



## MERCY LOAN FUND

## 2013 ANNUAL REPORT



Letter to Our Supporters

Mercy Loan Fund 2013 Highlights

Chimes Terrace

2013 Investors, Donors and Borrowers

Mercy Loan Fund Oversight

# To Our Supporters

## Mercy Loan Fund

LETTER TO OUR SUPPORTERS

MERCY LOAN FUND 2013 HIGHLIGHTS

CHIMES TERRACE

2013 INVESTORS, DONORS & BORROWERS

MERCY LOAN FUND OVERSIGHT

The work we do at Mercy Loan Fund benefits low-income residents and lends a hand to lift them out of poverty. This year Carlos, an eight-year-old boy from Mercy Loan Fund financed apartments in Durango, Colorado, demonstrates the value of a quality, safe place to call home. When asked if he liked his rehabilitated home, Merced de Las Animas developed by Mercy Housing, he said, "My house makes me feel safe. This is the best place I've ever been..." When we visited he was playing outside with other kids from Merced, introduced us to his sister, Nyema, age five, and told us that he wanted to be a doctor when he grew up to help his family and help others. Mercy Loan Fund financed \$2 million to preserve 50 units of affordable housing with over 50% of the residents being women-headed households. Home is just the beginning.

In 2013 Mercy Loan Fund continued its work of nearly three decades with steady, consistent and superior mission and financial results. Some key highlights are:

- \$15.6 million in loans to 11 affordable housing apartments with 707 units serving 1,040 residents.
- Over \$3 million in operating revenue achieving a 102% self-sufficiency ratio with 8 out of the last 9 years reaching this milestone.
- Achieved over \$10 million in Net Assets for the first time in our history indicating a strong financial position.
- Introduced a new initiative – Building Healthy Communities – and financed two Assisted Living facilities in Illinois and Ohio totaling just over \$2 million to support 135 residents. More are in the works.
- Our lending focus continues with our Preserving Lives and Neighborhoods (PLAN) initiative. Our three-year total since we launched PLAN is \$39 million lent to preserve over 1,797 units serving 3,114 residents.
- Throughout the year we raised \$2.6 million in new capital and ended the year with 142 investors.
- With respect to community impact, all of our loans served people earning 80% of area median income including 30% earning less than 30%. Importantly, residents of apartments financed by Mercy Loan Fund in 2013 saved over \$3.7 million because of the below-market rate rents.

Home is just the beginning. With a quality, safe place to live, people can take the next steps to better health, employment, education and transportation. A heartfelt "thank-you" to our borrowers, investors, donors and the residents we serve.

Live in Hope,



Julie Gould  
President

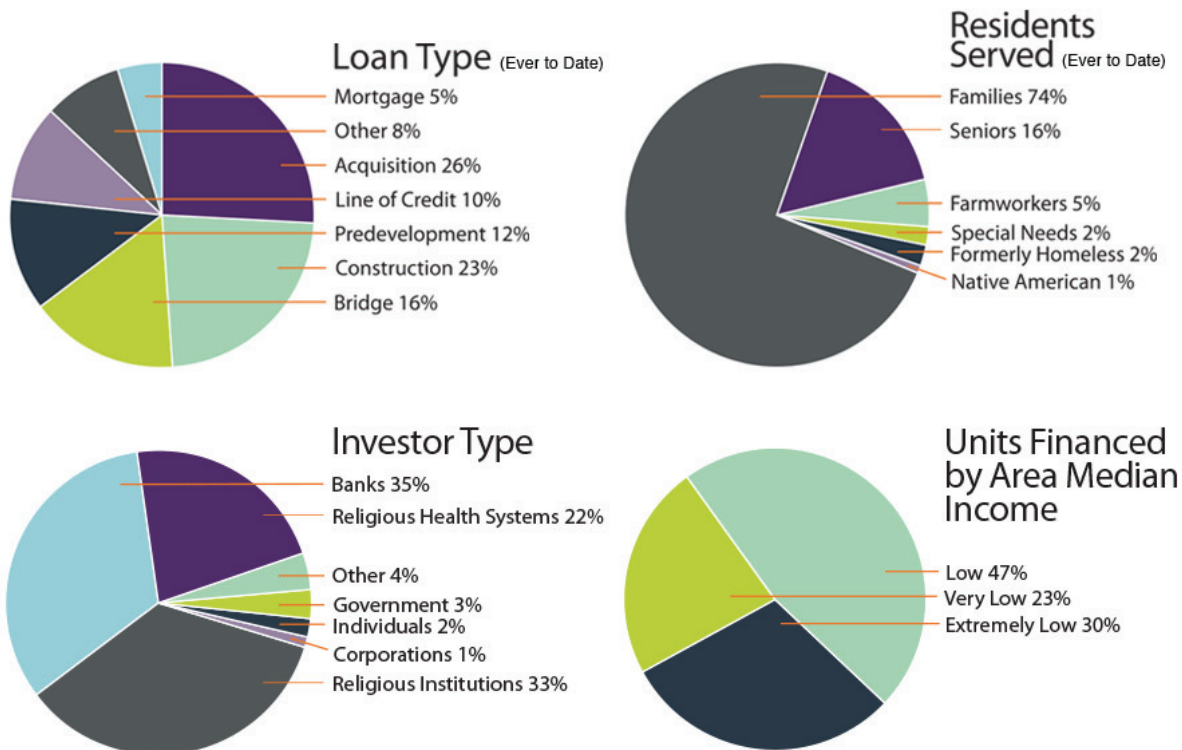
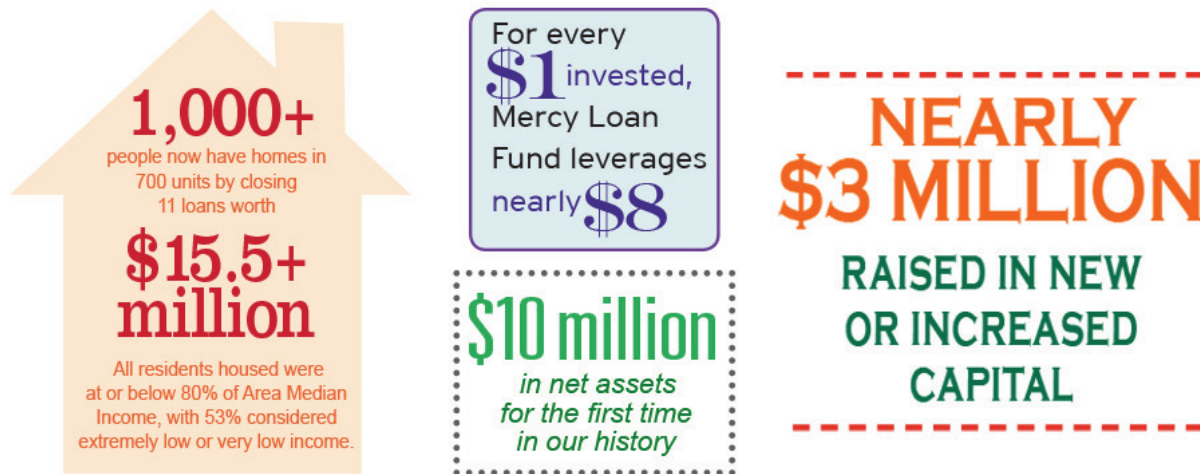


Adrienne Crowe  
MLF Board Chair

# 2013 Highlights

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### Impact

Number of Loans (Ever to date)	450
Total Amount Loaned (Ever to date)	\$237 Million
Total Leveraged (Ever to date)	\$1.6 Billion
Number States (Ever to date)	38
Number of Communities (Ever to date)	173
Total Units (Ever to date)	19,050
Total Residents (Ever to date)	51,361
Total Household Savings in Rent in 2013*	\$3,770,996
Total Homeownership Savings in 2013**	\$12,000

\*Difference between the average annual market rent and the average annual restricted rent

\*\*Difference between the average market sale price and the average affordable sale price



# 2013 Highlights

## Mercy Loan Fund

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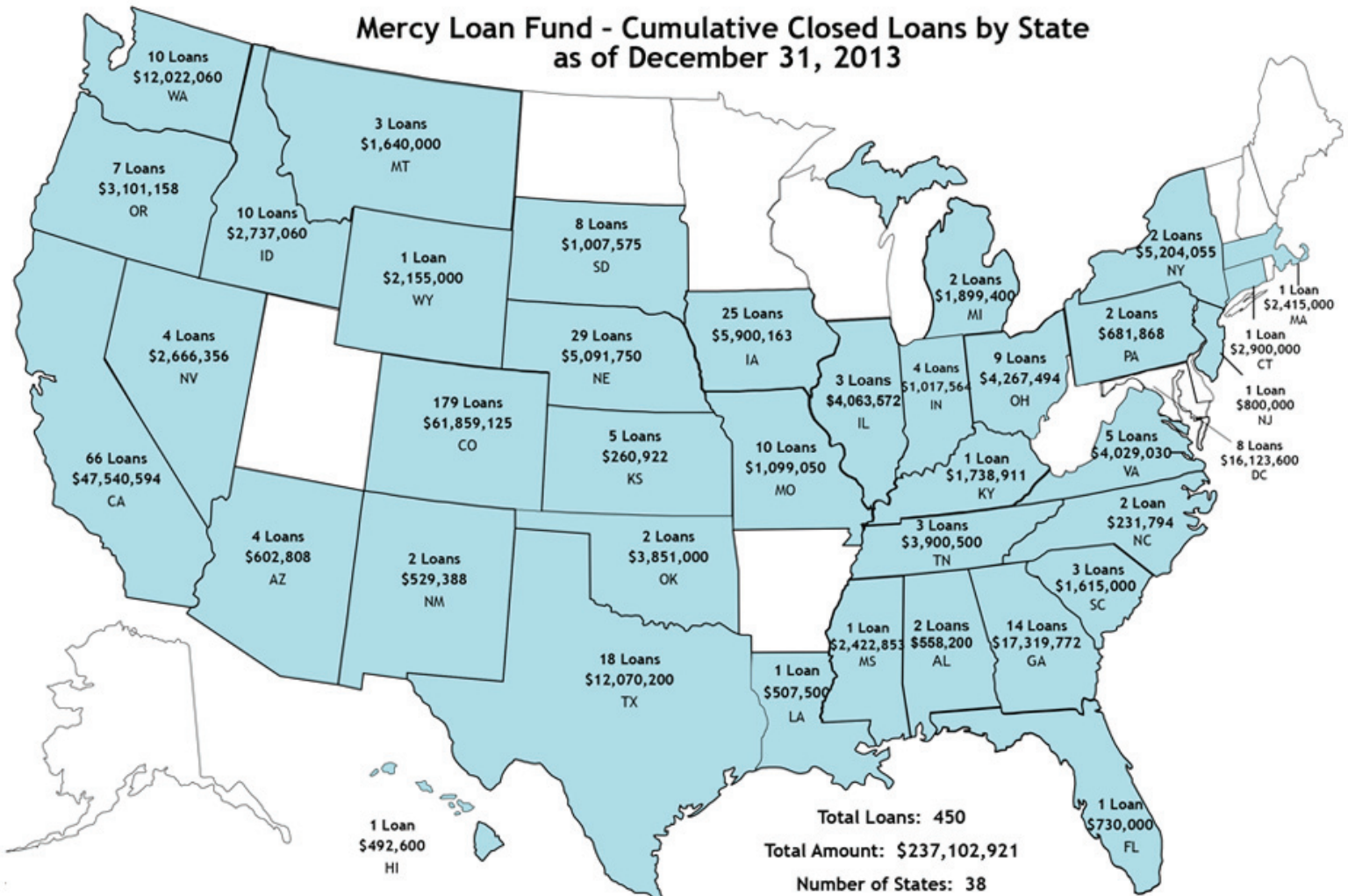
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### Mercy Loan Fund - Cumulative Closed Loans by State as of December 31, 2013



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# Chimes Terrace

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MERCY LOAN FUND OVERSIGHT

Mercy Loan Fund understands the importance of building strong relationships with its borrowers as they strive to meet our nation's housing challenges. Many of these partnerships have resulted in collaboration of multiple developments. In the past 10 years, Mercy Loan Fund has provided multiple loans to 30 percent of its borrowers.

National Church Residences is one such affordable housing development partner. This not-for-profit organization supports the housing needs of low- and moderate- income seniors, families and adults, the homeless, persons with disabilities, and a host of supportive health care services. With a total of 330 communities in 28 states and Puerto Rico, National Church



Residences operates five continuing care retirement communities and is the nation's largest not-for-profit developer and manager of affordable senior housing.

Having provided two loans to National Church Residences, Mercy Loan Fund was recently approached by the entity for a new loan to help finance a residential care facility. Mercy Loan Fund was excited to be a part of this project that aligns with its strategic goal of building healthy communities.

The property, Chimes Terrace in Johnstown, Ohio, is a rental property consisting of 60 units of affordable housing for the elderly. National Church Residences has preserved the property as affordable housing for the elderly and is creating opportunities for the residents to age in place. In pursuit of the organization's preservation objectives, National Church Residences applied for and was awarded an Assisted Living Conversion Program grant for the rehabilitation and conversion of 24 of the property's units to Assisted Living. These units will be licensed as a residential care facility and National Church Residences will rehabilitate the remaining 36 units using Low Income Housing Tax Credits. This is the country's first Assisted Living Conversion Program grant to be combined with Low Income Housing Tax Credits. At the time National Church Residences applied for the grant, the requested amount would have covered all the costs. Due to an increase in construction costs, there was a gap in the total costs. Mercy Loan Fund's loan covers that gap.

Assisted Living facilities cater to residents who need assistance with Activities of Daily Living on a frequent basis, but do not have a high enough level of infirmity to warrant residence at a nursing facility. As the residents at Chimes Terrace age, their independence decreases and their need for supportive services increases. The once independent elderly residents now need assistance with several Activities of Daily Living.

Mercy Loan Fund values the relationships it has built with National Church Residences and all of its borrowers over the years, and looks forward to collaborating on more developments in the future.

*"It is partners like Mercy Loan Fund that help us achieve our mission to provide quality housing and care at affordable prices in communities of caring persons," said Mark Ricketts, Senior Vice President and Chief Operating Officer of National Church Residences.*

# 2013 Investors, Donors & Borrowers

## Mercy Loan Fund

Mercy Loan Fund thanks our 2013 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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 Redemptorists-Denver Province (CO)  
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 Society of Mary (Dubuque, IA)  
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 Ursuline Sisters of Mount St. Joseph (Maple Mount, KY)  
 Ursuline Society and Academy of Education  
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 USDA Rural Development  
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Fannie Mae  
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Peter J. Albert and Charlotte M. Mahoney Gift  
Silicon Valley Bank  
Sisters of St. Louis, California Region  
Sisters of the Most Precious Blood  
Trinity Health

## Borrowers

The Affordable Housing Group of North Carolina, Inc. (NC)  
AIDS Housing Alliance (CA)  
Albemarle Housing Improvement Program (VA)  
Aletheia House (AL)  
Almost Home, Inc. (CO)  
American Housing Opportunity Fund (DC)  
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Bethpage Mission, Inc. (NE)  
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Boulder Housing Partners (CO)  
Boys' and Girls' Club of Newark, Inc. (NJ)  
Brother's Redevelopment, Inc. (CO)  
Cabrillo Economic Development Corporation (CA)  
Candle Development (CA)  
Center for Independent Living Development, Inc. (CO)  
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Chestnut Neighborhood Revitalization Corp. (TX)  
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Clackamas Community Land Trust (OR)  
Colorado Bluesky Enterprises, Inc. (CO)  
Colorado Rural Housing Development Corporation (CO)  
Columbia Cascade Housing Corporation (OR)  
Community Housing Development Association, Inc. (CO)  
Community Housing Improvement Systems & Planning  
Association, Inc. (CHISPA) (CA)  
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Community Preservation and Development Corporation (DC)  
Community Services of Arizona (AZ)  
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The Duncan Group (CA)  
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Elkhorn Valley Community Development Corporation (NE)  
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First Baptist Church of Clarendon (VA)  
First Unitarian Church of Los Angeles (CA)  
Florida Low Income Housing Association (FL)  
Franklinton Development Association (OH)  
Friendly Neighbors Cooperative Association, Inc. (DC)  
Gardenside Terrace Cooperative, Inc. (IN)  
Golden Home Corporation (CO)  
Grace Partners (NV)  
Grand County Housing Authority (CO)  
Greccio Housing Unlimited, Inc. (CO)  
Greenwood Apartments, Inc. (IN)  
Guadalupe Neighborhood Development Corporation (TX)  
Habitat for Humanity of Bucks County (PA)  
Home Opportunities Made Easy, Inc. (HOME) (IA)  
Hope Communities, Inc. (CO)  
Hope House of Colorado (CO)  
Housing Authority of the City of Leadville, Colorado  
Human Resources Council District XII (MT)  
Inner City Community Development Corporation (CO)

Intercommunity Housing (WA)  
4620 Iowa Avenue NW Cooperative Association, Inc. (DC)  
Jasper County Neighbors United (SC)  
Lakefront Supportive Housing (IL)  
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Lumber River Housing Development, Inc. (NC)  
Lutheran Social Services of Colorado (CO)  
Mainstream Housing, Inc. (OR)  
Mercy Housing  
Mercy Management Services (CO)  
MidAmerica Housing Partnership (IA)  
Mt. Auburn Housing, Inc. (OH)  
Missoula Housing Authority (MT)  
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Mountain Regional Housing Corporation (CO)  
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Opportunities Industrialization Centers (PA)  
Opportunity In Living, Inc. (CO)  
Oti Kaga, Inc. (SD)  
PathStone Housing Action Corporation (NY)  
Peoples' Self-Help Housing Corporation (CA)  
Preservation of Affordable Housing, Inc. (MI)  
Preservation Partners (CA)  
Progressive Redevelopment Inc. (GA)  
Providence Network, Inc. (CO)  
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Sabin Community Development Corporation (OR)  
San Antonio Alternative Housing Corporation (TX)  
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San Luis Valley Farm Labor Housing Coalition (CO)  
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Senior Housing Options, Inc. (CO)  
Sioux Falls Environmental Access (IA)  
Soledad Local Development Corporation (CA)  
South Rome Redevelopment Agency (GA)  
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Thistle Community Housing (CO)  
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