

## Federation of Appalachian Housing Enterprises, Inc.

Berea, Kentucky  
[www.fahe.org](http://www.fahe.org)

“Our communities are very rural, very widely dispersed, so we work through a network of nonprofit housing groups. While the end beneficiaries are low-income families, our customers are nonprofit, affordable housing developers” explains Sara Morgan, Chief Program Officer for the Federation of Appalachian Housing Enterprises (FAHE). FAHE concentrates on developing capital resources and providing technical assistance so that its customers can efficiently increase the supply of decent housing across four states—Kentucky, Tennessee, Virginia, and West Virginia.

For FAHE, customer service sometimes requires a big response, as big as a bulldozer even. Morgan recalls when “an executive director of a local housing group came in and said his production was stymied and he

couldn’t stay on schedule. The problem was that the guy with the bulldozer and back hoe wasn’t showing up on time.” The group wanted to own and operate the heavy equipment itself. So, FAHE’s Development Loan Fund provided the financing at a manageable 6% interest rate. Since the purchase, the organization’s housing production numbers have increased.

Sometimes customer service requires FAHE to craft creative financing. Tom Manning-Beavin, Director of Lending, cites an example in Tennessee where local housing developers did not have sufficient financial resources to take advantage of the state’s New Start Program. So, FAHE agreed to be the servicing agent for the loans. It also guarantees cash flow, makes working

capital bridge loans, and will help groups figure out other financing when the state funds are fully expended.

“This was a significant opportunity for relatively new, local or smaller groups that want to make single-family home ownership a part of their program but can’t do that without reliable financing,” explains Manning-Beavin. “We lent balance sheet strength to our member groups and the comfort of larger institutional backing to the state housing authority—knowing that together we can make this happen.”

*With general support grants since 1994 and two program-related investments, FAHE provides project financing, direct mortgages and technical assistance that benefits families in the Central Appalachian region of Kentucky, Tennessee, Virginia, and West Virginia.*

