



**TDHCA Governing Board
Single Family Activities Committee
Meeting Transcript***

***09:00 a.m.
January 15, 2026***

***Dewitt C. Greer State Highway Building
Williamson Board Room***

125 E. 11th Street, Austin, TX 78701

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BOARD MEMBERS:

HOLLAND HARPER, CHAIR

CINDY CONROY

ANNA MARIA FARIAS

KENNY MARCHANT

AJAY THOMAS (ABSENT)

LEO VASQUEZ II

SPEAKERS:

Abigail Versyp

Bobby Wilkinson

Karen Walker

Donna Johnson

Jo Carroll

Lisa Johnson

1 **Holland Harper (0:00:02):**

2 Good morning, and welcome to Single Family Activities
3 Committee for the Texas Board of Housing and Community
4 Affairs. It is 9:01, January 15, 2026, and welcome. If
5 you would like to speak, you will need to come to the
6 front of the room, come to the front of the room, and
7 you'll need to write in your name and your address and
8 you'll be recognized. And you'll have three minutes to
9 present your ideas. Thank you. From my left is Ms.
10 Conroy, to my right, I have Ms. Farias and Chairman
11 Vasquez and myself. We have a quorum. So excellent.
12 With that, Ms. Versyp, you ready?

13

14 **Abigail Versyp (0:00:52):**

15 Good morning, Chair, members of the Committee. Today, I
16 want to provide you some background on the Single-Family
17 HOME program, outline how repayment currently works
18 across activities and explain the policy questions, thank
19 you. Staff is bringing forward recruiting feedback. Wow.

20

21 **Leo Vasquez III (0:01:10):**

22 The difference is...

23

24 **Abigail Versyp (0:01:14):**

25 The Single Family and Homeless Programs
26 Division administers HOME single-family
27 activities for TDHCA. HUD regulations give
28 participating jurisdictions, that's us,
29 significant flexibility in how the HOME funds
30 are structured. They can be provided as
31 forgivable loans, deferred payment loans,
32 repayable loans, grants, basically any
33 mechanism that supports the program goal.
34 Federal rules also allow for different
35 repayment models if we choose that, like
36 shared net proceeds, we can do monthly
37 amortizing loans. All of these ways to bring
38 money back into the program that enable a
39 recovery of a portion when the home is sold,
40 transferred, refinanced, or just outright
41 repaid during the affordability period. This
42 flexibility allows us to design policies that
43 balance two competing goals: maintaining long-
44 term affordability for homeowners and then
45 preserving and replenishing federal funds for
46 future use.

47

48 Unlike the Texas Bootstrap Loan Program, the
49 HOME Program doesn't always require repayment.
50 Our largest HOME single family construction
51 activity is Homeowner Reconstruction
52 Assistance, or HRA, which currently does not
53 require repayment. Over the past three years,
54 TDHCA has completed an average of 119 HRA
55 projects per year compared to 43 Bootstrap
56 projects per year. During that same period,
57 we've completed no contract for deed or
58 homebuyer assistance with new construction
59 projects and only 10 single-family development
60 projects. Whether repayment is required
61 depends on the activity type. For HRA,
62 assistance is typically provided through
63 either a conditional grant agreement with a 5-
64 year term or a deferred forgivable loan with a
65 15-year term when that's required by the
66 federal rules. Contract for deed is also
67 structured as a deferred forgivable loan with
68 annual forgiveness. By contrast, single family
69 development and homebuyer assistance with new

70 construction require repayable loans,
71 typically with a 30-year term interest from 0
72 to 5 percent, and also includes underwriting
73 requirements. We're specifically seeking
74 feedback from this Committee on whether
75 repayment should be considered for HRA and
76 contract for deed activities. Historically, we
77 have not required repayment for HRA as a
78 general rule.

79

80 While the program is able to use grants federally and by
81 and large that has been a form of assistance for HRA,
82 from December 2008 through October 2010, the Department
83 did implement a policy, a rule, that said all assistance
84 under HRA would be provided in the form of a loan.

85 While most of the loans were not repayable, the approach
86 generated significant stakeholder resistance and
87 resulted in more than \$40 million in deobligated and
88 uncommitted funds. In response, we implemented the
89 conditional grant agreement system that we have now in
90 October 2010. This eliminated repayment, but it still
91 secured an affordability period that the state imposed,
92 even though there isn't a federal one.

93 Since then, HRA has been largely provided as non-
94 repayable assistance except when federal affordability
95 periods are required and not met. There are clear
96 advantages to continuing non-repayable assistance.
97 Conditional grants and deferred forgivable loans allow
98 extremely low-income households to qualify, avoid re-
99 triggering underwriting requirements, reduce
100 administrative burden, and align with what stakeholders
101 are already familiar with. However, there are concerns.
102 Non-repayable assistance means funds are used only once
103 and not recycled. There's no built-in assistance that
104 taxes, or built-in assurance, I'm sorry, that taxes and
105 insurance are paid, and grants can create uncertainty
106 around default enforcement and title clarity. Repayable
107 loans, on the other hand, allow funds to be recycled as
108 program income, ensure taxes and insurance through
109 escrow accounts, and test household capacity to manage
110 increased costs. They also raise concerns about
111 increased administrative burden, training needs,
112 potential decreases in participation, possible increases
113 in foreclosure risk, and barriers for very low-income
114 households, especially elderly persons and persons with
115 disabilities. At this time, staff isn't recommending a

116 specific policy change. Instead, we're seeking direction
117 from the Committee on whether there's an interest in
118 exploring a shift toward repayment for HRA and/or
119 contract for deed activities. If the Committee indicates
120 interest, staff would return to the full board with a
121 proposal. Any changes would take a minimum of six months
122 to implement, allowing for rulemaking, stakeholder
123 engagement, updates to manuals, forms, training, and
124 internal processes with the caveat that if we change our
125 resell and recapture provisions, those must be
126 affirmatively approved by HUD. We can't just submit it
127 like we normally do and say if you haven't said anything
128 in 90 days, it's automatically approved. They have to
129 affirmatively do that, so we don't know how long that
130 will take. And I welcome feedback and discussion.

131

132 **Holland Harper (0:06:51):**

133 So, let's start with some questions here. You made the
134 statement that you can do a 15-year loan that's
135 forgivable. Are they making payments at the end of the
136 15-year pay, they get a lump sum back? How does that...

137

138

139 **Abigail Versyp (0:07:00):**

140 No.

141

142 **Holland Harper (0:07:01):**

143 They would just, how does that process work?

144

145

146 **Abigail Versyp (0:07:03):**

147 Each year a portion of the loan is forgiven so long

148 as they maintain that home as their principal

149 residence. And so, at the end of the 15th year,

150 they receive the last and final for the annual

151 forgiveness portion.

152

153 **Holland Harper (0:07:17):**

154 And is there, you said that there is not a check on

155 taxes and insurance; is that correct?

156

157 **Abigail Versyp (0:07:22):**

158 We do not currently check to ensure payment of taxes and

159 insurance because we don't have an escrow.

160

161

162 **Bobby Wilkinson (0:07:31):**

163 And so, we lose some of these homes to tax
164 foreclosure, right?

165

166 **Abigail Versyp (0:07:36):**

167 Yes. We lose some of these homes to tax foreclosure.

168 It's not common to lose homes to tax foreclosure. Many,
169 many of our participants are eligible for a tax
170 deferral, so it doesn't trigger anything (indiscernible,
171 simultaneous speech).

172

173 **Bobby Wilkinson (0:07:48):**

174 Yeah. Anyone 65 and over, right?

175

176 **Abigail Versyp (0:07:49):**

177 Right.

178

179 **Bobby Wilkinson (0:07:50):**

180 Okay.

181

182 **Abigail Versyp (0:07:50):**

183 65 and over or disabled.

184

185 **Bobby Wilkinson (0:07:52):**

186 Yeah. Okay. Yeah.

187

188 **Holland Harper (0:07:53):**

189 So, taxes should not be impossible. We should go look
190 at the County Appraisal District pretty quick and see
191 if that's the case. Insurance is a, we're not in the
192 compliance, we are in the compliance business, but we
193 have lots of compliance to do. Any other questions from
194 the board members?

195

196 **Cindy Conroy (0:08:14):**

197 I guess it would be helpful if we kind of had just some
198 idea when you say there's not that many.

199 If that were a little bit quantifiable, like if I...

200

201 **Abigail Versyp (0:08:24):**

202 Oh, I would say less than two. Less than two per year.

203

204 **Cindy Conroy (0:08:28):**

205 Oh, okay.

206

207

208 **Abigail Versyp (0:08:28):**

209 Two or less lost, where the project is actually lost to
210 tax foreclosure.

211

212 **Holland Harper (0:08:33):**

213 Out of 114 a year.

214

215 **Abigail Versyp (0:08:34):**

216 Right.

217

218 **Holland Harper (0:08:35):**

219 How many of these assets get sold before the loan period
220 is finished?

221

222 **Abigail Versyp (0:08:40):**

223 Very nominal amount of these get sold.

224

225 **Holland Harper (0:08:42):**

226 Do you have a number in mind? And do you know that?

227 Because, are they paying out the loan amount? And if

228 you're forgiving a loan, you don't really have any

229 visibility of that because you've just washed it.

230 You've already given away the title,

231 right?

232

233 **Abigail Versyp (0:08:54):**

234 Right. After that 15-year period, certainly no, we
235 wouldn't know. Prior to that 15-year period, if they
236 sell it with a regular sale, the title company is going
237 to contact us and ask for a payoff statement.

238 And we provide that, and then they pay what hasn't
239 been forgiven from the sales proceeds for the home. The
240 grants are a different matter altogether. They only
241 have a five-year term and they don't really impair the
242 title, they just cloud the title. So, a title company
243 may or may not request a payoff statement when they
244 transfer with that conditional grant agreement
245 memorandum filed, naming the property, because the
246 property isn't really responsible. It's really just
247 almost like a personal debt for the household.

248

249 **Holland Harper (0:09:40):**

250 So let's go back to the statement before. I'm in a 15-
251 year note on the deal. At the end of the period, let's
252 say the calendar year is January 1st, do I send in
253 paperwork? Do I do anything to get my repayment back on

254 the amounts I have? How does this process work?
255 Are you forgiving it every year, so there's no payments
256 the entire year at the end of it, or are they actually
257 paying money and they get their money back?

258

259 **Abigail Versyp (0:10:06):**

260 Nobody pays any money. There's no money exchanged.

261

262 **Holland Harper (0:10:11):**

263 Okay.

264

265 **Abigail Versyp (0:10:12):**

266 So the household never pays money to TDHCA. We just look
267 at the loan and how much would have, take the loan
268 divided by 15, essentially. And then every year on the
269 anniversary date of the note, that amount is noted as
270 forgiven in our system and the principal balance
271 decreases.

272

273 **Leo Vasquez III (0:10:32):**

274 I'm sorry. This is exactly a question I was wondering
275 about. So in our system, are we each year amortizing
276 off 1/15th of the value that's owed to us?

277

278 **Abigail Versyp (0:10:43):**

279 Correct.

280

281 **Leo Vasquez III (0:10:44):**

282 Okay. So we're not just keeping the entire amount, the

283 original amount. And then when it comes to us after,

284 they sell it after 10 or after 15, then we just cliff

285 write it off. You're saying we're...

286

287 **Abigail Versyp (0:10:57):**

288 Correct.

289

290 **Leo Vasquez III (0:10:59):**

291 Kind of marking the market, our net value each

292 year.

293

294 **Abigail Versyp (0:11:03):**

295 Right. It decreases annually.

296

297 **Leo Vasquez III (0:11:04):**

298 Okay.

299

300 **Abigail Versyp (0:11:04):**

301 It decreases annually.

302

303 **Leo Vasquez III (0:11:05):**

304 Okay. So in our records, if it was a \$15,000 amount at
305 the beginning, after eight years, it's only 7,000 on our
306 books.

307

308 **Abigail Versyp (0:11:16):**

309 Correct.

310

311 **Leo Vasquez III (0:11:16):**

312 Okay. All right. Thanks.

313

314 **Anna Maria Farias (0:11:18):**

315 Quick question. At the end of 15 years, do they end up
316 getting a deed?

317

318 **Abigail Versyp (0:11:25):**

319 They never lose their deed. They would get a release of
320 lien because we file a deed of trust.

321

322

323 **Leo Vasquez III (0:11:32):**

324 It's like you're paying off your mortgage.

325

326 **Anna Maria Farias (0:11:35):**

327 And do they get it from you or they get it from HUD?

328

329 **Abigail Versyp (0:11:38):**

330 It would come from us because we're the

331 holder.

332

333 **Anna Maria Farias (0:11:41):**

334 Okay.

335

336 **Holland Harper (0:11:45):**

337 You brought this to our attention because you want some

338 guidance in it. The program hasn't grown. The program's

339 got \$40 million in it. If we require payment, we grow

340 the program and do more things with it. If we leave it

341 where we're at, we instead maintain the status quo, do

342 you have any success stories or failure stories in this?

343 How long have we been doing this? Since '10; is that

344 correct?

345

346 **Abigail Versyp (0:12:15):**

347 Oh, with the HRA Program has been, since TDHCA
348 received an allocation of HOME funds, its initial
349 allocation of HOME funds, we've been providing it. It
350 used to be under, it used to be called OCC, Owner
351 Occupied Rehab and Reconstruction, but now it's just
352 changed in name only and it's HRA. So this has been
353 going on since 1993.

354 **Holland Harper (0:12:39):**

355 Okay. But it hasn't really grown and it hasn't really
356 shrunk.

357

358 **Abigail Versyp (0:12:44):**

359 Over time, the HOME funds that we received federally,
360 they grow and shrink. And as they grow and shrink, our
361 ability to operate this program follows the trend of
362 the federal funding and then how much of that federal
363 funding gets set aside for this particular activity.

364

365 **Holland Harper (0:13:02):**

366 And what's the typical amount? So that's \$40 million.
367 What's a typical amount (indiscernible) 0:13:06.

368

369 **Abigail Versyp (0:13:06):**

370 Well, the \$40 million I mentioned was, it was more than
371 one year's worth of funding that ended up not being
372 utilized, and then it was reprogrammed for different use.
373 Typically, annually for this program, it runs right now
374 at about \$20 million...

375

376 **Holland Harper (0:13:24):**

377 Okay.

378

379 **Abigail Versyp (0:13:24):**

380 Of our HUD allocation that we put toward this program.
381 But that number is at the discretion of the Department
382 on how we choose to program our HOME funds. We could
383 move funds if we move it to multifamily instead. We
384 could say we don't want to do this program at all and we
385 just want to do all TBRA. It's just based on the
386 priority of the Department.

387

388 **Bobby Wilkinson (0:13:46):**

389 Yeah. HOME is the Swiss Army knife of funds from HUD
390 and we can program it. We have to give them a plan
391 yearly, the OYAP. But yeah, and we do several different

392 things with it, and we could pour it into different
393 buckets in different amounts, but we've stayed pretty
394 steady in what we've done with it lately. Yeah.

395

396 **Holland Harper (0:14:06):**

397 \$20 million a year, pretty consistently,
398 correct?

399

400 **Abigail Versyp (0:14:09):**

401 Correct.

402

403 **Holland Harper (0:14:12):**

404 Times, what is it, 33 years? Is that correct?

405

406 **Abigail Versyp (0:14:17):**

407 Somewhere in that neighborhood.

408

409 **Holland Harper (0:14:20):**

410 If I was taking the money, or we, rephrase that. If we
411 were taking the money at, let's just say 0 percent
412 interest in a repayment program, do we get to keep those
413 funds in the program?

414

415 **Abigail Versyp (0:14:34):**

416 Yes. They become program income, which means 90 percent
417 of the funds have to be utilized for program and then we
418 have 10 percent (indiscernible - simultaneous speech)
419 14:41.

420

421 **Holland Harper (0:14:41):**

422 So I have \$660 million minus the time value of money,
423 which I could do with the Swiss Army knife of money.
424 Which I could push more 0 percent financing loans or down
425 payment assistance.

426

427 **Abigail Versyp (0:14:54):**

428 Correct.

429

430 **Holland Harper (0:14:58):**

431 And if I take that money back, what is our current
432 interest rate today if we're parking at the state? I
433 don't know where you guys park money today, but what are
434 we getting back, two, three?

435 **Bobby Wilkinson (0:15:10):**

436 Oh, no, no. It's...

437

438 **Holland Harper (0:15:11):**

439 Four?

440

441 **Bobby Wilkinson (0:15:12):**

442 Yeah. It was four. It was over four last time I looked

443 and they might have, as rates have declined. I haven't

444 looked recently, but yeah, our little pot of funds over

445 there was, been growing good the last few years.

446

447 **Holland Harper (0:15:21):**

448 So it's strong, you're making a good return.

449 **Bobby Wilkinson (0:15:23):**

450 A couple million a year.

451

452 **Holland Harper (0:15:24):**

453 Excellent.

454

455 **Bobby Wilkinson (0:15:24):**

456 Yeah.

457

458 **Holland Harper (0:15:26):**

459 The negative if we do that is these funds for this will

460 not be out there. It would be a different program if we

461 made repayment.

462

463 **Abigail Versyp (0:15:35):**

464 It could be the same program, but the assistance is
465 provided in a different way. So we would still perform
466 the same activity, but at the end of the construction
467 period, the household could have a repayable loan, they
468 could have a due on sale provision. We can structure
469 the loan if we were to do a repayable loan anyway that
470 we, pretty much any legal way to structure a loan. HUD
471 doesn't care how we do that.

472

473 **Holland Harper (0:16:03):**

474 And if we had payments required, would y'all
475 administrate it or would you use a third party to
476 make sure there's end taxes and insurance?

477

478 **Abigail Versyp (0:16:12):**

479 Well, we have our loan servicing area and initially the
480 volume is something that would be manageable for them.

481

482 **Holland Harper (0:16:20):**

483 And then over time, we'd have to...

484

485 **Abigail Versyp (0:16:22):**

486 Over time, it just depends. We may be able to...

487

488 **Holland Harper (0:16:24):**

489 Market will tell us what to do.

490

491 **Abigail Versyp (0:16:25):**

492 Stay inside or go outside. Yeah.

493

494 **Holland Harper (0:16:29):**

495 Any other questions for Ms. Versyp from the Board?

496

497 **Cindy Conroy (0:16:33):**

498 I have one. It says completed on an average of 119

499 projects per year. What would you say the typical age

500 range? Is it elderly people? Is it people starting out

501 buying their first home?

502 In that program, what are we looking at?

503

504 **Abigail Versyp (0:16:48):**

505 We have to have clear title. So they can have a mortgage

506 loan if their mortgage company authorizes us to just

507 basically destroy and rebuild the asset. But by and
508 large, we see folks that are elderly or near elderly or
509 disabled that own their home outright.

510

511 **Holland Harper (0:17:07):**

512 So these people own their home, but they're looking
513 for a way to reset the asset; is that correct?

514

515 **Abigail Versyp (0:17:14):**

516 Right. Their home is dilapidated beyond the point of
517 being reparable, so we demolish the home and construct a
518 new home on the same...

519

520 **Holland Harper (0:17:22):**

521 So we use the lot. I got you. Okay. Who's the best at
522 this?

523

524 **Abigail Versyp (0:17:31):**

525 Who's the best? Like which city is the best, or?

526

527 **Holland Harper (0:17:35):**

528 Who's the best? Somebody's doing the most of these,
529 right? It's like all things, you figure out how to be

530 the best at making pickups or cups of coffee or,

531 who's the best?

532

533 **Abigail Versyp (0:17:45):**

534 Well, they're different. So the way that this generally
535 works is that our subrecipients are usually small cities
536 or counties that don't have the internal capacity to
537 administer. So they enter into professional services
538 contracts with consulting firms. Some of those are
539 represented here today. By volume, I would say the two
540 largest producers are in the room. That would be
541 GrantWorks and Langford Management. We also have some
542 nonprofit subrecipients self-administer in El Paso. They
543 are fairly prolific for just being two organizations.
544 And then in kind of the part of the northwestern part
545 of Texas where I'm from, there is another consulting
546 firm, but GrantWorks and Langford do by far the largest
547 volume as far as a consultant that administers.

548

549 **Holland Harper (0:18:42):**

550 Thank you. Go ahead, Mr. Chairman.

551

552

553 **Leo Vasquez III (0:18:44):**

554 A question that we've spoken about before. Great that we
555 got two really good ones or three or four. How do we
556 make it 10? I mean, how do we, is it lack of publicity
557 of the program or lack of knowledge of, how do we grow
558 this?

559

560 **Abigail Versyp (0:19:00):**

561 Well, growing it by training the individual cities to
562 perform these functions themselves, I don't think would
563 be successful because there's just, you have to have
564 some kind of scale in order to make it profitable, in
565 order to make the administration of the program pay for
566 itself, quite frankly. And following all of the federal
567 regulations that get triggered with this program is its
568 own spiderweb, and not a tidy orb-weaver spiderweb, a
569 black widow nest. So the consulting firms they grow and
570 as they grow, our program grows, but they have the
571 formulae. They're working on an economy of scale that
572 individual subrecipients cannot. So they're private
573 sector businesses and the question really is, for them,
574 how do we make it so that this is a space that folks
575 would want to enter into? The folks that administer CDBG

25

576 you would think would generally administer the HOME
577 program, but they do not. Part of that is that there are
578 some special procurement regulations for CDBG that give
579 them more flexibility than we have for HOME funds in
580 state law because they can essentially apply for and
581 administer the grant as a lump sum. So they're not doing
582 all this work to get the grant and then they can't
583 administer it. They're coming in as a package saying,
584 we're going to come into your city and we're going to
585 take charge and take care of this big infrastructure
586 project for you. With HOME, you cannot do that.

587

588 **Holland Harper (0:20:41):**

589 What are the requirements to be to get this product? It
590 was not very clear in the board packet. So if I'm an
591 applicant...

592

593 **Abigail Versyp (0:20:47):**

594 Yes.

595

596 **Holland Harper (0:20:50):**

597 What are the minimum requirements for me to receive a
598 HOME program like this?

599

600 **Abigail Versyp (0:20:57):**

601 For a HOME...

602

603 **Holland Harper (0:20:59):**

604 For one of these programs.

605

606 **Abigail Versyp (0:20:59):**

607 For a HOME minor or for a subrecipient.

608

609 **Holland Harper (0:21:01):**

610 For the...

611

612 **Abigail Versyp (0:21:04):**

613 The person who gets the house.

614

615 **Holland Harper (0:21:05):**

616 The recipient of the house.

617

618 **Abigail Versyp (0:21:06):**

619 Okay. They have to be below 80 percent of area median

620 family income. They have to have a home that they live

621 in or have recently had to leave because of a disaster

622 or because it was declared unsafe by the unit of local
623 government or whoever has jurisdiction over that type
624 of enforcement. And those are the two, that's the two
625 big ones. You have to be under 80 percent AMI and you
626 have to have, you have to own the home. And the home
627 has to be in such a state that it cannot easily be
628 repaired, that it needs to be demolished and
629 reconstructed.

630

631 **Holland Harper (0:21:42):**

632 And then, okay, no credit score, none of that, because
633 it's really irrelevant, because we're giving away the
634 money.

635

636 **Abigail Versyp (0:21:49):**

637 Correct.

638

639 **Cindy Conroy (0:21:52):**

640 That at one point they owned the home.

641

642 **Anna Maria Farias (0:21:54):**

643 Correct.

644

645 **Holland Harper (0:21:56):**

646 Yeah.

647

648 **Leo Vasquez III (0:21:57):**

649 So they own the land (indiscernible, simultaneous
650 speech).

651

652 **Holland Harper (0:21:58):**

653 They own the land. They have a lot.

654

655 **Cindy Conroy (0:22:00):**

656 Yeah. They'd own the land and the home, I believe.

657

658 **Anna Maria Farias (0:22:03):**

659 Mr. Chairman.

660

661 **Holland Harper (0:22:04):**

662 Yes, ma'am. Go ahead.

663

664 **Anna Maria Farias (0:22:05):**

665 My experience when I was running the Housing Authority
666 in Crystal City, Texas, small town, they have seven
667 public housing projects. 40 percent of the land is

668 nothing but public housing. And finally they went and
669 did a 30-units. And HUD was there and I remember we
670 were saying, can you believe that there's finally
671 housing that is not public housing? So the major
672 construction people were there to do that. But when we
673 got to the, we used to refer to them as the onesies,
674 one little house here that needs to be reconstructed
675 there, the big companies or medium-sized companies,
676 they're not the least bit interested.

677

678 That's why when you ask who are the winners, who are
679 the what, it's very few that want to come into a small
680 town to just do the onesies for grandma and grandpa.
681 They have the land, but the house is falling down. And
682 I knew at one time TDHCA, through Governor Ann
683 Richards, gave a \$2 million grant to Crystal City,
684 Texas. And even then it was hard to build the onesies
685 because the companies, they don't want to come in to
686 just do two or three, whatever. That's the problem
687 with little towns.

688

689

690

691 **Holland Harper (0:23:23):**

692 Any other comments from the Board before I open up for
693 public comment? Okay. Thank you, Ms. Versyp. At this
694 time we'll open up for public comment. Please come to
695 the microphone, state your name, and you will have three
696 minutes to present what you'd like to talk about. Is
697 there a sign-up sheet on the, thank you.

698

699 **Karen Walker (0:23:48):**

700 Good morning.

701

702 **Holland Harper (0:23:49):**

703 Good morning.

704

705 **Karen Walker (0:23:49):**

706 Nice to meet you all. My name is Karen Walker, and I am
707 a HOME Program administrator for Langford Community
708 Management. And I can tell you out of the 119, we
709 administered about 45 to 50 of those this year. So we're
710 really in deep with the HOME Program. We believe in it a
711 lot. And I can tell you that the loan concept, while I
712 understand we are happy to produce money to keep this
713 program going, it is kind of a defeating purpose with

714 what we're trying to do. It's a little bit of a payback
715 to help people. It's not fully that, but it is that in
716 the end. I can tell you 30 percent of the ones that we
717 did were at 30 percent income. I can tell you 30 percent
718 of them were at 80 percent, and I can tell you the rest
719 fell in the middle there. So it's like if you have, if a
720 family member comes and asks you for \$100 that they
721 need, and you say, oh, please pay me back in about a
722 month, and they come and they never give you the money
723 back, well, you know what? That was probably not a good
724 deal because they're asking for money and they don't
725 have money, so to expect to get it back is probably not
726 realistic. And that's how I look at it when you're
727 looking at people who are at a 30 percentile amount, is
728 that you can ask them to pay a portion back, but it's an
729 unrealistic ask. And not only are they going to lose,
730 not only are they not going to be able to pay it back,
731 they're also then going to lose their house to a lien,
732 and they would have been better off keeping the shack
733 that they originally started with. So we're not helping
734 them by doing that part. So that's those 30 percentile
735 people. Now, when you're looking at somebody maybe at 80
736 percent, their situation might be a little bit

737 different. They're still not rolling in money, they're
738 barely making ends meet, but maybe they have a little
739 bit more that they could get into things. But there is a
740 problem with the loan theory altogether. One is that
741 right now our forgivable loans are 15 years. Our
742 average person has got to be 60, 70, 80 years old. We
743 don't have a lot of families. We're looking for more
744 families, but as what was said before, it's hard to get
745 a family who doesn't have a big mortgage where they
746 could roll into this, or get a mortgage company to say
747 okay to it. So that means if you're starting off with a
748 75-year-old, you're expecting them to live another 15
749 years to get through that? The process is uncannily hard
750 and probably not very well thought, and to think that
751 that's what's going to happen, are they going to live
752 till 90? The odds are probably they are not going to. So
753 now you have a situation where family members have to
754 come into play and they have to figure out, is there
755 somebody that can move into that house as a principal
756 residence? Are they low-to-moderate income to be able to
757 save that house for the family? It creates so many
758 issues. And the loan thing in itself is a whole
759 disaster. You're talking a year to get all this said and

760 done. It is a long process, and you ask why there are
761 not more consultants, it's because it's too hard.
762 People who have to try to manage this program, even us
763 who do it on a normal basis, it is a bear. And everybody
764 wonders, well, how come other cities aren't doing it or
765 how come they're not getting a consultant? Well, there
766 are not many consultants. And I know my time is up.

767

768 **Holland Harper (0:27:16):**

769 Your time is up.

770

771 **Karen Walker (0:27:17):**

772 I'm so sorry.

773

774 **Holland Harper (0:27:17):**

775 Thank you.

776

777 **Karen Walker (0:27:18):**

778 Thank you so much for listening to me.

779

780 **Leo Vasquez III (0:27:20):**

781 Don't forget to sign in there, Ms. Walker. You just

782 have to sign in. You didn't.

783

784 **Karen Walker (0:27:24):**

785 I did. I'm on the...

786

787 **Leo Vasquez III (0:27:26):**

788 Oh, you signed in ahead of time.

789

790 **Karen Walker (0:27:27):**

791 Yes, yes.

792

793 **Leo Vasquez III (0:27:28):**

794 Okay. All right. Okay.

795

796 **Karen Walker (0:27:28):**

797 Thank you.

798

799 **Donna Johnson (0:27:33):**

800 Morning.

801

802 **Bobby Wilkinson (0:27:34):**

803 Good morning.

804

805

806 **Cindy Conroy (0:27:34):**

807 Good morning.

808

809 **Donna Johnson (0:27:34):**

810 My name is Donna Johnson, and I'm with the other firm,

811 GrantWorks. I have been working with this program for

812 23 years. I've seen it go through many things.

813 GrantWorks, we work with 200-plus rural communities in

814 Texas. That is all we focus on, is rural Texas. I grew

815 up in rural Texas. I live in rural Texas. This program

816 is a godsend for rural Texas. Ms. Versyp was talking

817 about the elderly and how to get into this program and

818 people being older.

819 These are people who did everything they were supposed

820 to do. They worked, they paid their taxes, they sent

821 their kids to school and college, and they are poor.

822 They are living on social, and they are very, very

823 poor. This program is great because it provides them

824 with a safe place to sleep in. Statistically, the

825 longer we can stay in our home, the less of a burden it

826 is on the rest of us as taxpayers. So these homes are

827 also designed for that. Let's let people stay in their

828 homes. We're okay. We understand Abby's motive here in

829 wanting to go down the loan road. We understand it. We
830 understand the need to generate program income. We're
831 okay with that. What we are not okay with is homeowners
832 actually having to pay actual money back to the state
833 because they're too poor to do that. We're fine with
834 maybe making this program at the end of the
835 affordability period, it's just forgiven. We move on.
836 But if during that 5-year period or 15-year period,
837 whichever one it is, if the house is put up for sale,
838 let's recapture the money. I have no problem. That
839 makes sense. I think that at a minimum, with that in
840 mind, too, whatever it is those homeowners have to
841 repay, and you have to take into consideration what
842 that home is worth in rural Texas and their income as
843 well. In Harvey, we built houses that cost 250,
844 \$275,000. And we did that in rural Texas, but when the
845 Appraisal District comes around, it's not listed for
846 that amount of money because you can't sell it.
847 Nobody's moving to Papalote, Texas, where I live. Thank
848 you very much for your time.

849

850 **Holland Harper (0:30:38):**

851 Thank you.

852

853 **Cindy Conroy (0:30:42):**

854 Where is Papalote, Texas?

855

856 **Leo Vasquez III (0:30:46):**

857 Yeah.

858

859 **Cindy Conroy (0:30:37):**

860 Exactly. Where is Papalote, Texas?

861

862 **Leo Vasquez III (0:30:48):**

863 Can anyone clarify where Papalote, Texas

864 is?

865

866 **Donna Johnson (0:30:52):**

867 I'll tell you. 8 miles, no, 12 miles north of Sinton,

868 Texas.

869

870 **Beau Eccles (0:30:59):**

871 Keep going.

872

873 **Cindy Conroy (0:31:02):**

874 And then from there I would get to...

875

876 **Leo Vasquez III (0:31:02):**

877 That doesn't help.

878

879

880 **Bobby Wilkinson (0:31:04):**

881 I think it's close to Corpus.

882

883 **Leo Vasquez III (0:31:06):**

884 It's close to Corpus?

885

886 **Bobby Wilkinson (0:31:07):**

887 Yeah.

888

889 **Donna Johnson (0:31:07):**

890 So if you're going to town, you're going to pass

891 Papalote. You're going to Sinton, and then you're going

892 to wind up in Corpus Christi.

893

894 **Leo Vasquez III (0:31:12):**

895 Okay.

896

897

898 **Cindy Conroy (0:31:12):**

899 Okay.

900

901 **Leo Vasquez III (0:31:12):**

902 Okay. All right, thank you.

903

904 **Cindy Conroy (0:31:15):**

905 Population 113.

906

907 **Jo Carroll (0:31:17):**

908 Good morning. My name is Jo Carroll and I'm the Chief

909 of Program Operations, also at GrantWorks. So I'm

910 very glad to have this opportunity. In a prior life,

911 I was the Director of Community Development for the

912 City of College Station, which is now a PJ. But prior

913 to that, we had to seek our HOME funds from TDHCA.

914 So I did actually manage some of the very first HOME

915 grants that the agency issued back in '92 and '93. So

916 I've been around a little bit. What we found out very

917 quickly in these programs, and it's still true today,

918 that they're stimulant funds. They not only benefit

919 directly to a family, but we find out, you go in and

920 you build a new home, then you come back a few months

921 later, and now the neighbors have cleaned up their
922 yards a little bit, they've torn down a dilapidated
923 shed, they've painted their house. All of it. And
924 then they start rebuilding. And these funds are a
925 direct, that's a direct result of these funds, which
926 obviously impacts the community tax base as well. One
927 thing to remember is most of these families, they
928 don't want you to tear down their house.
929 They love their house, even though they'll tell you
930 the back room, it's dirt on the floor back there,
931 can't you just lift it up? And it doesn't work like
932 that. But it is their only asset that they have and
933 oftentimes it's not necessarily a house that they
934 bought, but it is a house that maybe their
935 grandfather built, and that they've now inherited
936 through gift deeds, but they're giving up their asset
937 as well. I do feel strongly that it's not necessarily
938 the best option to have, like Donna was saying, to
939 have these homeowners pay back. These are our
940 neediest families in Texas. I know it's a challenge.
941 It's always been a challenge. Since HUD began the
942 community block grant programs in 1974, it's always
943 been a challenge to get and grow these programs, to

944 get program income. But I don't feel that the best
945 solution is to actually have these loans become
946 repayable loans. So we appreciate your consideration.
947 Thank you.

948

949 **Holland Harper (0:33:43):**

950 Would anybody else have to speak for or against this
951 item? Seeing no one, I'm going to close the public
952 speaking. Ms. Versyp.

953

954 **Leo Vasquez III (0:33:52):**

955 I'd like to just make a kind of comment that just the
956 light bulb went off here. There is a concept of social
957 impact bonds. I'm not sure how many people are familiar
958 with that. And entities that would spend money
959 otherwise, like maybe a hospital district or something,
960 if they may issue bonds to some organization and the
961 outcomes of that project that's funded should, in
962 theory, reduce your other costs by far, by the issuer's
963 cost by far. And if they do, those bonds get forgiven.
964 If they don't, then there's some minor, or there's some
965 sort of repayment plan. That sounds very much like what
966 we're talking, and one of you three just said something

967 that reminded me of that, that if we are using these
968 funds and it saves Texas society all this other money,
969 that if we ended up having to put them in public housing
970 and doing all these other things, we could actually be
971 saving money in the long run or in the big picture by
972 funding these on a grant or forgivable basis. And then I
973 don't know how you quantify. It's very difficult to
974 quantify all the neighborhood benefits and everything
975 like that, but it's a concept that works, and this is
976 kind of, could be looked as a different format of...

977

978 **Holland Harper (0:35:35):**

979 So, Mr. Chairman, my argument to that is it sounds
980 a little difficult to administer for this program.

981

982 **Leo Vasquez III (0:35:40):**

983 Oh, and it's difficult to quantify. That's for sure.

984

985 **Holland Harper (0:35:43):**

986 And I also look at, and we're going to, I'll open this
987 discussion up. I think that citizens and Texans are
988 better when they have more skin in the game for
989 themselves. I think that if we were able to accumulate

990 more war chest in this program to be able to drive down
991 the opportunity for more and more citizens through the
992 commercial markets for single family home ownership,
993 whether it's 0 percent financing or down payment
994 assistance or some piece of that, and then use a third
995 party in the market, whether it's private institutions,
996 mortgage companies, whatever else, to administer that
997 function, to make sure taxes are paid, insurances are
998 paid, so there's not... I know that in my very rural
999 part of the world I live in, if my properties don't get
1000 mowed, I get a lovely letter that says you'll be fined
1001 \$1,000 a day. It's just a true statement. That's what
1002 happens in Lamar County. We have no purview of what's
1003 going on in these situations. We're just giving away
1004 money inside that. Now, I have firm belief that I'd like
1005 to hear my colleagues' discussions on this before we
1006 bring it to direction for the staff. Ms. Conroy.

1007

1008 **Cindy Conroy (0:37:01):**

1009 The suggestion I thought was that when the property
1010 sells, then you could recoup money. Because I do think a
1011 lot of the people who are using these programs probably
1012 don't have that extra \$100 a month to pay back a loan.

44

1013 But if they do sell the property, whatever the proceeds
1014 from the property are, because they already own the home
1015 and they already own the land, then yeah, they could,
1016 then we could recoup some money that way. But I think
1017 asking people who don't have money to give you monthly
1018 money, I think it's going to, if we're looking at.
1019 Let's just say a 65-year-old retired person on Social
1020 Security, how are they going to be able to
1021 necessarily...

1022

1023 **Holland Harper (0:37:46):**

1024 I don't have.

1025

1026 **Cindy Conroy (0:37:47):**

1027 Because I'm just looking at what's the demographic,
1028 which is why I asked what's the average age, and
1029 it's generally older people who aren't going to
1030 really up their income by miraculously getting a
1031 job. I think it's so nuanced, like who are we really
1032 affecting? If it was, if you're looking at 30-year-
1033 olds or 40-year-olds, then possibly they have ways
1034 to increase their income, but for elderly, I don't
1035 see how that works. But when the estate settles and

1036 then we get money back, I have no problem with that.

1037

1038 **Holland Harper (0:38:26):**

1039 Ms. Farias.

1040

1041 **Anna Maria Farias (0:38:28):**

1042 I agree with Conroy. If it's grandma, grandpa, they
1043 work, they get their Social Security, which is going to
1044 be minimal and they're proud. They do not want to go to
1045 public housing. That's why a lot of them rather stay in
1046 the colonias. And they tell you, I do not want to go to
1047 public housing and I do not want to raise my children in
1048 public housing. And it is very rare, having grown up in
1049 a small town, that I hear of grandma or grandpa selling
1050 their property. Maybe after they pass away, the kids may
1051 want to do that. But if that's the case, yeah, return
1052 the money. But I cannot see grandma, grandpa paying a
1053 mortgage fee on Social Security. They probably get
1054 \$1,500 or \$1,200 a month. I know how much my mom used to
1055 get. Of course, her kid went and became a lawyer, but
1056 she could not survive on her little Social Security.
1057 So, that's what I think.

1058

1059

1060 **Leo Vasquez III (0:39:32):**

1061 My final thoughts kind of reiterating in the same. But,
1062 yeah, we know practically speaking, adding another layer
1063 of expense, monthly expense, is going to be extremely
1064 burdensome to these folks. But on the other hand, I
1065 agree with Mr. Harper, the state, we should maintain our
1066 lien position in these, and then when the property gets
1067 sold after 15-year period or 5-year, whatever that
1068 period is, we'd amortize it out. So maintaining our
1069 security position and...

1070

1071 **Holland Harper (0:40:13):**

1072 But I didn't hear at this program, when I look at in the
1073 average price of these houses, \$245,000 a door. Is that
1074 what I saw in the board packet?

1075 **Abigail Versyp (0:40:21):**

1076 That's the maximum that, of HOME funds that can be
1077 invested.

1078

1079 **Holland Harper (0:40:24):**

1080 And how much are, what's the average amount per door?

1081

1082

1083 **Abigail Versyp (0:40:29):**

1084 I would have to look at the average amount per door.

1085 Right now, it would be significantly less than that

1086 because the limit was significantly less than that. It

1087 used to be 175 total.

1088

1089 **Holland Harper (0:40:38):**

1090 Because the thing that sounds, the thing I have a

1091 huge issue is if I'm tearing down an asset to zero and

1092 I'm building a whole brand new house all the way up to

1093 the top for free, with no mortgage, with no oversight

1094 on taxes and insurance, is that the best use of the

1095 feds and state money to drive home ownership? We have

1096 no purview on are the taxes being paid. We have no

1097 purview as the grasping mode. We have no purview to

1098 see if there's insurance on it, on an asset that we

1099 have a lien, maybe have a lien on.

1100

1101 **Cindy Conroy (0:41:18):**

1102 But we also have, she just said out of 119, maybe

1103 2 don't work. By and large there's...

1104

1105 **Leo Vasquez III (0:41:26):**
1106 Well, because they're not making payments.
1107 **Cindy Conroy (0:41:27):**
1108 Yeah. Well...
1109
1110 **Holland Harper (0:41:28):**
1111 There's no payments to require.
1112
1113 **Cindy Conroy (0:41:29):**
1114 But you only had, but your default, that it didn't
1115 work was two.
1116
1117 **Bobby Wilkinson (0:41:33):**
1118 I mean, taxes for everyone.
1119
1120 **Cindy Conroy (0:41:34):**
1121 Yeah.
1122
1123 **Leo Vasquez III (0:41:35):**
1124 What about an alternative of, I think for new
1125 homebuyers, young homebuyers, a 50-year amortization on
1126 a mortgage makes no sense at all. But in a case like
1127 this, so at least there's something being paid. Put it

1128 on like a 50-year AM or something so that there is some
1129 amount, some skin in the game that's being paid as
1130 build.

1131

1132 **Cindy Conroy (0:41:58):**

1133 Right. I believe in the skin in the game as well
1134 completely.

1135

1136 **Leo Vasquez III (0:42:00):**

1137 Yeah. I mean, yeah, that...

1138

1139 **Cindy Conroy (0:42:02):**

1140 But I'm also looking if you're 68, 73, 82, you've put
1141 skin and you've put a lot of skin in the game so far.
1142 If you're on your land, we're not just, all right...

1143

1144 **Leo Vasquez III (0:42:15):**

1145 But even some partial, a partial payback, a
1146 partial level, I think that's...

1147

1148 **Holland Harper (0:42:16):**

1149 But how many of these assets are getting torn to
1150 the ground and started over?

1151

1152 **Abigail Versyp (0:42:22):**

1153 All of them.

1154

1155 **Holland Harper (0:42:23):**

1156 All of them. This is not I'm repairing my home that I

1157 put sweat. This weekend I'm fixing a gate that the wind

1158 jacked with, right? This is I owned a home, it's

1159 dilapidated to a point where it's no longer habitable.

1160 We throw money at it, tear it to the ground, build a new

1161 asset and give it to them, which they, I don't mean to

1162 be evil, but they didn't maintain their asset through

1163 the period.

1164

1165 **Cindy Conroy (0:42:53):**

1166 But it may have been, you don't know why they

1167 didn't.

1168

1169 **Holland Harper (0:42:55):**

1170 I don't know the answer to that.

1171

1172 **Cindy Conroy (0:42:55):**

1173 It may have been financial that you just couldn't do it.

1174

1175 **Holland Harper (0:42:58):**

1176 I don't know the answer to that whatsoever. I don't
1177 have the answer to that because I'm living in a very
1178 minute amount of data with three pages on this on a \$40
1179 million program.

1180

1181 **Bobby Wilkinson (0:43:13):**

1182 So... Maybe we could design a few options for y'all
1183 where we just recoup upon sale and then, or with maybe a
1184 super low payment option and maybe only for 60 AMI to 80
1185 AMI, but leave the 30s at zero so the poorest of the
1186 poor don't have to make any monthly payments, but we
1187 would still maybe recoup on final sale.

1188

1189 **Abigail Versyp (0:43:37):**

1190 Right.

1191

1192 **Bobby Wilkinson (0:43:37):**

1193 We could design a couple options, bring them back next
1194 week.

1195

1196

1197 **Abigail Versyp (0:43:40):**

1198 Sure. And there's no rule that says 100 percent of it
1199 has to be repaid either.

1200

1201 **Holland Harper (0:43:44):**

1202 The other thing I've been...

1203

1204 **Abigail Versyp (0:43:45):**

1205 We could say we want 10 percent of it back if you are at
1206 30 percent area MI.

1207

1208 **Bobby Wilkinson (0:43:48):**

1209 Yeah.

1210

1211 **Abigail Versyp (0:43:48):**

1212 The universe is open.

1213

1214 **Holland Harper (0:43:51):**

1215 The other thing I'd like to do is have another model.

1216 Hey, let's look at some scenarios here. One you just

1217 talked about. The second is, if I put \$20 million into

1218 a single-family home fund to incentivize the poorest

1219 of the poor with the least amount of credit, what

1220 could we do with that? What could I do with that and
1221 get out of the business of us administering grant
1222 money which we have no visibility over taxes,
1223 insurance, maintenance in the facility? And I think
1224 Mr. Fletcher would probably be able to help you with
1225 that. Thank you.

1226

1227 **Abigail Versyp (0:44:27):**

1228 Thank you.

1229

1230 **Holland Harper (0:44:29):**

1231 What do we have next?

1232

1233 **Bobby Wilkinson (0:44:31):**

1234 Discussion.

1235

1236

1237 **Holland Harper (0:44:37):**

1238 All right. Item number 2.

1239

1240 **Lisa Johnson (0:44:39):**

1241 Hello, Board.

1242

1243 **Cindy Conroy (0:44:41):**

1244 Good morning.

1245

1246 **Lisa Johnson (0:44:57):**

1247 I'm just going to put up a quick visual if I can

1248 see this tiny, tiny phrase.

1249

1250 **Cindy Conroy (0:45:02):**

1251 We're using technology. It's exciting.

1252

1253 **Cindy Conroy (0:45:07):**

1254 I know. I was just excited. We're using technology.

1255

1256 **Lisa Johnson (0:45:11):**

1257 I know. Well, it's the first one. That's it. Good

1258 morning. I'm Lisa Johnson, Director of the Texas

1259 Homeownership Division. I'm joined with our program

1260 manager, Diana Velez, and Rosa Liscano, our lead for

1261 marketing and development. As you know, the Texas

1262 Homeownership Division is primarily responsible for

1263 the creation, oversight, and administration of the

1264 Department's homeownership programs. Homeownership

1265 manages daily loan level pipeline activities and

1266 relationships with lenders, realtors, and borrowers
1267 in partnership with our program administrator and
1268 master servicer. Homeownership is responsible for
1269 marketing TDHCA's mortgage programs throughout the
1270 State of Texas.

1271 This report will focus on calendar year 2025
1272 program data and on current marketing and program
1273 initiatives. You should see the report at the
1274 bottom, I believe, scroll down, of your board
1275 reports. Let's start with the 2025 lender recap. We
1276 developed that primarily as a marketing piece for
1277 TDHCA participating lenders to celebrate our lending
1278 partnerships that have supported our programs and
1279 helped us develop additional avenues for increased
1280 loan originations. We were able to offer numerous
1281 program enhancements including, most notably, the
1282 long-term marketing project in developing the TDHCA
1283 Homebuyer Eligibility Platform that's on our website
1284 that provides a support system for incoming
1285 homebuyers and helps them to be successful at
1286 homeownership faster while building loyalty among
1287 participating lenders for TDHCA programs. Please see
1288 a copy of the lender recap in the materials. Next,

1289 let's go over who we served in 2025 with a quick
1290 three-page report of loan activity. For 2025, you'll
1291 see that, you should see this in your board packet,
1292 we originated and compliance approved \$1.3 billion
1293 of mortgage loans. Of those loans, 5,805 were total
1294 households served averaging a down payment
1295 assistance amount of \$8,237. 99 percent of those
1296 were first-time homebuyers, and we also issued 353
1297 mortgage credit certificates. The loan types that we
1298 do a full 90 percent of our loan types were FHA. The
1299 next highest category would be conventional loans.
1300 And property types are almost 100, well, they're 95
1301 percent single-family homes. And we do a fair amount
1302 of, 5 percent doesn't look like a lot, but it seems
1303 like we have a fair amount of activity with
1304 manufactured housing and only 20 percent of our
1305 production is in new construction. That's up a
1306 little bit higher than normal. It's usually about 15
1307 percent.

1308

1309 **Holland Harper (0:48:15):**

1310 Ms. Johnson, do you know if manufactured housing is
1311 increasing or decreasing or stable?

1312

1313 **Lisa Johnson (0:48:21):**

1314 I don't know, other than anecdotally, it feels like it
1315 is increasing in interest because it is one of the most
1316 affordable mechanisms that people have to have
1317 homeownership. Particularly in the rural areas, many of
1318 our manufactured properties have acreage associated
1319 with them, usually in the 1-to-3-acre type range, but
1320 will go up to pretty much 10 acres if the asset, the
1321 house itself holds its value. Moving on to some more
1322 specifics on borrower statistics. The average loan
1323 amount was 240,000. Average home price being 245. We
1324 typically have two-person households. More than not,
1325 35 age is the average borrower. Kind of interesting
1326 that the household incomes average out at 55,606.
1327 That's really hard to buy a home and make that kind of
1328 income. So we feel really proud that we're able to
1329 assist those borrowers. And the average down payment
1330 assistance we already talked about was \$8,200. That
1331 represents about a 3.5 percent assistance amount that's
1332 calculated on the loan, their loan that they're
1333 getting. The average interest rate is about 6.5
1334 percent. And really proud of the average FICO score is

58

1335 almost 700.

1336

1337 **Holland Harper (0:49:45):**

1338 Strong.

1339

1340 **Lisa Johnson (0:49:45):**

1341 So we're not helping, we're helping ourselves in our
1342 portfolio by not just going down to 580s. Our minimum
1343 FICO score is 620, but it's nice to see that the average
1344 person is, they're creditworthy. Okay. So we have about
1345 60 percent more are single borrowers and about the same
1346 percentage backwards are male borrowers. And we've
1347 already talked about new homes and single family. And
1348 then just a quick recap on the top counties on the next
1349 page. Our top counties are Harris, in terms of
1350 production, Harris County, Bexar, El Paso, Tarrant, and
1351 Dallas. We do feel like we have a pretty great
1352 representation across the state. However, those are the
1353 top 20 just for reference. Interest of time. Okay. So
1354 next on the agenda, I just wanted to show since we've
1355 talked a little bit about how we've been working on our
1356 website and the marketing tool, the homebuyer
1357 eligibility tool that we've built out. I wanted to show

1358 you why for the first time we're very excited about...

1359

1360 **Holland Harper (0:51:08):**

1361 Ms. Johnson.

1362

1363 **Lisa Johnson (0:51:09):**

1364 Excuse me.

1365

1366 **Holland Harper (0:51:11):**

1367 We're going to have a hard stop at 10:00 a.m., so...

1368

1369 **Lisa Johnson (0:51:14):**

1370 I'm going....

1371

1372 **Holland Harper (0:51:14):**

1373 You got it.

1374

1375 **Lisa Johnson (0:51:15):**

1376 I'm going fast.

1377

1378 **Holland Harper (0:51:15):**

1379 Thank you.

1380

1381 **Lisa Johnson (0:51:16):**

1382 This is going to be a quick, just wanted you to be
1383 aware that this is our back-end dashboard of how we're
1384 funneling our new marketing efforts into this data
1385 point. So we're directing all of our homebuyers into
1386 getting, downloading educational materials, doing the
1387 eligibility quick check. And for the first time now
1388 we're able to see how many of those people are coming
1389 into our program organically. We're about to start paid
1390 media and so this will be a benchmark starting point
1391 that we can go off of and you can see that we now have
1392 some data. For instance, you'll see on the screen 4,163,
1393 we started this process on November 17th.
1394 So we're just shy of, we're just two months in. We never
1395 had any tracking mechanism of any sort, and now we know
1396 that we have had at least 4,100 people come through the
1397 actual homebuyer eligibility check. And what that means
1398 is not only do they have an idea of what our programs
1399 they qualify for, they also get connected with one of
1400 our lender ambassadors. And so we have a direct, I won't
1401 go too much further into this, a direct feedback of
1402 which of our lender ambassadors got the leads, did they
1403 follow up, are they turning into actual loans for TDHCA?

61

1404

1405 **Leo Vasquez III (0:52:54):**

1406 Not to be a Debbie Downer here, but what's that

1407 number on the lower right?

1408

1409 **Lisa Johnson (0:53:00):**

1410 Close loans. Well, so actually this, I don't know what

1411 happened to the screen. We just started, so it takes a

1412 while, to get in, to decide to buy a house, to get pre-

1413 qualified, to find the house and to close. And so yes,

1414 there were two closed. I don't know why it says zero

1415 here. There were two that we've closed and it started to

1416 come in. So it's starting to be realized. We will report

1417 back on...

1418

1419 **Leo Vasquez III (0:53:29):**

1420 We will check back on this. Yeah. We will check back

1421 on this and the we'll, yeah.

1422

1423 **Cindy Conroy (0:53:29):**

1424 This is over just two months of data,

1425 right?

1426

1427 **Lisa Johnson (0:53:32):**

1428 Of two months of, yes.

1429

1430 **Leo Vasquez III (0:53:32):**

1431 Yeah. Understood.

1432

1433 **Cindy Conroy (0:53:32):**

1434 Okay.

1435

1436 **Lisa Johnson (0:53:33):**

1437 Because we've never tracked it before. There are a
1438 whole bunch of other touchpoints, but in the interest of
1439 time, I'll, maybe we can go into this a little bit
1440 further next time. Back to marketing, I'll just say that
1441 in conjunction with this, this is all done just
1442 organically through our own normal efforts. We do
1443 homebuyer trainings and realtor trainings and lender
1444 trainings and we're always out in the community. And so
1445 this is just us directing people through our website
1446 without doing paid media. Paid media is coming next.
1447 We're going to start with Google AdWords, and then that
1448 will be followed by additional social media display ads
1449 through like Meta and Instagram. Additional marketing

1450 efforts that we are continuing to do is working with
1451 DPPA, our Public Affairs Department for free social
1452 media. Rosa Liscano in particular develops our monthly
1453 social media posts. We continue to do that. Those are
1454 free, and so we're going to start paid media on top of
1455 that. We're also starting a state employee homebuyer
1456 webinar series with Bobby's support.

1457 It's meant to educationally inform state employees
1458 that they too can participate in these programs.
1459 There's a big misnomer that you can't. You're
1460 thinking, oh it's for forbidden. I'm a state employee.
1461 I don't get that benefit. So we're going to be starting
1462 that and expanding on that concept. What else? New
1463 competitive rollouts. We are starting different
1464 programs with Mr. Fletcher's help and just support for,
1465 we're going to start a permanent buy-down program
1466 that's not, so not a temporary buy-down program for
1467 those that work in that world. It's just helping the
1468 interest rate be lower from the beginning. And Scott
1469 likes to say it's just math. He is the math wizard and
1470 he knows how to do that. And, and so he said, do you
1471 want to? And I said, yes. So it helps for
1472 sustainability. We're also, the MCC program is coming

1473 back with the combo program, which means they get down
1474 payment assistance and their mortgage credit
1475 certificate. And we're also rolling back out standalone
1476 mortgage credit certificates. I could explain that
1477 more, but we don't have time to do that. We're also,
1478 this is new, we're increasing income limits just for
1479 the My Choice program. That's not the first-time
1480 homebuyer program. It's you can be a first-time
1481 homebuyer. A lot of HFAs go up to 170 percent. Sounds
1482 kind of maybe counterintuitive because we're serving
1483 the underserved. However, there is a new underserved
1484 population of people that make a decent amount of
1485 money, but they still, they've been paying rent, it's
1486 too much. They don't have enough money for down
1487 payment. So it's helping increase volume that way. And
1488 we're also working on expanding our partnerships for
1489 different municipalities. Like Tarrant County, they're
1490 working exclusively with TDHCA to expend additional
1491 funds that they have in a large amount. I forget the
1492 exact amount they're talking about.

1493

1494 **Abigail Versyp (0:57:12):**

1495 About 40,000.

1496

1497 **Lisa Johnson (0:57:13):**

1498 About 40,000 that will, we allow layering with our
1499 programs, so that just reduces the overall loan amount.
1500 And other than that, we're just hustling and trying to
1501 do our best. And I welcome any questions.

1502

1503 **Holland Harper (0:57:29):**

1504 Ms. Johnson, I appreciate your deal. I will never
1505 schedule this before the other meeting again. I think
1506 this is the only one we have this year. I thought
1507 they're quarterly, but I'm sorry about that.

1508

1509 **Lisa Johnson (0:57:39):**

1510 No worries.

1511

1512 **Holland Harper (0:57:40):**

1513 One of the things, thank you for your time. And board
1514 members, before we close out, I just did some quick math
1515 based on what we have. So if you were running a six-
1516 and-a-half point interest rate in a 30-year AM,
1517 your note payment's \$1,109.62. If we were to take
1518 the \$40 million we have in homes and use it for 0

1519 percent financing, it would drop it to \$666.8
1520 cents, saving \$444 a month for those citizens and
1521 put 116 more houses on the ground. I'm not saying
1522 that's the, we could do anything we want. But if we
1523 get the repayment on that deal, we could grow that
1524 program bigger and bigger and bigger and bigger and
1525 bigger to drive down homeownership for the people
1526 that needed it in that program the most. And I
1527 would like us to review that. Where did she go?

1528

1529 **Abigail Versyp (0:57:29):**

1530 It's noted.

1531

1532 **Holland Harper (0:58:30):**

1533 Okay.

1534

1535 **Abigail Versyp (0:57:30):**

1536 I'll make sure.

1537

1538 **Holland Harper (0:58:31):**

1539 I would like us to really look at that because that's
1540 the mission that I would like to see in single-family
1541 home ownership.

1542

1543 **Lisa Johnson (0:58:39):**

1544 We appreciate your support.

1545

1546 **Holland Harper (0:58:40):**

1547 Thank you very much. But we will not do this again. We

1548 will always have a separate meeting.

1549

1550 **Lisa Johnson (0:58:45):**

1551 We appreciate.

1552

1553 **Holland Harper (0:58:45):**

1554 Thank you very much.

1555

1556 **Lisa Johnson (0:58:46):**

1557 Thank you.

1558

1559 **Holland Harper (0:58:46):**

1560 We'll take some time off before the Chairman takes over.

1561 Thank you. We're adjourned.