

GUAM HOUSING CORPORATION

Kotporation Ginima' Guåhan



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Citizen Centric Report Fiscal Year 2018



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GUAM HOUSING CORPORATION'S MISSION

Founded in 1965, Guam Housing Corporation (GHC) was established for the purpose of providing mortgage financing for first time homeowners in the low to moderate income range, borrowers who may otherwise not be able to obtain financing.

As part of its program, GHC owns 125 houses in Dededo and 24 apartment units in Yigo providing rental opportunities for low to moderate income families.

FIRST TIME HOMEOWNER ASSISTANCE PROGRAM (FTHAP)

GHC also is the Administrator for the FTHAP. Eligible recipients of the program are provided a grant up to \$10,000 or 4% of the total of the purchase price or construction cost and closing costs. This program is not restricted with GHC loans. Currently, there are eleven (11) participating financial institutions.

This program was reestablished in January 2012 and has been a real success story. GHC has issued grants totaling \$3.6 million to 512 families since the reintroduction of this program.

GHC'S GOALS

- Ensure that our low to moderate income families have the opportunity to be homeowners and that the Corporation has the resources to fund these programs.
- To assist in securing funding sources for low to moderate income families with lower interest rates, infrastructure needs, or to seek, newer technologies for lower costs in home construction.
- To secure funding for the programs under the Housing Trust Fund, i.e. First Time Homeowner Assistance Program and the Housing First pilot program.
- To promote the development of affordable homes.



DEMOGRAPHICS

Description	2018	2017
Employees	25	24
Loans at the end of the fiscal year	373	392
Average loan amount closed for first mortgages	\$190,436	\$ 168,083
Average interest rate for first mortgages closed	4.27%	4.39%
Foreclosed properties held for resale at the end of the fiscal year	3	4
Rental Units		
Chuukese	46%	35%
CHamoru	26%	35%
Palauan	15%	18%
Filipino	10%	9%
Caucasian	3%	3%

Guam Housing Corporation's main office is located on the 5th floor of the ITC Building in Tamuning. Telephone number 647-4143. GHC's rental office is located in Dededo at 370 Lada Avenue. Telephone number 632-5660.

Key Measures & Loan Programs available

Description	2018	2017
Housing Division		
Prequalification interviews	379	407
Housing applicants processed	142	413
Loans approved	9	16
Loans closed	8	22
Grants processed	65	70
Grants approved	60	62
Grants disbursed	54	83
Loans closed for Veteran Affairs	1	1
Trust fund disbursements	640	562
Foreclosures	1	3
Foreclosed property sold	2	3



GHC employees, Arleen Evangelista and Christine Torres, attend Applied Suicide Intervention Skills Training (ASIST) and attained certification.



GHC Maintenance Worker Randy Barcinas was awarded a gift certificate for his innovative idea that allows the tenants to own a refrigerator by renting through a monthly fee. In the picture left to right: Angela Camacho, Manager, Randy, Alice Tajeron, President, John Muna, Bldg. Maintenance Supervisor.

Description	2018	2017
Rental Division		
Rental applicants processed	60	85
Applicants approved	6	21
Evictions	21	31
Responses to service calls	445	465
Emergency housing families placed	6	1
Homeless placed	10	8

Due to the age of the rental units, major renovation is needed for 12% of the units causing high vacancies and service calls.

Loan Programs

GHC has three loan programs all of which are subject to the availability of funds.

Regular Loan Program: Residential mortgage lending program for first time homeowners who are unable to obtain financing for purchase or construction through conventional lending institution. Interest rate is 2% above the prevailing rate.

Six Percent Loan Program: Residential mortgage loan for first time homeowners who are unable to obtain financing from conventional mortgage lending institutions. The interest rate is to match that of the local markets with a floor of 4% and a ceiling of 6%.

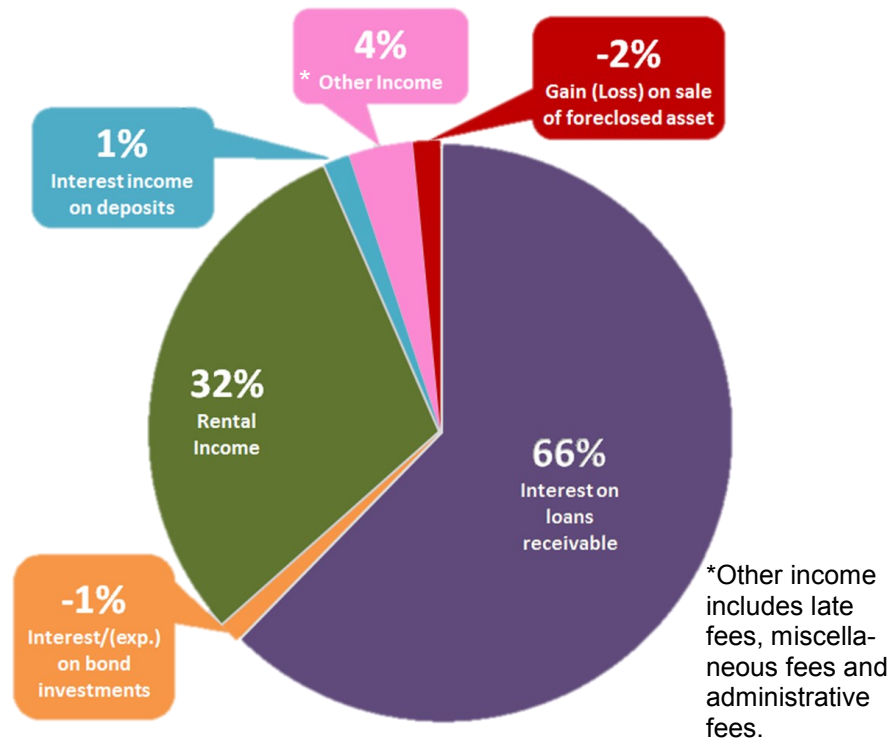
Community Affordable Housing Action Trust (CAHAT) Program: An interest free second mortgage program designed as a down payment assistance program for first time homeowners. Term of the loan is equal to the 1st mortgage not to exceed 30 years.

What would you like to see reported on in this page? Please let us know by contacting Alysia Leon Guerrero at 647-4143 ext 130 or email at alysia.leonguerrero@ghc.guam.gov

FY2018 Revenues and Expenditure Breakdown



How is revenue generated?

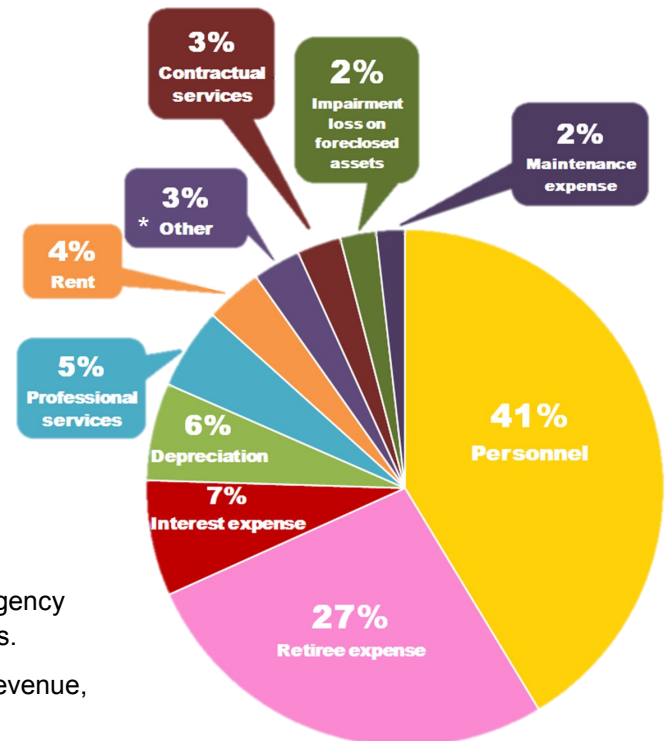


GHFC received a Bronze Award in Citizen Centric Reporting, FY 2017, from the Association of Government Accountants Guam Chapter

Revenue	FY 2018	*FY 2017
Interest on loans receivable	\$1,563,068	\$1,544,411
Interest/(exp.) on bond investments	(28,323)	2,775
Rental income	754,312	838,268
Interest income on deposits	35,341	19,999
Other income	89,783	100,733
Gain/(loss) on sale of foreclosed asset	(38,098)	52,757
Total Revenue	\$2,376,083	\$2,558,943

Expense	FY 2018	**FY 2017
Personnel	\$1,217,992	\$1,591,363
Retiree expense	792,099	920,401
Interest expense	213,197	223,005
Depreciation	179,452	176,843
Professional services	149,963	96,229
Rent	105,054	105,054
Other	87,946	66,359
Contractual services	80,943	76,160
Impairment loss of foreclosed assets	66,271	17,160
Maintenance expense	52,467	35,025
Total Expenses	\$2,945,384	\$3,307,599

How is revenue expended?



*Other Expenses includes supplies, utility, advertising, training, emergency housing, bond trustee fees, director fees and miscellaneous expenses.

** Due to the implementation of GASB 75, FY 2017's Statement of Revenue, Expenses and Changes in Net Position has been restated.



Another 30 families realize home ownership through the FTHAP grant. (Families photo with Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, Senator Joe San Augustin, GHC's President Alice Taijeron & Manager Angie Camacho)

1. The Housing Trust Fund Initiative,

A. Funding:

The Housing Trust Fund Act (HTFA) Funding legislation, if passed and signed into law, will address a permanent funding source to fund the "Housing Trust Fund Act" which in turn will address Guam's housing needs. The corporation continues to receive escheated funds for the First Time Homeowner Assistance Program (FTHAP). The funds received are still insufficient to fund the total applications received, hence the importance of the permanent funding source for HTFA.

B. Programs:

There are home or housing problems that other lenders, non-profit housing corporations or U.S. Department of Housing and Urban Development (HUD) can not help with and that is where Guam Housing Corporation steps in;

- First-Time Home-Owner Assistance program
- Solutions for the island's homeless families
- Funding Land Trust applicants
- Financing alternative building systems
- Financing for first time home-owners, who have not been accepted by other lenders, etc.

All of which, plus others, are in use successfully across the country, however the funds in many of the sources noted above are already being used for other programs or otherwise out of reach.

GHC is appreciating measured progress in securing a solid funding source in ensuring the success of the Housing Trust Fund Act, and its housing programs, however, there is still a long way to go.

2. Partnership:

GHC is also continuing the pursuit of developing affordable housing through alternative building systems. An Invitation For Design Submission (IDS) was announced to potential developers interested in constructing affordable homes by utilizing cost effective materials (i.e., metal, composite concrete, fiber panes, etc,...) to significantly reduce the price of building a home. Collaboration with Chamorro Land Trust Commission and Department of Land Management resulted in identifying ten (10) lots in the Sagan Linahyan Subdivision to build model homes from these materials to promote interest and market affordable/alternative building systems. The first of many model homes have been completed with more soon to follow. These alternative buildings will make the dream of home ownership a reality for many.