

HOUSING The Portland Observer

Rise in family home values

The Office of Federal Housing Enterprise Oversight (OFHEO) reported that single-family home prices across the United States rose an average 3.2% in the 12 months ending March 31, 1997. There was, however, significant variation by region and state in house price performance.

OFHEO's House Price Index (HPI) for the first quarter of 1997 showed house prices rising faster than the national average in four regions: East North Central (Great Lakes states) 6.6%; Mountain (eight-state Rocky Mountain region), 5%; East South Central (Kentucky, Tennessee, Mississippi and Alabama) 4.9%; and West North Central (upper Midwest and northern Plains states) 4.8%. House price appreciation lagged the national average in the remaining five regions. The slowest 12-month growth was recorded in the Middle Atlantic region (New York, Pennsylvania and New Jersey), where prices rose just 0.4%.

Among the states, Michigan had the highest home price growth rate, with the average value of a single-family home rising 9.5% in the year ended March 31. Next was Oregon, 8.8%, and Utah, 8.2%. In the past five years, Utah's house prices have risen 74.7%, the most of any state. The HPI listed nine states with house price annual growth rates above 5%: Indiana, Colorado, Ohio, Missouri, Wisconsin, Tennessee, North Carolina, Kentucky and Montana.

Average house prices declined in the 12-month period in five states: Maine, 0.5%, Connecticut, 0.6%, California, 0.9%, Rhode Island, 1.5% and Hawaii, 6.8%. Hawaii's residential home values, as measured by the HPI, have declined 10% in the past five quarters.

The price movements contained in the quarterly HPI are based on sales or refinancings of single-family homes whose mortgages have been purchased or securitized by Fannie Mae (Federal National Mortgage Association) or Freddie Mac (Federal Home Loan Mortgage Corporation). The combined mortgage records of these two government-sponsored enterprises form the nation's largest database of mortgage transactions.

The HPI is a weighted repeat sales index, meaning that it measures average price changes in repeat sales or refinancings on the same single-family properties. The mortgages measured by the HPI are both conforming and conventional. Conforming refers to a mortgage that both meets the underwriting guidelines of Fannie Mae or Freddie Mac and doesn't exceed the conforming loan limit, now \$214,600 for single-family homes. Conventional means that the mortgages are neither insured nor guaranteed by the FHA or VA. In 1995, about 83% of conventional mortgages had principal amounts under the conforming limit. In 1996, Fannie Mae and Freddie Mac purchased or securitized roughly 37% of all conventional, single-family mortgage loans originated or refinanced.

The HPI is published by the Office of Federal Housing Enterprise Oversight (OFHEO). OFHEO is the government's financial safety and soundness regulator of Fannie Mae and Freddie Mac. These two government-sponsored enterprises (GSEs) are the nation's largest housing finance institutions. The two GSEs were chartered by Congress to help generate a continuing supply of affordable mortgage credit for homebuyers. They do this through secondary market operations — buying mortgages from primary lenders (estors or holding the mortgages in their own portfolios).

NOTE: Division and state rankings reported in the various HPI tables may vary over time due to the following factors: (1) changes in housing values that are observed for holding periods that end with the most recent quarter; (2) differences in Fannie Mae and Freddie Mac purchase patterns that result in changes in the composition of the sample available for analysis; and (3) sampling variability in the estimated index. Each quarter, the beginning and ending points used to calculate the appreciation in housing values are adjusted to the most recently available information. This can result in significant changes in the rankings of states in which the indexes vary from quarter to quarter. Changes in Fannie Mae's and Freddie Mac's purchase patterns occur over longer periods of time, but can also have an impact on the underlying samples. Sampling variability in the estimated indexes is largely a function of the size of the samples that can be obtained from GSE mortgage transactions, particularly for less populous states.

Oregon realtors receive award

The Rogue Valley Community Development Corp. (RVDC), a local nonprofit organization, and the Ashland/Medford Board of Realtors (R) received the "Partners in Housing" award and a \$10,000 check for their efforts to promote affordable homeownership opportunities to low-, moderate-, and middle-income families in Jackson County.

The "Partners in Housing" award program is a joint initiative by the Fannie Mae Foundation and the National Association of Realtors (R).

The "Partners in Housing" program supports the efforts of state associations and local boards of Realtors working with nonprofit organizations to meet the housing needs of low-income families in their community. To date, the Fannie Mae

Foundation has provided \$370,000 nationally in grants to award recipients.

"The Foundation is very pleased to be working with the NAR on the 'Partners in Housing' program. The Rogue Valley Community Development Corporation is a perfect example of our mission to expand homeownership educational opportunities so more families can reach the American dream of homeownership," said Wendy R. Sherman, president and CEO of the Fannie Mae Foundation.

The Rogue Valley Community Development Corp. works to expand affordable homeownership opportunities in Jackson County, Ore. In 1996, RVDC entered a new partnership with South Medford High School to teach students con-

struction, math, communication, and teamwork skills while rehabilitating homes in distressed neighborhoods for sale to low- and moderate-income families.

Ashland/Medford Board of Realtors sponsors this partnership with financial support and help in selecting rehab sites.

"I am pleased that the Rogue Valley CDC has been selected as a winner of the 'Partners in Housing' award," said Sharon Galloway, executive director of the Rogue Valley Community Development Corp.

"Our staff has worked diligently to develop a quality program for the students. In teaching our young people marketable skills, they learn the importance of homeownership and volunteer work in revitalizing their community. And, while the

RVDC is the recipient of this award, all our partners should be honored, too."

The Fannie Mae Foundation, a private foundation, supports national and local nonprofit organizations working to provide decent and affordable housing, and otherwise improve the quality of life, in communities throughout the United States. To promote homeownership, the Foundation also sponsors public service outreach efforts, including consumer education and home-buying fairs, and conducts housing and policy research.

The Foundation's sole source of support is Fannie Mae. The Foundation is headquartered in Washington, D.C. and has regional offices in Atlanta, Chicago, Dallas, Pasadena, and Philadelphia.

Fannie Mae foundation awards of excellence announced

The Fannie Mae Foundation recently announced the ninth annual Maxwell Awards of Excellence winners, awarding \$283,000 in grants to 56 nonprofit organizations for their accomplishments in creating affordable housing for low-income Americans nationwide.

The Foundation honored the top six awardees with grants of \$25,000 each at a Capitol Hill ceremony today with members of Congress and representatives of the housing community.

As part of the Maxwell Awards 10th anniversary celebration next year, the Foundation announced the creation of a new \$4 million Sustained Excellence Awards Program.

In this program, up to 10 nonprofit organizations will receive three-year grants of approximately \$150,000 for organizational development, including technology, that leads to building better communities, and PRIs of up to \$250,000 to advance housing production.

In addition, the Foundation will expand the original Maxwell awards program by \$100,000 annually, and conduct research to report on the lessons of success of past Maxwell awardees.

"As we reach the 10th year anniversary of the Maxwell Awards, it is even more important to celebrate the excellent work that nonprofit organi-

zations do in communities across the country," said James A. Johnson, chairman of the Fannie Mae Foundation Board.

"Today's announcement of the restructuring of Maxwell Awards, and the \$4 million expansion, recognizes the affordable housing accomplishments of the past, celebrates the achievements of the present, and provides resources to build for the future."

The six Awards of Excellence projects, located in Florida, Texas, Minnesota, Washington, Delaware, and Washington, DC, were recommended by an independent 12-member advisory committee comprised of individuals recognized for their expertise and leadership in the areas of housing and community development.

The winners were selected from 161 applicants from 40 states, including the District of Columbia. The Foundation also awarded \$10,000 grants to three alternate awardees,

\$5,000 grants to 11 finalists, and \$3,000 grants to six special mentions.

"The Maxwell awardees have demonstrated remarkable efforts with their innovative, professional, and caring approach to creating affordable housing in their communities," commented Wendy R. Sherman, president and CEO of the Fannie Mae Foundation.

"It is a privilege to showcase the awardees unique abilities to revitalize neighborhoods, help people make the transition from homelessness to

independence, and increase the availability of housing for working poor, elderly, physically-challenged, and new Americans."

The Maxwell Awards of Excellence Program, established in 1988, was created by the Fannie Mae Foundation to encourage and recognize community-based, nonprofit groups that successfully work to develop and create housing to meet the specific needs of low-income families and individuals.

Underdeveloped social capital in neighborhoods

Continued from Front

Asian minorities/cultural groups. At the same time, I dealt with a similar multi-cultural matrix as a professor at Portland State University.

Over the years I have maintained a broad and adverse network with these cultures and with individuals.

Not just as a journalist, but speaking engagements, as tutor, program developer and consultant. It is from these contacts and experiences I draw in making such statements as, "there definitely is a gradual cross-cultural and cross-generation 'socialization' process in progress."

But, certainly, it needs to be accelerated - more structure: In the cultural groups and between them, within the families, between members of a workforce, and between neighbors/neighborhoods and between children/youth. Conversation is an art, a tool, capital.

Parents/teachers tell me "minority kids do not segregate themselves nearly as much on public conveyances... I was surprised to find that a number of my poorest readers were rapidly developing new interests and reading skills as they avidly searched the NET... My kid's doing what I didn't do in high school-making friends with 'other than his own'; really broadening himself, exchanging information about jobs, unsuspected career opportunities... My daughter has many new scholarship prospects."

And a reader reminds me that I cited the 29-yr. old black lumber bro-

ker on S. W. Alder -- got into the business of selling redwood through association with a basketball teammate whose father was a broker.

Other young people are reporting that they obtained financing for innovative enterprises in a similar manner - intercultural, association is freeing many from a self-imposed

prison. In my classes and lectures I constant

ly reiterate that our "social capital" may be our most neglected asset; "I didn't get my accounting clients with newspaper ads--it was through conversations wherever I met people. Many of us 'know' but can't articulate!"

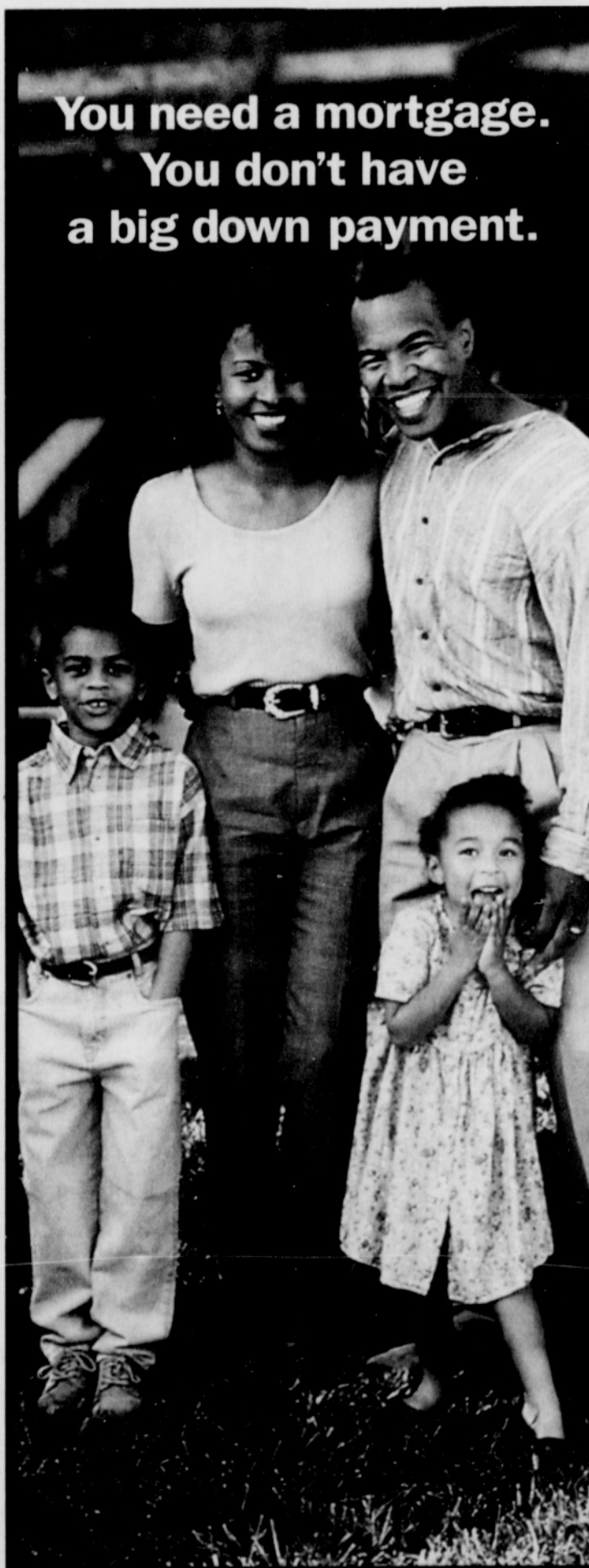
"TALL Oaks
From
Little Acorns
GROW" David Everett - 1797

The Portland Development Commission knows that healthy and growing small businesses are beneficial to the local economy. Community-based businesses keep jobs and the wealth generated right in the communities that support them.

We also know that small and emerging businesses can have trouble finding financing. PDC has been assisting new and expanding businesses for many years and we may be able to help yours too.

We offer loan programs that can help with building or equipment purchases, renovations, tenant improvements, working capital and more. We may have just what you need to help your business sprout and grow.

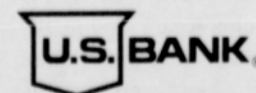
Call our Business Finance staff at 823-3321 or 823-3347 to see if your business qualifies for one of our loan programs.



**You need a mortgage.
You don't have
a big down payment.**

**Maybe
you should
call us.**

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