MERCY LOAN FUND

For more than three decades, Mercy Loan Fund, a leading Community Development Financial Institution, has focused exclusively on funding affordable housing and essential community infrastructure projects that support affordable housing. By collaborating with socially responsible developers, MLF has helped finance the development of single and multifamily homes for rental and homeownership. These developments help underserved communities, including people with low-incomes, seniors, farm workers, people who have experienced homelessness, and people with disabilities. MLF is a subsidiary of the affordable housing nonprofit, Mercy Housing, Inc., headquartered in Denver, Colorado.

Our mission is to work nationally with socially responsible affordable housing and community developers, providing innovative financing arrangements for credit-worthy projects for which conventional financing is not available or affordable.

CONTACT

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mercyhousing.org/mercyloanfund
Dear Partner in Hope,

I thank all of Mercy Loan Fund’s (MLF) supporters and partners for making 2018 another monumental year as we continue to revitalize and enrich communities by creating stable homes that enrich communities for low-income families. I am overjoyed when I reflect over last year’s performance – out of MLF’s 33-year history, 2018 was one of the most profitable and impactful. Through resourcefulness and hard work, we achieved unprecedented success on multiple fronts.

We originated $42 million in total volume, translating to over $568 million of development, setting a new, all-time record for loans closed in a year! Investors renewed their investments at a rate of 96% – they truly make our business possible and reinforce our mission. We set a new record for portfolio size and averaged $68 million in loans outstanding, surpassing our goal of $55 million. After working through a number of troubled assets over the last several years, I am proud to report that MLF had a 0% delinquency rate too. We preserved more than 2,100 homes for over 4,600 residents across 14 states in just 2018 alone. Each dollar invested was leveraged 18 times over, more than doubling MLF’s historical leverage of seven times. Our AERIS credit rating of “AA+” stands strong, preserving MLF’s spot in the top 15% of rated Community Development Financial Institutions (CDFIs) in the country. From the CDFI Fund, we received a $4.5 million Capital Magnet Fund grant. These funds are being leveraged with private capital and used to finance greatly needed affordable housing for very low-income people across multiple states.

MLF’s success is made possible through the support we receive from irreplaceable socially conscious investors and affordable housing developers. Exceptional clients and investors have shown their commitment through their trust and capital. They invigorate and recalibrate our purpose through the essential work they do to improve disadvantaged communities.

We have come such a long way, but with the need for affordable homes growing and rents rising, I know there is a lot of work ahead of us. Everyone at MLF looks forward to your continued partnership in 2019 and beyond.

Yours in Hope,

Jason Battista
President, Mercy Loan Fund
Highlights

**MERCY LOAN FUND**

**CREATED OR PRESERVED**

2,193 **HOMES**

**SERVING**

4,680 **RESIDENTS**

**HOMES FINANCED BY MEDIAN INCOME**

- **0-30%**: 149
- **31-50%**: 404
- **51-80%**: 1,187
- **81-120%**: 145
- **121%+ WORKFORCE HOUSING**: 190

**LEVERAGED AMOUNT**

$18.16 **MILLION**

Every $1 invested in MLF helped to create or preserve over $18 of affordable housing.

**ANNUAL HOUSEHOLD SAVINGS**

$23.87 **MILLION**

The difference between the average annual market rent and the average annual restricted rent.

**RESIDENTS**

- **4,120** RESIDENTS IN FAMILY PROPERTIES
- **404** SENIORS
- **137** FORMERLY HOMELESS
- **19** SPECIAL NEEDS

**RESIDENTS SERVING**

- **4,120** RESIDENTS IN FAMILY PROPERTIES
- **404** SENIORS
- **137** FORMERLY HOMELESS
- **19** SPECIAL NEEDS
By the Numbers

**By the Numbers**

**IMPACT SINCE INCEPTION**

- **NUMBER OF LOANS:** 532
- **TOTAL AMOUNT LOANED:** $358 MILLION
- **TOTAL LEVERAGED:** $2.97 BILLION
- **NUMBER OF STATES:** 40
- **NUMBER OF COMMUNITIES:** 217
- **TOTAL UNITS:** 27,329
- **TOTAL RESIDENTS:** 67,965

**Resident Served [Since Inception]**

- **76%** Families
- **15%** Formerly Homeless
- **3%** Native American
- **3%** Seniors
- **2%** Farm Workers
- **1%** Special Needs
- **50%** Banks
- **24%** Religious Institutions
- **18%** Religious Health Systems
- **6%** Individuals
- **2.8%** Government
- **.2%** Foundations

**Loan Type [Since Inception]**

- **13%** Acquisition
- **21%** Construction
- **16%** Line of Credit
- **12%** Predevelopment
- **11%** Other
- **7%** Mortgage
- **5%** Other

**Number of Loans**

- **16** Loans $305.5 MM
- **9** Loans $6.2 MM
- **11** Loans $3.3 MM
- **4** Loans $2.7 MM
- **1** Loan $500,000
- **194** Loans $80 MM
- **34** Loans $97.9 MM
- **74** Loans $97.9 MM
- **5** Loans $2.8 MM
- **3** Loans $4.9 MM
- **12** Loans $5.4 MM
- **22** Loans $26.8 MM
- **3** Loans $4.9 MM
- **15** Loans $19 MM
- **3** Loans $4.9 MM
- **2** Loans $5 MM
- **31** Loans $6.1 MM
- **9** Loans $6.2 MM
- **1** Loan $800,000
- **11** Loans $5.8 MM
- **2** Loans $5.8 MM
- **8** Loans $5 MM
- **3** Loans $2.8 MM
- **2** Loans $2.8 MM
- **3** Loans $2.8 MM
- **1** Loan $80 MM
- **5** Loans $2.7 MM
- **2** Loans $2.7 MM
- **3** Loans $2.7 MM

**Total Amount Loaned**

- **$358 MILLION**
- **$2.97 BILLION**

**Total Leveraged**

- **$305.5 MM**
- **$80 MM**
- **$97.9 MM**
- **$500,000**
- **$19 MM**
- **$6.2 MM**
- **$3.3 MM**
- **$2.7 MM**
- **$5.4 MM**
- **$26.8 MM**
- **$7.4 MM**
- **$19 MM**
- **$2.8 MM**
- **$2.8 MM**
- **$2.8 MM**
- **$800,000**
- **$5.8 MM**
- **$5.8 MM**
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**Total Units**

- **27,329**

**Total Residents**

- **67,965**
Coppermine Village was suffering the effects of drugs and crime that plagued the greater Bristol, CT, community.

Although affordability was preserved through HUD’s Low-Income Housing Preservation and Resident Homeownership Act program, the property struggled to maintain a sense of community and to cultivate the esteem of its neighbors and regulators. It was far from achieving its potential of being a first-choice affordable housing community.

In early 2018 Wishrock Housing Partners began rebuilding the community thanks to a $4.6 million loan from Mercy Loan Fund. The loan allowed Wishrock to acquire the property, make nearly $1 million in physical improvements, and help reestablish a sense of community at Coppermine Village.

Carmichael moved to the property in 2017 and enjoys calling it home “because it is now very quiet and a good place to raise my daughter.” Even in the short time that he has been a resident, he has noticed that the troublesome residents are moving out and he appreciates the renovated kitchens, upgraded landscaping, new natural playground, and modern signage throughout the property.

Peggy, who has been a resident for 39 years, is loving the changes too, “I now feel very relaxed when entering and exiting the property.” With leadership from the new ownership and management teams, Peggy noted that the office and maintenance staff are friendlier than in the past. She has even noticed that her neighbors seem friendlier and more positive!

Molly, who came to Coppermine Village fleeing a dangerous and abusive relationship, echoes these sentiments. “The property is kept up very well and I enjoy the sincerity of the staff. They are all genuine and care about me.” Molly tells about a nice conversation she had one day on the property with a man she’d never met. He was kind and nice to talk to, but never mentioned who he was or why he was walking around. Molly later was shocked when she found out it was one of Coppermine Village’s owners – she couldn’t believe “that he would take the time to chat without mentioning who he was. At Coppermine I am truly valued and not just a number.”

MLF attracts borrowers with sound values that have a bench of talented teams working to promote strong communities. This values-based approach to lending and development makes an enormous impact in the lives of residents and neighborhoods – including the 176 households at Coppermine Village.
Thank You

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Mercy Loan Fund thanks our 2018 donors and investors for the funds that enable local organizations to develop affordable housing in their communities. We thank our borrowers, who with these funds, strive to meet our nation’s housing challenges.

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We are grateful to our partners, friends, and colleagues for their time, energy, and enthusiasm supporting our mission. Together we can ensure stable, vibrant, service-enriched housing remains within reach for low-income families, seniors, and veterans. We look forward to your continued faith and belief that everyone should have a place to Live in Hope.