

couldn't beat the loan terms and the staff was very supportive and understanding of our mission. All of this process was very new to us. The NCALL staff was very knowledgeable and this enabled the process to not distract from building homes."

Groundbreaking for the new office is scheduled for Spring of 2009.

The photo to the left is the Roblero family on the steps of their new Habitat home in Concord Village, located in Seaford, DE.

How Do We Do It?

- Bring important financial resources to the Delmarva Peninsula.
- Address credit needs and fill financial gaps for the nonprofit housing sector.
- Facilitate predevelopment, acquisition, construction, and community based facility lending.
- Provide important financial services and consultation.
- Foster collaboration within the nonprofit community.

Loan Fund Activity

\$2,822,550 in loans committed during FY '08

- \$1,075,550 NCALL portion
- \$1,747,000 participant portion

5 loans originated with 3 different borrowers (2 of which were first-time borrowers)

- 3 loans for multi-family development or preservation (70 units)
- 1 loan for single family housing development (5 units)
- 1 loan to a nonprofit organization providing legal services

Mutual Self-Help Housing



NCALL supports community self-help housing programs in achieving their housing goals through regional technical and training services.

◀ Carlock, Illinois is a small village of approximately 500 residents surrounded by a large rural area. Several years ago their school district was considering shutting down the elementary school and bussing the kids to other schools in surrounding communities. The residents were not happy. That is when YouthBuild of Bloomington, Illinois, stepped in. The nonprofit worked with the village to annex and develop a 57 acre subdivision that will eventually have 63 homes. Many of these homes are being built under the Mutual Self-Help Housing Program using the sweat equity of participating families.

YouthBuild is now on its third USDA Mutual Self-Help Housing grant, building 12 homes each time in Carlock's new Stoneman Gardens subdivision. "This program truly helps people achieve a dream that

they wouldn't be able to have otherwise," says YouthBuild Executive Director, Suzanne Fitzgerald. "Most of the families in this program have come from rental situations. Aside from the affordability, these families also have lifelong advantages of being in a good school system and having lots of room for their kids to play outside."

This project would not have been successful without NCALL's assistance. "NCALL was helpful right from the beginning," says Mrs. Fitzgerald. "We really appreciated the straight talk. NCALL's experience and best practice recommendations are wonderful. The organization is very customer service friendly. I have the utmost respect for NCALL."

Now, six years later, the elementary school in the village of Carlock that was once in jeopardy of closing, is

being expanded and renovated. Stoneman Gardens subdivision and the new residents it has brought to this village through self-help housing, has rejuvenated this rural community.



NCALL's Region

How Do We Do It?

- Providing important tools, best practices and increased capacity of local nonprofit sponsors.
- Offering staff training for new and existing self-help employees.
- Assessment and analysis of how well local self-help goals are being met.
- Providing problem solving and consistency within this federal program across a vast region.

Self-Help Housing Program Statistics for NCALL's 21 State Region

Total 502 Loans Closed:	132
502 Loan Dollars Leveraged:	\$16,506,915
Total Other Funds Leveraged:	\$927,872
Average Sweat Equity Earned:	\$28,253
Average Appraised Value:	\$146,700
Total 523 Grants Closed:	\$3,567,410
Very Low Income Served: (Below 50% of Median)	46%
Low Income Served: (Below 80% of Median)	54%

Comprehensive Financial Statements

Below are comprehensive financial statements excerpted from NCALL's Fiscal Year 2008 (October 1, 2007 - September 30, 2008) audit performed by the accounting firm of Barbacane, Thornton and Company, Certified Public Accountants, Wilmington, Delaware. Complete audited statements for NCALL overall and the Loan Fund are available upon request.

Balance Sheet

As of Sept. 30, 2008

Assets	NCALL Consolidated	Loan Fund
Cash and Investments	\$4,211,435	\$2,102,184
Cash restricted by the consortium	12,661	-
Accounts receivable	32,015	15,640
Loans receivable, net	2,821,217	2,821,217
Grants receivable	135,911	-
Prepaid insurance	17,391	-
Foreclosed real estate held for resale	90,000	90,000
Fixed assets, net	<u>1,195,612</u>	<u>8,717</u>
Total Assets	<u>\$8,516,242</u>	<u>\$5,037,758</u>
Liabilities and Net Assets		
Funds on behalf of consortium	12,661	-
Line of credit for the loan fund	1,000,000	1,000,000
Note payable for the loan fund	1,749,662	1,650,000
Other liabilities	106,761	2,146
Net assets	<u>5,647,158</u>	<u>2,385,612</u>
Total Liabilities & Net Assets	<u>\$8,516,242</u>	<u>\$5,037,758</u>

Statement of Revenue and Expenses

Year Ended Sept. 30, 2008

Revenue	NCALL Consolidated	Loan Fund
Program revenue	\$2,615,120	\$671,306
Other revenue	<u>18,297</u>	<u>-</u>
Total Revenue	<u>\$2,633,417</u>	<u>\$671,306</u>
Expenses		
Program activities	2,159,607	-
Business expense	-	844,654
Support services	461,681	45,752
Unrealized loss on investment	<u>4,239</u>	<u>-</u>
Total Expenses and Losses	<u>\$2,625,527</u>	<u>\$890,406</u>
Increase (Decrease) in Net Assets	<u>\$7,890</u>	<u>(\$219,100)</u>
	Consolidated	

Funding Sources

Contributions, Grants, & Contracts

(October 1, 2007 - September 30, 2008)

Governmental

Delaware Grant-in-Aid
Delaware State Housing Authority
NeighborhoodWorks® America
US Department of HUD
USDA, Rural Housing Services

Private

Advanta National Bank
Allstate Foundation
American Express
Arthur W. Perdue Foundation
Artisans' Bank
Bank of America
Bank of Delmarva
Bank of New York
Citigroup Foundation
Citizens Bank
Combined Federal Campaign
Commerce Bank
County Bank
Curley and Rodriquez, LLC
Delaware Community Foundation
Delaware National Bank

Deutsche Bank
Discover Financial Group
Fannie Mae
Felton Bank
First National Bank of Wyoming
Florida Non-Profit Housing, Inc.
Gilpin Financial Services
GMAC Bank
HSBC Bank
Haller and Hudson
JPMorgan Chase Foundation
New Castle Presbytery Speer Trust Fund
PNC Foundation
Reliable Home Inspection, Inc.
State Employees Charitable Campaign
State Farm Mutual Insurance
United Way of Delaware
United Way of Southeast Pennsylvania
Wachovia National Bank
Ward and Taylor, LLC
Wells Fargo Foundation
Whirlpool Financial National Bank
Wilmington Trust
WSFS

Individuals

Robert Arnold
Joe Belden
Portia Bournes
Lucia Campos
Teresa Carter
Joel Crumpley
Sherry DeZwarte
Joan Edwards
Tara Gallagher-Amsterdam
Demetric Griffin
Cathy Harrington
John D. Hazelton
Bobbi Jackson-Jones
Jeanine Kleimo
Malik Livingston
Connie Louder
James McDowell
James McGiffin, Jr.
Jacquelyn Murphy
Joe Myer
Dawn Poczyek-Holdridge
Denise Roberson
Lisa Spellman
Helen M. Stewart

NCALL's Board of Directors



Pictured left to right. Back row: Hal Wilson; Joe Belden; Rev. Dr. Richard Avant; Daniel Kuennen—Treasurer; William Hughes; Randall Kunkle; Helen Stewart; and David Annis. Front row: Rev. Nanese Hawthorne; Marilyn Morris—Secretary; and Jeanine Kleimo—Vice President.

Not Pictured: James McGiffin; Roland Ridgeway—President; Maria Isabel Torres; and Harold Truxon.



Pictured left to right. Back row: Julie Loescher, Karen Kollias, Joe Myer, Connie Louder, Ulla Moore, Joyce Stell, Mark Lasocha and Tomeka Cranford. Second row: Karen Speakman, Sharon Cephas, Stephanie Johnson, Sherry DeZwarte, Carolyn Figueroa, Maggie Pleasant, Denise Freeman, Debbie Andrews, Joan Edwards and Meghan Fitzgerald. Front row: David Callahan, Dorothy Sharpe, Lisa Spellman, Nathaniel Horsey and Lucia Campos. Not Pictured: Contractors Robert Adams, Jill Lordan and Don Pierce.

NCALL's Mission, Vision & Values



MISSION

To provide opportunities for safe, decent, affordable homes and improve housing conditions of low and moderate income people primarily in rural communities. To that end we seek to:

- Provide training, technical assistance, and support to organizations to enhance their capacity.
- Encourage, support, and educate people to obtain and preserve decent, affordable housing.
- Provide financing for affordable housing and community development efforts with a goal of fostering borrower capacity and community impact.
- Increase public awareness about effective community housing efforts and the need to improve housing conditions.
- Formulate and advocate improved public policy.

VALUES

As guiding principles for the organization, as concepts honored when making decisions, and as the manner in which we relate to our stakeholders, NCALL embraces these values as we strive for excellence:

Professionalism • Resourcefulness • Responsiveness •
Accountability • Integrity

Professionalism—*Exemplifying quality in all aspects of the organization.*

Resourcefulness—*Opening every door possible to create opportunities and reach solutions.*

Responsiveness—*Learning community needs with a motivation to act.*

Accountability—*Exercising stewardship of resources and achieving measurable results.*

Integrity—*Openness and honesty in decisions, finances, and all we do.*

VISION

A decent and affordable home and a suitable living environment for every family.



DOVER

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GEORGETOWN

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NEWARK

501 Ogletown Road • Room 306 & 307 • Newark, Delaware • 19711 • (302) 283-7505

