

AGENCY NAME:	South Carolina State Housing Finance and Development Authority		
AGENCY CODE:	L32	SECTION:	42

Fiscal Year 2015-16 Accountability Report

SUBMISSION FORM

AGENCY MISSION

The mission of SC Housing is to create quality affordable housing opportunities for the citizens of South Carolina through a vision that all South Carolinians have the opportunity to live in safe, decent and affordable housing.

AGENCY VISION

To become the premier affordable housing agency in SC through the optimization of financing, programs, technology and data, as well as leveraged partnerships, while cultivating professionalism, proficiency, and innovation among team members.

Please state yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

**RESTRUCTURING
RECOMMENDATIONS:**

Please identify your agency's preferred contacts for this year's accountability report.

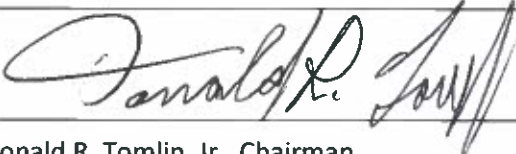
	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Clayton Ingram	803-896-9520	Clayton.ingram@schousing.com
SECONDARY CONTACT:	Krystal Reid	803-896-2959	Krystal.reid@schousing.com

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I have reviewed and approved the enclosed FY 2015-16 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR
(SIGN AND DATE): 

(TYPE/PRINT NAME): Valarie M. Williams, Executive Director

BOARD/CMSN CHAIR
(SIGN AND DATE): 

(TYPE/PRINT NAME): Donald R. Tomlin, Jr., Chairman

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AGENCY’S DISCUSSION AND ANALYSIS

The South Carolina State Housing Finance and Development Authority (hereafter referred to as SC Housing) is a self-sustaining agency and receives no funding from state tax assets or general fund proceeds.

As part of the FY13-14 Accountability Report and overall agency strategic planning goals, SC Housing took a fresh look at its programs and overarching goals. This examination yielded a new “Strategic Vision.” This vision guides this report and our strategic planning into the future. Our Strategic Vision is:

To become the premier affordable housing agency in SC through the optimization of financing, programs, technology and data, as well as leveraged partnerships, while cultivating professionalism, proficiency, and innovation among team members.

For more than 45 years, SC Housing has been helping low- and low-to-moderate income families, older adults, persons with disabilities, and others who are frequently underserved with quality, safe and affordable housing. SC Housing is able to do this by using its proven financial strength to sell securities, which do not depend on the credit of the state of South Carolina, to investors all across the country. Additionally, SC Housing administers several federal and state programs providing affordable housing opportunities where they are needed most.

SC Housing takes pride in serving the state of South Carolina and knowing that its work helps the state’s local economy – as well as creates jobs in sectors such as construction, financial and real estate industries. An annual analysis of this impact is done by the University of South Carolina Moore School of Business which reviews our data and applies formulae to determine our economic impact (multiplier).

For FY16, our “multiplier” is approximately 1.61, meaning for every \$100 invested in our program we return \$161 to the state’s economy. The broader impact and significance of the agency’s contribution to the state can also be expressed in the nearly \$475.4 million in economic impact of the agency’s investments: 3,219 jobs created; \$34.5 million in revenue generation, and \$295.7 million in direct investment across every portion of the state.

SC Housing is comprised of nine core programs, representing its core business functions ranging from rental assistance to homeownership. These programs have made the quality of life better for tens of thousands of South Carolinians. SC Housing enjoys significant partnerships with a wide spectrum of individuals, agencies, businesses and other affordable housing advocates – all working together to help fulfill a basic need for the citizens of South Carolina, safe, quality and affordable housing.

Single-Family Programs

Single-family activities include mortgages issued through our Homebuyer Program, a Mortgage Credit Certificate program, funding through the HOME Program rehabilitation and emergency repair funding offered through the HTF Program; and the South Carolina Homeownership and Employment Lending Program (SC HELP) program which provides assistance to responsible homeowners who may face foreclosure.

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Multifamily Programs

Multifamily activities include properties developed through the Multifamily Tax Exempt Bond Program, group homes for the disabled, transitional, supportive housing and other rental housing funded through the HTF, HOME and the Low Income Housing Tax Credit (LIHTC) Programs.

Housing Assistance

In addition to those programs specifically targeted to project funding and development, SC Housing administers housing assistance programs: Section 8 Housing Choice Voucher Program and Project Based Contract Administration.

MAJOR ACHIEVEMENTS OF FY15-16

- SC Housing maintained its independent Aaa bond rating level with Moody’s.
- More than \$296 million in funding was invested into affordable housing initiatives that resulted in an economic impact of \$475 million and the creation of over 3,219 jobs statewide.
- More than 25,000 families were helped to acquire quality, sustainable, affordable homes with a portfolio of programs that aid in the economic vitality of the state.
- The Authority allocated \$10 million to the 2016 Palmetto Heroes Program. The Program was announced on April 20th and was fully subscribed as of June 8th with just over \$11.7 million in total reservations. This represents approximately 89 new homeowners. The interest rate was three percent. In 2016, Palmetto Heroes provided lower interest rates and down payment assistance to teachers, firefighters, correctional officers, law enforcement, nurses, certified nurse aides, veterans, SC National Guard members, EMS workers and paramedics.
- As of the end of FY16, 11,122 SC homeowners have received foreclosure assistance through SC HELP totaling \$176 million.
- The Procurement and Marketing Department built upon prior social media efforts to communicate with those in need by successfully enhancing SC Housing’s presence on Facebook and Twitter. Currently, SC Housing has more than 2,403 “Likes” on Facebook and more than 11,925 followers on Twitter resulting in an increasing number of South Carolinians, as well as entities within the for profit and nonprofit organizations, that are aware of the affordable workforce housing opportunities available via SC Housing and its business partners.
- For the 21st consecutive year, SC Housing and its partners held a successful Palmetto Affordable Housing Forum, the state’s largest and most comprehensive event dedicated to affordable housing. This year’s Forum brought more than nearly 500 attendees, numerous speakers, sponsors and exhibitors. Professional legal continuing education credits are offered as a part of the Forum curriculum.
- In response to the October 2015 flood, SC Housing led the Housing Solutions Task Force, consisting of State, Federal, and non-profit partners, in developing a statewide strategy for optimizing collective resources available for unmet housing needs. This strategy recommended priority be given to the most vulnerable citizens within the disaster-declared counties.
- Also in response to the October 2015 flood, SC Housing staffed the Joint Field Office and worked with the South Carolina Disaster Recovery Team (SC DRT), the Federal Emergency Management Agency (FEMA), South Carolina Emergency Management Division (SCEMD) and others to contribute to the writing and development of the state’s Mission Scoping Assessment (MSA). This aided in the identification of vital housing recovery issues.

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CHALLENGES

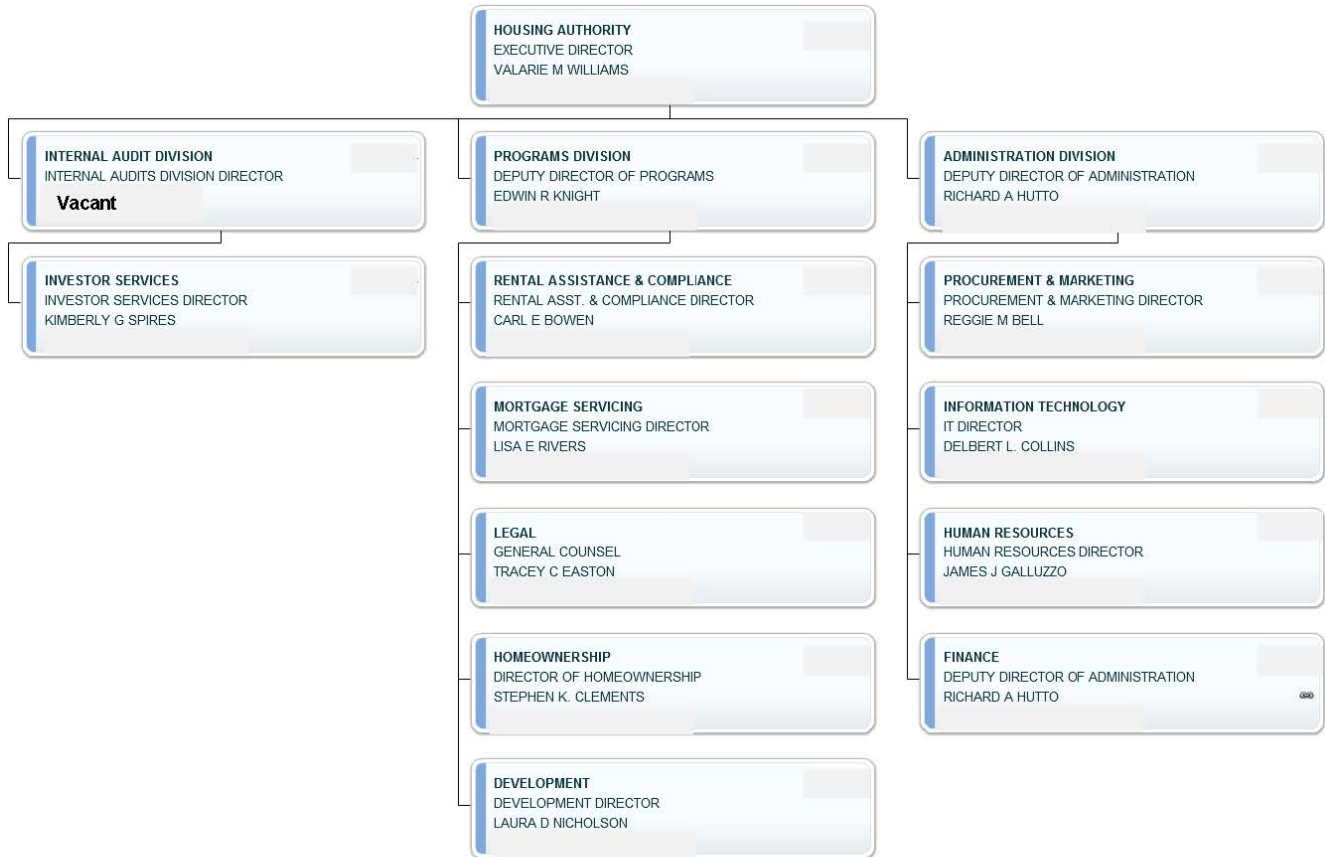
SC Housing has been measurably successful over its 45-year existence because its mission has been broad enough and flexible enough to change with the needs, opportunities, market conditions, organizational transitions and the ever-changing environment of the affordable housing industry and the priorities of legislative bodies. This flexibility ensures that SC Housing can: react appropriately and effectively address situations that affect its business functions; originate programs and initiatives that are timely and relevant; and participate in opportunities that extend beyond the core components of its major programs.

In turn, SC Housing faces challenges to its potential success. The most significant challenges to SC Housing continuing to fulfill its mission are housing market related limitations incurred by being a governmental agency and the uncertainty of bond cap allocations. While SC Housing has been very successful in achieving its mission to date, these two issues continue to exist as significant constraints to sustaining and expanding access to affordable workforce housing for all South Carolinians.

First, being a governmental agency has its limitations and associated complications. Many housing finance agencies have been allowed by their sponsoring states to become quasi-governmental agencies and, in some cases, to become private, not-for-profit organizations. This allows the agencies to react more quickly to changing market conditions, similar to more traditional financial institutions. As an example, in the current low interest rate environment, bond financing is a less viable funding source, as bond interest rates continue to remain above free market mortgage interest rates. Many housing finance agencies have turned to securitizing mortgages through government sponsored entities like Fannie Mae. SC Housing is currently precluded from participating in this financing strategy due to state government restrictions on contractual indemnification.

Second, the uncertainty of the amount of the state’s private activity tax exempt bond cap allocation that will be available to SC Housing creates constraints. Many other southeastern states have set allocations of their state’s bond cap that are earmarked for single- and multifamily housing revenue bond programs. This allows those housing finance agencies to effectively manage the allocation of bond proceeds within a fixed budget, so that the flow of resulting mortgages can be reasonably controlled through the use of forecasting and loan production models. At present, SC Housing must request bond cap each year, with no guarantee or expectation in advance as to the amount or availability of the bond cap. Although a recent surplus of bond cap has ameliorated the uncertainty, this method of allocation creates a more difficult process for controlling activity and production and will continue to be a concern in the future.

ORGANIZATIONAL CHART



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Strategic Planning Template

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
G	1			Government and Citizens	Improve Affordable Housing Opportunities Statewide
		1.1		Government and Citizens	Increase outreach efforts with community and affinity groups with whom our housing mission aligns / overlaps
			1.1.1	Government and Citizens	Increase the number of community and affinity groups in our database that align with our Agency mission by 10% by June 30, 2017
			1.1.2	Government and Citizens	Differentiate our organization by disseminating targeted messages to external stakeholders (the public), via FaceBook and increase our audience by 10% by June 30, 2017
		1.2		Government and Citizens	Enhance Development Programs (e.g. HOME, Tax Credits, Housing Trust Fund) and Increase Development Program Outreach Efforts Statewide
			1.2.1	Government and Citizens	Conduct at least 3 workshops and trainings annually to promote the development of affordable housing programs statewide
			1.2.2	Government and Citizens	Maintain and enhance financial compliance monitoring reviews annually through utilization of control self-assessment processes to ensure participants' viability and adherence to program requirements
		1.3		Government and Citizens	Increase Understanding and Usage of SC Housing Homeownership Programs Statewide
			1.3.1	Government and Citizens	Increase SC Housing trained real estate professionals by providing local, regional and individual company training
			1.3.2	Public Infrastructure and Economic Development	Increase SC Housing trained lending partners by providing local, regional and individual company training to increase lender participation by 5% by June 30, 2017
G	2			Public Infrastructure and Economic Development	Efficiently and Effectively Manage and Support Agency Programs and Human Resource Capital
		2.1		Public Infrastructure and Economic Development	Utilize Enterprise Risk Management to effectively manage the Agency's Risks which threaten the achievement of objectives
			2.1.1	Public Infrastructure and Economic Development	Conduct at least one Annual control self-assessment
			2.1.2	Public Infrastructure and Economic Development	Provide at least three trainings to Divisions with first-year control self assessment
		2.2		Government and Citizens	Maintain Fiscal Compliance, Program Auditability and Quality Control
			2.2.1	Government and Citizens	Successfully complete periodic and annual independent compliance audits
			2.2.2	Government and Citizens	Maintain and reinforce program guidelines for all SC HELP processing agencies and underwriting staff by conducting at least four training sessions for underwriting staff and completing at least 140 site visits by June 30, 2017

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Performance Measurement Template

Item	Performance Measure	Target Value	Actual Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)
1	The number of community and affinity groups in our database and time frame	10%	127%	10%	July 1, 2016 -June 30, 2017	Development of database	N/A	1.1.1
2	Increase of social media audiences	10%	128%	10%	July 1, 2016 -June 30, 2017	Internal application diagnostics	Divide the sum of Facebook 'Likes" at 6/30/16 by the sum of Facebook "Likes" at 7/01/15. Express as a %.	1.1.2
3	Number of (Development) workshops and trainings conducted	3	7	5	July 1, 2016 -June 30, 2017	Notices Published	Total number of workshops and trainings completed	1.2.1
4	Number of trainings (for Real Estate Professionals)	50	76	50	July 1, 2016 -June 30, 2017	Database	Completed trainings	1.3.1
5	Number of persons (Real Estate Professionals) attending workshops and trainings	250	1000+	500	July 1, 2016 -June 30, 2017	Attendance records	Total number of persons attending workshops and trainings	1.3.1,1.3.2
6	Percentage (%) of SC Housing Approved Lenders participating in Mortgage Credit Certificate	90%	80% (62 lenders w/5 non-participants)	90%	July 1, 2016 -June 30, 2017	Single Family program data	Participating Lenders/Total Lenders	1.3.2
7	Number of initiated control self-assessments	1	1	1	July 1, 2016 -June 30, 2017	Division control self-assessments reports	Count	2.1.1
8	Control self-assessments Action Plan items completed on time and implementation verified by Internal Audit	100%	100%	100%	July 1, 2016 -June 30, 2017	Internal Audit	Number of actions completed and verified divided by number of actions scheduled for completion	2.1.1
9	Number of facilitated Division subsequent year control self-assessments	3	2	3	July 1, 2016 -June 30, 2017	Control self-assessment tracking log	Count	2.1.2
10	Response to Audit Findings per Auditor's Due Date	100%	100%	100%	July 1, 2016 -June 30, 2017	Audit Files	Number of Responses Completed on Time divided by Total Number of Audit Findings	2.2.1
11	Training sessions for underwriting staff	4	4	4	July 1, 2016 -June 30, 2017	Database	Completed training sessions	2.2.2

12	Onsite visits to processing agencies	140	73	40	July 1, 2016 -June 30, 2017	Database	Completed site visits	2.2.2
13	Percentage (%) of reports issued within HUD prescribed timeframes	100%	100%	100%	July 1, 2016 -June 30, 2017	Quality control review database	Number of quality control reviews completed timely divided by total QC reviews	2.2.3
14	Percentage (%) increase of qualified applicants per posting and by job type	70%	80%	90%	July 1, 2016 -June 30, 2017	Human Resources files	Comparison of current fiscal year qualified applicants per posting and by job type to previous fiscal year	2.4.1
15	Percentage (%) of employees capable of assuming leadership duties in three years	15%	20%	25%	July 1, 2016 -June 30, 2017	Human Resources files	Number of identified employees divided by total population	2.4.2
16	Increase use of the MCC by 06-30-16	115/\$16.5M	73/\$10.5M Program closed partial year 6/12 - mid. Nov.	115/\$17M	July 1, 2016 -June 30, 2017	Financial files	Current value divided by target value.	3.1.1
17	The issuance of a new bond and refunding	30-Jun-17	Completed-\$60M in total bond funding	To be completed by FY17 end. \$100M total bonding	July 1, 2016 -June 30, 2017	Financial files	The date of the bond issue	3.1.2

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Program Template

Program/Title	Purpose	FY 2015-16 Expenditures (Actual)				FY 2016-17 Expenditures (Projected)				Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
I.A. Administration	Administration includes Executive Administration, Legal, Human Resources and Internal Audit	\$0	\$ 2,020,625	\$0	\$ 2,020,625	\$0	\$ 8,094,166	\$0	\$ 8,094,166	All Objectives
I.B. Finance	Finance	\$0	\$ 1,053,907	\$0	\$ 1,053,907	\$0	\$ 1,226,054	\$0	\$ 1,226,054	2.2.1, 2.2.3, 2.3.1, 2.3.2, 3.1.1, 3.1.2
I.C. Support Services	Support Services covers Information Technology, Procurement and Marketing	\$0	\$ 1,895,102	\$0	\$ 1,895,102	\$0	\$ 2,434,207	\$0	\$ 2,434,207	1.1.1, 1.1.2, 1.2.1, 1.2.2, 2.3.1, 2.3.2, 2.4.1, 2.4.2
II.A. Contract Administration (CA) and Compliance Monitoring (CM)	CA monitors and disburses rental assistance under a contract with HUD. CM monitors other government assisted affordable housing.	\$0	\$ 1,607,045	\$ 124,527,262	\$ 126,134,307	\$0	\$ 2,667,574	\$ 129,100,000	\$ 131,767,574	1.1.1, 1.1.2, 2.2.1, 2.3.1, 2.3.2, 2.4.1, 2.4.2
II.B. Rental Assistance	The HUD Housing Choice Voucher Program provides rental assistance to very low-income families.	\$0	\$0	\$12,670,507	\$ 12,670,507	\$0	\$0	\$ 13,560,941	\$ 13,560,941	1.1.1, 1.2.1, 2.2.1, 2.3.1, 2.3.2, 2.4.1, 2.4.2
II. C. Housing Initiatives	The HUD HOME Program, the HUD Neighborhood Stabilization Program, and the Housing Trust Fund promote public/private partnerships to support the development and maintenance of affordable housing	\$0	\$ 1,839,054	\$ 2,647,070	\$ 4,486,124	\$0	\$ 6,481,467	\$ 13,201,173	\$ 19,682,640	1.1.1, 1.1.2, 1.2.1, 1.2.2, 2.1.1, 2.2.1, 2.2.3, 2.3.1, 2.3.2, 2.4.1, 2.4.2
II.D. Housing Credit	Low Income Housing Tax Credit Program and Administration	\$0	\$ 709,896	\$0	\$ 709,896	\$0	\$ 864,153	\$0	\$ 864,153	1.1.1, 1.1.2, 1.2.1, 1.2.2, 2.1.1, 2.2.1, 2.3.1, 2.3.2, 2.4.1
III.A. Mortgage Production	The Homeownership Program provides below-market home mortgages to low-to-moderate income South Carolinians	\$0	\$ 1,041,476	\$0	\$ 1,041,476	\$0	\$ 2,079,243	\$0	\$ 2,079,243	1.1.1, 1.1.2, 1.2.1, 1.2.2, 1.3.1, 1.3.2, 2.1.1, 2.2.1, 2.3.1, 2.3.2, 2.4.1, 2.4.2, 3.1.1, 3.1.2
III.B. Mortgage Servicing	Mortgage Servicing includes Servicing and Investor Services	\$0	\$ 2,223,051	\$0	\$ 2,223,051	\$0	\$ 2,362,689	\$0	\$ 2,362,689	1.1.1, 1.1.2, 2.3.1, 2.3.2, 2.4.1, 2.4.2

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
1	31-13-20	State	Statute	Creation of the Authority.	All
2	31-13-30	State	Statute	Authorizes the Governor to appoint commissioners to the Authority's Board and select the chairman; designates terms of commissioners; and designates Governor and State Commissioner of DHEC or their designees as ex official members.	All
3	31-13-40	State	Statute	Executive Director is appointed by the commissioners of the Board.	All
4	31-13-50	State	Statute	Gives the Authority and Commissioners the same powers, immunities, etc. as those given to city, county, or regional housing authorities and permits Authority to make home equity conversion mortgages to specified persons.	All
5	31-13-60	State	Statute	Grants the Authority the power to conduct operations statewide with specified limitations.	All
6	31-13-70	State	Statute	Allocates all of the State's ceiling pursuant to 26 U.S.C. Section 103A(g)(6)(A) to issue qualified mortgage bonds. (Federal citation no longer accurate.)	Single Family Bond & Multifamily Bond
7	31-13-80	State	Statute	Permits Authority to provide advice or technical assistance related to stimulating the housing industry and to relieve unemployment.	All
8	31-13-90	State	Statute	Permits Authority to issue bonds for multi-family housing upon certain determinations by the Budget and Control Board.	Multifamily Bond

9	31-13-180	State	Statute	Authorizes the Authority to: provide construction and mortgage loans; purchase mortgage loans; provide for predevelopment costs, temporary financing and land development expenses; provide residential housing construction and rehabilitation by private enterprise and housing sponsors for sale or rental to persons and families of moderate to low income; provide mortgage financing; make loans to mortgage lenders under terms and conditions requiring that the proceeds thereof be used by the mortgage lenders for new residential mortgage loans; provide technical, consultative and project assistance services to housing sponsors; assist in coordinating federal, state, regional and local public and private efforts and resources; promote wise usage of land and other resources; make direct loans to qualified individuals through mortgage lenders; acquire title to real property and cause to be constructed thereon; sell and dispose of real property and residential housing; and acquire title to and sell real property where necessary. The Authority may also borrow, expend, advance, loan or grant monies for such activities.	All
10	31-13-190	State	Statute	Empowers the Authority to: make and execute instruments or agreements necessary or desirable to perform its functions; borrow money through the issuance of notes and bonds; make mortgage loans to beneficiary households; invest in, purchase or commit to purchase mortgages; make loans to or purchase securities from mortgage lenders; require loans be secured by collateral security; make and execute contracts for the servicing of mortgage loans; make loans to housing sponsors and members of the beneficiary class; sell mortgages; procure insurance against loss of property owned or financed by Authority; require fees for its services; institute actions to require performance of agreements; acquire, sell or dispose of real property; avail itself of all legal and equitable remedies to protect its interest; administer, coordinate, establish priorities and make commitments for programs under its jurisdiction; utilize earned income; create and establish funds; initial counseling and management programs; provide advice, technical assistance and other services; acquire, own and operate rental projects.	All
11	31-13-200	State	Statute	Establishes the terms under which the Authority may issue notes and bonds.	Single Family Bond & Multifamily Bond
12	31-13-210	State	Statute	Prohibits interest rates higher than 1% less than the state usury laws unless permitted by the Budget and Control Board.	All

13	31-13-220	State	Statute	Establishes the information required by State Budget and Control Board for the issuance of notes and bonds.	Single Family Bond & Multifamily Bond
14	31-13-230	State	Statute	Established a maximum amount of bonds for the first twelve months following May 10, 1977.	Single Family Bond & Multifamily Bond
15	31-13-240	State	Statute	Requires the information provided under 31-13-200 also be provided to the Bond Committee created by Chapter 47 of Title 2.	Single Family Bond & Multifamily Bond
16	31-13-250	State	Statute	Permits the Authority to acquire, construct or operate a rental project where there is no capable housing sponsor.	Single Family Bond & Multifamily Bond
17	31-13-260	State	Statute	Permits the Authority to issue refunding notes and bonds.	Single Family Bond & Multifamily Bond
18	31-13-270	State	Statute	Permits the Authority to sell or exchange refunding notes and bonds.	Single Family Bond & Multifamily Bond
19	31-13-280	State	Statute	Provides that the notes, bonds or obligations of the Authority are not a debt or grant or loan of credit of the State.	Single Family Bond & Multifamily Bond
20	31-13-290	State	Statute	Requires compliance with the provisions of Section 31-3-1630 with respect to the issuance of notes, bonds or other obligations.	Single Family Bond & Multifamily Bond
21	31-13-300	State	Statute	Authorizes the Authority to include the State's pledge not to limit or alter rights vested in the Authority to fulfill the terms of agreements made with note or bond holders.	Single Family Bond & Multifamily Bond
22	31-13-310	State	Statute	Exempts the Authority from compliance with any other state requirements applicable to the issuance of bonds, notes and other obligations to include refunding notes and bonds.	Single Family Bond & Multifamily Bond
23	31-13-340	State	Statute	Establishes the State Housing, Finance, and Development Authority Program Fund and requires signature of the chairman or designee and the Executive Director.	All
24	31-13-420	State	Statute	Establishes the South Carolina Housing Trust Fund; designates procedures for monies to be paid out; requires a separate annual report.	HTF
25	31-13-430	State	Statute	Establishes the membership and requirements of the Housing Trust Fund Advisory Committee.	HTF
26	31-13-440	State	Statute	Establishes duties of Executive Director for day-to-day operations of the Housing Trust Fund.	HTF
27	31-13-445	State	Statute	Prohibits expending more than 20% of the HTF in a fiscal year in any one county.	HTF
28	31-13-450	State	Statute	Establishes the minimum guidelines for HTF awards.	HTF
29	31-13-460	State	Statute	Permits units of state, regional and local governments to receive HTF funds.	HTF
30	31-13-470	State	Statute	Permits Board to establish HTF funding cycles; establishes priority for applications.	HTF

31	Reg 64-1	State	Regulation	Defines "Moderate-to-Low Income".	All
32	Reg 64-2	State	Regulation	Establishes use of monies in the Program Fund for downpayment assistance.	All
33	Reg 64-2.1	State	Regulation	Establishes fiscal HTF expenditures.	HTF
34	Reg 64-3	State	Regulation	Permits the Authority to use Program Fund for special needs financing.	All
35	Proviso 42.1	State	Proviso	Permits the Authority to carry forward federal rental assistance administrative fees.	Rental Assistance
36	Proviso 42.2	State	Proviso	Permits the Authority to carry forward prior fiscal year monies withdrawn from certain bond indentures.	All
37	Proviso 42.3	State	Proviso	Permits mileage reimbursement for the HTF Advisory Committee.	HTF
38	Proviso 42.4	State	Proviso	Permits the Authority to retain recoveries in excess of SWCAP.	All
39	29-4-60	State	Statute	Requires the Authority to create a statement for reverse mortgages and refer customers to counseling services for reverse mortgages.	All
40	37-23-40	State	Statute	Requires the Authority to approve high-cost home loan counselors.	All
41	12-24-90	State	Statute	Establishes the fee calculation that goes into the Housing Trust Fund.	HTF
42	31-3-10, et seq.	State	Statute	Establishes the manner in which local, city, county and regional housing authorities operate. Per 31-13-15, the Authority receives all powers, immunities, rights, limitations, etc. conveyed hereunder and not in conflict with Chapter 13 of Title 31.	All
43	31-21-10, et seq.	State	Statute	Creates the State's Fair Housing Law which the Authority is required to comply with or monitor its projects for compliance.	All
44	27-40-10, et seq.	State	Statute	Creates the State's Residential Landlord and Tenant Act. The Authority does not regularly operate rental properties but must comply if operating rental properties.	All
45	37-23-10, et seq.	State	Statute	Creates the South Carolina High-cost and Consumer Home Loans Act. While the Authority does not currently originate consumer mortgages directly, it purchases such loans which must be in compliance.	All
46	29-4-10, et seq.	State	Statute	Creates the South Carolina Reverse Mortgage Act. While the Authority does not originate reverse mortgage, it has the authority to do so and such originations must comply with this section.	All
47	29-3-10, et seq.	State	Statute	Establishes requirements related to mortgages in South Carolina. The Authority regularly requires mortgages to secure funds it expends and must comply with this section.	Mortgage Production
48	42 U.S.C. 12701, et seq.	Federal	Statute	Creates the HOME Investment Partnerships Program which the Authority administers.	HOME
49	24 CFR Part 92	Federal	Regulation	Establishes the rules with the HOME Investment Partnerships Program which the Authority administers.	HOME

50	110 P.L. 289	Federal	Statute	Establishes the Housing and Economic Recovery Act of 2008. HERA includes housing finance reform, the S.A.F.E Mortgage Licensing Act, mortgage foreclosure protections for servicemembers, the Neighborhood Stabilization Program (which the Authority administers), modifications to the Low Income Housing Tax Credit (which the Authority administers), and modifications to tax-exempt housing bond rules (which the Authority issues).	NSP, LIHTC, Multifamily TEB, Mortgage Servicing
51	24 CFR Part 570	Federal	Regulation	Establishes rules with the Neighborhood Stabilization Program which the Authority administers.	NSP
52	111 P.L. 5	Federal	Statute	Establishes the American Recovery and Reinvestment Act of 2009. ARRA modified the Neighborhood Stabilization Program and the Low Income Housing Tax Credit (both of which the Authority administers),	NSP, LIHTC
53	111 P.L. 203	Federal	Statute	Establishes the Dodd-Frank Wall Street Reform and Consumer Protection Act. Dodd-Frank modified the Neighborhood Stabilization Program (which the Authority administers) and provided certain consumer protections in the mortgage industry (which the Authority participates in) including creation of the Consumer Financial Protection Bureau which regulates the lending industry.	NSP, Mortgage Servicing
54	110 P.L. 343	Federal	Statute	Establishes the Emergency Economic Stabilization Act of 2008. EESA includes Trouble Assets Relief Program (TARP) which provides funding for the Neighborhood Initiative Program and the SC HELP programs.	Hardest Hit
55	26 USCS §42	Federal	Statute	Establishes the federal low-income housing tax credit which the Authority administers.	LIHTC
56	42 U.S.C. §§ 3601, et seq.	Federal	Statute	Establishes the Fair Housing Act.	All
57	12 CFR Part 338	Federal	Regulation	Regulations regarding the Fair Housing Act.	All
58	26 CFR 1.42-1, et seq.	Federal	Regulation	Regulations concerning the federal low-income housing tax credit program.	LIHTC
59	26 USCS §142	Federal	Regulation	Permits the use of tax-exempt bonds for qualified residential rental projects.	Multifamily Bond
60	26 CFR 1-1.03-8	Federal	Regulation	Regulations related to qualified residential rental projects.	Multifamily Bond
61	26 CFR 1.103A-2	Federal	Regulation	Regulation requiring annual report on qualified mortgage bonds.	Mortgage Production
62	108 P.L. 159	Federal	Statute	Established the Fair and Accurate Credit Transactions Act of 2003 (FACTA). FACTA requires the Authority's Red Flag Policy.	All
63	75 P.L. 412	Federal	Statute	Established the Housing Act of 1937 which provides for subsidies to be paid by the US government to local public housing agencies for public housing.	Section 8, Contract Administration
64	12 U.S.C. 1706	Federal	Statute	Creates Section 8 housing which the Authority administers in its Housing Choice Voucher Program and Contract Administration area.	Section 8, Contract Administration

65	26 USCS §143	Federal	Statute	Permits the use of tax-exempt bonds for qualified mortgage bonds.	Single Family Bond & Multifamily Bond
66	26 USCS §26	Federal	Statute	Permits the issuance of mortgage credit certificates.	Mortgage Production
67	26 CFR 1.25-1T - 1.25-8T	Federal	Regulation	Regulations regarding mortgage credit certificates.	Mortgage Production
68	111 P.L. 22, Div A, Title VII	Federal	Statute	Establishes the Protecting Tenants at Foreclosure Act. Law has currently sunsetted but there are efforts to re-establish.	Mortgage Servicing
69	37-5-101, et seq.	State	Statute	Consumer Protection Code's Remedies and Penalties.	All
70	15 USC 1691	Federal	Statute	Established the Equal Credit Opportunity Act (ECOA) which regulates the loan application process.	Mortgage Production
71	12 CFR Part 202	Federal	Regulation	Regulations for ECOA.	Mortgage Production
72	Title VI of the Civil Rights Act of 1964	Federal	Statute	Prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.	All
73	29 USC 794	Federal	Statute	Prohibits discrimination because of disability.	All
74	12 USC 2901	Federal	Statute	The Community Reinvestment Act (CRA) which protects low-income borrowers from discriminatory credit practices.	Mortgage Production
75	12 CFR Part 25	Federal	Regulation	Regulations regarding CRA.	Mortgage Production
76	12 CFR Part 228	Federal	Regulation	Regulations regarding CRA.	Mortgage Production
77	12 CFR Part 345	Federal	Regulation	Regulations regarding CRA.	Mortgage Production
78	12 CFR Part 563e	Federal	Regulation	Regulations regarding CRA.	Mortgage Production
79	12 USC 2801 - 2011	Federal	Statute	Established the Home Mortgage Disclosure Act (HMDA) which requires collection and reporting of certain information related to loan applications.	Mortgage Production
80	12 CFR Part 1003	Federal	Regulation	Regulations regarding HMDA.	Mortgage Production
81	15 USC 1601, et seq.	Federal	Statute	Truth in lending Act (TILA) which provides protections for consumer credit transactions.	All
82	12 CFR Part 1026	Federal	Regulation	Regulations regarding TILA.	All
83	Reg Z, Section 32	Federal	Regulation	Home Ownership and Equity Protection Act (HOEPA) which protects lenders against abusive lending practices.	Mortgage Production
84	12 USC 2601	Federal	Statute	Real Estate Settlement Procedures Act (RESPA) which requires a lender give a good faith estimate of costs and charges, prohibits abusive practices and requires certain disclosures.	All
85	24 CFR Part 3500 (Reg X)	Federal	Regulation	Regulations regarding RESPA.	Mortgage Production & Mortgage Servicing
86	15 USC 1681	Federal	Statute	Fair Credit Reporting Act (FCRA) as amended by the Fair and Accurate Credit Transactions Act (FACTA) which promotes accuracy and ensuring privacy of information in use on consumer credit reports. Requires lenders to have a red flag policy.	All
87	12 CFR Part 1022 (Reg V)	Federal	Regulation	Regulations regarding FCRA/FACTA.	All

88	15 USC 6902	Federal	Statute	Gramm-Leach Bliley (GLB) Act (aka Financial Services Modernization Act) which protects against unauthorized access to customer information and prevents identity theft.	All
89	12 CFR Part 1016 (Reg P)	Federal	Regulation	Regulations regarding GLB.	All
90	15 USC 1692	Federal	Statute	Fair Debt Collection Practices Act (FDCPA) prohibits abusive practices of debt collectors. The Authority is currently not subject to this Act, however, the Authority attempts to keep its collection efforts in compliance.	Mortgage Servicing
91	50 USC 501-597b	Federal	Statute	Servicemembers Civil Relief Act (SCRA) protects military personnel from civil liability, foreclosure or eviction while they are serving and caps the interest rate on debts.	Mortgage Servicing
92	12 USC 4901 -4910	Federal	Statute	Homeowners Protection Act of 1988 which is commonly known as the PMI Act and gives consumers the right to request cancellation of PMI (private mortgage insurance) when they pay down their mortgage to 80% or more of the home's value and requires cancellation at 78%.	Mortgage Servicing
93	42 USC 9601-9675	Federal	Statute	Comprehensive Environmental Response Compensation and Liability Act (CERCLA) imposes liability on owners of property for cleaning up hazardous waste. Lenders may be liable under CERCLA if they become the owner through foreclosure or otherwise.	All
94	37-22-100, et seq.	State	Statute	South Carolina Mortgage Lending Act requires licensure to act as a mortgage lender.	Mortgage Production
95	1-13-10, et seq.	State	Statute	SC Human Affairs Law prohibits discrimination against an individual because of race, religion, color, sex, age, national origin, or disability.	All
96	35-21-10, et seq.	State	Statute	South Carolina Fair Housing Law prohibits discrimination in any aspect of residential real estate transactions on the basis of race, color, religion, sex, handicap, familial status or national origin.	All
97	37-20-110, et seq.	State	Statute	SC Consumer Identity Theft Protection Act imposes disclosure requirements on persons that regularly assemble/evaluate consumer credit information.	All
98	39-5-10, et seq.	State	Statute	South Carolina Unfair Trade Practices Act prohibits unfair or deceptive acts or practices in the conduct of trade or commerce.	All
99	Title 37	State	Statute	SC Consumer Protection Code applies to all persons collecting a debt and prohibits unconscionable conduct such as harassment/abuse and false/misleading representations.	All

Divisions or Major Programs	Description		Service/Product Provided to Customers	Customer Segments	<i>Specify only for the following Segments: (1) Industry: Name; (2) Professional Organization: Name; (3) Public; Demographics.</i>
Generally	<p>SC Housing's key customer groups are primarily dependent on the program under which the customer is classified. For the Contract Administration, Multifamily Tax Exempt Bond Program, Low Income Housing Tax Credit and Housing Choice Voucher Programs, the primary customers are very low- and low-income families. For the HOME Investment Partnerships Program, South Carolina Housing Trust Fund Program and NSP, the primary customers are very low- and low-income tenants, homeowners and special needs populations. For the Mortgage Bond Program, the primary customers are low- to moderate-income homebuyers. SC HELP works with homeowners who are in danger of losing their homes due to temporary loss of income or other uncontrollable hardship. This information is detailed below.</p>			<p>SC Housing's key customer groups are primarily dependent on the program under which the customer is classified. For the Contract Administration, Multifamily Tax Exempt Bond Program, Low Income Housing Tax Credit and Housing Choice Voucher Programs, the primary customers are very low- and low-income families. For the HOME Investment Partnerships Program, South Carolina Housing Trust Fund Program and NSP, the primary customers are very low- and low-income tenants, homeowners and special needs populations. For the Mortgage Bond Program, the primary customers are low- to moderate-income homebuyers. SC HELP works with homeowners who are in danger of losing their homes due to temporary loss of income or other uncontrollable hardship. This information is detailed below.</p>	
Project-Based Contract Administration	Extremely- low and very-low income families		Administration of HUD subsidy contract for Project-Based rental properties.	Extremely- low and Very-low income families	Extremely- low and very-low income families
Multifamily Tax Exempt Bond Program	Very low- and low-income families		Mortgage Financing (multifamily)	Very low- and low-income families	Very low- and low-income families
Low Income Housing Tax Credit	Very low- and low-income families		Tax Credits; Mortgage Financing (multifamily)	Very low- and low-income families	Very low- and low-income families
Housing Choice Voucher Program	Extremely- low and very-low income families		Administration of HUD Rental Assistance Program.	Extremely- low and Very-low income families	Extremely- low and very-low income families
HOME Investment Partnerships Program	Very low- and low-income tenants, homeowners and special needs population		Mortgage Financing (single and multifamily)	Very low- and low-income tenants, homeowners and special needs population	Very low- and low-income tenants, homeowners and special needs population
South Carolina Housing Trust Fund Program	Very low- and low-income tenants, homeowners and special needs population		Program Administration	Very low- and low-income tenants, homeowners and special needs population	Very low- and low-income tenants, homeowners and special needs population
Neighborhood Stabilization Program (NSP)	Very low- and low-income tenants, homeowners and special needs population		Program Administration	Local Govts.	This program assists local governments with the reduction or elimination of blight

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Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)
Consumer Affairs	State Government	Annual Forum; various educational presentations	1.1.1; 1.1.2
Office of the Lt. Governor/Office on Aging	State Government	Funding to assist low income senior citizens to obtain rental residences	1.1.1
Department of Commerce	State Government	Coordinate activities related to assisting homeowners who were impacted by the October 2015 flood to make necessary repairs to their home through their administration of Community Development Block Grant Disaster Recovery Funds	1.1.1
LLR	State Government	Various licensing and oversight	1.1.1; 1.1.2
University of South Carolina/Moore School of Business	Higher Education Institute	Annual analysis of agency economic impact and contribution	All
Dept. of Employment and Workforce	State Government	Distribution and awareness of availability of assistance to homeowners experiencing temporary unemployment.	1.1.1
SC Department of Administration	State Government	Various reporting involving bond issuance and authority. Financial oversight	All
Lending Partners	Private Business Organization	Banks and independent Mortgage Companies	1.1.1; 1.3.2
Realtors and Builders	Private Business Organization	Various Realtors and Builders	1.3.1
Affordable Housing Coalition of South Carolina	Professional Association	Annual Forum; various educational presentations	1.1.1; 1.1.2
USDA Rural Development	Federal Government	Annual Forum; various educational presentations	1.1.1; 1.1.2
HUD	Federal Government	Annual Forum; various educational presentations	1.1.1; 1.1.2; 2.2.3

Agency Name: South Carolina State Housing Finance and Development Authority

Fiscal Year 2015-16
Accountability Report

Agency Code: L32 **Section:** 042

Oversight Review Template

Item	Name of Entity Conducted Oversight Review	Type of Entity	Oversight Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Method to Access the Oversight Review Report
Davis Bacon	HUD	Federal	8/3-8/4/15	Email Justina Heath at justina.heath@schousing.com
1602 Reports	U.S. Treasury	Federal	8/17/2015	Email Justina Heath at justina.heath@schousing.com
PBCA Limited Remote ACR	HUD	Federal	10/29/2015	Email Justina Heath at justina.heath@schousing.com
GAAP Financial Statements and Single Audit	Elliott Davis Decosimo	Outside Organization	6/19/15 - 9/7/15	Email Justina Heath at justina.heath@schousing.com
Peer Review of Internal Audit Function	SC State Internal Auditor's Assoc.	Outside Organization	8/25/2015	Email Justina Heath at justina.heath@schousing.com
HR Delegation Compliance Audit	Division of State Human Resources	State	12/2/2015	Email Justina Heath at justina.heath@schousing.com
Treasury Compliance Review - NIP	U.S. Treasury	Federal	1/20-1/21/16	Email Justina Heath at justina.heath@schousing.com
Compliance Monitoring Review	HUD	Federal	2/19/2016	Email Justina Heath at justina.heath@schousing.com
Hardest Hit Fund ongoing oversight	SIGTARP	Federal	Ongoing	Email Justina Heath at justina.heath@schousing.com