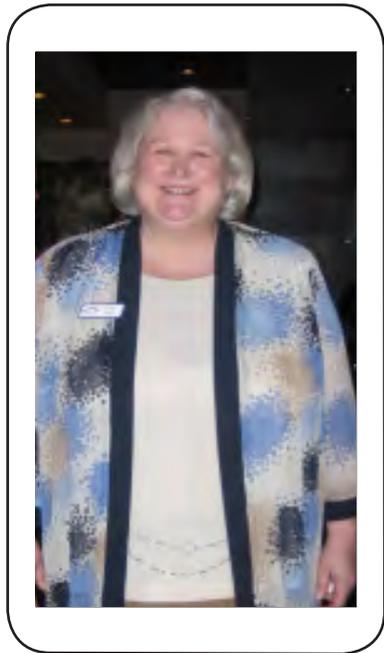




FY 2012 Annual Report  
TALLAHASSEE **LENDERS'**  
CONSORTIUM

September 30, 2012



## Mission Statement

**Our mission is to make the dream of affordable homeownership a reality by improving people's ability to obtain and retain safe, affordable housing through: creating housing options; providing homebuyer education; and providing access to affordable financing.**

## Letter from the Executive Director

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It's hard to believe that 2011-2012 is already over! It has been another exciting year at TLC, with so many blessings as we have fulfilled our mission of making the dream of homeownership a reality by improving people's ability to obtain and retain safe, decent and affordable housing through: creating housing options; providing homebuyer education; and providing access to affordable financing.

We have focused this past year on our two major lines of business — Homeownership Promotion and Homeownership Preservation -- in our expanded operating territory of Leon, Wakulla, Gadsden, Jefferson and Madison Counties. Purchasing a home is one of the largest investments most people make. It is our pleasure to help families realize their dream of homeownership while helping them build an affordable future, and in the process, build stronger communities, one

family at a time. We believe in the importance of homebuyer counseling and education and know that the services we provide build a strong foundation for our clients on which to succeed. Our counseling and education equips families to make the best decisions for themselves, including priority spending decisions, and reduces the possibility of future delinquency and default. This has been proven through our low foreclosure rate-- only 1.56 percent of the clients we have counseled and who have received down payment assistance through the program we administer on behalf of the City of Tallahassee lost their homes to foreclosure over the past 10 years. Through our credit counseling, we help families rebuild and restore their credit, resulting in a change of behavior. Through our budgeting counseling, we help families learn how to live within their means and embrace the power of saving. Through our delinquency counseling program, we help families keep their homes.

We believe that what we do greatly affects a family's quality of life, especially children. Studies have been conducted which have concluded that children of homeowners have higher test scores, are more likely to finish high school, have fewer behavior problems and are less likely to become involved in crime. Our services benefit our community as well through decreased foreclosures, reduced crime, increased tax base and increased community net worth. For all of the reasons above, TLC's staff is dedicated to our clients and to the meaningful work that we do.

This year has also been a productive year, thanks to our many lending and community partners as well as our board of directors, under the leadership of Vereen Smith, Community Reinvestment Officer of Capital City Bank.

- Libby Lane, Executive Director.



224



## Report of Independent Auditors

The Board of Directors  
Tallahassee Lenders' Consortium, Inc.

We have audited the accompanying statements of financial position of Tallahassee Lenders' Consortium, Inc. (the Consortium) as of September 30, 2012 and 2011, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Consortium's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tallahassee Lenders' Consortium, Inc. as of September 30, 2012 and 2011, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2012, on our consideration of the Consortium's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Tallahassee Lenders' Consortium, Inc.

Statements of Financial Position

	September 30,	
	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 425,587	\$ 395,495
Restricted cash	299,724	311,249
Accounts receivable	137,008	98,404
Prepaid expenses and other assets	<u>4,116</u>	<u>2,919</u>
Total current assets	866,435	808,067
Property and equipment, net	<u>247,484</u>	<u>244,654</u>
Total assets	<u>\$ 1,113,919</u>	<u>\$ 1,052,721</u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 31,578	\$ 26,053
Current maturities of debt	365,490	365,490
Deferred revenue	<u>125,163</u>	<u>119,192</u>
Total current liabilities	522,231	510,735
Net assets:		
Unrestricted	552,688	502,986
Permanently restricted capital asset funds	<u>39,000</u>	<u>39,000</u>
Total net assets	<u>591,688</u>	<u>541,986</u>
Total liabilities and net assets	<u>\$ 1,113,919</u>	<u>\$ 1,052,721</u>

Tallahassee Lenders' Consortium, Inc.

Statements of Activities and Changes in Net Assets

	Years ended September 30,			
	2012			2011
	Unrestricted	Permanently Restricted	Total	Total
<b>Changes in net assets:</b>				
Revenues and other support:				
Down payment assistance	\$ 359,500	\$ -	\$ 359,500	\$ 456,000
Banking contributions	24,000	-	24,000	26,000
City of Tallahassee grants	115,000	-	115,000	113,990
Counseling services	35,162	-	35,162	57,239
Credit bureau	9,384	-	9,384	13,641
Direct federal grants	47,656	-	47,656	64,468
Interest income	1,366	-	1,366	1,750
Leon County grants	-	-	-	6,225
NeighborWorks America grants	169,500	-	169,500	86,000
Other contributions	39,300	-	39,300	26,233
Origination fees	41,500	-	41,500	50,868
Total revenues and other support	842,368	-	842,368	902,414
Expenses:				
Down payment assistance	359,500	-	359,500	456,000
Housing assistance and counseling	343,774	-	343,774	298,881
General and administrative expenses	89,392	-	89,392	94,795
Total expenses	792,666	-	792,666	849,676
Change in net assets	49,702	-	49,702	52,738
Net assets at beginning of year	502,986	39,000	541,986	489,248
Net assets at end of year	\$ 552,688	\$ 39,000	\$ 591,688	\$ 541,986

Tallahassee Lenders' Consortium, Inc.

Statements of Cash Flows

	Years ended September 30,	
	<u>2012</u>	<u>2011</u>
<b>Operating activities</b>		
Change in net assets	\$ 49,702	\$ 52,738
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,650	7,342
Changes in operating assets and liabilities:		
Accounts receivable	(38,604)	(19,245)
Prepaid expenses and other assets	(1,197)	6,089
Accounts payable and accrued expenses	5,525	3,366
Unearned revenue	<u>5,971</u>	<u>114,442</u>
Net cash provided by operating activities	<u>30,047</u>	<u>164,732</u>
<b>Investing activities</b>		
Purchases of property and equipment	<u>(11,480)</u>	<u>(2,449)</u>
Net cash used in investing activities	<u>(11,480)</u>	<u>(2,449)</u>
<b>Financing activities</b>		
Repayments on notes payable	<u>-</u>	<u>(41,894)</u>
Net cash used in financing activities	<u>-</u>	<u>(41,894)</u>
Net increase in cash and cash equivalents	18,567	120,389
Cash and cash equivalents at beginning of year	<u>706,744</u>	<u>586,355</u>
Cash and cash equivalents at end of year	<u>\$ 725,311</u>	<u>\$ 706,744</u>
<b>Reconciliation of cash and cash equivalents:</b>		
Cash and cash equivalents	\$ 425,587	\$ 395,495
Restricted cash	<u>299,724</u>	<u>311,249</u>
	<u>\$ 725,311</u>	<u>\$ 706,744</u>
<b>Supplemental disclosures of cash flow information</b>		
Interest paid	\$ -	\$ 2,453

# LIST OF OUR SERVICES

TLC offers Down Payment Assistance and Pre-Purchase Counseling & Education, Post Purchase Counseling & Education and Delinquency Counseling. Please feel free to refer your friends, family and colleagues for assistance. For more information, please call (850)222-6609 or visit our website at [www.tallahasseelenders.org](http://www.tallahasseelenders.org).

## PRE-PURCHASE COUNSELING

Prospective home buyers are provided with information to access the resources they need to begin an earnest journey to homeownership.

## FINANCIAL FITNESS WORKSHOP

The information included in this class will help you understand the basics of budgeting, credit and credit reporting. The free two-hour night class is held monthly at the public library or at another conveniently located site.

## POST HOME OWNERSHIP WORKSHOP

A unique feature of Tallahassee Lenders' Consortium is the after-purchase instruction (usually six or 12 months after closing) for graduates as an extended service. The two hour free workshop is held twice a year.

## TLC HOME BUYERS CLUB

The Club provides support to assist club members in becoming eligible for home ownership through education, counseling, peer support and goal setting.

## DELINQUENCY MORTGAGE COUNSELING

TLC provides delinquent mortgage counseling.



# Program Requirements

There are only a few requirements to be eligible for this program:

- You may not have owned a home for the last three years, unless you are a displaced homemaker, or your home has been determined to be substandard.
- You must occupy the home that you buy.
- Must contribute \$500 of your own funds.
- In order to qualify for down payment assistance, the home you buy must be within the Tallahassee city limits and cannot be a mobile home.
- You cannot earn more than the income limits listed below.

Size	1	2	3	4	5	6
Income	36,050	41,200	46,350	51,450	55,600	59,700

PLEASE NOTE: These figures are your GROSS income before taxes. These figures are subject to change annually.

## DOWN PAYMENT ASSISTANCE

The down payment assistance provided is in the form of a second mortgage loan. No interest is charged and no payments are due on the loan until any one of the four things happens:

- You sell your home.
- You refinance your home.
- You repay your loan after 30 years.
- You rent your house and are no longer living in it. If any of these four things happens, you will be required to pay off the second mortgage.

## DOWN PAYMENT ASSISTANCE COVERAGE & LIMITS

TLC's Down payment assistance covers:

Tallahassee City Limits
\$7,125 ≤ 80% AMI
\$12,050 ≤ 50% AMI





After the death of her mother, Anitra Highland had to step in and take care of her brothers and sisters. It took single mom, Anitra approximately 7 months to work through credit issues and save her share of the deposits including the binder fee and closing costs for the purchase of her first home. Thanks to the Tallahassee Lenders' Consortium(TLC), Anitra and her family were able to purchase a newly constructed home which gave her financial security.

## 2012 Accomplishments

- The City of Tallahassee, who is responsible for the creation of TLC, provided \$115,000 this year to provide operational support for our Homeownership Promotion and Homeownership preservation Programs. The strong support of our local government allows us to meet local needs and provide quality services resulting in changed lives.
- In our first year as an affiliate of NeighborWorks America, TLC enjoyed benefits of being associated with the country's preeminent leader in affordable housing and community development. As an affiliate, NeighborWorks has provided TLC staff with technical assistance and training opportunities, direct funding and a supportive network of like-minded affordable housing and community development organizations. NeighborWorks has brought \$169,500 in additional resources into our service area this year, allowing us to create opportunities for lower income people to live in affordable homes.
- NeighborWorks funded a market study for TLC's five-county service area. Per the Market study, our area would be an ideal candidate for a NeighborWorks' Homeownership Center.
- TLC's board approved the creation of a new LLC, the TLC Housing Services, LLC, to administer a new acquisition/rehab/disposition line of business. As part of this new program, the LLC has been approved to participate in both the REO donation programs by Chase Bank and Wells Fargo. We have entered into agreements with a consultant to manage the program and have identified a listing agent, and contractors through an RFQ process.
- TLC has received notification of a grant award from NeighborWorks in the amount \$100,000 for FY 2012-2013 to fund our 2nd year of services in Wakulla, Gadsden, Jefferson and Madison Counties. During our first year of operations in the rural communities, we have developed partnerships with local governments, hospitals and businesses. We have joined each of the county's chambers of commerce and participated in numerous community events to increase our visibility. In addition to setting up the program and marketing in each new community, we assisted the following number of clients this year: 15 Hardest Hit Qualifications; One Hardest Hit Closing; 17 Delinquency Counselings; 31 Pre-Purchase Counselings.
- We received two HUD grant awards. The first for \$24,317.72 to provide foreclosure counseling and second one for \$36,306, to provide Homeownership Promotion counseling services and reverse mortgage counseling. Per HUD, "TLC is an amazing steward of the dollar...TLC's ability to provide education and resources to homeowners and potential homeowners makes the company valuable...TLC has performance. We've been working with them for a number of years. Their capacity is outstanding. We know that we can trust them to further HUD's mission with these resources."
- TLC's Board updated our Fundraising Plan and our Strategic Plan, which includes five strategies: outreach, housing attainment, education/counseling, organizational development and financial pledges, a corporate credit card policy, and indirect cost allocation methodology, and updated financial internal control policies and procedures.
- TLC hosted our annual Showcase event on June 9 at the Center for Workforce Development on the campus of Tallahassee Community College. In addition to the Showcase, this year, we also held a pre-Showcase event at Hotel Duval, "Party With a Purpose" with special guest host Shonda Knight, Executive Producer for WCTV. We had a large attendance confirming TLC's breadth of community support. Festivities included a raffle and silent auction.
- We received \$10,000 from Wells Fargo and \$4,000 from Bank of America to support the life-changing work that we do. We appreciate the strong support of our lending partners.
- TLC expanded our role as a Hardest Hit advisor with the Florida Housing Finance Corporation to cover all of Florida's 67 counties, and we have been working with clients to help them avoid foreclosure.
- TLC's Audit for FY 2010-2011 from Thomas Howell Ferguson was unqualified, with no findings.
- We continued to meet all of the requirements to retain our Florida's mortgage brokerage license through the National Licensing System (NMLS) process. Four of TLC's staff are licensed mortgage loan originators.
- We participated in a roundtable forum hosted by Tallahassee Mayor John Marks, The US Department of Housing and Urban Development and Bethel CDC. The discussion centered on avoiding foreclosure in our community.

# Performance Outcomes for FY 2011-2012

1. Number of DPA Loans Closed: **47**
2. Number of New Homeowners Created: **89**
3. Dollar Volume of City DPA Loans Closed: **\$359,500.00**
4. Dollar of Volume Leveraged First Mortgage Loans: **\$4,376,397.74**
5. Number of Prepurchase/Budgeting Counseling Sessions: **364**
6. Number of Households Receiving Home Buyer Education: **261**
7. Number of Households Attending Home Buyer Orientation: **483**
8. Number of Households Attending Financial Literacy Class: **114**
9. Number of Delinquent Clients Counseled: **78**
10. Number of Foreclosure Clients Counseled: **110**
11. Number of HECM Clients Counseled: **28**



# TLC Staff

Libby Lane  
Executive Director

Nicole Everett  
Assistant Director

Len Hardy  
Homeownership Specialist

# 2012 Board of Directors



**Vereen Smith**



**Brian Baggett**



**Patsy Capps**



**Terri Griffin**



**Marlene  
Claytor**



**Kara Palmer  
Smith**



**Susan Thompson**



**Florida Rep. Alan Williams and Sam's Club GM Eddie Hayes attend "Party With a Purpose" on April 10, 2012.**



**WCTV Executive Producer Shonda Knight poses with event sponsors at Hotel Duval.**



**Joyce Olaves and Patsy Capps from the City of Tallahassee enjoying "Party With a Purpose" with attendees.**



**Tallahassee/Leon County Council of Neighborhood Associations lead a discussion panel on home ownership at our annual Home Showcase on June 9, 2012. The Showcase was held at Tallahassee Community College.**



**Showcase attendees had access to a wealth of information on resources used to make the dream of home ownership a reality.**



**A shuttle bus takes Showcase participants from TCC on a tour of new homes.**

# Member Lenders:

**Bank of America**

3430 Thomasville Rd.  
Tallahassee, FL 32309  
(850)907-3121

**Envision Credit Union**

440 North Monroe St.  
Tallahassee, FL 32301  
(850)942-9234

**Sunshine Savings Bank**

3534-A Thomasville Rd.  
Tallahassee, FL 32309  
(850)219-7307

**Branch, Banking & Trust**

3233 Thomasville Rd.  
Tallahassee, FL 32308  
(850)385-3300

**First Commerce Credit Union**

1620 Futura Dr.  
Tallahassee, FL 32317  
(850)488-0035

**SunTrust Bank**

2051 Thomasville Rd.  
Tallahassee, FL 32308  
(850)298-1590

**Cadence Bank**

2721 Capital Circle NE  
Tallahassee, FL 32308  
(850)523-2506

**Hancock Bank**

2435 Mahan Dr.  
Tallahassee, FL 32308  
(850)325-6595

**Tallahassee State Bank-Synovus Mortgage**

3474 Thomasville Rd.  
Tallahassee, FL 32309  
(850)224-3344

**Capital City Bank**

1301 Metropolitan Blvd.  
Tallahassee, FL 32308  
(850)402-8001

**Regions Bank**

2000 Capital Circle NE  
Tallahassee, FL 32308  
(850)523-4679

**Wells Fargo Company**

1997 Capital Circle  
Tallahassee, FL 32308  
(850)320-1090

## Media Snapshot

# Building homeownership support ‘one brick at a time.’

*Tallahassee Democrat Jan. 5, 2013*

The symbolism is a marketer’s dream — the Tallahassee Lenders’ Consortium is hoping to build local financial support for its homeownership programs one brick at a time.

You are cordially invited to help.

TLC intends to sell 300 bricks, which will be used to pave a walkway up to the front of its office at 224 Office Plaza. You can even personalize your brick with your name, your business name or even the date you became a homeowner.

“We just started. We kicked it off at our open house in November. It’s actually a year-long project,” said Libby Lane, the consortium’s executive director. The TLC hopes to have all the bricks sold and installed by end of summer, or at least by the nonprofit’s 20th anniversary next November.

“Our brick project will allow our valued partners and clients to be permanently recognized by everyone who enters our building and be a perpetual sign of their support,” she added.

In the two decades since its founding, the organization has

assisted more than 1,750 families and disbursed more than \$10.7 million in Tallahassee and Leon County in down payment and closing costs assistance. Those efforts led to almost \$130 million in real estate sales.

To offer its assistance, however, the TLC relies in part on outside funding. The consortium received \$44,510 in fiscal year 2011-12 from the U.S. Department of Housing and Urban Development, but Lane says the uncertainty over the federal budget at this time casts some doubt about that level of support.

The TLC also wants to reach more consumers. A year ago it expanded its services to include Gadsden, Wakulla, Jefferson and Madison counties. Now, low-income residents of those areas can obtain the consortium’s counseling, home buyer education and household financial management services.

Through those efforts, the TLC says potential buyers have a better grasp of what’s involved in owning a home, how to stick to a budget, and if problems arise, how to keep their houses and avoid foreclosure.

A brick costs \$100, part of which can be claimed as a tax-deductible donation. Lane says all of the proceeds will provide direct assistance to clients. If you want to pitch in, call 222-6609, ext. 100.

-David Hodges, Business Editor.



**EQUAL HOUSING  
OPPORTUNITY**

224 Office Plaza

Tallahassee, Fla. 32301

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NMLS # 372580