



Strategic Housing Finance Corporation  
Resolution No. SHFC-2016-01

**Resolution No. SHFC-2016-01:** To Amend the previously-approved resolution dated *September 11, 2015* regarding SHFC Lease/Purchase Program

**WHEREAS**, the board previously approved by resolution the action to terminate the existing program (lease to purchase) by offering the four remaining homes to the existing tenants provided that the purchase of the homes could be accomplished within 120 days; and

**WHEREAS**, the original 120-day deadline ended on November 30<sup>th</sup> 2015; and

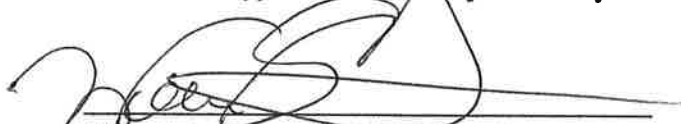
**WHEREAS**, each of the four tenants have expressed an interest in purchasing the homes and the majority are in a position to submit an earnest money contract to purchase the homes which warrants an extension of time to complete all necessary due diligence (120-day extension [March 29, 2016], and one additional 30-day extension, if necessary – [April 28, 2016]).

**WHEREAS**, each of the homes will be offered for sale at 110% of the principle balance of the loan (as of 6/16/15) to cover anticipated seller closing costs.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of SHFC hereby:

1. Approves Resolution No. SHFC-2016-01,
2. Authorizes the Executive Vice President to execute all necessary documents and extensions.

Passed and approved the 21<sup>st</sup> day of January 2016.



Willie S. Anderson, President, Board of Directors

Attested and approved as to form:



Patrick B. Howard, Executive Vice President

Strategic Housing Finance Corporation

Board Action Request

Lease to Purchase Program

**WHEREAS**, On or about 2007, Strategic Housing Finance Corporation created a program to help low to moderate income individuals (with poor credit) lease single family homes with the intention of the applicant eventually purchasing the home with the aid of a third party mortgage company. Of the approximately one hundred and seventy (170) homes within the program only approximately twenty applicants took advantage of the program.

**WHEREAS**, Strategic Housing Finance Corporation purchased houses with financing from Citibank and leased the house to applicants in an effort to improve their credit rating, provide credit counseling, and guidance in acquiring a mortgage to purchase each house. The program met with limited success with most of the homes being foreclosed upon when the applicant failed to pay rent.

**WHEREAS**, Strategic Housing Finance Corporation has four homes remaining in the program which are being leased to the applicants. Rent, (on a month to month bases), is being received and mortgages associated with the homes are current.

**NOW, therefore, it is hereby**

**RESOLVED**, That the SHFC Board approves, authorizes, empowers and directs the Executive Vice President and Asset Manager of SHFC to take all necessary action to effectuate the following recommendation. **Recommendation:** Terminate the existing program by offering the houses to the applicants for sale at the principle balance of the loan plus applicable closing cost. The applicant will have 120 days to complete the transaction from the date of notice. Certified letters have been sent to each of the applicants and three of the four applicants have responded. If the applicants can't take advantage of this offer, broker price opinions will be ordered on the properties and subsequently sold using a licensed real estate agent. Monies may need to be expended to bring properties to market condition. Each property will be evaluated to determine the feasibility of repair vs. as is condition for marketing purposes.