

# News Release

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*Leading Tennessee Home*

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## Congress Sends \$3.92 Billion in Support Tennessee, Communities Receive \$72 Million

**NASHVILLE, November 18, 2008** – Tennessee and its communities are allocated \$72,520,649 in Neighborhood Stabilization Program grants through the Housing and Economic Recovery Act (HERA) passed by Congress in July. The allocations were announced at the end of September.

The national program made \$3.92 billion available for community and state administrators to develop programs to purchase, rehabilitate and sell abandoned and foreclosed homes to rebuild neighborhoods. Administrators have until December 1 to submit the Substantial Amendment to their Action Plans (spending plan) to the federal Department of Housing and Urban Development (HUD). Tennessee Housing Development Agency (THDA) is administering the state's allocation of \$49,360,421. The direct community allocations are: Memphis, \$11,506,415, Nashville/Davidson \$4,051,398, Shelby County, \$2,752,708, Knoxville \$2,735,980 and Chattanooga \$2,113,727.

Administrators of the Nashville, Memphis, Knoxville and Tennessee NSP grants are scheduled to speak at the Governor's Housing Summit Dec. 2 at 11:15. The complete agenda and registration are available at [www.thda.org](http://www.thda.org).

"This is an amazing opportunity to rebuild neighborhoods that have been hit by the subprime and foreclosure crises," said Ted R. Fellman, executive director of Tennessee Housing Development Agency. "THDA's Board of Directors will review our Action Plan at its regular meeting November 20. The Plan is posted now at [www.thda.org](http://www.thda.org) for public comment."

As required by the federal legislation THDA will allocate the state's NSP funding to the areas of Tennessee with the greatest need. To assist administrators in identifying areas of most need, HUD provided specific data revealing which census tracts have the highest percentages of homes financed with subprime mortgages, and high foreclosure rates. The HUD data shows census tracts in some Tennessee counties with significant percentages of high interest mortgages.

The introductory statement for the state's allocation is:

NSP funds will be allocated across Tennessee to areas of greatest need based on the following criteria: areas of the State with the greatest percentage of home foreclosures; areas of the State with the highest percentage of homes

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financed by subprime mortgages; and areas of the State identified as likely to face a significant rise in the rate of home foreclosures.

The NSP legislation also requires that 25% of the state's allocation be used to house households at or below 50% of area median income. THDA proposes meeting this requirement by using 25% of the state's total allocation for the development of permanent supportive housing by non-profit organizations participating in the 10 Continuums of Care in areas of the state identified as having the greatest NSP need. Research by the Tennessee Department of Mental Health and Developmental Disabilities indicates a conservative count of 11,500 homeless persons in Tennessee. The need for supportive housing is greater.

Any housing constructed or rehabilitated with NSP funds must meet all applicable local codes, rehabilitation standards, and zoning ordinances at the time of project completion. In addition, subrecipients are strongly encouraged to incorporate modern, green building and energy efficient improvements in all NSP activities to provide for the long-term affordability and increased sustainability of housing and neighborhoods.

The complete NSP program description is found in the Federal Register / Vol. 73, No. 194 / Monday, October 6, 2008 / Notices at [www.hud.gov](http://www.hud.gov).

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THDA is a political subdivision of the State of Tennessee. THDA is the state's housing finance agency, responsible for selling tax exempt mortgage revenue bonds to offer affordable mortgage funds to homebuyers of low and moderate incomes through local lenders, and to administer various housing programs targeted to very low-, low- and moderate-income households.

THDA was established in 1973, making its first mortgage in 1974. It has provided affordable fixed rate mortgages to over 99,000 households without using state tax dollars. THDA issues between \$250 and \$300 million in mortgage revenue bonds annually for its first-time homebuyer program.

In the year 2007, THDA created the Tennessee Housing Trust Fund using state, THDA and locally-generated match to support programs for the very-low income, elderly and special needs populations.

More information about THDA is available on-line at [www.thda.org](http://www.thda.org).