



Vermont Housing Finance Agency

2009 ANNUAL REPORT

vhfa



Message from Governor James H. Douglas



Gov. James H. DOUGLAS

FORWARD-LOOKING STATEMENTS

This publication contains statements about future results that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that these statements are not guarantees of future performance. There are a variety of factors, many of which are beyond VHFA’s control, which affect the operations, performance, business strategy and results and could cause its actual results to differ materially from the expectations and objectives expressed in any forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements which speak only as of the date they are made. VHFA does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements are made.

The effects of the global recession are still felt by Vermonters and their families. VHFA, like so many, has seen its investment portfolio decline, as well as its income with fewer new home loans this Fiscal Year than in the past.

Despite these realities, VHFA has remained true to its long history of sound lending practices. In a year with rising delinquencies and foreclosure rates across the country, Vermont has remarkably fewer delinquent or foreclosed upon loans, ranking our state among the lowest in the nation.

The value of homes in VHFA’s portfolio remains strong. As of the end of the Fiscal Year, the value of the homes in VHFA’s loan portfolio has increased 24% since they were first bought — adding to the assets of lower income Vermonters.

Having purchased my home over 30 years ago — and where I still live today — with a VHFA loan, I know first-hand of the important role the organization plays in the lives of Vermonters. That is why, as Governor and as the Chairman of the National Governors Association, I have been a strong advocate for new programs that the U.S. Department of the Treasury recently announced it will implement in 2010 to support the work of all Housing Finance Agencies across the country.

As Vermont’s housing resource leader, the benefits of the Agency ripple throughout the Vermont economy: to the 287 home buyers who financed their homes with a VHFA loan, to the 357 new or rehabilitated rental units created with VHFA’s low-interest loans and Tax Credit awards. Those apartments alone generated an additional \$42 million in economic activity, meaning saved jobs, additional income, and supporting the Green Mountain State’s economy at a time when it is needed most.

I appreciate the significant impact VHFA has in Vermont’s housing market. I look forward to the Agency continuing to help families find a home.

Message from the **Chairperson** and the **Executive Director**

As we reflect on Fiscal Year 2009, we're proud VHFA has not shied away from its mission of a safe, decent, affordable home for every Vermonter. VHFA continues to serve those among us who are lower income; in fact 90 percent of VHFA's homebuyers earned less than 80% of the median income. At the same time, in FY09 the Agency funded housing counseling for first-time buyers who are not ready to make the leap from renting to homeownership just yet. An additional 357 units of affordable rental units were created for those who are either not ready or interested in homeownership.

As we approach 2010 we're optimistic the renewed relationships with Federal housing enterprises, strongly supported by the Governor and our Congressional delegation, will provide a means to more aggressively get back into the housing market. In FY10, VHFA will continue its commitment to collaboration with our federal, state and local partners. These associations are imperative to VHFA and we look forward to even stronger relationships and new opportunities, especially working with our Federal partners.

This past year was demanding, to say the least. Nevertheless, in Vermont we've been faced with the struggle of living in two worlds. Consider Vermont's stance as of the end of VHFA's Fiscal Year:

- Nationally, home prices dropped 6% from the previous year, while in Vermont home prices have fallen only 0.3%, according to Federal Housing Finance Agency.
- Nationally, the foreclosure rate (4.3%) was almost double Vermont's rate (2.2%), according to the Mortgage Bankers Association, while only 0.9% of VHFA's loans were in foreclosure.

Although Vermonters have been spared some of the worst effects of the housing market's collapse, we were not completely insulated from the ripple effects of the turmoil in the nation's credit markets. As the favorable tax-exempt bond markets essentially disappeared, the Agency faced new challenges in finding sources of long-term affordable financing for loans. Credit requirements, particularly mortgage insurance, were tightened; even further affecting many of Vermont's first time homebuyers.

This balancing of interests: of Vermonters, of the Agency's finances, and of state and federal housing policies, is one of many strengths of VHFA, and one we plan to continue as we lead the state towards the future.



Lisa Mitiguy RANDALL



Sarah CARPENTER

AGENCY ACCOMPLISHMENTS

Financial challenges & successes

With the collapse of the financial and real estate markets, FY09 has probably been one of the most difficult years in the history of VHFA. Despite the stability of our loan portfolio (See page 4) VHFA saw the downgrade of some of our insurance and liquidity providers. To offset these impacts, which were significant, VHFA worked successfully throughout the year to replace problematic liquidity providers, and we were one of the first HFA's in the country to successfully securitize part of our existing portfolio with Freddie Mac.

To grapple with the shortage of long-term investors in the tax exempt housing market we formed a working group, including the Governor's office and the Treasurer, to explore alternate bond structures to access lower costs for our single-family program. This includes ways to use the new "pledged equity" authority using moral obligation of the State passed by the Legislature in 2009. This authority provides VHFA with another tool to increase confidence and attract new financial partners so the Agency can continue its housing programs for low- and moderate-income Vermonters, even in these challenging economic times. We are grateful for all the support we have received this year.

Doing more with less

Like many organizations this year VHFA has had to take significant cost cutting measures, including some reduction in staff. Even with reduced resources, we successfully converted our multifamily computer operating system, switched over our pension plan provider and implemented all of the new programs/initiatives listed here:

Mortgage Backed Securities (MBS)

In FY09, VHFA began purchasing loans through Fannie Mae and Ginnie Mae mortgage backed securities. This provides VHFA with better access to the secondary capital markets with less credit risk and provides some borrowers better access to government mortgage insurance. VHFA also securitized a portion of our existing loans with Freddie Mac.

MacArthur Foundation grant

The MacArthur Foundation awarded a \$2 million loan to VHFA in recognition of Vermont's long-standing commitment to the preservation of rental housing. Used in conjunction with other invest-



CRAIG BAILEY

*VHCB's **Gus Seelig**, VHFA Executive Director **Sarah Carpenter** and Central Vermont Community Land Trust's **Eileen Peltier** announce the MacArthur grant at a February 2009 press event*



Gov. Jim Douglas and Executive Director Sarah Carpenter welcome attendees to the NERSC conference

ments, the funding will preserve thousands of affordable apartments in Vermont over the next decade. The Foundation also awarded \$600,000 to the Vermont Housing & Conservation Board (VHCB). VHCB and VHFA will use the funding to increase energy efficiency, provide technical assistance, finance predevelopment and bridge loans, and establish a demonstration project using Medicare and Medicaid for supportive services for senior housing.

NERSC conference

In April, VHFA hosted a three-day conference for the six New England states' resident service coordinators (RSCs). New England Resident Service Coordinator's annual conference is an opportunity for RSCs and other property management professionals to come together, share ideas and experiences, and stay in tune with trends in serving residents in affordable housing. The conference was attended by more than 300 and was last held in Vermont in 2003.

HARP program

VHFA launched the Housing Assistance Rehabilitation Program (HARP) that is funded with

federal Neighborhood Stabilization Program (NSP) funds through an MOU with the Department of Economic, Housing and Community Development. VHFA intends to draw down up to \$7 million to purchase and rehab foreclosed homes, and then resell them to qualified low- and moderate-income borrowers.

Two new Tax Credit programs created by federal stimulus bill

The \$5.4 million Tax Credit Assistance Program (TCAP) application was approved by HUD, and is being awarded to projects. The program was created to get projects started and/or fill gaps that have slowed projects down. In addition, Vermont was approved for \$11.6 million in "1602 Credit Exchange" funding. This program requires VHFA to exchange all or a portion of previously approved Tax Credits to fund projects that had been unable to obtain equity investors.

Changes to Qualified Allocation Plan

The Federal Housing and Economic Recovery Act of 2008 (HR 3221) contained a number of reforms, including changes af-

fecting the Housing Credit program. As a result, VHFA adopted several changes to Vermont's Qualified Allocation Plan (QAP), including items not initiated by this legislation but based on other policy changes, feedback, and program experience.

Vermont Green Home Alliance

A group of statewide housing organizations, including VHFA, have formed the Vermont Green Home Alliance. The alliance promotes

and encourages "green" building practices in Vermont. The group's Web site, www.vermontgreenhomealliance.org, helps potential homebuilders understand the components of building green and the rating systems available for certification.

Governor's Council Award

In October, VHFA won a Bronze Award from the Vermont Governor's Council on Physical Fitness and Sports as part of the 2008 Vermont Awards for Work Site Wellness, Physical Fitness and Sports. We received the honor in the 26-75 employee category. The awards, now in their 14th year, recognize Vermont individuals, organizations and employers that have made outstanding contributions to physical fitness and sports. VHFA won the "Governor's Star" in our category last year.

New Markets Tax Credits

Vermont Rural Ventures (VRV), a partnership lead by Housing Vermont, and including VHFA, the Vermont Economic Development Authority, and the Vermont Community Loan Fund, has been awarded \$30 million in New Market Tax Credits (NMTC) under the latest federal stimulus package. This marks the first time a Vermont-based organization has been allocated NMTCs, which provide qualified investors with offsets to their federal tax bills in exchange for investments in economic development activities in eligible low-income areas of the state. VRV estimates it'll fund six to 12 housing and economic development projects in Vermont as a result of the Tax Credits.

Internet marketing initiatives

VHFA entered the "social media" arena in April when we established accounts on Twitter and Facebook, giving us two more platforms on which to publish housing-related news. "Housing Matters," the blog we established in March 2008, has surpassed 430 entries. We also performed an under-the-hood redesign of vhfa.org in FY09, bringing the site up to the latest Web design and accessibility standards.

Single-family portfolio strong

Considering the unprecedented economic downturn focused on the housing market, VHFA wanted to better understand the values of the homes underlying its single-family mortgages. It's clear Vermont has among the lowest delinquency and foreclosure rates, but how VHFA-financed properties were faring was important to understand. The Agency hired a third-party expert in home valuation, First American Core Logic (FACL), to provide an unbiased estimate of the value of VHFA's active single-family portfolio. The results were astounding:

- The estimated value of the homes in VHFA's total portfolio has increased 24% since the loans were originated
- 77% of the 4,780 active properties increased in value, 22% decreased, and 1% saw no change
- Of the homes where the estimated value rose, the median increase was 33%
- Of the homes where the estimated value dropped, the median change was just -4%
- 64% of loans have current loan-to-value rates below 80%, making them extremely low-risk to the Agency

IORTA PROGRAM

The **Interest on Real Estate Trust Account** (IORTA) program is funded with the interest earned on earnest money and real estate contract deposits.

Real estate brokers are required to put most of these deposits into pooled interest-bearing trust or escrow accounts and the financial institutions are required to remit the interest made to Vermont Housing Finance Agency for use in its homeownership programs.

For 17 years, funds from the proceeds of IORTA have been dedicated to VHFA for homeownership mortgage downpayment or closing cost assistance.

During that time, more than **975 loans** have been assisted with IORTA funds.

In FY00, VHFA launched a new downpayment assistance program using IORTA funds for borrowers purchasing homes through 12 non-profit housing organizations across the state.

- Funds VHFA received in FY09 from IORTA accounts (i.e. deposits): **\$63,525.67**. These funds will provide assistance to HomeOwnership Center buyers with downpayment or closing costs.
- Balance of IORTA funds in VHFA's accounts as of June 30, 2009: **\$96,789.72**

*Brattleboro natives **Colin Robinson** and **Sarah Kunz** bought their first home in Winooski with the help of a VHFA loan. They credit the loan they received from VHFA, a downpayment grant from Champlain Housing Trust and education and advice from the HomeOwnership Centers of Vermont in making their dream of homeownership come true.*

Total Volume of Mortgages Assisted with IORTA Funds	
County	Volume
Addison	\$5,773,120
Bennington	\$2,436,533
Caledonia	\$10,965,222
Chittenden	\$16,590,511
Essex	\$1,366,850
Franklin	\$6,864,428
Grand Isle	\$982,785
Lamoille	\$2,477,830
Orange	\$1,981,906
Orleans	\$9,189,520
Rutland	\$9,863,794
Washington	\$7,095,510
Windham	\$4,153,936
Windsor	\$7,181,088
Total	\$86,923,033



JON SHENTON/CHAMPLAIN HOUSING TRUST

HOMEOWNERSHIP ACTIVITY

Fiscal year 2009

VHFA borrower incomes as a percentage of the Area Median Income (AMI)	
Household income	Percentage of borrowers
More than 100%	10%
81% to 100%	27%
51% to 80%	52%
At or below 50%	11%

VHFA's average borrower profile	
Income	\$48,021
Mortgage amount	\$130,931
Home price	\$152,891

Program	Purchases	Loan volume
MOVE (Mortgages for Vermonters)	251	\$33,596,524
HOUSE (Homeownership Opportunities Using Shared Equity)	36	\$3,917,595



CRAIG BAILEY

- VHFA's single-family mortgage activity contracted in FY09 in response to reduced home buying statewide and the recession's effects on the funds available to Housing Finance Agencies.
- In FY09, VHFA purchased approximately **\$37.5 million** in home mortgage loans. This activity supported the purchase of **287 homes** in Vermont.
- VHFA budgeted **\$354,000** this fiscal year to fund operations of the five NeighborWorks® HomeOwnership Centers of Vermont and provided mortgage support to the Opportunities Credit Union.
- In May, the Agency significantly changed some of its business processes to allow for the purchase of loans through the Federal government-sponsored enterprises (GSEs).
- U.S. Bank's Housing Finance Agencies Division was added as the master servicer for VHFA.

Juanita Ratta and her 13-year-old schnauzer, Cuddles, moved into their Winooski condo in October 2008 after years of renting. "With the economy the way it is, I probably couldn't have done it without the help of VHFA," she says. She enjoys the security of knowing her home belongs to her, and the convenience of being close to work.

State tax credits: VHFA also provided **\$135,000** in state tax credits, that generated an estimated **\$594,000** in equity for homeownership units in four projects, below:

Homeownership state tax credit activity			
Project name	Town	Units	State tax credits
Butterfield Commons	West Dover	3	\$35,000
Orwell Bank Houses at Green Woods Village	Shoreham	2	\$10,000
Proctorsville Green	Proctorsville	4	\$50,000
River Station	Montpelier	2	\$40,000

MULTIFAMILY ACTIVITY

Fiscal year 2009

- Due to the recession's effects on capital markets, VHFA saw a decline in the number of loans closed for multifamily projects in FY09. Nevertheless, the Agency continued providing critical construction financing for rental housing across the state and continued working with developers and property owners as they plan future activity.
- VHFA provided **\$3.7 million** in a combination of pre-development and/or construction/short-term financing to nine projects.
- Approximately **\$3.3 million** in allocated Housing Credits was awarded to eight projects, generating **\$23 million** in tax credit equity.
- Additional Tax Credit equity estimated at **\$1.4 million** was generated in conjunction with approximately **\$116,000** in bond credits issued.
- VHFA also allocated **\$29,000** in State Affordable Housing Credits to a rental project that generated approximately **\$125,000** in equity investment.
- The Agency facilitated the creation or rehabilitation of **357 units** of affordable rental housing.
- The entire community benefits from the infusion of capital during the affordable housing development process. The multifamily housing financed by VHFA this Fiscal Year will create approximately **\$42 million** in economic activity across the state.



CATHEDRAL SQUARE CORP.

***Essex Senior Housing** provides 48 units of affordable housing. VHFA provided construction financing and allocated Tax Credits.*

Multifamily loan program and Housing Credit activity		
Project name	Town	Units
Alburgh Family Housing	Alburgh	13
Anne Wilder Richards Building	West Brattleboro	21
Bellows Falls Family Housing (Williams & South)	Bellows Falls	17
Blake Commons	Swanton	16
Brookside	St. Albans	37
Canal Street Veterans' Housing	Winooski	28
Cathedral Square Senior Living (Senior)	Burlington	108
Ellis Block	Springfield	9
Pine Manor (Senior)	Alburgh	16
Rockingham Canal House (Senior)	Rockingham	44
Salisbury Square	Randolph	14
Shelburnewood	Shelburne	34

Short-term/Construction loan	Permanent loan	Pre-development loan	Bond housing credits	Allocated housing credits	State housing credits
		◆		◆	
		◆		◆	
◆			◆		◆
		◆		◆	
		◆		◆	
		◆		◆	
		◆		◆	
		◆		◆	
◆	□	◆			
		◆		◆	
		◆		◆	

◆ Activity in FY09
□ Activity in previous FY

STATEMENT OF NET ASSETS

Vermont Housing Finance Agency | June 30, 2009

	Operating fund	Single-family programs	Multi-purpose program	Multifamily programs	Total
ASSETS					
Cash and cash equivalents	\$5,228,147	\$45,643,342	\$25,220,137	\$24,639,315	\$100,730,941
Investments	100,000	25,936,167	—	5,061,004	31,097,171
Mortgage and construction loans receivable	12,724,977	407,705,869	152,786,851	107,786,734	681,004,431
Accrued interest receivable — Mortgage and notes	1,176,896	1,900,888	516,736	339,476	3,933,996
Accrued interest receivable — Investments	461	363,574	83,681	265,581	713,297
Deferred costs of bond issuance	—	2,524,383	729,129	894,095	4,147,607
Deferred mortgage origination fees, net	—	1,192,899	240,191	—	1,433,090
Land	775,000	—	—	—	775,000
Building (Less accumulated depreciation)	638,032	—	—	—	638,032
Office furniture and fixtures (Less accumulated depreciation)	215,329	—	—	—	215,329
Other receivables and prepaid expenses	182,055	3,749,857	1,629,234	68,652	5,629,798
Interfund receivables (Payables)	789,716	163,589	(321,145)	(632,160)	—
Other assets and REO	—	1,360,933	26,320	—	1,387,253
TOTAL ASSETS	\$21,830,613	\$490,541,501	\$180,911,134	\$138,422,697	\$831,705,945

	Operating fund	Single-family programs	Multi-purpose program	Multifamily programs	Total
LIABILITIES AND FUND BALANCES					
Deferred loan origination fees, net	243,932	—	—	—	243,932
Deferred Income	155,543	—	—	—	155,543
Accounts payable	574,228	1,193,527	140,934	10,290	1,918,979
Arbitrage rebate payable	—	1,341,987	—	4,044	1,346,031
Escrowed cash deposits	2,368,331	—	—	—	2,368,331
Accrued interest payable	57,150	4,132,984	1,419,878	1,850,543	7,460,555
Notes and lines of credit payable	7,939,343	—	—	19,234,479	27,173,822
Bonds payable	544,653	447,020,000	160,340,000	104,009,153	711,913,806
Unamortized (discount) and premium on bonds	—	(761,364)	(35,713)	(898,488)	(1,695,565)
TOTAL LIABILITIES	\$11,883,180	\$452,927,134	\$161,865,099	\$124,210,021	\$750,885,434
NET ASSETS	\$9,947,433	\$37,614,367	\$19,046,035	\$14,212,676	\$80,820,511
TOTAL LIABILITIES AND NET ASSETS	\$21,830,613	\$490,541,501	\$180,911,134	\$138,422,697	\$831,705,945

STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET ASSETS

Vermont Housing Finance Agency | Year ended June 30, 2009

	Operating fund	Single-family programs	Multi-purpose program	Multifamily programs	Total
OPERATING REVENUES					
Interest income:					
Mortgage, construction loans receivable	\$861,850	\$25,663,180	\$8,804,760	\$7,034,580	\$42,364,370
Investments	29,372	2,824,831	1,653,748	672,955	5,180,906
Fee income:					
Multifamily mortgage programs	587,021	—	125,593	—	712,614
Single-family mortgage programs	14,086	65	760	—	14,911
Gain on bond redemptions	—	254,849	(100,209)	—	154,640
Miscellaneous income	141,772	—	—	—	141,772
TOTAL OPERATING REVENUES	1,634,101	28,742,925	10,484,652	7,707,535	48,569,213
OPERATING EXPENSES					
Financing costs, including interest and amortization of premium, discount and costs of issuance	665,372	27,146,572	10,590,320	6,792,447	45,194,711
Mortgage service and contract administration fees	2,687	827,014	215,707	55,776	1,101,184
Salaries and benefits	3,361,430	—	—	—	3,361,430
Operating expenses	948,626	—	—	—	948,626
Professional fees	135,074	98,322	19,448	—	252,844
Trustee and assignee fees	214,366	—	—	—	214,366
Loss on bond redemptions	—	—	—	—	—
Property disposition and loan loss expenses (recoveries)	171,764	261,513	40,022	330,106	803,405
TOTAL OPERATING EXPENSES	5,499,319	28,333,421	10,865,497	7,178,329	51,876,566
OPERATING INCOME (LOSS)	(3,865,218)	409,504	(380,845)	529,206	(3,307,353)
NON-OPERATING REVENUES					
Gain on sales of investments	—	384,051	—	—	—
Net depreciation in fair value of investments	—	(531,987)	—	18,258	(513,729)
Income (Loss) before transfers	(3,865,218)	261,568	(380,845)	547,464	(3,437,031)
Net transfers to (from) operating fund	4,465,411	(7,116,331)	3,234,420	(583,500)	—
Increase (decrease) in net assets	600,193	(6,854,763)	2,853,575	(36,036)	(3,437,031)
Net assets at beginning of year	9,347,240	44,469,130	16,192,460	14,248,712	84,257,542
NET ASSETS AT END OF YEAR	\$9,947,433	\$37,614,367	\$19,046,035	\$14,212,676	\$80,820,511

These condensed financial statements are based on audited financial statements. Complete audited financial statements are available at VHFA's Web site (www.vhfa.org) or upon request.

STAFF

ADMINISTRATION

Executive Director Sarah Carpenter
Director of Administration Patricia Loller
Human Resources/Office Manager Martha Panton
Administrative Assistant Sylvia White

INFORMATION TECHNOLOGY

Manager Rick Jean
Network Admin/Systems Specialist Chris MacAskill
Applications Specialist/Analyst Sherri Mullin

LEGAL

General Counsel George Demas
Legal Coordinator Renee Couture

POLICY AND PLANNING

Manager Maura Collins
Communications Coordinator Craig Bailey
Research Analyst Leslie Black-Plumeau

PROGRAM OPERATIONS

Chief of Program Operations David Adams
HARP Specialist Lori Gilding

FINANCE

Chief Financial Officer Tom Connors
Controller Timothy Gutchell
Investment Manager Scott Baker
Senior Financial Analyst Lisa Clark
Loan Portfolio Accountant Martha Fleming
Staff Accountant Sara Hoehn
Lender Accounting Coordinator Susan Joachim
Financial Analyst Michelle Packard

DEVELOPMENT

Director Joe Erdelyi
Senior Development Underwriter Cynthia Reid
Development Underwriter Joshua Slade

HOMEOWNERSHIP

Director Patricia Crady
Assistant Director Jacklyn Santerre
Homeownership Admin Assistant Kathy Cawley
Homeownership Specialist Veronica DeVos
Homeownership Specialist Pat LaFond
*Loan Servicing Specialist*Carolynn Mossey
Outreach Coordinator Erin Navin Perrin
Loss Management Specialist Polly Thibault

MULTIFAMILY MANAGEMENT

Director Sam Falzone
Assistant Director Kimberly Roy
Multifamily Management Officer Kathy Curley
Multifamily Operations Specialist Nina McDonnell
Multifamily Management Officer Erin Philbrick
Multifamily Management Officer Ann-Marie Plank

FINANCIAL/LEGAL PARTNERS

Bond Counsel Kutak Rock LLP
Underwriters Citigroup
Merrill Lynch
Trustees TD Bank NA
Bank of NY Trust Co. NA
Wells Fargo Bank NA
Auditors KPMG LLP
Financial Advisors Piper Jaffray & Co.

BOARD OF COMMISSIONERS

VHFA is governed by a nine-member Board of Commissioners. The Board includes four *ex officio* members and five members appointed by the Governor of Vermont, representing private and public lending, real estate and housing development interests.



CRAIG BAILEY

LEFT TO RIGHT: Thomas J. Candon, *Ex Officio*, Deputy Commissioner of Banking (Designee for the Commissioner of Banking, Insurance, Securities and Health Care Administration); Dagney Canney, Principal Broker, Vermont Real Estate Sales Co.; Bart Frisbie, President/Owner, Sterling Construction; Gustave Seelig, *Ex Officio*, Vice Chairman (Executive Director, Vermont Housing & Conservation Board); Beth Pearce, *Ex Officio*, Deputy State Treasurer (Designee for the State Treasurer); Sarah Carpenter, Executive Director & Secretary; Robert Alberts, President, Eastview at Middlebury Inc.; Lisa Mitiguy Randall, Chairperson (Vice President of Lending, Vermont Federal Credit Union); Thomas N. Pelletier, President and Chief Executive Officer, Northfield Savings Bank; and Kevin Dorn, *Ex Officio*, Secretary, Agency of Commerce and Community Development.

WRITING Craig Bailey
Leslie Black-Plumeau
Maura Collins

DESIGN Craig Bailey

CONTACT Vermont Housing Finance Agency
164 Saint Paul St., P.O. Box 408
Burlington, VT 05402-0408
(802) 864-5743, (802) 864-8081 (fax)
www.vhfa.org, home@vhfa.org



Printed in Vermont using vegetable-based inks on 100% post-consumer recycled paper. Alternative access formats available upon request.

© 2009 Vermont Housing Finance Agency. All rights reserved.

ON THE COVER: Nico Villanueva and Jamie Russell closed on their Riverwatch condo in Burlington in August 2008, a year after the couple relocated from San Diego so Nico could attend graduate school at UVM. "I doubt we could've found a willing or affordable loan without VHFA," Nico says. "We'd probably still be renting. We wanted to be putting our monthly payment toward something. There's also a sense of pride and comfort knowing it's ours." They were married in September 2009.