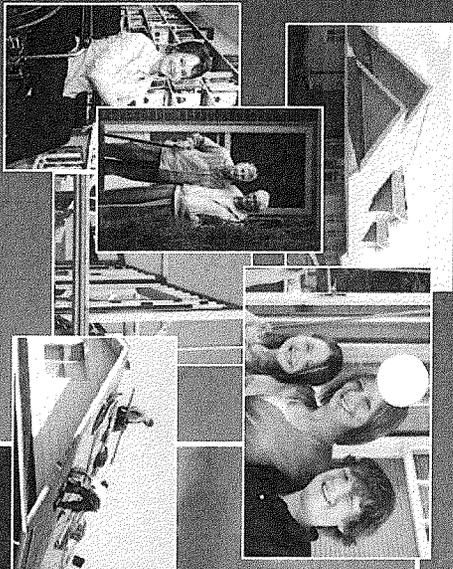


EXHIBIT 8

DATE 1/22/13

HB 2



Working to provide accessible and affordable housing across Montana.

Montana Department of Commerce  
**Housing Division**



MT Dept. of Commerce  
Meg O'Leary, Director



Housing Division  
Bruce Brensdal, Administrator

For more information:

Visit our website: [housing.mt.gov](http://housing.mt.gov)

Email: [housing@mt.gov](mailto:housing@mt.gov) Phone: (406) 841-2840

## Housing Division Programs and Services



**HOME Investment Partnerships (HOME) Program**  
HOME funding is used by Community Housing Development Organizations (CHDO) and local governments across the state for: new construction, down payment assistance, and rehabilitation.



**Housing Choice Vouchers and Project-Based Section 8**  
Participants pay 30% of their adjusted gross income towards rent and utilities in the home of their choosing; the program pays the difference to the landlord. Shelter Plus Care assists those with disabilities. Veterans Affairs Supportive Housing (VAASH) assists veterans. Support for transitioning homeless families.



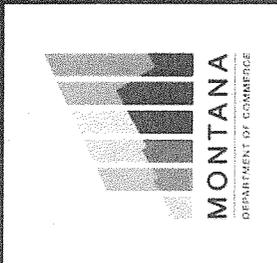
**Multifamily Program**  
The Montana Board of Housing (MBOH) offers financing to produce affordable rental housing with Low Income Housing Tax Credits, General Obligation and Risk Sharing Programs, Rural Development 528 Loans and the Multifamily Loan Program. MBOH also offers the Reverse Annuity Mortgage Program (RAM).



**MBOH Homeownership Program**  
Low fixed rate 30-year mortgages, reduced closing costs for low income buyers. Loans originated and serviced locally. Homebuyer education and foreclosure counseling statewide; a joint effort with NWMH. MBOH offers the Montana Veterans' Home Loan and SCORE ADVANTAGE Down Payment Assistance.



**Housing Coordinating Team**  
Housing Technical Assistance Team - helping small communities find solutions  
MTHousingSearch.com - free listing or searching of affordable rental housing  
White Paper - county and state statistics, including housing costs and incomes



1000 copies of this public document were published at an estimated cost of \$0.23 per copy for a total cost of \$230, which includes \$230 for design and printing and \$0.00 for distribution.

For more information:

[housing.mt.gov](http://housing.mt.gov)

Email: [housing@mt.gov](mailto:housing@mt.gov)

Phone: (406) 841-2840

# Montana Department of Commerce Housing Division

90-6 Part I. Finance of Housing

Presented by:

**Bruce Brensdal, Administrator**

## Our Mission:

To provide mechanisms that enable Montanans to own or rent decent, safe, and sanitary housing that is within their financial capability.

We assist the purchase or production of housing for:

- Families with lower incomes
- Senior Citizens
- Persons with Special Needs

*We finance workforce housing which enables economic growth in our Montana communities.*

## Our Funding:

MONTANA  
**HOUSING**  
DIVISION



HUD  
Funding



Federal  
Tax  
Credits



Housing  
Bonds

MONTANA  
Housing Assistance Bureau

HOME Program

MBOH  
Montana Board of Housing

Low Income Housing Tax Credits

Housing Choice Voucher Program



Project-Based  
Section 8



Homeownership  
Program



Multifamily Program



## HOME Investment Partnerships (HOME) Program

Montana's **HOME** program is a federal block grant program, funded by the U.S. Dept. of Housing and Urban Development (HUD).

Montana receives approximately \$3 million annually.



HOME funding is used by Community Housing Development Organizations (CHDO) and local governments throughout the state to create affordable housing for low-income families:

- new construction
- rehabilitation
- down payment assistance



## Housing Choice Vouchers & Project-Based Section 8

The Housing Choice Voucher program helps low-income families find affordable housing. It is financed by HUD and administered by the Montana Department of Commerce (MDOC). **Montana receives \$40 million of rent subsidy annually.**

Eligible households use vouchers to rent privately owned homes of their choosing. Participants pay 30% of their adjusted gross income towards rent and utilities and the program pays the difference to the landlord.



Project-Based Section 8 rental assistance differs by providing the subsidy to a specific development who then rents to an eligible family.

### **Additional Section 8 Voucher Programs available:**

- Veterans Affairs Supportive Housing (VASH) vouchers
  - Homeless Veterans
- Shelter Plus Care Program vouchers
  - Homeless Families



## Montana Board of Housing Homeownership Program

Since 1977, provided **\$2.5 billion in mortgage financing** to assist working-class Montanans to purchase homes. Using funds from tax-exempt Mortgage Revenue Bonds, the Board purchases home loans from Montana originating lenders across the state.

We are able to offer the following to low- and moderate-income first-time homebuyers:

- Low interest, fixed rate 30-year mortgages
- Reduced closing costs
- Local, Montana-based loan origination and servicing



## New Programs offered by MBOH Homeownership Program



### Montana Veterans' Home Loan Program

- Established during the 2011 Legislative Session; introduced by Senator Larsen from Missoula.
- Initially uses \$15 million from the principal of the Montana Coal Tax Trust Fund, will become a permanent Revolving Loan fund.
- Assists Montana residents who are National Guard members, reservists or federally qualified veterans to purchase their first home.
- Rate: 1% below the current market rate.



### SCORE ADVANTAGE Down Payment Assistance

- Established to help borrowers who are eligible for MBOH financing, but who lack funds for down payment assistance and closing costs.
- Provides up to \$6,500 amortizing junior loan.
- Rate based on borrower's credit score at time of application.

## Homebuyer Education Classes and Housing Counseling

Education is the first step to creating successful homeowners. Knowledgeable homeowners stay in their homes longer.



The Montana Board of Housing partners with NeighborWorks MT to provide this service state-wide.

*Comprehensive homebuyer education has been shown to reduce the likelihood of default and contributes to MBOH's and Montana's lower rate of foreclosure, compared to our peers.*

We also provide, at no cost to borrowers:

### Foreclosure Prevention Information

- Counseling
- Intervention
- Advice
- Information
- Resources



Go to [housing.mt.gov](http://housing.mt.gov) for more information.

## Montana Board of Housing Special Loan Programs

The Montana Board of Housing offers several special loan programs to help assist lower income Montanans become successful homeowners.



**Disabled Access Affordable Housing Program** – offers lower interest rate loan starting as low as 2.75% for households with an access disability that requires physical modification to the home.



**Habitat for Humanity** – MBOH partners with local Habitat chapters to finance a portion of the first mortgage at 2%, allowing Habitat to recover their costs immediately and have cash to build another home.



**HUD 184 Loan Guarantees** – allows MBOH to purchase 1<sup>st</sup> mortgage loans for Native American borrowers on both tribal and non-tribal land.



**Montana House** – MBOH partners with local job training programs by providing approved home plans and building materials to produce affordable homes for low income Montanans and increase building trade skills.

## Montana Board of Housing Reverse Annuity Mortgage (RAM) Program



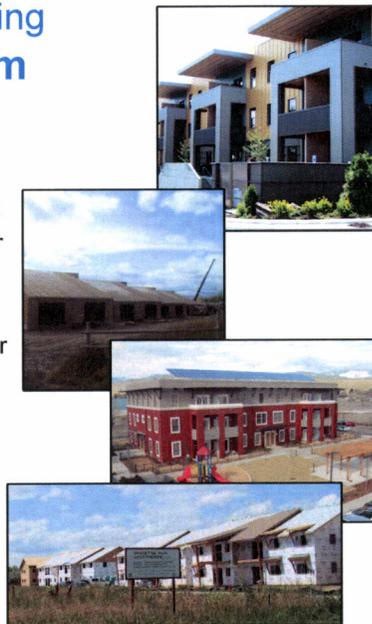
**MBOH** provides an affordable rate on a reverse mortgage to low income senior households. The homeowners are able to access equity they have in their home, enabling them to stay in their community as long as they want to and to live more comfortably while doing so.

- Seniors must be 68 years of age or older (some exceptions are allowed).
- Household income for a couple cannot exceed \$30,260.
- Loan cannot exceed 80% of FHA-determined property value or \$150,000.

## Montana Board of Housing Multifamily Program

**Low Income Housing Tax Credits** are provided to Montana annually and are allocated by a competitive process. The credit is a 10-year reduction of federal tax liability for owners of qualifying rental housing. Tax credits are sold to investors, providing the financing source that makes it possible to offer low rents to income-qualified renters.

This program provides **\$20 million in equity financing annually** for Montana under Section 42 of the Internal Revenue Code of 1986.



## housing.mt.gov

Information about affordable housing in Montana.



- **Program Information**
  - Applications
  - Compliance Information
  - Technical Assistance
  - Montana Board of Housing Meetings
  - Consolidated Plan
  - Fair Housing
  - Contact Information
- **Homeownership**
  - Homebuyer Education
  - SCORE ADVANTAGE Down Payment Assistance Program
  - Montana Veterans' Home Loan Program
  - Foreclosure Prevention
- **Developers**
  - Uniform Application
  - Qualified Allocation Plan
  - Acquisition / Rehabilitation
  - Compliance Training
- **Rental Assistance**
  - Affordable Rental Housing Locator
  - Apply online for S8 Voucher
  - Resources for Tenants and Landlords

*We value feedback, comments and suggestions.*

## The Housing Coordinating Team

*Working together for all of Montana's communities.*



### Housing Technical Assistance Team

Available to help communities plan, finance and develop affordable housing.



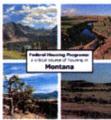
### MTHousingSearch website

Search for or list affordable rental housing for free. Includes call center support and information about additional resources.



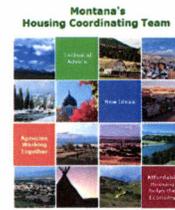
### White Paper – Housing in Montana

Data and statistics for each county about housing, incomes, population trends, etc.



### Federal Housing Programs: Montana

A comprehensive catalog of federally-funded housing in Montana by County.



Working together to make sure Montana's families and communities have great affordable homes.



Go to  
[housing.mt.gov](http://housing.mt.gov)  
for more information.

## House Bill 2 Present Law Decision Packages

### 100% Federal Funds

- DP 7401: Administrative Costs Adjustments
  - » (FY 2014 - \$203,965 / FY 2015 - 211,859)
- DP 7402: Federal Grants Adjustments
  - » (FY 2014 \$2,625,000 / FY 2015 \$2,625,000)
- Statewide Present Law Adjustment
  - Personal Services - \$23,162 / \$23,392 Fixed Costs - \$5,448 / \$1,833
  - Differences caused by
    - 1/3 Market Adjustments
    - 1/3 Reclassification Adjustments
    - 1/3 by a partial FTE being moved into the Division late in 2012 to fund the Consolidated Plan (required by HUD to receive funding)
  - If not restored HOME will need to reduce operations affecting the support we provide local Grantees and increase the risk of not meeting all the compliance requirements of HUD.

**Bruce Brensdal**

Housing Division, Administrator  
Board of Housing, Executive Director

PO Box 200528  
Helena MT 59620-0528  
bbrensdal@mt.gov  
(406) 841-2844

*The Housing Division is proud to serve  
the hard-working people and the communities of Montana.*

*Thank you for listening.*

