



**Federal Reserve Bank of St. Louis
Investment Connection Proposal**

Proposal title	Tennessee Renovation Loan Program (TRLP)
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Organization name/address	Tennessee Housing Development Agency Ralph Perrey 502 Deaderick Street, Third Floor Nashville, TN 37243
Mission statement	As the state’s leading housing resource, THDA aspires to meaningfully expand safe, sound, affordable housing opportunities for low and moderate income Tennesseans. In addition, we aspire to excel in the management and stewardship of our resources and to produce strong earnings that allow creative reinvestment to meet the housing needs in Tennessee. Programmatically, our aspirations include these areas: to expand homeownership opportunities statewide; support successful, ongoing homeownership; and maximize the value of THDA rental housing programs to Tennesseans and their communities.
History of organization	Tennessee Housing Development Agency (THDA), is the state of Tennessee’s housing finance agency. We aspire to meaningfully expand safe, sound, affordable housing opportunities for low and moderate income Tennesseans. THDA works closely with nonprofit partners to assist families on their journey towards homeownership and the repair, retention, and stabilization of their homes and neighborhoods. THDA’s Special Programs Division administers the TRLP and distributes funding to approved nonprofit agencies, referred to as Participants, who must have an IRS designation under Section 501(c)(3) or 501(c)(4) of the federal tax code, be qualified to conduct business in Tennessee, have sufficient experience in home improvement and construction, and have adequate financial capacity and resources. Participants also provide supportive services to homeowners who have

	incomes of less than 80% AMI. Participants do not provide funding to THDA for the TRLP.
Organization’s current programs and activities	Tennessee has recently seen an improvement in the housing market; interest rates are lower, delinquency rates are even lower, but the cost of living and housing continues to rise. THDA administers numerous programs, but the preservation and rehabilitation of existing housing became a top priority for THDA. Last year we launched the TRLP pilot repair program to preserve affordable housing and assist homeowners with low incomes repair and improve the livability of their homes. Through the TRLP, significant improvements have been made to numerous homes and the lives of the homeowners who live in them. Homeowners taking advantage of the TRLP are required to complete a component of Post Purchase Homebuyer Education which teaches money management as well as basic home maintenance. During the first year of the program, approximately 40 homeowners have applied for, and are in the process of, receiving assistance from the TRLP.
Website	www.thda.org
Support request	Grant
Requested dollar amount	\$1,000,000 combined
Proposal summary	Tennessee Housing Development Agency (THDA) is seeking grant funding to continue the Tennessee Renovation Loan Program (TRLP) with the objective of assisting homeowners with incomes of 80% AMI or less make much needed repairs to their homes. With a total contribution of \$1,000,000, approximately 40 homes in the Memphis MSA will be repaired resulting in homeowners living in safe and healthy dwellings. The TRLP, in addition to repairing homes, provides local nonprofit housing agencies with an added revenue source. For each loan approved, nonprofits earn \$2,500 and an additional \$250 if they provide the required Post Purchase Homebuyer Education. Your funding will have an instrumental impact in the stabilization and revitalization of the communities you serve and will help to strengthen the financial stability of local nonprofits in Memphis.
Issues addressed	Neighborhood revitalization and stabilization
Target population/geography	Shelby County and Memphis, TN MSA
Population served including income	The program was originally structured to assist homeowners with 80% or lower AMI, but we have seen a much lower income-based population receive assistance. As of April, 2019, the average household income of our TRLP recipients was approximately \$20,000 per year. program has helped extremely low income homeowners preserve and maintain their homes. The TRLP provides

	homeowners with up to \$25,000 in assistance for home repairs and provides nonprofit agencies with the opportunity for another revenue source. Participants receive \$2,500 for each TRLP loan originated and approved and an additional \$250 if they provide the required Post Purchase Homebuyer Education component. As a result, we are helping to strengthen the financial stability of local nonprofit agencies in the communities you serve.
Anticipated outcomes/impact	The goal of the TRLP is to help preserve affordable housing and achieve safe, healthy, livable, and sound housing for eligible Tennessee homeowners. The impact the TRLP will have will be instrumental in the stabilization and revitalization of the communities you serve and will help to strengthen the financial stability of local nonprofits in Memphis.
How will the program be evaluated	In collaboration with our internal I.T. and Research Departments, we are equipped to evaluate and collect data for all aspects of a TRLP loan and homeowner: e.g. location, type of repairs made, repair costs, amounts disbursed, demographics of applicants, employment, education level, source of income, etc. THDA has access to numerous reporting platforms such as HMDA data, CoreLogic, State Comptroller, and other city and county level resources. We have the ability to create and provide customize reports for your CRA examinations at regular intervals.
Project time frame	07/01/2019 - 06/30/2020
Other significant partners in the proposal	THDA works closely with approved nonprofit housing agencies with the capacity to originate loans, are familiar with rehabilitation and construction processes and procedures, and have adequate financial resources. Nonprofit agencies do not provide funding for THDA programs, but act as the point of contact for the implementation of TRLP activities. Participants work with local contractors to secure bids for repairs, to coordinate repair activities, and to ensure all work is completed thoroughly and timely. Contractors are responsible for performing inspections of the property, preparing reasonable bids, adhering to all local codes and regulations, and completing repairs in a timely manner. THDA does not receive funds from contractors for programs. We are currently actively seeking partnerships with banks across the state to provide funding support for the TRLP which will assist banks in meeting some of their CRA obligations. At this time, we have not received additional funding.
Other funding secured or potential funding	In 2018, THDA developed the TRLP pilot program with \$1.5 million dollars secured from the State of Tennessee’s Attorney General’s Office. THDA is currently

	seeking funding from banks across the state to maintain the program's availability in Shelby County and the Memphis, TN MSA.
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