



# Guam Housing Corporation

## A Report To Our Citizens

### Fiscal Year 2012

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### GHC's Mission

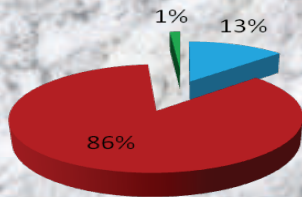
Founded in 1965 Guam Housing Corporation was established for the purpose of providing mortgage financing for first time homeowners in the low to moderate income range, borrowers whom may otherwise not be able to obtain financing.

As part of its program Guam Housing Corporation owns 117 houses and 24 apartment units for providing rental opportunities for low to moderate income families.

### GHC's Goals

- Ensure that everyone has the opportunity to be a homeowner and that the corporation has the resources to fund these loans.
- 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 First Time Homeowner Assistance Program.
- To promote the development of affordable homes.

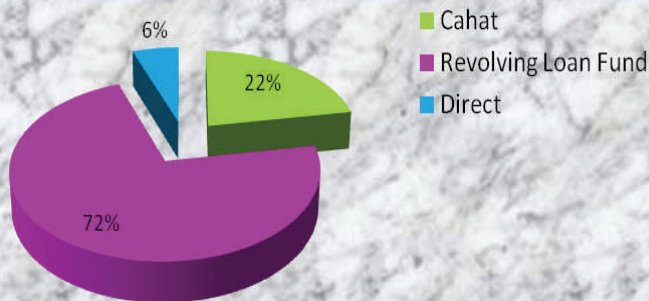
Fiscal Year 2012  
Loan Prequalification



Household Size  
■ Single ■ Family ■ Elderly

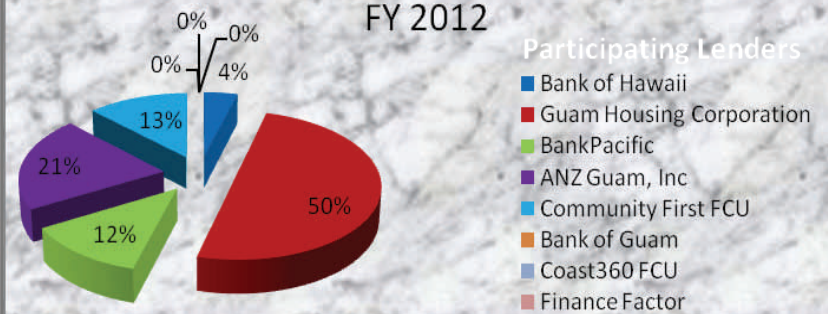
Single	Family	Elderly
9	59	1

GHC Loan Programs  
Total Closed  
FY 2012



Cahat	Revolving Loan Fund	Direct
4	13	1

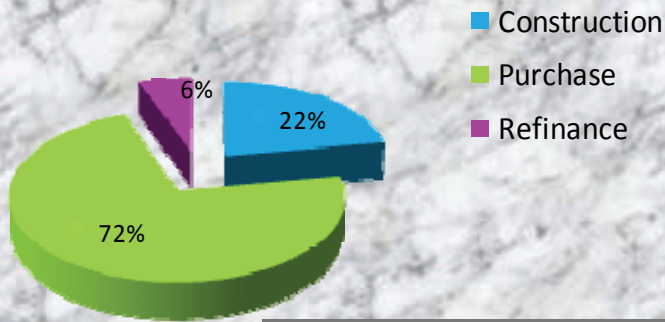
First-Time Assistance Program  
Grant Approval  
FY 2012



Bank of Hawaii	GHC	BankPacific	ANZ Guam, Inc	Community First FCU	Bank of Guam	Coast360 FCU	Finance Factor
1	12	3	5	3	0	0	0

**PERFORMANCE**

**GHC Loan Programs Closed  
Purpose of Loan  
FY 2012**



Construction	Purchase	Refinance
4	13	1

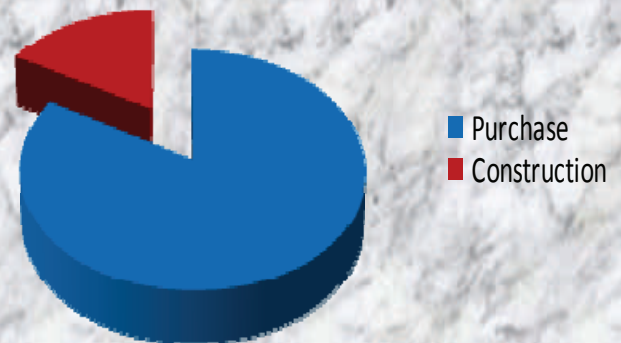
*In fiscal year 2012, eighteen (18) loans were closed totaling \$2.5 million. Fourteen (14) loans were for first mortgages to purchase, construct or refinance homes for first time home buyers & the remaining four (4) were closed under the Community Affordable Housing Action Trust (CAHAT) to provide down payment relief to first time home buyers.*

*In July 2012 GHC re-initiated the First-Time Homeowners Assistance Program as re-established by P.L. 31-227. Eligible recipients of the program are provided up to \$10,000 (4% of a mortgage loan amount maximum of \$250,000) to be used for down-payment assistance or closing cost.*

*Fifteen (15) grants were disbursed during the last quarter of fiscal year 2012 totaling \$107 thousand.*

*Both charts reflect a greater demand for purchasing a home rather than building*

**First-Time Homeowner Assistance Program  
Grant Approval FY 2012**



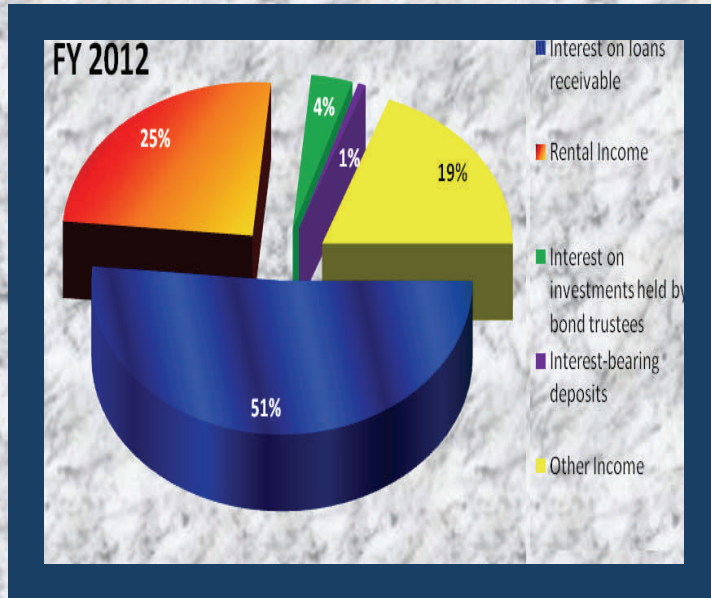
Purchase	Construction
20	4

*For its rental units at Lada & Sagan, GHC has commenced major renovations. In fiscal year 2012 one Sagan unit was renovated totaling \$29 thousand. It is the Corporation's hope to continue these renovations, subject to availability of funds.*



*What would you like to see reported on this page? Please contact the President of GHC at (671) 647-4143*

## Revenue Sources

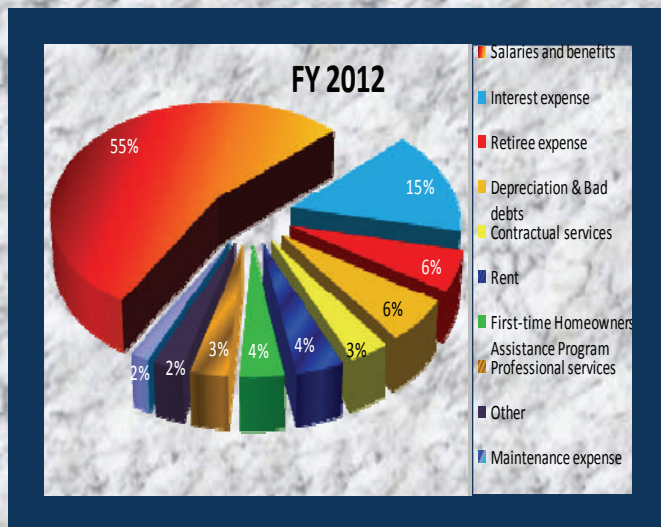


Revenue Sources	FY 2012	FY 2011	% Change
Interest on loans receivable	\$ 1,764,043	\$ 1,937,190	-8.94%
Rental Income	\$ 858,088	\$ 828,821	3.53%
Interest on investments held by bond trustees	\$ 120,282	\$ 159,827	-24.74%
Interest-bearing deposits	\$ 22,304	\$ 23,915	-6.74%
Other Income	\$ 660,760	\$ 147,367	348.38%
Gain (loss) on disposal	\$ -	\$ 52,887	-100.00%
<b>Total Revenue</b>	<b>\$ 3,425,477</b>	<b>\$ 3,150,007</b>	<b>8.75%</b>

In FY 2012, in accordance with Public Law 31-215, ten abandoned properties located within the Sagan Linahyan Subdivision in Dededo, Guam were transferred from the Department of Land Management to GHC. The ten properties were appraised at \$601,000 and recorded under Other Income. As a result of this transfer, Other Income increase by 348.38%.

Interest on Investment Held by Bond Trustees decreased due to the decrease in market value.

## Expenses



Expenses	FY 2012	FY 2011	% Change
Salaries and benefits	\$ 1,603,090	\$ 1,491,649	7.47%
Interest expense	\$ 444,377	\$ 518,743	-14.34%
Retiree expense	\$ 167,596	\$ 185,347	-9.58%
Depreciation & Bad debts	\$ 176,213	\$ 165,643	6.38%
Contractual services	\$ 97,169	\$ 99,615	-2.46%
Rent	\$ 115,119	\$ 95,226	20.89%
First-time Homeowners Assistance Program	\$ 107,513	\$ -	
Professional services	\$ 92,629	\$ 90,332	2.54%
Other	\$ 72,359	\$ 81,038	-10.71%
Maintenance expense	\$ 48,205	\$ 30,235	59.43%
Impairment loss	\$ -	\$ 392,385	
<b>Total Expenses</b>	<b>\$ 2,924,270</b>	<b>\$ 3,150,213</b>	<b>7.17%</b>

Rent Expense increased by \$19,893 in FY12. Effective March 2012, office space leased increased from \$1.85 to \$2.00 per square feet.

GHC started the First Time Homeowners Assistance Program (FTHAP) in July 2012. GHC provided first-time homeowners up to \$10,000.00 through grant funds, to assist in approved mortgage loan recipients for down-payment or closing-cost.

Maintenance Expensed increased by \$17,970 or 59.4% in FY 2012. There were more renovations completed at Lada Gardens in FY 2012.



## Challenges Moving Forward

### 1. The Housing Trust Fund Initiative:

#### a. Programs:

Through Guam Housing Corporation's newly established "**Housing Trust Fund Act**", the Corporation will continue to develop, with the help, support and encouragement from public officials and private enterprise;

Homeownership programs for those families or individuals whom are financially less fortunate medically or physically challenged that may include;

- Down payment assistance programs
- Rental assistance programs
- Veterans home programs
- Hazard mitigation programs
- Homeless programs
- Retrofit programs for ADA compliance
- Emergency shelters
- Housing solutions for the elderly

#### b. Funding:

The initial, (limited) funding for this program was provided by Guam Housing Corporation, however the "Housing Trust Funds" continued success depends wholly on additional funding sources as practiced nationwide, and, that the corporation will be initiating legislation for including:

- Real Estate transfer fees
- Interest on security deposits and escrow accounts
- Unclaimed property fund
- Penalties on late real property tax payments
- Grants
- Others as determined

### 2. Partnership:

Continuing with the highly successful land and homes partnership Guam Housing has established with Guam Housing and Urban Rural Development Authority, Land Management, Ancestral Lands commission, and Land Trust, this initiative includes the development of 59 lots in support of Guam Veterans programs;

### 3. Federal Home Loan Bank:

Guam Housing Corporation continues to enjoy a positive business relationship with the Federal Home Loan Bank of Seattle, who has always assisted Guam Housing in its financial needs.

