Believe it.

You can change
a life with just

ONE WORD.

2017 MaineHousing Annual Report

INDEX

Hello!

During one of MaineHousing's all-staff training days, employees took time to write more than 600 note cards that would be distributed to Meals on Wheels recipients in Kennebec County.

Letter from the Director

Programs
- Multi-Family Housing Development
- Energy and Housing Services
- Homeless
- Homeownership
- Rental Assistance

One Word Initiatives
- Warm
- Educate
- Reinforce
- Inform
- Analyze
- Strategize

About Us
- Financial Statement
- Board of Commissioners
- Contact Us

MISSION

The mission of MaineHousing is to assist Maine people in obtaining and maintaining quality affordable housing and services suitable to their housing needs

VISION

All Maine people have the opportunity to live in quality affordable housing

VALUES

Passionate & Commited
Thoughtful & Caring
Professional
Accountable
Responsive
Innovative

2013

One Word Strategy

**"We are very good at knowing the rules.
And, we care very much about the people we serve.
We can all see the potential conflict with these two values.
The challenge is to positively affect one's life
while staying true to the rules.
Sounds difficult. Let's think about it."**

MaineHousing Director John Gallagher
First staff meeting, 2013

Carpool Conversation

Early-morning routine becomes the basis for a strategic plan and a new mindset

Director
John Gallagher

Tom MacDonald, a friend and co-worker, and I would carpool every morning, and every morning he'd get out of the car and say, *"What are we doing here!?"*

Every morning I'd answer the same way: *"Tom? Who are you? What's your job? Why do you do it? You do it for the low to moderate income people in Maine."*

One morning I "answered" him before he even asked: *"We're here to help the low- to moderate-income people of Maine. That's what we do every day. So let's get to work."*

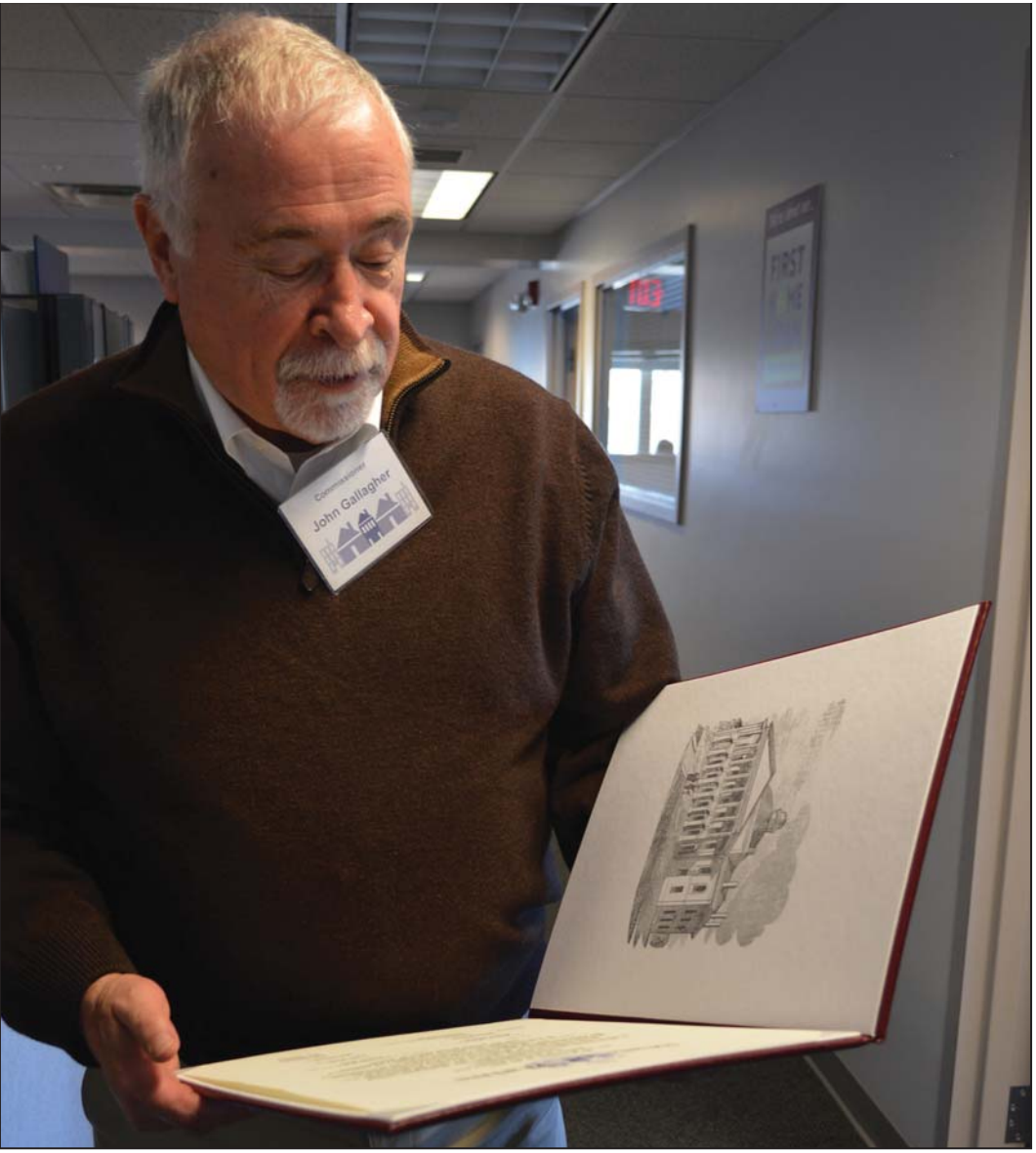
Every night I'd ask him, *"How successful were you today?"*

My 2012 nomination to be director of MaineHousing brought me back to an agency I left briefly to serve as director of a local housing authority. At our first staff meeting, when I was introduced to more than 150 of the most committed people I've ever had the pleasure to know, one person asked about my vision for a strategic plan. My approach – OUR approach – was simple: Let's keep it to one word. How can we say "yes" to the people we serve without talking about the limitations of our programs. During my five years as director, we would "think" about and implement new ways to be more helpful.

This annual report – my last as MaineHousing director – is an acknowledgment of the "one word" work that we've done over the last five years to help more than 120,000 people annually. We've also grown and strengthened our financial balance sheets as we keep a watchful eye on any possible funding changes in the federal programs we administer.

We've asked a few of the people we've helped, or who have been our partners, to share their favorite "one word," and we were pleasantly surprised by their selections!

I'm proud of all of the accomplishments achieved by the forward thinkers at MaineHousing to help improve the lives of fellow Mainers.



MEMORIES

(Above) Director John Gallagher reads a Maine Legislative Sentiment presented to him for his 40 years of service in Maine's housing industry; (Right, from left): John sits with longtime office administrator Jody Rollins, who also retired in 2017, at their last Maine Affordable Housing Conference; Deputy Director Peter Merrill shares in the applause as John is recognized at his last all-staff day; and, John and Policy Analyst Clyde Barr wear special glasses to view the August solar eclipse.

MY FAVORITE WORD

Yes!

John Gallagher
MaineHousing Director 2012-2017

What surprises you most about your personal journey?

I never started out thinking this would be my career path.
But in the end, I'm very grateful for the opportunity.

What advice would you share?

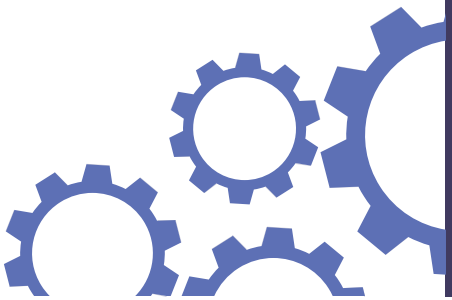
Don't wait to find your passion. Just do something. Your passion will find you.

What gives you the most joy?

Seeing people reach their potential and finding happiness.

ONE WORD:

PROGRAMS



Development Director Mark Wiesendanger looks at an old photo at Huse School Apartments in Bath during a grand opening celebration. Financed by MaineHousing, the project added 59 workforce housing units.

MY FAVORITE WORD

Home

Mark Wiesendanger
MaineHousing Development Director

It's easy for people who work in affordable housing development to become desensitized and forget what is our primary purpose — that these housing units we are creating are "homes" where people will live their lives, make big decisions, and spend time with those they hold dearest.

When we attend a "grand opening" and meet the tenants in their homes, that is when our work has the greatest meaning to me.

Knowing that moving into a comfortable and secure home can be the catalyst for positive change in one's life gives me "job satisfaction." Whether a person or family is dealing with illness, attending school, battling addiction, or looking for employment, a stable home environment is often the key to success.

MULTI-FAMILY HOUSING DEVELOPMENT 2012-2017

80
affordable housing projects completed

PROVIDING HOMES for more than **2,100** FAMILIES & SENIORS

54
affordable housing projects in planning stages

WILL PROVIDE HOMES to almost **2,500** FAMILIES & SENIORS

2017

INNOVATIVE HOUSING FOR VETERANS

MaineHousing is financing through the 9% Low Income Housing Tax Credit program the construction of Cabins in the Woods, 21 cabins at Togus Veterans Administration Medical Center in Augusta that will become homes for veterans who are homeless.

PROJECTS COMPLETED

Total
9 projects; 464 units
$161,466 average cost per unit

Family
5 projects; 272 units
$164,980 average cost per unit

Senior
4 projects; 192 units
$156,487 average cost per unit

PROJECTS FINANCED & UNDER CONSTRUCTION

Total
14 projects; 598 units

Family
7 projects; 186 units

Senior
7 projects; 412 units

PROJECTS UNDER REVIEW

Family
4 projects; 166 units

Senior
4 projects; 151 units

AFFORDABLE HOUSING TIF

6 approvals

ENERGY & HOUSING SERVICES
2012-2017

300
HOME
REPAIR PROJECTS

2,800
HOMES
WEATHERIZED

237
HOUSES
REMEDIATED OF LEAD

247,000
HOUSEHOLDS ASSISTED
WITH **HOME ENERGY ASSISTANCE**

ACCESSABLE HOME TAX CREDIT

MaineHousing administers the AccessAble Home program which provides a Maine income tax credit to taxpayers who earn $55,000 or less annually who are making their residence accessible, with qualifying work, for a person with a physical disability or hardship who lives in the house.

2017

ARSENIC ABATEMENT
20 projects
$64,123 total expenditures

CENTRAL HEATING IMPROVEMENT PROGRAM
(January 1 - December 31)

1,229 households assisted
$2,123,088 total expenditures

DROUGHT RELIEF - HOME REPAIR PROGRAM
3 units assisted
$31,696 total expenditures

HOME REPAIR PROGRAM
(January 1 - December 31)

120 projects
$1,800,645 total expenditures

LEAD HAZARD CONTROL PROGRAM
66 units abated
$495,066 total expenditures

WEATHERIZATION
(unduplicated, excluding CHIP/CTE)
(January 1 - December 31)

440 households assisted
$2,897,644 total expenditures

HOME ENERGY ASSISTANCE PROGRAM
(October 1 - September 30)

30,804 households assisted
$22,436,985 total expenditures

Low Income Assistance Program (LIAP)
(October 1 - September 30)

16,327 households assisted
$8,092,907 total expenditures

ECIP and Heat & Eat Fuel Assistance
8,069 households assisted
$895,780 total expenditures

MY FAVORITE WORD

Determination

Kin Dydasco
MaineHousing Lead and Housing Rehabilitation Specialist

It's not easy for people to choose to work in the field of lead remediation. They need specific certifications and licenses before going through bidding processes for jobs. Plus, they have to wear special suits from head to toe to protect their bodies. But they do, and I regularly follow up with prospective lead remediators as they train for this career path.

It takes determination. I see the passion our partners and my co-workers have to help others. It's not an easy job. But for many, if not all, it's about the children whose homes they are making lead safe.

It gives me great joy to work with and support our partners to help the families and communities they serve, from providing program guidance, assisting in inspections and client interactions to helping build new contractor relationships. There is no substitute for hard work to power through the obstacles.

HOMELESS

2013-2017

7,765

TOTAL PEOPLE HOMELESS

6,892 at emergency shelters
783 at domestic violence shelters

2013

Socks are among the items most needed by emergency shelters.

6,337

TOTAL PEOPLE HOMELESS

5,639 at emergency shelters
698 st domestic violence shelters

2017

2017

EMERGENCY SHELTER & HOUSING ASSISTANCE PROGRAM

MaineHousing provides grants to emergency shelters and agencies serving people who are homeless or at risk of becoming homeless. This funding is allocated as the Emergency Shelter and Housing Assistance Program (ESHAP), and is made up of three shares: Shelter Operations Share, Stabilization Share, and Performance Share.

37 shelters assisted

62 navigators

1,635 clients housed

$6,454,447 total expenditures

STABILITY THROUGH ENGAGEMENT PROGRAM (STEP)

STEP is designed to provide short term rental assistance to rapidly re-house individuals and families who meet the federal definition of homelessness. STEP is administered directly through the shelters participating in the ESHAP program.

137 new households assisted

273 total households

$1,368,078 financial support

70% stay in program at least 11 months

HOME TO STAY PROGRAM

MaineHousing, in partnership with housing assistance agencies throughout the state, offers the Home to Stay Program for individuals and families who are homeless and seeking permanent housing.

MY FAVORITE WORD

Believe

Abagail "Abby" Smith
Lead Housing Navigator Supervisor, Hope House in Bangor

I'm surprised that I am here working at Hope House. A few years ago, I was homeless, a recovering addict, and separated from my daughter. I did STEP (the Stabilization Through Engagement Program), and along the way I met someone from MaineHousing who said, *"I can see you doing this one day,"* which was helping others going through situations like me.

When you believe in someone, it ignites something inside that person. It starts a fire in them that spreads. It creates hope.

He believed in me. And here I am, going on five years. I was promoted last year and was named Employee of the Year!

It's not always easy when you're trying to work for something, and you're working to help other people, too, and you're trying to give them hope. It can be messy. Very messy. But it's worth it!

HOMEOWNERSHIP
2012-2017

3,900
FIRST HOME LOANS

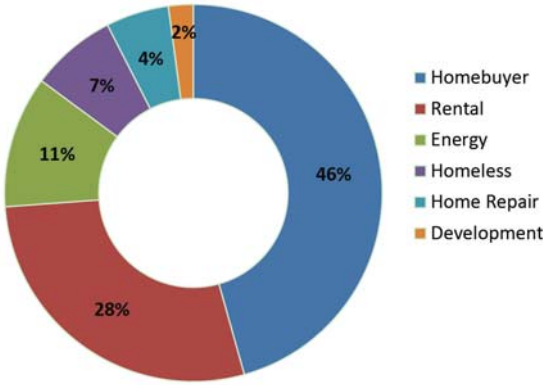
8,500
HOMEBUYER EDUCATION ATTENDEES

Single-family loan delinquency rate (60+ days) has dropped **BELOW** **4%**

HOMEOWNERSHIP FUELS WEBSITE TRAFFIC

In 2017, MaineHousing's website received 257,287 hits with 153,620 unique hits and 685,600 page loads.

Of the seven most visited pages, five were related to the Homeownership Department. They included the program marketing page, program detail page, and pages relating to lenders, income and purchase price limits, and homebuyer education.



MY FAVORITE WORD

Dream

Meesha Bodman
First Time Homebuyer

As an accredited customer service representative at an insurance agency in coastal Maine, I am in a job that allows me to continue my education and move up the ladder. I get to communicate with new people on a daily basis, educate them, and learn from them.

I couldn't be more proud of the person I have become by working here.

Outside of work, my life with my family gives me the greatest joy. Now we are in a home with a yard to play in through MaineHousing's First Home Loan program.

Luckily I had a great mortgage lender and real estate professional on my side. I didn't realize how important that was until I heard people who have not gotten that kind of service.

They helped me through the whole thing, from inspections and tests to lending. There were a lot of steps, and you have to be willing to put the time into it.

I would recommend the First Home Loan program and make sure to get a professional home inspection. That way you are less likely to get a surprise from something you couldn't see right way. Also, I would recommend getting the financing pre-approved before looking at houses so you know how much you have to spend.

MY FAVORITE WORD

Empower

Liz Monaghan
Mortgage Loan Officer, Bangor Savings Bank

People like to dream -- and have dreams come true!

When educating real estate professionals from the Greater Portland Board of Realtors about MaineHousing's First Home Loan Program or when I teach classes about lending to prospective first-time homebuyers at Avesta Housing's Homebuyer Education Center, I like to share the same message with both groups.

Empowerment is a personal strength that I believe applies to all: You "can't" is not forever. Set the stones. Make the changes to make a difference. You can do it if you work for it. Identify your goal and go for it!

What gives me the greatest joy is seeing a person smile when they sign the last document at closing. We did it!

2017 First Home Loan Program

1,106
Total Mortgages

$125,518
Average mortgage

$138.8 million
Total volume

First Time Home Buyers
1,044 mortgages; $133.9 million

(includes 58 Salute ME/ Home Again mortgages; $8 million)

Mobile Home Self-Insured
62 units; $5 million

2017 TOP FIRST HOME LENDERS

Bangor Savings Bank
Top lender for 10 consecutive years!

Camden National Bank

Machias Savings Bank

Mortgage Network

Regency Mortgage

Residential Mortgage Services

HOMEBUYER EDUCATION

107
In-person classes

2,158
In-person attendees

1,196
Online attendees

MORTGAGE INSURANCE

Federal Housing Administration
157 loans; $21.5 million

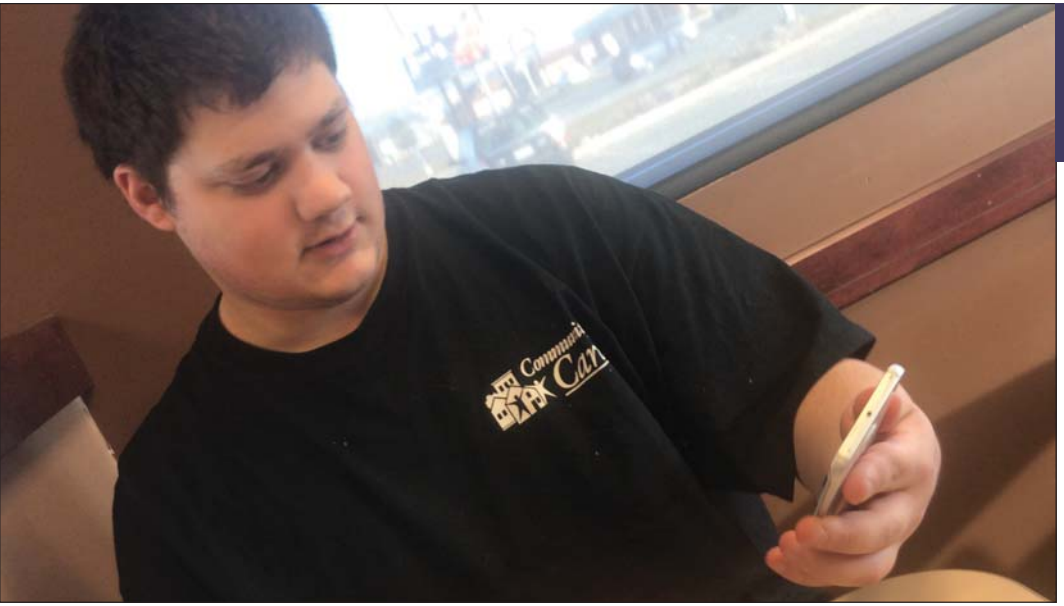
Rural Economic & Community Development
714 loans; $89.8 million

Self-insured
62 loans; $5 million

Uninsured
102 loans; $12.1 million

United Guaranty
27 loans; $4.1 million

Veterans Administration
44 loans; $6.3 million



MY FAVORITE WORD

Understanding

Collin
Building Youth Futures Pilot Program Participant

I was 11 when I became a foster child. I don't know why it happened. I've heard two or three reasons why, but I still don't know. I see my Mom, but I don't ask her.

One day I'd like to be a foster parent. What would I do? I would let them go their own pace for a while. There'd be two to three weeks of them crying at me, yelling at me -- letting them get it all out.

Then I would take them out for food or something and let them talk if they wanted to talk. I'd build trust. If they wanted to go to the bank, I'd bring them to the bank. I'd empower them to do what they need to do.

When I first got into foster care, my self esteem was shot. I had to build myself up. It was a long process.

I'm 21. After going through foster care, I would tell my 11-year-old self to keep being positive. Don't push people away like I did. And have a little faith in humanity. They're not all bad.

RENTAL ASSISTANCE
2012-2017

13 People have graduated from the **FAMILY SELF-SUFFICIENCY PROGRAM**

50 Landlord & Property Management companies are part of the **OWNER EXCELLENCE PROGRAM**

3,800 Average Household with **HOUSING CHOICE VOUCHERS**

Building Youth Futures

From foster care to homes of their own

Realizing that young adults who have aged out of the foster care system may have difficulty finding the right path to a stable home and ultimately self sufficiency, MaineHousing is undertaking a pilot program in the Bangor-Brewer area to help them learn the skills to live in their own home.

The goal of Building Youth Futures is to successfully transition homeless young adults who have aged out of the foster care system towards stable housing. Participants have the opportunity to obtain a housing voucher, get help in finding safe housing, complete educational programs, find and maintain employment, and receive other needed services.

The pilot is part of a national U.S. Department of Housing and Urban Development endeavor, and is being offered in Maine through a collaboration between MaineHousing, the Office of Child and Family Services at the Maine Department of Health and Human Services, and Shaw House Youth Shelter and Community Care.

2017

ASSET MANAGEMENT

788 properties
19,298 units in portfolio

Section 8 Administration

Administered on behalf of HUD
5,370 units
$49,251,788 subsidy

Administered on behalf of MaineHousing
2,660 units
$21,950,579 subsidy

HOUSING CHOICE VOUCHERS

MaineHousing administers 32% of total vouchers in Maine
3,818 average households/month

$26,850,881 subsidy

$586 average Housing Assistance Payment per voucher/month

ReStart: Family Self-Sufficiency Program

62 participants

ONE WORD:

INITIATIVES

Warm

No Stereotypes

"The Low-Income Barrier" may stop people in need from asking for help

The lessons learned through Communications Intern Alexis Soucy's research on how people of lower incomes may not view themselves as eligible for heating assistance resulted in major changes in the way MaineHousing and its partners at nine community action agencies market the Low Income Home Energy Assistance Program.

MaineHousing and the nine community action agencies statewide that accept the HEAP applications partnered to share one campaign look and message. We took away any reference to the words "low income," even in the program name, although it is often referred to in documents as the Low Income Home Energy Assistance Program. Images, too, do not depict people who are hurting. Instead, bright colors and positive words enunciate warmth, showing that people can be comfortable at home during Maine's harsh winters. They just need to ask for help.

Our marketing efforts focused on reaching all potential applicants through audience-targeted promotions, including search engine marketing, social media posts and advertisements, posters, rack cards, and internet. We particularly focused on families with children under the age of 2, seniors, and individuals at risk for hypothermia.

The community action agencies each received marketing materials that included their logo and contact information, including social media posts, with their agency-specific information and logo on them.

MY FAVORITE WORD

Progress

Alexis Soucy
Communications Intern

What surprised me most during my internship is something I call "The Low Income Barrier."

While doing research on how to market the Low Income Home Energy Assistance Program (LIHEAP), I learned that many people of lower incomes often do not identify themselves as being "low income." They are not drawn towards programs labeled as such.

People often have too much pride to want to apply for help.

They will always think there is someone who needs the assistance more than they do.

What I am learning, and the advice I would share if asked, is to be open minded. Remember that just because something is different from what you're used to – or expecting – doesn't mean it's wrong.

MY FAVORITE WORD

Integrity

Kelly Watson
Housing Choice Voucher Occupancy Specialist

Inaugural Member
MaineHousing's New Leadership Development Program

I am most surprised by the challenge I face day to day to keep enough distance from the work that we do in order to protect my personal well being while still remaining close enough to the complex problem of poverty to be an effective catalyst for social change.

What I strive to do is follow advice that I would share with others about perspective and goals: Take time to really understand and define your values, engage in work that aligns with those values, and surround yourself with people that embody them.

Personalization

In-house leadership educator, consultants help prepare employees for future possibilities

In the broader context of hiring, retaining and promoting leaders, MaineHousing is investing in an overall professional development strategy for the agency. Accelerated by the Best Places to Work survey results, leadership team members who may retire in the near future, and a strategic planning process calling for more accessible, structured and focused training, MaineHousing is preparing a broader base of leaders and, across the organization, increasing job satisfaction and morale.

The Leadership Development Program (LDP) is a one-year professional development program focusing on the competencies, knowledge, skills, and behaviors to increase the leadership capacity and ability of MaineHousing's current and future leaders. Twelve employees are participating in learning activities that include facilitated sessions, peer-to-peer coaching, and other experiential learning projects.

Along with our Leadership Development Program, our Staff Development Program offers training in personal and professional development.

STAFF DEVELOPMENT SERIES

MaineHousing is committed to making training opportunities available to all staff to help them develop their individual skills and competencies. Development areas are:

Leadership
Discovering Your Leadership Potential

Emotional Intelligence

Workflow
Creative Decision-Making

Personal Goal Setting and Productivity

Introduction to Continuous Improvement

Communications
Conflict Resolution

Active Listening

Dealing with Negativity in the Workplace

Staff Enrollment
(individuals that have taken at least 1 course):
78

Comfortably at home

Minor modifications help seniors age at home, reduce injuries and falls

In its first year, the Comfortably Home aging-in-place program is showing results that originators had intended. Seniors are living safely in their homes.

The program provides minor repairs plus basic accessibility and safety improvements at no cost to qualified seniors to help them live independently – and safely – in their own homes. It's modeled from the successful Comfortably Home program developed by Bath Housing Authority Director Deborah Keller in 2015-16 and funded by the John T. Gorman Foundation. In 2017, MaineHousing began funding comparable efforts at Fort Fairfield, Old Town, Westbrook, and South Portland, as well as Bath housing authorities.

Fort Fairfield and Old Town are expanding their programs, and Brewer Housing Authority wants to offer one, too.

Thus far, 79 of 115 final assessments have been returned, and a couple of the benchmarks have been met. One was to reduce the number of falls by 20%, and the reduction is 63%. Also, hospitalizations are down 56%, medical calls to 9-1-1 are down 68%, and other calls to 9-1-1 are down 75%.

Sixty-three percent of households say they have greatly benefited from the work done to their homes.

The median characteristics of households seeking services have one resident, aged 72, with a median income of $19,112. Of the 115 households served, the average cost of materials per household is $412, with the total cost at an average of $1,578.

EXAMPLES OF HOME MODIFICATIONS

Safety Checks
- Smoke and CO detectors
- Dryer vents
- Refrigerator coils
- Light bulbs
- Furnace filter(s)

Accessibility Modifications
- Grab bars and handrails
- Shower wand
- Shower seat
- Raised toilet seat
- Drawer pulls
- Doorbell
- Lighting
- Kitchen faucet

Minor Repairs
- Winterizing
- Flooring repairs
- Storm door installation
- Gutter work
- Steps/existing ramps
- Minor plumbing and electrical

2017 MAINE AFFORDABLE HOUSING CONFERENCE

U.S. Senator Susan Collins (R-Maine) meets with the press after delivering the keynote address about legislative happenings in Washington, D.C., to almost 500 attendees.

LEGISLATIVE COMMITTEE AFFORDABLE HOUSING TOUR

MaineHousing Development Director Mark Wiesendanger tells legislators about how the federal 9% Low Income Housing Tax Credit program helps finance the rehabilitation of shutdown schools like Hodgkins in Augusta into affordable housing for seniors.

ACCESSABLE HOME TAX CREDIT PRESS CONFERENCE

Maine Senate President Mike Thibodeau and House Speaker Sara Gideon (right) joined advocates from AARP Maine and the National MS Society to announce the AccessAble Home Tax Credit Program during a press conference on April 11.

Not affordable

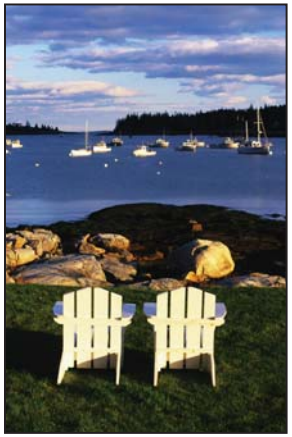
Statewide median home price too high for more Mainers; seven counties out of reach

Owning a home is becoming less affordable in Maine. From 2016–2017 MaineHousing's affordability index dropped 4 percentage points from .97 to .93. The index is based on the ratio of home price affordable at median income to median home price. A ratio of .99 or below indicates buying a home is not affordable.

What's driving unaffordability is increased demand and diminished inventory pushing up home prices. Median home prices have reached $200,000 and more depending on where you live in the state. Another contributing factor is that though incomes are increasing, that increase is not keeping pace with home prices. Buying a median priced home in Maine in 2017 required an annual income of $57,089 or $27.45 hourly, a 9% increase over what it took to buy in 2016.

In the 17 years since MaineHousing began using the index, 2014 and 2015 were the only years in which buying a home was affordable statewide. Cumberland, York, and Hancock counties, which have always been unaffordable, are now joined by Knox, Lincoln, Sagadahoc, and Waldo counties as unaffordable on the index.

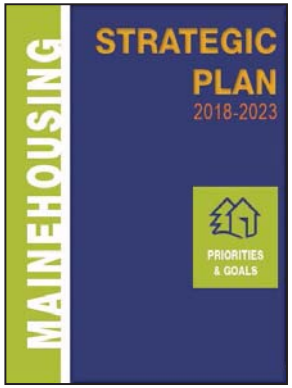
MaineHousing will be watching and sharing information on inventory, price changes, construction activity, interest rates, foreclosure and delinquency rates, and more to assess market conditions throughout the year. Monitoring the housing market in Maine provides MaineHousing with the data it needs to develop products, services, and policies that can help Mainers bridge the affordability gap and buy a home in Maine.



MAINE'S COAST MAINLY UNAFFORDABLE

According to MaineHousing's Affordability Index, in 2017 seven counties were unaffordable, up from five counties in 2016. They are all but one of Maine's eight coastal counties, with Washington County being the exception: Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, and York.

The most affordable county is also Maine's northernmost: Aroostook, often called the Crown of Maine.



BLUEPRINT FOR THE NEXT FIVE YEARS

The 2018-2023 Strategic Plan outlines MaineHousing's priorities and goals for the next five years. It incorporates the results from an assessment of trends influencing housing in Maine; the development of scenarios based on certainties and uncertainties; strategic vision sessions on demographic, economic, health, and land-use trends; customer and partner feedback; a review of best practices in the housing field; and a comprehensive risk assessment.

PRIORITY
Expand affordable housing opportunities

Goal 1
Increase the number and quality of First Home Loans

Goal 2
Increase affordable housing development to respond to housing need and policy objectives

PRIORITY
Improve and preserve the quality of housing

Goal 3
Ensure the long term sustainability of MaineHousing's multifamily portfolio

Goal 4
Help Maine people stay safe and warm in their homes and apartments

PRIORITY
Help Maine people attain housing stability

Goal 5
Reduce the length of time and the number of Maine people experiencing homelessness

Goal 6
Improve housing stability for Maine people at risk

PRIORITY
Provide leadership in the housing field

Goal 7
Promote inclusive, sustainable communities that support viable affordable housing

Goal 8
Lead and support collaborative efforts to address state's housing needs

PRIORITY
Ensure MaineHousing continues to be a viable organization capable of meeting the state's housing needs

Goal 9
Ensure the long-term financial viability of MaineHousing

Goal 10
Become an efficient, effective organization that people want to work for and do business with

ONE WORD:

US

FINANCIAL REPORT

FINANCIAL HIGHLIGHTS

- MaineHousing's net position increased by $19.2 million to $330 million as a result of program operations and financing activities.
- Mortgage receivables increased by $72.2 million or 5.9% to $1.3 billon. Single-family mortgage loan purchases totaled $138.5 million for the year, which is an increase of $18.4 million or 15.3% compared to 2016. Multi-family loan originations totaled $75.9 million and increased by $25.3 million or 50.6%.
- The rate for loans 60 days or more delinquent decreased from 5.34% to 3.72%. The volume of foreclosed loans decreased by $12.5 million or 59.8%; from $20.9 million to $8.4 million. The reduction in defaulted single-family loans significantly lowered related expenses, which decreased in 2017 by a combined total of $3.8 million or 103.7%.

2017 FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

(in millions of dollars)

	2017	2016	Total % Change
Cash and investments	$ 437.2	$ 398.2	9.8%
Mortgage and other notes receivable	1,295.4	1,223.2	5.9%
Other assets	19.0	22.6	(15.9%)
Total Assets	**1,751.6**	**1,644.0**	**6.5%**
Total Deferred Outflows of Resources	**13.4**	**18.7**	**(28.3%)**
Bonds and notes payable	1,404.3	1,310.0	7.2%
Other Liabilities	28.3	36.8	(23.1%)
Total Liabilities	**1,432.6**	**1,346.8**	**6.4%**
Total Deferred Inflows of Resources	**2.4**	**5.1**	**(52.9%)**
Investment in capital assets	0.6	0.7	(14.3%)
Restricted	296.0	277.5	6.7%
Unrestricted	33.4	32.6	2.5%
Total Net Position	**$330.0**	**$310.8**	**6.2%**

2017 FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(in millions of dollars)

	2017	2016
Revenues:		
Interest from mortgages and notes	$ 57.6	$ 58.2
Income from investments	5.1	3.1
Increase (Decrease) in fair value of investments	0.3	(1.1)
Grants and subsidies	162.1	152.9
Other	9.3	9.8
Total revenues	234.4	222.9
Expenses:		
Operating and other program expenses	26.1	26.9
Provision for losses on loans & foreclosed real estate	(0.9)	0.8
Interest expense	40.1	39.9
Grants and subsidies	149.9	151.3
Total expenses	**215.2**	**218.9**
Increase in net position	19.2	4.0
Net position at beginning of year	310.8	306.8
Net position at end of year	**$330.0**	**$310.8**

DELINQUENCY RATE LOWEST IN 20 YEARS; FORECLOSURES DOWN

The delinquency rate for MaineHousing's single-family loan portfolio continued to decline in 2017 and the rate for loans sixty days or more delinquent fell below 4% for the first time in about twenty years.

The delinquency and foreclosure rates steadily climbed each year beginning with the housing crisis in 2008. The delinquency rate reached an agency historical high of 11.5% in 2013 and has been reduced to 3.72% at December 31, 2017. Foreclosure rates reached an agency all-time high of 5.92% in 2014 and was 1.43% at the end of 2017.

Improvement with the economy and lower unemployment rates have helped to lower delinquency and foreclosure rates. The Loan Administration staff have also worked diligently to manage delinquencies and foreclosures and to reduce their levels by developing and implementing new programs and borrower outreach initiatives.

As a result of the substantial decrease in the volume of defaulted loans, expenses for foreclosures and real estate owned properties decreased by $2.1 million or 72% in 2017. Additionally, provision expenses for losses on loans and foreclosed real estate decreased by a combined total of $1.7 million in 2017.

2017 BOARD OF COMMISSIONERS

Peter Anastos
Owner, Maine Course Hospitality Group
Board Chairman
September 2011 to December 2017

Thomas Davis
Retired CEO, Skills, Inc.

John Gallagher
Director of MaineHousing
(October 2012 to January 2018; Now a commissioner)

Sheryl Gregory
Real estate broker, Homestead Realty, Winthrop

Larry Gross
CEO and Executive Director, Southern Maine Agency on Aging

Terry Hayes
Maine State Treasurer

Kevin Joseph
Co-owner, Joseph's Fireside Steak House, Waterville

Lincoln Merrill
President and CEO of Patriot Insurance Co. and vice president of Patriot Life Insurance.
(Board Chairman effective January 2018)

Donna Talarico
Senior vice president and branch manager for residential lending, Guaranteed Rate, Inc.

Jim Whitten
Retired; Resident of Cony Flatiron Building, a development financed by MaineHousing

OPENING DOORS
Board of Commissioners Chairman Lincoln Merrill, Jr., inspects the construction at Hodgkins School, a senior housing building in Augusta that received 9% Low Income Housing Tax Credits from MaineHousing.

ACCESSIBLE
Commissioner Sheryl Gregory (seated) attends the AccessAble Home Tax Credit Program press conference outside the Maine State House in April 2017.

2017 BOARD OF COMMISSIONERS

MY FAVORITE WORD

Value

Peter Anastos
Chair of the Board of Commissioners 2011-2018

During my tenure as Chair of MaineHousing's Board of Commissioners, my focus has been on providing quality housing at a reasonable cost.

Whether it is improving our inspection standards to assure that Maine people receiving rental assistance are living in decent and affordable homes, holding development costs to provide as many affordable housing units as possible within our limited resources, or improving the payment process for getting fuel assistance to people in need, my priority has been giving Maine people value for their investment.

It has been my pleasure and honor to serve as the Chair of the Board of Commissioners. I am proud of the work we have accomplished during my time on the board. This annual report outlines many of those accomplishments. It has been my distinct pleasure to serve with fellow Commissioners and to work with MaineHousing leadership and staff who are committed to MaineHousing's mission.

Our thanks to Peter Anastos for his leadership, direction, and support.

Peter has been true to MaineHousing's mission to provide quality affordable housing.

CONTACT US

OFFICE

353 Water Street
Augusta, ME 04330

TELEPHONE

207-626-4600
1-800-452-4668
Maine Relay 711

Fax: 207-626-4652

WEBSITE

www.mainehousing.org

ONLINE INFORMATION REQUEST FORM

www.mainehousing.org/contact/info-request-form

SOCIAL MEDIA

Search "MaineHousing" on these sites:

EQUAL HOUSING OPPORTUNITY

EQUAL HOUSING LENDER

MaineHousing Non-Discrimination Policy

Maine State Housing Authority ("MaineHousing") does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities.

In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice.

MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Louise Patenaude, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.

© Maine State Housing Authority, 2018.

2017

Last Word

**"There will be chances to take.
I hope you face these challenges head on
while you keep your mind on who you're helping.
Occasionally take a chance to do something better.
Take a chance to help people.
And I'm sure that you will succeed."**

MaineHousing Director John Gallagher
Last staff meeting, 2017

MaineHousing

Maine State Housing Authority