

AMERICAN ★ DREAM
HOMEOWNERSHIP
CHALLENGE



Special Partnerships, Extraordinary People

THE AMERICAN DREAM HOMEOWNERSHIP CHALLENGE

FEDERAL HOME LOAN BANK
OF CINCINNATI



ON THE COVER:

TOP: Santa is a single mother of two daughters.

LOWER LEFT: Deborah McCahon receives the keys to the first house she has ever owned.

LOWER RIGHT: "The Margarets" are an inspiring mother-daughter team.



Making Dreams Come True

Homeownership is the American Dream. We are unique in the world. Not everyone shares in the dream, not everyone dares to dream. But some extraordinary people are now living the American Dream – **they own their own homes.**

Not everyone can own a home. For those who do, homeownership connects them with their neighborhood and community, it helps them build wealth, and it changes their lives. Some people haven't dared to dream of homeownership – because of language, disability, or status. Now, even those barriers are weakening.

The American Dream Homeownership Challenge was created by the Federal Home Loan Bank of Cincinnati to encourage homeownership among minorities (African-Americans and Hispanics) and persons with special needs. It is built on special partnerships with our members and creative non-profit organizations. It provides a unique opportunity to extraordinary people. It lets them dream – and see their dreams come true.

FACING PAGE TOP:

Deborah McCahon receives a framed copy of the mortgage agreement for her home in Nashville, Tennessee, during a ribbon-cutting ceremony. To learn more about Deborah, see page 6.

FACING PAGE BOTTOM:

American Dream Homeownership Challenge funding recipient Candido enjoys his retirement – and his life – much more now that he is a homeowner. To read more about Candido, see page 2.

In 2002, President Bush unveiled his *Blueprint for the American Dream*, a public/private partnership designed to increase minority homeownership by 5.5 million households by the year 2010. The Federal Home Loan Bank System signed on as a national partner. The FHLBank Cincinnati board of directors responded in 2003 by announcing a new homeownership program for minorities and persons with special needs in our service area of Kentucky, Ohio and Tennessee: the American Dream Homeownership Challenge.

The American Dream Homeownership Challenge is an annual grant program encouraging FHLBank Cincinnati member financial institutions to find innovative solutions to affordable housing *targeted toward minority and special needs households.*

American Dream Homeownership Challenge funding is over and above the Federal Home Loan Bank System's congressionally-mandated Affordable Housing Program (AHP) annual 10 percent earnings set aside. The FHLBank provided \$1 million in each of 2003 and 2004, and \$2 million in 2005.

To learn more about the program, we introduce you to some of the extraordinary American Dream Homeownership Challenge homeowners and the partnerships that made their housing dreams possible.

FACING PAGE LEFT:

Candido is a father of three grown children. Retired for a number of years, he performs odd jobs to keep busy and to supplement his fixed income. For years he wanted to own his own home, but was discouraged because of limited downpayment funds and a lack of credit history. With his solid rent and utility bill payment histories, however, Candido was able to use the Abriendo Puertas program which helped him receive the funds he needed to become a homeowner.

FACING PAGE RIGHT:

Santa is a single mother of two daughters. Following a divorce, she rented an apartment for years and was unsure whether she could ever afford a home of her own. Santa heard about the American Dream Homeownership Challenge and Welcome Home programs through The Home Savings and Loan Company of Youngstown. She received downpayment assistance and has purchased a house for her family.

Increasing Homeownership for Minorities



Homeownership in America is at an all-time high – but not all Americans have benefited equally. While approximately 76 percent of Caucasian Americans own their own homes, fewer than 50 percent of minority households are owner-occupied.

The American Dream Homeownership Challenge is designed to help more minority individuals achieve the goal of homeownership. People who own their own homes feel a greater sense of community, they are building equity and improving their financial position, **and they are sharing in the American Dream.**



The Home Savings and Loan Company of Youngstown, Youngstown, Ohio, and Organizacion Civica y Cultural Hispana Americana (OCCHA), Youngstown

AWARD DETAIL: The partners utilized \$50,000 in American Dream Homeownership Challenge grant funds to create Abriendo Puertas (Opening Doors), an initiative that is providing first-time homeownership opportunities to 20 Hispanic families in Mahoning, Trumbull, and Columbiana Counties in Ohio. The Home Savings and Loan

Company of Youngstown provides first mortgage financing and additional downpayment and closing cost assistance using the FHLBank Cincinnati's Welcome Home Program. OCCHA is providing bilingual staff to conduct outreach to identify potential homebuyers and provide homebuyer counseling.

Ohio Savings Bank, Cleveland, Ohio, and Spanish American Committee, Cleveland

Award detail: The partners are utilizing \$50,000 in American Dream Homeownership Challenge grant funds to help 10 Hispanic individuals become homeowners. Ohio Savings Bank supports marketing and outreach activities and homebuyer counseling, provides first mortgage financing, and utilizes FHLBank Cincinnati advances and the Welcome Home Program. Spanish American Committee hired bilingual staff, ran print ads in Spanish publications, translated marketing materials into Spanish, and sponsored homebuyer education workshops.



*"I thought it was impossible for us to get a house," said Puerto Rican native **Javier Gonzales**. "My wife (**Jennifer Rosado**) and I tried for months but were unable to save enough for a downpayment." Thanks to American Dream Homeownership Challenge funds through the Ohio Savings Bank and Spanish American Committee partnership that helped cover the downpayment expenses, Javier and Jennifer and their three daughters recently moved into a home. "The first thing the kids did when we moved in was roll around on the carpet," Jennifer said. "We had none in our other place. The floor was always cold."*

State of Franklin Savings Bank, Johnson City, Tennessee

Award detail: State of Franklin Savings Bank is utilizing \$50,000 in American Dream Homeownership Challenge grant funds to help 16 area minority individuals or families become homeowners. Award recipients are being pre-qualified for loans, attending homebuyer classes, and will receive downpayment assistance.



***Miguel Hurado** and son Miguel Jr. are pictured with State of Franklin Savings Bank President Randy Greene and Vice President, Branch Manager Vicky Fields. Miguel left his native Mexico, and his family, temporarily, to find employment in the United States. He arrived in California and worked on a farm planting trees, eventually saving enough money to bring his wife and son to him. Friends who had relocated to Tennessee offered him a job in the food industry in Johnson City and an opportunity to better himself, so he accepted and moved east. He is now a first-time homeowner.*

Bank of Bartlett, Memphis, Tennessee, and United Housing, Inc., Memphis

Award detail: The partners utilized \$50,000 in American Dream Homeownership Challenge grant funds to assist 20 minority individuals or families with homeownership in Memphis and Shelby County. Bank of Bartlett provided first mortgage financing and downpayment and closing cost assistance through the FHLBank Cincinnati's Welcome Home programs. United Housing provided services and materials associated with pre-qualification, homebuyer counseling and delivered mortgage-ready clients to the Bank of Bartlett.



*"I was a little scared about purchasing a home because there was so much to learn and because English is my second language," said Mexican native Mirabel Cuevas. Mirabel took advantage of United Housing's Spanish language **homebuyer education program** (above) and learned important information before she considered buying a home. "The culturally-sensitive approach of linking class participants to lenders, insurance agents and realtors who are bilingual is the reason I was able to achieve my piece of the American dream. It is wonderful to be a homeowner."*

Citizens Union Bank of Shelbyville, Shelbyville, Kentucky, and Centro Latino, Shelbyville

Award detail: The partners are utilizing \$50,000 in American Dream Homeownership Challenge grant funds to help 20 minority individuals or families become homeowners. Citizens Union Bank of Shelbyville is using the FHLBank Cincinnati's Welcome Home to provide additional downpayment assistance. Centro Latino has translated and prepared materials; performed marketing outreach, education, and counseling; and hired two bilingual students as employees.



*Before being introduced to the Citizens Union Bank/Centro Latino partnership, **Sylvia** had only been able to rent – though for years she dreamed of having a home for her and her three children. Thanks to the downpayment assistance provided by the American Dream Homeownership Challenge through the partnership, the four can still hardly believe they have a home they can call their own. “I love it more and more every day,” Sylvia said of both her home and her new life.*

Southeast Financial Credit Union, Brentwood, Tennessee, and Conexión Américas, Nashville

Award detail: The partners utilized \$50,000 in American Dream Homeownership Challenge grant funds to help 20 minority individuals or families become homeowners. Southeast Financial Credit Union originated the first mortgages, and Conexión Américas offered a mandatory homeownership class to Hispanic homebuyers and helped the homebuyers become mortgage ready. They also protected their clients from some local “predatory” real estate practices, such as being charged for showing homes.



Participants of the Conexión Américas homeownership class tour nearby affordable housing subdivisions as part of their preparation for homeownership.



Wigberto Pulgarin and Gloria Leal are homeowners thanks to the Southeast Financial/Conexión Américas partnership.

Homeownership for Persons with Special Needs



Persons with special needs are often overlooked or misjudged by both lenders and non-profit housing organizations as candidates for homeownership. Though many people have disabilities, some can successfully manage the responsibilities of homeownership. They can live independently and be productive. Some may need help with daily living activities or they may need extra financial assistance, but they can still be more independent and be homeowners. Their “limitations” do not exclude them from homeownership. The American Dream Homeownership Challenge program is intended to help more persons with special needs become homeowners. **They can experience the American dream, too.**



Deborah and her guide dog, Cinnamon

Union Planters Bank (now Regions Bank), Cordova, Tennessee, **and Habitat for Humanity Nashville,** Nashville

AWARD DETAIL: The partners utilized \$50,000 in American Dream Homeownership Challenge grant funds to help finance construction of three houses for persons with physical or mental disabilities who depend solely on disability income. Union Planters Bank (now Regions Bank) originated and closed the mortgages and used the Welcome Home Program for downpayment assistance. Habitat for Humanity Nashville specializes in the construction of affordable housing.

ABOVE: Deborah McCahon never believed she would own her own home. Legally blind since childhood and renting a west Nashville house with inadequate heat and an ill-equipped kitchen, “I just didn’t like my life,” she recalled. “I watched a lot of television.” One day, Deborah saw a commercial for the Nashville Area Habitat for Humanity. “I phoned Habitat but didn’t think anything would happen,” she said. “I thought Habitat was only for families and for people earning more money than me.” When Habitat called and informed her she qualified and would soon have her first house, her whole world changed. Today, Deborah and her guide dog, Cinnamon, enjoy walking their neighborhood visiting with neighbors. “I now have friends visit with pride, not with embarrassment,” Deborah says. “Every day Cinnamon and I wake up and we still can’t believe how great our lives are.”

Cavalry Banking, Murfreesboro, Tennessee, and **Habitat for Humanity International**, and three Tennessee affiliates (Jackson County Habitat, Hawkins County Habitat, and Rutherford County Habitat), and the Tennessee Department of Mental Health and Developmental Disabilities

Award detail: The partners are utilizing \$50,000 in American Dream Homeownership Challenge grant funds to help finance construction of three houses for persons who are mentally disabled. Cavalry Banking will originate and close the mortgage in Middle Tennessee and has partnered with First South Bank in Bolivar, TN (West) and First Community Bank, Rogersville, TN (East) for the other mortgages. The banks will use Welcome Home for downpayment assistance. Habitat for Humanity International specializes in the construction of affordable housing.

Pinnacle National Bank, Nashville, Tennessee, and **Down Syndrome Association of Middle Tennessee (DSAMT)**, Nashville

Award detail: The partners utilized \$50,000 in American Dream Homeownership Challenge grant funds to help construct four houses for homebuyers with Down Syndrome or other physical/mental disabilities. Pinnacle National Bank provided volunteer labor and utilized the Welcome Home Program for downpayment assistance. DSAMT identified and helped counsel the special needs individuals.



*Though **Shea** (at left) has organic brain syndrome and a decrease in mental function, she never gave up hope that she might own her own home some day. Already overcoming brain surgery and the effects of having to move frequently when she was a child, attending different schools from year to year, Shea learned about the Rutherford County Habitat for Humanity and couldn't believe it when she was selected to be a future homeowner. Shea seems to be full of miracles: following brain surgery, she discovered she was ambidextrous and had an aptitude for making jewelry. When her two-bedroom home is finished, Shea plans to market her creations.*

***Kathy Bledsoe** is the owner of one of the four new homes for persons with special needs that Pinnacle/DSAMT will build. Mentally and physically disabled, Kathy has been in both an institution and a group home and obviously prefers her own space. Kathy's elderly father identified and researched the DSAMT's "Home of Your Own" program, and it was his wish that his daughter own and live in her own home. Kathy, who is helped by several caregivers, is happy and thriving.*

Kathy's new home, complete with her own lawn mower.

Memphis Area Teachers Credit Union (MATCU), Memphis, Tennessee, and Alpha Omega Veterans Services, Inc., Memphis

Award detail: The partners are utilizing \$50,000 in American Dream Homeownership Challenge grant funds to provide homeownership opportunities for six veterans with mental and physical disabilities in Shelby County, TN. MATCU utilized the FHLBank Cincinnati's Community Investment Program for construction financing; originated and closed the first mortgages using either an in-house affordable mortgage product or VA loans; waived PMI; and accessed Welcome Home for downpayment assistance. Alpha Omega served as the main sponsor, joined by United Housing, Inc., the City of Memphis, and the Tennessee Department of Mental Health and Developmental Disabilities. The nonprofit added a housing component to its program of social services through use of the American Dream Homeownership Challenge funds including home construction training for the veterans.



After an honorable discharge from the Army, veteran **Lee Roy Lake** lived in transitional housing and an after care program. The 50-year-old thought he would never own his own house. Because of the affordable housing partnership between MATCU and Alpha Omega Veterans Services, where he is a client, Lee Roy moved into his first home – a 1,762 square foot three-bedroom ranch – just before Thanksgiving 2005. “The holidays are going to be extra special for me this year,” Lee Roy said. “I could not have asked for a more incredible gift. A home is where recovery happens.” Lee Roy is pictured hugging Barbara Wishinsky of Alpha Omega Veterans Services during his new home’s dedication ceremony.

The Arlington Bank, Columbus, Ohio, and Greater Columbus Habitat for Humanity, Columbus

Award detail: The partners are utilizing \$50,000 in American Dream Homeownership Challenge grant funds to construct two new homes for persons with mental disabilities in Franklin County. The Arlington Bank will originate the first mortgages, reduce origination fees by \$500, access the FHLBank Cincinnati's Welcome Home Program, and assign the mortgages to the sponsor. Greater Columbus Habitat for Humanity had not previously helped persons with mental illness become homeowners but doing so has been a goal for the organization. American Dream funds were also used to support outreach materials and activities, perform homebuyer counseling, and reduce the cost of construction.



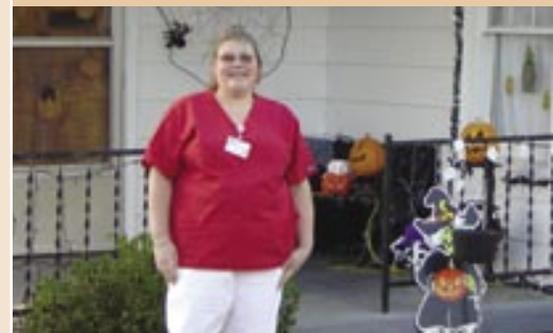
“The Margarets” are an inspiring mother-daughter team. Mother Margaret (pictured at right) had always wanted to own a home for herself and for her daughter, Margaret, who goes by Missy, and who is legally blind. Margaret and Missy learned about Habitat for Humanity years ago but were discouraged from trying to participate because of the large amount of misinformation they received. They researched Habitat on their own and were ecstatic upon learning they had been selected to receive a house. During August 2005, they could be found at the Ohio State Fairgrounds working on their home (which was built there and transported to its permanent location) as a way to spread the Habitat message. The house was dedicated in mid-November and they moved in shortly thereafter. “We give all of our thanks to God and to every person who helped us get the keys to this beautiful home,” Margaret said.

Carroll Bank & Trust, Huntingdon, Tennessee, and Carey Counseling Center, Paris

Award detail: The partners are utilizing \$50,000 in American Dream Homeownership Challenge grant funds to help five people with mental disabilities and co-occurring disorders become homeowners. Carroll Bank & Trust is providing first mortgage financing at a reduced rate, using an in-house affordable mortgage product, reducing the origination fee, eliminating appraisal fees, and utilizing the Welcome Home Program. The bank is also partnering with INSouth Bank in Brownsville, TN, to provide a mortgage there. Carey Counseling Center has ventured into new territory by directing its efforts into helping clients become homeowners. American Dream Homeownership Challenge funds paid 75 percent of the cost of hiring one employee to perform outreach and counseling to potential homebuyers. The remaining funds reduced the cost of the housing units.



“Well, I went this far, I might as well finish the job!” Philip Brooks signs the homeownership papers at his first closing. Friend Sue Ellen Owens, who later became his wife, attends to celebrate with Philip. Fellow special needs homeowner Rebecca Corbitt received immense joy from decorating her own home for Halloween 2005 for the first time.



Would you like to help extraordinary people become homeowners?

If you have a creative idea that would help minority persons or persons with special needs become homeowners, apply for FHLBank Cincinnati American Dream Homeownership Challenge grant funds. Contact the individuals below. They can help develop your ideas into successful American Dream Homeownership Challenge applications and create very special homeowners in your community.



Carol M. Peterson

Senior Vice President, Housing and Community
Investment Department

Federal Home Loan Bank of Cincinnati

Phone 513.852.7615 or **toll-free** 888.345.2246

E-mail petersoncm@fhlbcin.com

W. Jeff Reynolds

Vice President, Housing and Community Investment Department
Federal Home Loan Bank of Cincinnati

Phone 513.852.7614 or **toll-free** 888.345.2246

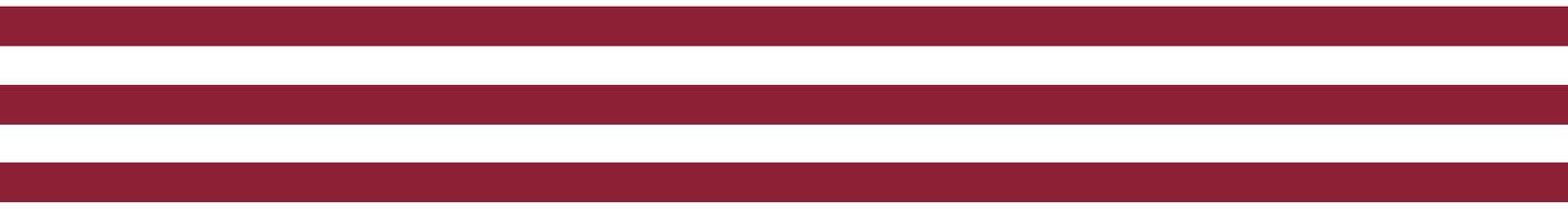
E-mail reynoldswj@fhlbcin.com

American Dream Homeownership Challenge Information on our
Web site: www.fhlbcin.com

“Community investment” button at top

“Housing and Community Investment Programs” button at left

Double-click on “American Dream Homeownership Challenge”



221 East Fourth Street
1000 Atrium Two
Cincinnati, OH 45202

Tel (513) 852-7500
www.fhlbcin.com