



20 Years of Home
Ownership Done Right

THE PORTLAND HOUSING CENTER
Annual Report 2010





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Message from the Executive Director



The Portland Housing Center started in 1991 with three staff members in a small storefront. We provided home buying classes, and people called us for information about renting and buying homes. Our initial goal was to try to help stabilize neighborhoods.

Twenty years later, the Portland Housing Center (PHC) is a Community Development Financial Institution (CDFI), a US Housing and Urban Development (HUD) Certified Counseling Agency and HUD certified lender. We have 413 home mortgage loans worth \$8.6 million on our books. In August 2010, PHC was approved for an additional \$750,000 from CDFI to provide even more home mortgage loans.

At PHC, we work very hard to meet the needs of each customer. We offer all the services necessary to prepare, qualify, and finance first-time home buyers for affordable, competitive home loans. We even refinance our customers. We offer education and many other tools, or refer our customers to housing professionals we believe care as much as we do about our customers' success. (If it were up to us, we would work with every homeowner so our community remains strong and our homeowners educated.)

"If it were up to us, we would work with every homeowner so our community is strong and our homeowners educated."

**— Peg Malloy, Executive Director,
Portland Housing Center**

Buying a home is usually the largest and most important financial investment of our lives. Some people buy houses so they have a place for their children, a home they can call their own. Others buy for financial security and to build wealth, and use their home as a stepping-stone to the middle class—if not for themselves, then for their children. Still others buy homes so they can use their home's equity to send their kids to school or pay for retirement. For many people, owning a home provides empowerment and confidence. I am truly in awe of the work and success of the people who buy homes, particularly the ones who say they really didn't think they could buy a home—and do!

Now, 20 years later, we are a financial institution helping thousands of people each year buy their first home—and thousands have done exactly that. We hope you understand why we say we offer home ownership done right.

A handwritten signature in black ink that reads "Peg Malloy". The signature is fluid and cursive.

Peg Malloy
Executive Director

Why We're Here

In 1990, “Blueprint for a Slum,” a series of newspaper articles, detailed real estate practices that made it difficult to impossible for many to buy homes in inner Northeast Portland. The Portland Housing Center—launched by the City of Portland with support of area lenders wanting to provide home loans to lower-income home buyers—opened in 1991.

Launched as an information center to educate and qualify lower income home buyers, the PHC quickly expanded its mission and scope. PHC became a US Department of Housing and Urban Development-certified mortgage lender in 1994. In 1998, the Portland Housing Center joined the NeighborWorks Network, a national network of community-based non-profits created by the federal Neighborhood Reinvestment Corporation. Just six years later, PHC received a US Department of the Treasury grant of \$1.470 million, which the City of Portland matched with its own funds to provide second mortgage loans to home buyers challenged by the gap between their incomes and appreciating home prices.



What We Do

The Portland Housing Center helps people interested in buying homes become homeowners. The resources and services we provide range from classes on financial fitness (including budgeting and credit management) and home ownership to reviewing our customers' closing documents, which helps to ensure they are fully aware of all loan terms prior to the closing. We provide 3:1 matches for our customers' qualified individual development accounts (IDAs), significantly increasing their down payment resources. Our organization offers customers first and second mortgage loans and mortgage assistance programs. We collaborate or work closely with a variety of local and national partners, including lenders, real estate professionals, local and national non profits, the City of Portland, and other partners. We also are an affiliate member of HomeFree USA.

We work with persistence and focus to help members of underrepresented racial, ethnic, and immigrant groups achieve success as first time homeowners. At the Portland Housing Center, we do more than pay lip service to this commitment: our staff is one of the most

“[Buying a home] was a very emotional time for my wife and I...without the Portland Housing Center and its committed staff; I would never [have] become a homeowner.”

— Raul Herrera, former PHC customer and new homeowner, class of 2010

racially, ethnically, and linguistically diverse in the metropolitan area, and we (and our partners) regularly present classes, workshops, and other services in Chinese, Russian, Spanish, and Vietnamese. The Portland Housing Center's African American Homebuyers Club provides resources, including mentoring and other support to members of this community, who historically have faced additional financial and other barriers to owning homes.



Why We Do It

At the Portland Housing Center, we believe that **everyone deserves access to home ownership.** Our mission is to provide quality education, counseling, and financial services that help our customers transform their hope of buying a home into the significant and life-changing experience of home ownership.



How Well Do We Do It?

Since 2005, the Portland Housing Center assisted our customers with the purchase of 2,622 homes purchased with \$460 million in mortgage loans. The number of PHC households becoming homeowners increased 65 percent (from 374 new homeowners to 575) from 2005 to 2010, and the dollar value of mortgage loans to purchase those homes grew nearly 50 percent (from \$53.3 million to \$107.6 million) in the same period.

Our success compares extremely favorably to our peers in the NeighborWorks Homeownership Center initiative, as well. Between 2003 and 2007, for example, the Portland Housing Center assisted 1,727 households become new homeowners, and ranked in the top 20 of NeighborWorks Homeownership Center initiative members 'producing' new homeowners. We received the NeighborWorks CEO award in 2009 for leading the Network in the number of new homeowners produced that year.



2010: A Banner Year

2010 was full of successes for the Portland Housing Center and its customers. The 2009 federal tax breaks for first-time homeowners motivated hundreds of Portland-area residents to pursue home ownership for the first time. At PHC, we provided classes and other services to 1,393 households, and helped 575 customers purchase their first home.

Ernesto Romero was one of them.



ERNESTO ROMERO AND FAMILY

Persistence + Assistance from PHC = Ernesto Romero, Homeowner



“Owning a house feels different. You appreciate what you have and you feel that you are building for the future.”

— Ernesto Romero

When a friend of Ernesto Romero told him about the resources available at the Portland Housing Center, Ernesto wasn't certain he was ready to buy a house. When he decided he was, he signed up for and attended a series of the PHC's Financial Fitness classes. Then he worked for a year with his Home Buying Counselor.

Ernesto then signed up for the Portland Housing Center's IDA savings program. He recalled, “We put our tax refund into a bank account, and transferred money every month into our IDA account. It made it easy to save. We wouldn't have been able to afford our house if not for the IDA program.”

Two years later with his IDA savings and 3:1 match he joined the ranks of a very special club: first-time home buyers.

Ernesto felt secure knowing the education he received in his PHC classes and his Home Buying Counselor's unflagging support equipped him to overcome the many challenges he

expected to encounter on the path to owning his first home.

The challenges sometimes were daunting. Take the rapidly contracting construction market, for example. Ernesto, a carpenter, was out of work for a short while. Because of this, his bank required him to reapply for a mortgage loan after he secured a new job.

The federal tax credit for first-time homeowners, which made buying a home attractive to Ernesto, also increased significantly the competition for the very houses he wanted to buy. His patience and persistence—along with encouragement and reassurance from his realtor, mortgage lender, and PHC staffers—kept him motivated through the long months of finding and buying his first home. He put bids on three houses, but none of them was successful. Still, he kept looking.

Finally, Ernesto found and had his bid accepted for the house that would become his and his family's new home. He says it is perfect for his family. His carpentry skills, along with his many friends in the construction industry, will make it easy for him to take care of things around his new house. In the end, were the disappointments, the frustrations, and the sacrifices worth it? Yes, he says, firmly. “Owning a house feels different...you are building for the future.”

Mr. Romero, welcome home.

Portland Housing Center 2010 Highlights

1,393 Number of households served

575 Number of homes purchased by PHC customers

\$12 Million Value of Portland Housing Center mortgages provided

CLASSES

15 Financial Fitness sessions provided

161 Number of PHC Households completing Financial Fitness sessions

4 Financial Fitness sessions conducted in Spanish

7 PHC households completing Spanish-language Financial Fitness sessions

55 Homebuying 101 sessions provided

695 PHC Households completing Homebuying 101 sessions

5 Homebuying 101 sessions conducted in Chinese

21 PHC households completing Homebuying 101 sessions conducted in Chinese

2 Homebuying 101 sessions conducted in Russian

17 PHC households completing Homebuying 101 sessions conducted in Russian

5 Homebuying 101 sessions conducted in Spanish

10 PHC households completing Homebuying 101 sessions conducted in Spanish

3 Homebuying 101 sessions conducted in Vietnamese

7 PHC households completing Homebuying 101 sessions conducted in Vietnamese

64 IDAs opened by PHC households

58 IDA account holders who bought their first homes

Portland Housing Center Customers Who Purchased Homes in 2010

- Had a median age of 32
- Frequently lived in a household comprised of a single adult (34 percent) or of a married couple without children (19 percent)
- Were usually non-Hispanic Whites (73 percent)
- Had a median income of \$48,998
- Most often purchased a home in Southeast Portland
- Purchased a home with an average price of \$196,085
- Had a total monthly house payment (average PITI*) of \$1,112
- Frequently used a Portland Housing Center Participating Lender to acquire a first mortgage

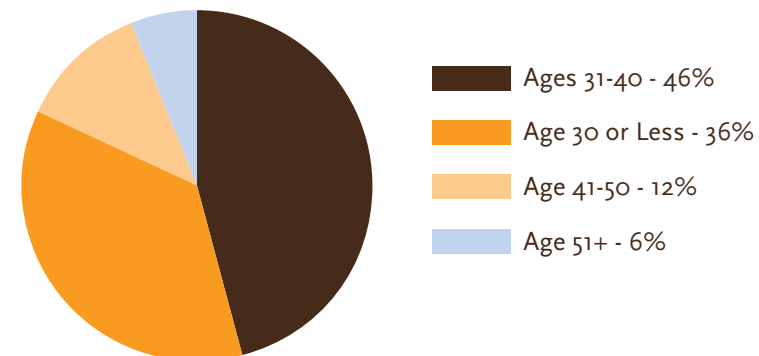
*Principal, interest, taxes, and insurance

“A big part of my success in buying a house was that I got a great team: my Home Buying Counselor, my lender, and my real estate agent were always there to support me and answer my questions.”

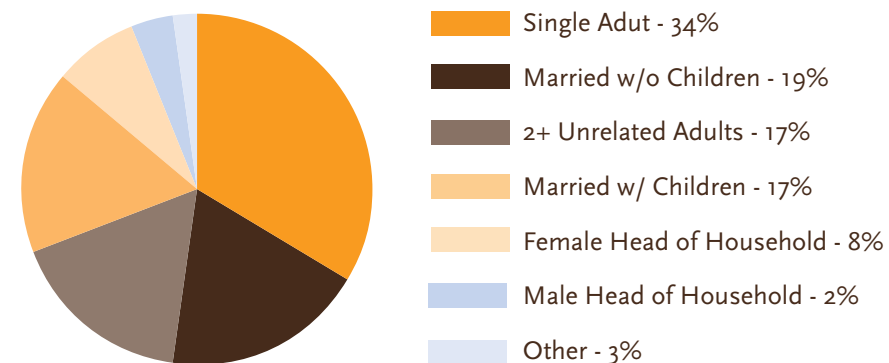
— Raul Herrera, former PHC customer and new homeowner, class of 2010

Portland Housing Center Customers Who Purchased Homes in 2010

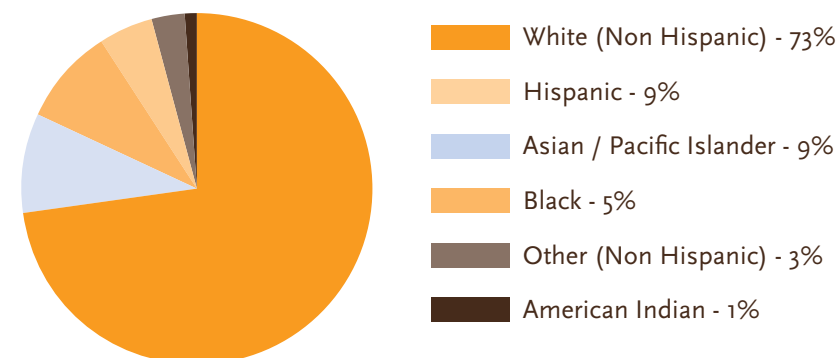
PHC HOMEOWNERS BY AGE



PHC HOMEOWNERS, HOUSEHOLD COMPOSITION



PHC HOMEOWNERS BY RACE AND ETHNICITY



Financial Data

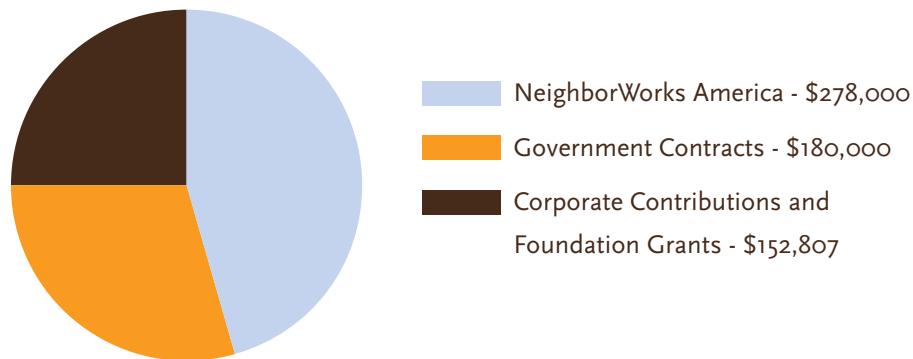
2010 FINANCIAL SUMMARY

Total Revenues:	\$1,318,259
Total Expenses:	\$1,268,751
Total Revenues over Expenses:	\$49,508

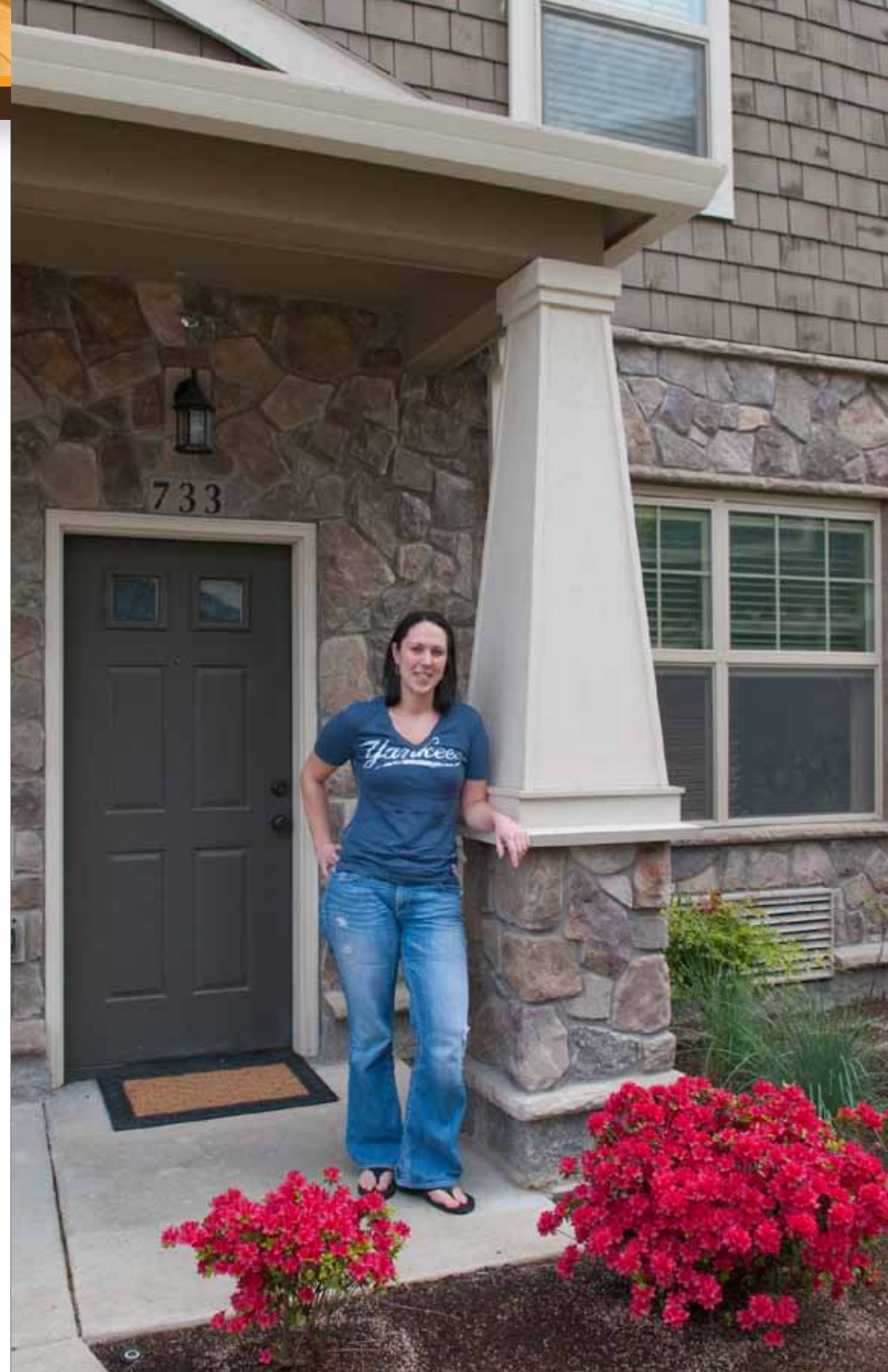
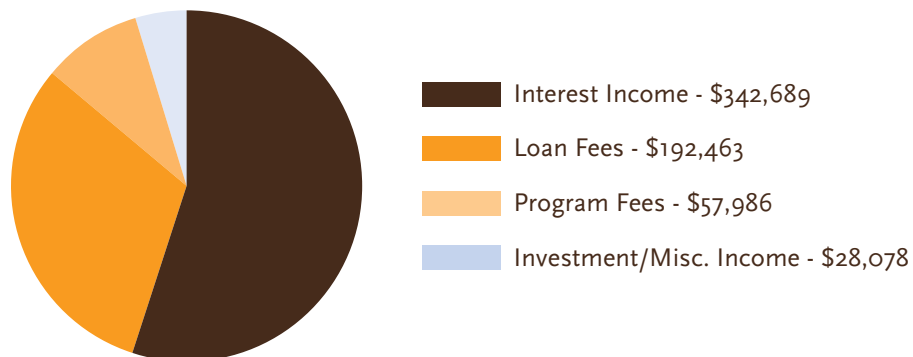
2010 REVENUES

Contributed Income:	\$697,043
Earned Income:	\$621,216
Total Revenues:	\$1,318,259

PHC REVENUES: SOURCES OF CONTRIBUTED INCOME



PHC REVENUES: SOURCES OF EARNED INCOME



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Board of Directors



BRIAN STEWART, PRESIDENT

VICE PRESIDENT

JP Morgan Chase

COBI JACKSON, VICE-PRESIDENT

FORMER PHC CUSTOMER

One Economy

MIKE SCHRADER, TREASURER

ATTORNEY

Orrick, Herrington & Sutcliffe LLP

IRMA VALDEZ, SECRETARY

REALTOR BROKER

Irma Valdez Properties, Inc.

OSCAR CAMPOS

FORMER PHC CUSTOMER

DEBORAH COCHRANE

DIRECTOR

Portland Teachers Program

KAREN KITCHEN

PROJECT MANAGER

Indian Education Program

JENNIFER LARSEN

AFFINITY LENDING MANAGER

HomeStreet Bank

MICHAEL MONTGOMERY

VICE PRESIDENT

US Bank

CURT PENROD

SENIOR AGENCY SPECIALIST

State Farm Insurance

ROBERT WALKER, JR.

FORMER PHC CUSTOMER, GLOBAL PROCESS LEAD

Nike

SUK RHEE

VICE PRESIDENT, PLANNING AND OPERATIONS

NW Health Foundation

LISA K. BATES

ASSISTANT PROFESSOR

Portland State University
Urban & Public Affairs

JAVIER MENA

PRODUCT DEVELOPMENT SPECIALIST

Portland Housing Bureau

Portland Housing Center Memberships and Partnerships

ASIAN PACIFIC AMERICAN NETWORK OF OREGON

APANO is an all-volunteer organization dedicated to civic involvement and Asian leadership development.

www.apano.org

EAST PORTLAND ROTARY CLUB

An organization of business and professional leaders with the objective of service in the community, workplace, and the world.

www.eastportlandrotary.org

GREATER HILLSBORO AREA CHAMBER OF COMMERCE

A business networking, information, and resource guide for businesses in Hillsboro.

www.hillchamber.org

HISPANIC METROPOLITAN CHAMBER

Dedicated to working with all members of the community to increase the economic advancement of Hispanic-owned businesses in Oregon and SW Washington.

www.hmccoregon.com

HOMEFREE-USA

A HUD-approved 501(c)(3) not-for-profit homeownership organization that advocates and provides HUD Counseling funding to its 80 affiliates.

www.homefreeusa.org

IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION

A non-profit organization that promotes the integration of refugees, immigrants, and the community at large into a self-sufficient, healthy, and inclusive multiethnic society.

www.irco.org

NEIGHBORWORKS AMERICA

National network of over 230 community development and affordable housing organizations.

www.nw.org

NATIONAL COUNCIL OF LA RAZA

A non-profit, non-partisan organization focused on reducing poverty and discrimination, and improving opportunities, for Hispanics.

www.nclr.org

NATIONAL NEIGHBORWORKS ASSOCIATION

National advocacy association for NeighborWorks Network members.

www.nnwa.us

OREGON OPPORTUNITY NETWORK

A statewide association that supports and promotes affordable housing and community development.

www.oregonon.org/policy

PHILIPPINE-AMERICAN CHAMBER OF COMMERCE OF OREGON

A membership organization promoting entrepreneurship in the Filipino American community.

www.pacco.org

PORTLAND-VANCOUVER REALIST ASSOCIATION

A local chapter of the National Association of Real Estate Brokers® comprised of African American real estate industry professionals.

www.nareb.com/view/forms/find_a_realtist_results.aspx?ChapterID=92&isByChapter=True

URBAN LEAGUE OF PORTLAND

A non-profit, community-based organization that helps empower African Americans and others to achieve equality in education, employment, and economic security through a combination of direct services, outreach, and advocacy.

www.ulpdx.org



Portland Housing Center Certifications and Licences

- Community Development Financial Institution, U.S. Department of the Treasury
- FHA Title II Approved Lender
- HUD-Certified Housing Counseling Agency
- HUD-approved provider of 2nd mortgage financing
- NeighborWorks America Full-Cycle Lending
- Oregon Mortgage Broker
- Nationwide Mortgage Licensing System

“The PHC was so pro-active. I really appreciate the time that they gave me. I am now much more assertive with my finances and I fight to correct any errors right away. I can’t say enough about the PHC.”

—Amy Buffaloe,
former PHC customer and new homeowner, class of 2010





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