

# Southern Tier Housing Corporation

## Kentucky

Southern Tier Housing Corporation (STHC) is a housing-specific nonprofit which works closely with Kentucky Highlands Investment Corporation. Its Mission is to develop high-quality energy-efficient housing and provide equitable financing, in southern and eastern Kentucky, with a primary focus on Bell, Clinton, Cumberland, Laurel, McCreary, Pulaski, Rockcastle, Wayne and Whitley Counties.

STHC has historically served families with incomes that average 50 percent or less of the area median income. The average household does not qualify to borrow enough loan funds through conventional mortgage programs to purchase even a basic home because their incomes average well below what is required by traditional lenders.

Most of STHC's projects have a first mortgage with the U.S. Department of Agriculture (USDA) through the §502 Direct loan program. In the past two years, STHC has served 38 households, totaling 114 people, with secured and unsecured funding of \$5,809,968.00. In addition, STHC currently has 21 new homes under construction. With the help of USDA, the lowest income families were able to get new homes in areas that had not seen new construction in many years. This strengthens the community and keeps extended families together, while also instilling pride and rejuvenating neighborhoods. This also increases the local tax base, which has a tremendous impact on some of the most economically distressed counties in the United States.

### CONTACT:

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### ORGANIZATION FACTS:

Year Founded: 2007  
Location: London, KY  
Footprint: Regional

### By the Numbers:

(for the past 24 months)

- 89 jobs created or retained
- 38 families assisted
- \$5,809,968 in financing secured

## Beverly Vaughn

The story of Beverly Vaughn and her family is a story of rising from the ashes. Beverly is a grandmother and guardian to two children of whom she has full custody, and has been raising for many years. The family suffered a devastating fire that destroyed their home in December, 2015. While the Vaughn family had insurance to pay off the house and a small amount for the house's contents, they were at a loss of how they would ever replace the dwelling they had called home for many years.



The family resource center from the local school contacted STHC for help. Ms. Vaughn works the third shift at a local auto parts manufacturer, and was not familiar with how to finance or construct a new home. After 6 months of preparation for a new loan to build a house, Ms. Vaughn's application was submitted to USDA and the family was approved. USDA committed \$90,000 of Section 502 Direct loan funds and Kentucky Housing Corporation committed an additional \$20,000 in HOME funds. The remaining funds are coming from the insurance company from the fire.