OUR MISSION
Montana Housing works with community partners across the state, and together we ensure Montana families have access to safe and affordable homes

WE COLLABORATE
by partnering with local housing professionals across the state, both private and non-profit, to fully leverage the federal funding available to Montana
HOUSING DEVELOPMENT

- Allocate federal housing credits to provide equity funds for affordable housing development
- Administer Multifamily Coal Trust Homes Program and Housing Montana Fund
- Issue Private Activity Bonds under the Montana Unified Volume Bond Allocation Plan
HOUSING CREDITS

- Montana Housing allocated more than $32.6 million in federal housing tax credits in 2020
- 181 newly constructed or preserved homes in Lewistown, Billings, Laurel, Missoula, Kalispell and Crow Agency
- $43.8 million in construction via private/public partnerships
- 581 new jobs and $23,522,562 of wage income for local economies

9,300 rental homes constructed or preserved since 1987

"The Housing Tax Credit Program is incredibly important for Montana to create and preserve homes that Montana's workers, seniors and Veterans can afford. This important program harnesses the power of private investment and incentives to finance the production and rehabilitation of rental homes that are affordable to Montanans." – Andrea Davis, Executive Director of Homeword
MULTIFAMILY COAL TRUST HOMES PROGRAM

- Established under 2019 Legislative Session - HB16
- $15 million from Coal Tax Trust Fund
- By spring 2020, preliminary loan commitments made for 7 projects, comprising 252 rental homes
- Fund has enabled acquisition / preservation of affordable rental homes in rural communities

<table>
<thead>
<tr>
<th>City</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belt</td>
<td>22</td>
</tr>
<tr>
<td>Cascade</td>
<td>20</td>
</tr>
<tr>
<td>Havre</td>
<td>32</td>
</tr>
<tr>
<td>Livingston</td>
<td>12</td>
</tr>
<tr>
<td>Havre</td>
<td>60</td>
</tr>
<tr>
<td>Helena</td>
<td>44</td>
</tr>
<tr>
<td>Joliet / Laurel</td>
<td>62</td>
</tr>
</tbody>
</table>

“The Multifamily Coal Trust Homes Loan awarded by the Montana Board of Housing will enable us to rehabilitate 62 apartments for Carbon and Yellowstone County senior citizens and people with disabilities. In addition, this award will maintain federal rental assistance for individuals on fixed incomes.”
- Gene Leuwer, GL Development President
HOUSING MONTANA FUND

- Affordable Housing Revolving Loan Fund under MCA 90-6-134 provides funds for low- to moderate-income multifamily housing
- TANF Housing Assistance Funds authorized by MCA 90-6-133(2)(b) has provided down payment assistance for single family homeownership to families with minor children
- Authorized use of TANF funds for emergency housing assistance grants for families with minor children

Over $430,000 dispersed to over 100 Montana families
PRIVATE ACTIVITY BONDS

- In 2020, we issued $112M to support 732 affordable rental homes
- Joining Lincoln Institute of Land Policy’s Accelerating Community Investment (ACI): Bringing New Partners to the Community Investment System national community of practice
- Project aims to increase the efficacy and impact of philanthropic impact on community investment and economic development
BUDGET HIGHLIGHT

CHANGE PACKAGE DETAIL - NP 7401

- BCD 760 NA258 established 1.00 FTE Multifamily Compliance Specialist
- Increased underwriting complexity and funding layers needed to make affordable housing projects feasible
- Expanding portfolio averaging additional 260 units each year
- Regulatory impacts of new IRS and HUD requirements
HOMEOWNERSHIP FINANCING

AVG HOMEOWNER PROFILE

- Purchase Price: $194,735
- Loan Amount: $187,736
- Household Size: 3
- Average Age: 36
- Household Income: $58,823

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>% of $ Principal Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHA</td>
<td>59%</td>
</tr>
<tr>
<td>USDA-RD</td>
<td>24%</td>
</tr>
<tr>
<td>VA</td>
<td>10%</td>
</tr>
<tr>
<td>HUD-184</td>
<td>1%</td>
</tr>
<tr>
<td>Uninsured 1st</td>
<td>4%</td>
</tr>
<tr>
<td>Uninsured 2nd</td>
<td>1%</td>
</tr>
</tbody>
</table>

# Total Loans: 5,646
$ Total Principal: 512,943,287
% Avg Interest Rate: 4.021
PERFORMANCE INDICATORS

- Closed 3 bond issues totaling just under $110 million
- Funded 861 loans for Montana homebuyers
- Targeted set-aside, special program and down payment assistance provided to 591 Montana homebuyers

<table>
<thead>
<tr>
<th>Year</th>
<th># Loans Funded (1st &amp; 2nd)</th>
<th>% Change</th>
<th># of Set-Aside, Special, DPA</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>861</td>
<td>- 18%</td>
<td>591</td>
<td>+ 55%</td>
</tr>
<tr>
<td>2019</td>
<td>1051</td>
<td>+ 37%</td>
<td>381</td>
<td>+ 42%</td>
</tr>
<tr>
<td>2018</td>
<td>767</td>
<td>+ 34%</td>
<td>273</td>
<td>+ 38%</td>
</tr>
</tbody>
</table>
VETERANS’ HOME LOAN PROGRAM

- 383 home loans made to Montana Veterans from $50 million Coal Trust Allocation, as legislated
- $10 million allocation in July 2019 was fully committed by January 2020
- No foreclosures; one no-loss short sale
- Approx. $500K currently available
SERVICING PORTFOLIO

- Local, mission-focused servicing staff
- Servicing approx. 86% of the homeownership portfolio
- Specialized in educating first time homeowners
- HUD National Servicing Center Tier 1 – Grade A rating
- No findings USDA-RD mortgage servicing audit
- Implemented online payment system

# Total Loans: 4,891
$ Total Principal: 443,284,672
COVID-19 IMPACT

- CARES Act foreclosure moratorium & forbearance requirements
- October 2020:
  - 266 loans delinquent
  - 187 loans requested COVID-19 formal forbearance
  - Approx. 25% in forbearance continue to make payments
- 85 borrowers received $240K in Emergency Housing Assistance

<table>
<thead>
<tr>
<th>Delinquency</th>
<th>Oct – 2019</th>
<th>Oct - 2020</th>
<th>Montana*</th>
<th>Nation*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total 30–60–90 Days Delinquency</td>
<td>2.33</td>
<td>5.76</td>
<td>4.67</td>
<td>7.60</td>
</tr>
</tbody>
</table>

* Mortgage Bankers Association 9/2020 (most recent available)
BUDGET HIGHLIGHT

CHANGE PACKAGE DETAIL – NP 7402

- Seven additional programs implemented since 2012
- Increased loan volume and industry regulation complexity
- Diversify business model with conventional loan product
- Freddie Mac Seller/Servicer approval in January 2020
RENTAL ASSISTANCE

7,300 Households receive monthly assistance

- All rental assistance programs funded through U.S. Department of Housing and Urban Development (HUD)
- Programs serve individuals living with disabilities, seniors on fixed income, working families and Veterans
- Rental assistance payments made to landlords and property owners totaled more than $45M in 2020
MAINSTREAM VOUCHERS

- HUD NOFA released September 2019
- Program objective: To aid non-elderly persons with disabilities in obtaining decent, safe, and sanitary rental housing and connect residents with relevant, voluntary supportive services
- Collaborative application with DPHHS
- Awarded a total of 78 vouchers with $461,462 annual budget authority in November 2019 and May 2020
COVID-19 IMPACTS

- Awarded $541,418 CARES Act round one additional funding for HCV program; allocated to Field Agencies for COVID-19 eligible uses
- Awarded $703,303 CARES Act round two additional funding for HCV program; utilizing additional funds for security deposit assistance, landlord mitigation and reasonable modifications
- Completed eighty-two (82) Project-Based Section 8 Management and Occupancy Reviews from June to September
- Processed all Project-Based Section 8 COVID-19 Supplemental Payments
CHANGE PACKAGE DETAIL - NP 7402

- Over 200 rental assistance vouchers added since 2014, including 124 HUD-VASH and 78 Mainstream Voucher
- Increased monitoring and contractual oversight of agency partners
- Increasing complexity of HUD regulations
2,483 renters and homeowners received Emergency Housing Assistance support through the Coronavirus Relief Fund

“I have expended my savings and was in the depth of depression with stress and fear on how I was going to keep a roof over my head. Thank you. Thank you. Thank you. You literally saved me from darkness.”

Angela - Victor
AFFORDABLE HOUSING IMPACT

- Development or rehabilitation of on-average 552 affordable homes each year
- Since 2015, the Department of Commerce has supported the development or rehabilitation of 3,312 affordable homes in Montana.
  - Missoula: 866 (26.1% of total)
  - Bozeman: 496 (15.0% of total)
  - Billings: 476 (14.4% of total)
  - Great Falls: 350 (10.6% of total)
  - Helena: 333 (10.1% of total)
  - Kalispell: 128 (3.9% of total)
  - Butte: 475 (14.3% of total)

This work not only creates more affordable homes, it also supports 8,216 jobs totaling nearly $370 million in wages.
FOR MORE INFORMATION

MONTANA HOUSING
Montana Department of Commerce
HOUSING.MT.GOV

Cheryl Cohen
Division Administrator
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