

ORIGINAL UPDATE
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE

DOA-2048 (R10/94)

Subject

Registration and regulation of certain nonprofit corporations as mortgage bankers, loan originators or loan solicitors

Fiscal Effect

State No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG-S

Affected Ch. 20 Appropriations

20.165 (1) (g)

Assumptions Used in Arriving at Fiscal Estimate

This bill neither increases nor decreases revenues or expenditures, and so, would have no fiscal impact on the Department of Regulation and Licensing.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)
Department of Regulation & Licensing
Patricia C. McCormack (267-2435)

Authorized Signature/Telephone No.

Patricia C. McCormack

Date

2/20/96

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

DOA-2047 (R10/94)

ORIGINAL

CORRECTED

UPDATE

SUPPLEMENTAL

1995 Session

LRB or Bill No./Adm. Rule No.

Amendment No.

LRB 3681/2

Subject

Registration and regulation of certain nonprofit corporations as mortgage bankers, loan originators, or loan solicitors

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
III. State Revenues-	Increased Rev.	Decreased Rev.
Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS \$ 0 \$

NET CHANGE IN REVENUES \$ 0 \$

Agency/Prepared by: (Name & Phone No.)
 Department of Regulation & Licensing
 Patricia C. McCormack (267-2435)

Authorized Signature/Telephone No.
Patricia C McCormack

Date
 2/20/96



ADVOCAP INC.

Post Office Box 1108, Fond du Lac, WI 54936-1108

March 28, 1996

Mr. Steve Tylicki
Office of State Representative Carol Owens
Room 105 West
State Capitol Building
Madison, WI 53702

Dear Steve:

I appreciated the opportunity to talk to you this afternoon about ADVOCAP's Homeownership Program and Senate Bill 547.

I intend to testify in support of SB 547 at Representative Owen's Assembly Housing Committee on April 4, 1996. Enclosed is a copy of my intended remarks for your information. I hope that it provides you with an understanding of the need for an exemption for non-profit organizations from the State's Mortgage Banking Regulations.

I hope that I might be able to talk to Representative Owens and brief her on this Bill prior to April 4th. I would appreciate her consideration of the Bill.

My regards to you, Representative Owens, and the Housing Committee.

Sincerely,

Richard Schlimm
Executive Director

enc: 2

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PUBLIC HEARING SENATE BILL 547
Assembly Committee on Housing
Thursday, April 4, 1996
Richard Schlimm, Executive Director, ADVOCAP

My name is Richard Schlimm. I am Executive Director of ADVOCAP, Inc.,—a non-profit anti-poverty community action agency serving Fond du Lac, Winnebago and Green Lake Counties.

I wish to testify in support of SB 547. I appreciate the opportunity to describe to you why this bill is extremely important to the organizations across the state who have produced several thousand units of affordable home-ownership opportunities for very low-income people and families in Wisconsin.

This Bill would resolve current confusion and clarify the applicability of existing statutes which regulate the state's mortgage banking industry to non-profit organizations who create affordable home-ownership opportunities for low-income residents. Specifically, the Bill would require the "registration" of non-profit organizations who engage in this activity but grant an exemption from other unnecessary and cost-prohibitive provisions of current law.

Non-Profit organizations in Wisconsin have been engaged in housing activities for many years. ADVOCAP has undertaken housing development and services for low-income families since the early 1970's. ADVOCAP began "lending" activities in 1979 when the State Department of Local Affairs and Development (DLAD) granted us \$150,000 with authorization to "loan" it to low-income residents for the rehabilitation of their homes. More recently, ADVOCAP and other non-profits have been asked to increase such activities under two state and federal programs:

*The programs of the State of Wisconsin proposed by Governor Thompson and created by the Legislature in the 1989-91 Biennium which established the State's Division of Housing and the Housing Cost Reduction Initiative Program—which intended to rely on the State's non-profit organizations to serve Wisconsin residents.

*The federal Cranston-Gonzalez National Affordable Housing Act of 1990 which created the federal HOME Program providing funds to states and, in turn, to non-profit organizations to produce affordable rental and ownership options for low-income people.

ADVOCAP's Homeownership Development Program was created by the ADVOCAP Board of Directors in 1991 and, since then, we have helped more than 160 low-income and very low-income families purchase homes. ADVOCAP designed the program with local lenders. Here is how the program works:

ADVOCAP staff work with families for up to a year—sometimes two years—helping them to prepare for "homeownership". We

provide both individual counseling and group homeownership sessions on such topics as: establishing credit, getting rid of bad credit, understanding a mortgage and how it works, exploring the marketplace, how to find a house, what to look for, the responsibilities of home-ownership, etc. At the end of the "preparation" period, the homeowner looks for a house with:

—a commitment from ADVOCAP for a portion of their downpayment (we utilize the State HCRI funds for this purpose)

—access to a pool of 30 local lenders who will provide the first mortgage on the property. Our lenders provide below-market 15-30 year fixed rate first mortgage financing. To date in our project, our local lenders have provided a total of more than \$6,067,000 (as of December, 1995) of first mortgages to our families. The lenders assure us that these families could not have become homeowners without our training and preparation and without our provision of a portion of the downpayment assistance.

—access to rehab funds from municipalities or from ADVOCAP (we utilize federal HOME funds) for providing required code-improvements on the purchased properties (because our buyer's income status confines them to lower-end market stock that is in need of these repairs).

While the first mortgages constitute the lion's share of the financial resources creating homeownership, ADVOCAP's provision of downpayment and rehab assistance is crucial to inducing the first mortgage lending and achieving the closing. ADVOCAP provides the downpayment and rehab funds in exchange for a promissory note from the buyer to repay the funds. In the case of down-payment assistance, the mortgage is due and funds are to be repaid to us either at the end of 15 years or when the house ceases to be the principle residence of the borrower. In the case of the rehab funds, the mortgage is due and the funds are repaid when the house is no longer their principle residence. ADVOCAP takes a mortgage on the property in the amount of the assistance (usually a second and third mortgage respectively).

ADVOCAP takes the mortgage for several reasons. First in order to meet compliance with certain of its funding sources (like HUD and the Federal Home Loan Bank of Chicago) which require that we have "recapture" instruments should the property be sold or cease to be occupied by a qualifying person within a certain compliance period (usually 5 or 10 years). Secondly, ADVOCAP structures the repayment so that funds can be re-used at a later date to help another family. Finally, ADVOCAP structures repayment because our Board of Directors believes that it is simply good stewardship, we wish to avoid a "hand-out", and to foster responsibility by the family.

But it is this "taking of a mortgage" activity that, without this proposed Bill, makes ADVOCAP and other non-profit

organizations subject to the provisions of the current mortgage banking regulations.

This Bill is good and it is worthy of support for several reasons:

1) Non-profit organizations cannot afford the combined registration, bonding, and special auditing provisions of the current law. Not only does the mortgage banking regulations require the licensing of organizations, it requires the licensing of certain specific employees of the organizations.

2) Some non-profit organizations cannot meet the "minimum net worth" requirements or the "warehouse line of credit" requirements of the current rules. (440.72.4.c)

3) The provisions are not necessary: the home-ownership activity of non-profit organizations is already regulated by several state and federal agencies; (State Division of Housing, HUD, FHLB, etc., site examples of regular monitoring including the Inspector General on-site visits). ADVOCAP already pays \$18,000 per year to a CPA firm for the independent audit required by our funding sources. The mortgage banking regulations would require us to have a completely separate audit following different rules of these same activities and transactions.

4) The law currently provides exemptions to other entities (WHEDA, credit unions, and landlords). Non-profit housing producers should be included in the list.

5) To my knowledge, none of our colleagues in other midwestern states—or nationally—are subject to their state's mortgage banking regulations. The non-profit homeownership activity has become commonplace activity over the years as the means to help poor people achieve homeownership through state and federal programs.

6) Our "lending" activity is done in tandem with local lenders who are either licensed mortgage bankers or otherwise licensed depository institutions who are engaged in mortgage lending. In fact, our "closings" occur in conjunction with first-mortgage closings at local lender institutions. (Furthermore, the lending industry itself promotes our program: The ADVOCAP project is featured on the front cover of the 1994 Annual Report of the Federal Home Loan Bank System of Chicago—which has 500+ bank members throughout Wisconsin & Illinois—and our project is featured in the March '96 publication of the Federal Reserve Bank of Chicago, Profitwise.) Our project is known by every local lender in our area—and I have talked to them about the possibility that ADVOCAP's activity might be construed as falling under the purview of the mortgage banking regulations—they agree with me that it is inappropriate and unnecessary for ADVOCAP to be licensed as "mortgage bankers". (By the way, of the 160 closings in 5 years, only one of our families has faced a

foreclosure—and it is likely that one will "cure" itself before sale. The bankers tell us we're doing pretty good.)

7) ADVOCAP does not hold forth as a "mortgage banker", our customers do not perceive us as a "mortgage banker", and our local lenders do not see us as "mortgage bankers."

I have spent much of the past year exploring how ADVOCAP could comply with current provisions of the law if it is deemed to apply to us and if we are not exempt. We currently pay for outside legal counsel who prepares our promissory notes and we pay a title company for work to draft and prepare our mortgages. Our corporate legal counsel has stated that we would need to hire a full-time attorney in order to perform certain activities prescribed in the current regulations. An alternative would be to persuade licensed local lenders who are already involved in our program to perform certain actions on our behalf as they perform those actions for themselves on their mortgages. Local lenders have responded that their legal counsels would not allow them to do so. Another option is to stop our program. The only practical and responsible option is to obtain the exemptions provided by Senate Bill 547.

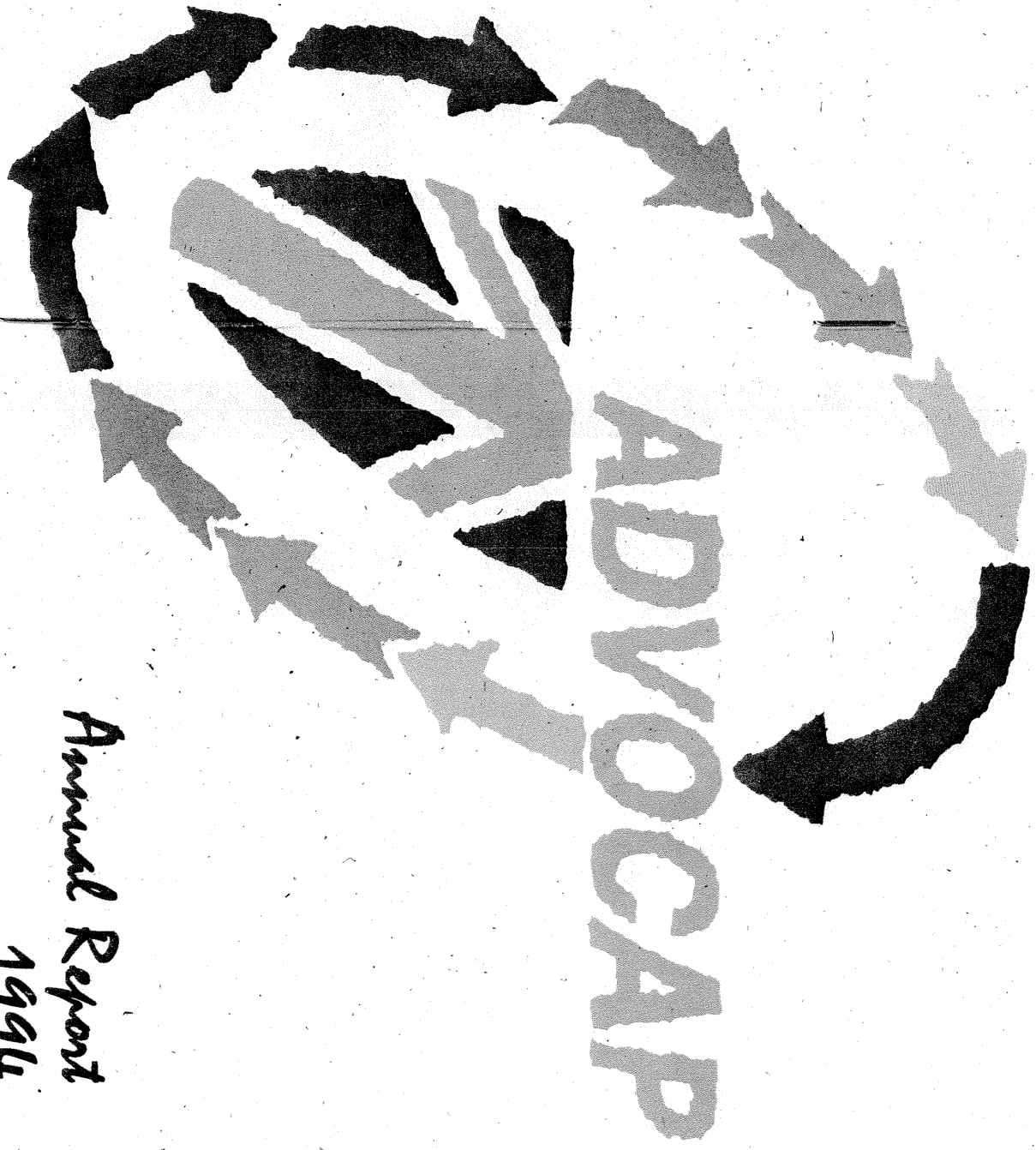
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*Annual Report
1994*

Annual Message

Dear Friends:

ADVOCAP is proud to present to you our Annual Report for 1994.

1994 marked our 28th year of efforts to reduce poverty in the communities of Fond du Lac and Winnebago Counties. ADVOCAP realizes success when people and families grow, develop, and help themselves. This report shows the efforts of our programs and people who have increased their economic and social capacity: entrepreneurs starting their own businesses to create employment opportunities; senior citizens maintaining their independence; disabled adults securing employment; child development with parent involvement; persons obtaining emergency food or training; families becoming homeowners or securing affordable rental housing; and the preservation and weatherization of housing in our communities.

Our ability to serve families and our communities comes from the people of ADVOCAP: a Board of Directors of very active people representing low-income groups, government officials, and the broader community; a dedicated and competent staff, and the volunteers, other local organizations and collaborators, and funding sources who contribute to our capacity and to our mission.

We have been proud to serve and we remain committed to empowering low-income people and families.

Sincerely,



RICHARD SCHLIMM
Executive Director
ADVOCAP, Inc.



CHARLES F. BIRSCHBACH, JR.
President
Board of Directors

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Mission of Advocacy

ADVOCAP is a Community Action Agency
whose mission is to reduce poverty
by creating opportunities
which develop the economic and social capacity
of people and our communities.

We Are

- A community-based and locally-controlled, private nonprofit corporation founded in 1966 serving Fond du Lac and Winnebago Counties along with some neighboring communities.
- Governed by a 36-member Board of Directors with equal representation from three sectors: the poor, the private sector including community organizations, and local government officials.

We Believe That

- Poverty is a lack of opportunities or tools which enable a person or family to secure and sustain the basic necessities of a healthy and dignified life. Poverty exists in our communities. It is worthwhile to work toward reducing the causes and conditions of poverty.
- Everyone is vulnerable to poverty. The loss of a job, ill health, disability, economic trends or other factors can cause a household to become poor.
- The poor prefer to be as independent as possible. Healthy interdependence is also important for all members of a community.
- Human beings have intrinsic worth and deserve respect regardless of abilities or productivity.
- The entire community -- including the public sector, the private sector and the poor themselves -- has much to contribute and much to gain from efforts which enable the poor to lead lives of greater independence and dignity.
- All people should have the opportunity to participate in the economic, social and political life of their community.

- Building on the strengths and capacities of the poor through the development of individuals, families and communities is the most effective way to help people move out and stay out of poverty.

We Work With People

- Who are poor or most vulnerable to poverty or may belong to disadvantaged groups, such as low-income families, the unemployed, the elderly, persons with disabilities, refugees and other in a kind, compassionate and respectful manner, in a non-discriminatory, non-judgmental and voluntary manner.

Our Anti-Poverty Strategies Include

- **Providing direct services** to families and individuals which:
 - Develop their economic and social capacity for independence as well as healthy interdependence.
 - Build foundations on which to develop capacities by meeting their basic and emergency needs.
 - Prevent them from entering or returning to poverty.
- **Advocating, organizing and educating** within and outside of our communities in order to:
 - Mobilize and coordinate resources for the development of the poor and their communities.
 - Improve community attitudes, understanding and treatment of the poor.
 - Empower the poor to articulate their views, effect change and participate fully in their communities.

- **Engaging in sustainable community economic development** which provides affordable housing, decent jobs with good wages and business-growth opportunities which benefit the poor.

We Measure Our Successes By

- The degree to which those we serve are able to make progress toward leaving poverty by securing and sustaining the basic necessities of a healthy and dignified life. Some indicators of progress for a family or individual include:
 - Decreased reliance on our services or other public or private assistance to meet basic needs.
 - Acquisition of skills or other tools that enable a person to strengthen his or her independence and healthy interdependence.

"Sole plates, top plates, headers, sills, jacks, studs, cripples – hey, scab one in here!" ADVOCAP volunteers learned all the construction jargon when they participated at the Oshkosh Habitat for Humanity on June 11th.



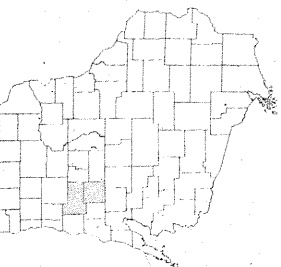
Origins of Advocap

"The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of the capabilities of such individual and to participate in the workings of our society.

"It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity..."

The Economic Opportunity Act of 1964 encouraged local communities to form a "Community Action Agency" which would identify local poverty problems and solutions. In 1965, the Fond du Lac County Board of Supervisors voted to create such a program and in early 1966, the Fond du Lac Area Economic Opportunity Committee, Inc. was formed as a private nonprofit corporation. In 1972, the name was changed to ADVOCAP, Inc. to emphasize its major role of "advocacy" for low-income people through "community action programs" which help them become self-sufficient. Also in 1972, the Winnebago County Board of Supervisors designated ADVOCAP as its Community Action Agency.

The Economic Opportunity Act expired in September of 1981. But in Fond du Lac and Winnebago Counties in Wisconsin, the community continues to act through a unique and solid partnership of poor people, local government officials and the private sector at ADVOCAP, Inc.



ADVOCAP Head Start provides opportunities for family involvement and responsibility.



Programs & Opportunities

Management, Planning & Program Support

ADVOCAP's "shared services" staff offers support to all agency programs and activities in pursuit of the ADVOCAP mission and its strategic and programmatic goals. Staff responsibilities include providing support to the Board and its Committees; personnel and payroll services to 180 agency employees; facility management and maintenance of our 5 program office locations and 18 units of housing; risk management; the friendly reception of walk-in visitors and callers; accounting for the receipt and disbursement of over \$5 million in annual operating funds; identifying new community needs; and resource development for existing and new or expanded services.

Business Development

The Business Development Program helps low-income persons trying to start self-employment as a way to achieve self-sufficiency. The staff offers short-term, flexible management assistance and entrepreneurial training, access to seed-capital financing, and tenancy in the ADVOCAP Business Incubator Program. The staff encourages businesses that commit to hiring low-income people wherever possible into jobs created by the new businesses.

1994 HIGHLIGHTS

New Business Start-Ups 1994	30
New Jobs Created 1994	45
Current Incubator Employment	23
Micro-Loans to 12 Businesses Totalling	\$91,500
Businesses Receiving Assistance During 1994	118

Community Employment Programs
 ADVOCAP's Community Employment programs help adults with disabilities find suitable full or part-time employment in the community. The program helps individuals with developmental disabilities, traumatic head injury, and persons with a chronic mental illness. It provides assessment, job development, job coaching and follow-up services which recognize and build upon the individual's strengths and capacities. Careful employment makes people more self-sufficient, with wages/salaries based on prevailing community wages.

1994 HIGHLIGHTS

	FDL	WINN
Chronically Mentally Ill Persons Served	13	78
Developmentally Disabled Persons Served	38	104
Brain Injured Persons Served	4	10
Persons Served with Other Disabilities	6	118
Total Number of Persons Employed	42	224
Number of Participating Employers	52	231

Community Services

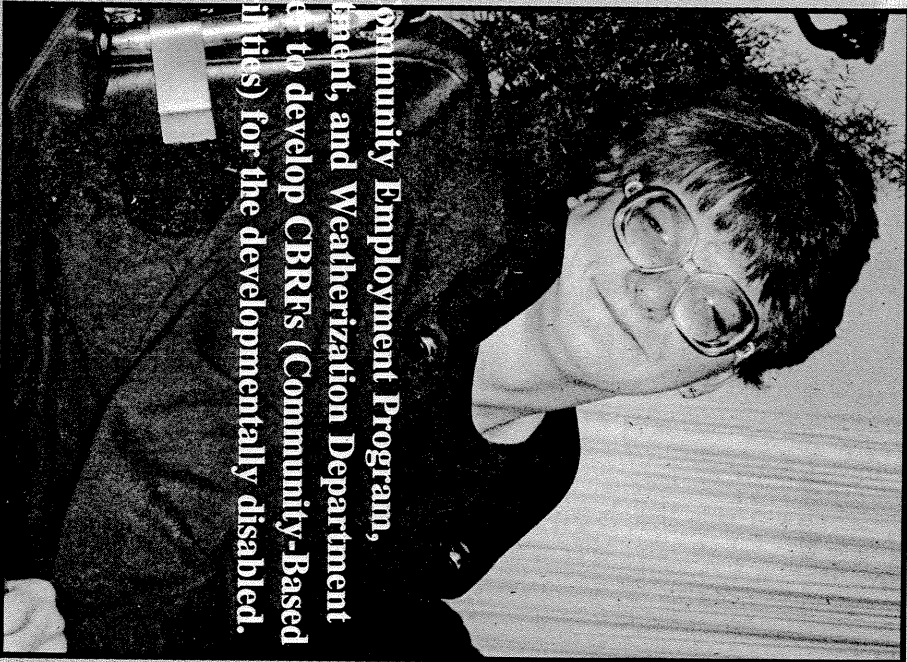
The Community Services Program staff helps with immediate needs (food, clothing, shelter) and achievements of longer-range goals (job training, employment, housing, family development). Available services vary from time to time and may include emergency help with food or shelter, rent or mortgage assistance, information about other services in the community, GED/HSEID training, job seeking and keeping skills, paid work experience, hiring incentives for employers, and help and support in developing a plan to become self-sufficient and to leave poverty.

1994 HIGHLIGHTS

Provided outreach, information, referral and advocacy services to 6,629 persons.

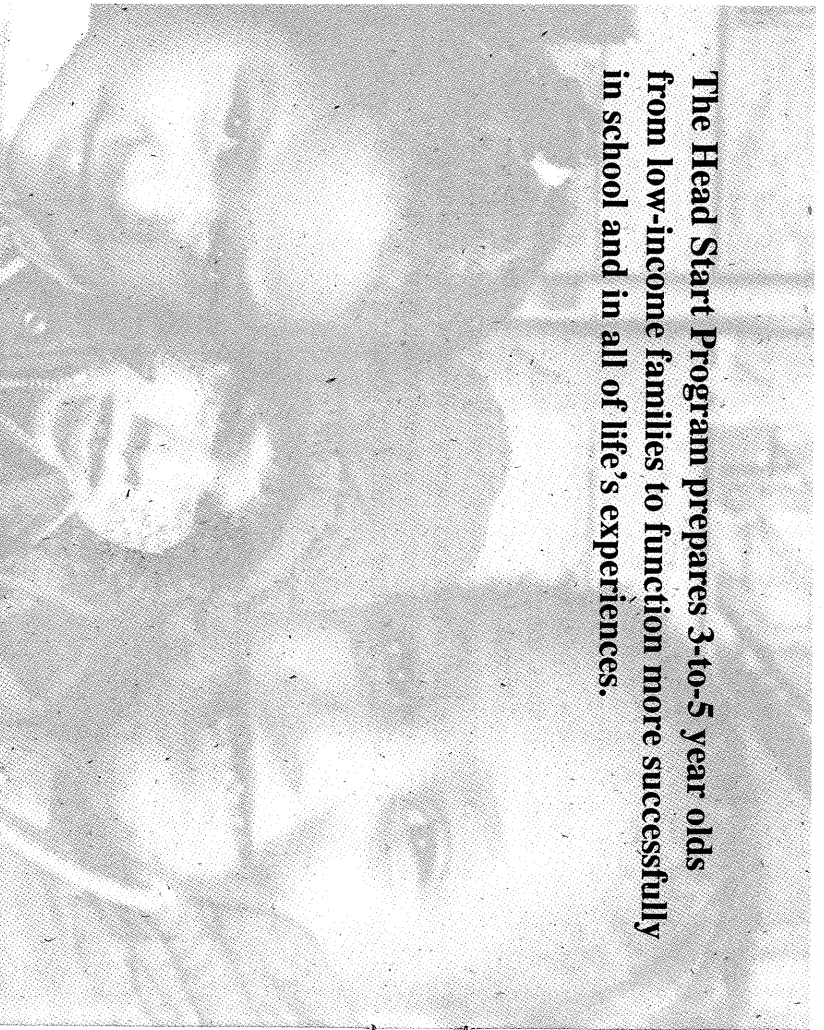
Distributed surplus food commodities to 2,583 households in Fond du Lac and Winnebago Counties.

Housing 22 families (109 persons) in 13 units of affordable and transitional housing during the year.



ADVOCAP's Community Employment Program, Housing Department, and Weatherization Department all work together to develop CBRFs (Community-Based Residential Facilities) for the developmentally disabled.

The Head Start Program prepares 3-to-5 year olds from low-income families to function more successfully in school and in all of life's experiences.



Head Start & Family Development

The Head Start and Family Development Program is designed to help children from low-income families have a variety of learning experiences. The goal of Head Start is to prepare 3-5 year olds to function more successfully in school and in all of life's experiences. The ADVOCAP Head Start serves children living in Fond du Lac and Green Lake Counties with two types of programs: center base and family base. Its main components are education, health services, mental health services, nutrition, social services and parent involvement.

1994 HIGHLIGHTS

	Spring	Fall
Children Served	250	265
Fond du Lac County Children	190	230
Green Lake County Children	60	35

Having & Home Ownership

The ADVOCAP Housing Department works with low-income families who wish to purchase a home. Eligible families participate in seminars and learn about home buying, financing, establishing good credit, and home maintenance. ADVOCAP can also provide home down-payment assistance and access to low-cost financing, and connect home owners with rehabilitation contractors. In addition, ADVOCAP developed and manages 11 units of supportive housing for adults with developmental disabilities. The Department is embarking on new housing developments in 1995.

1994 HIGHLIGHTS

Helped 41 families purchase homes by counseling, down-payment assistance, and access to low-cost financing through 22 area lenders.

Rehabilitated properties to help give new home owners a safe and adequate property.

Developed and managed 11 units of supportive housing for adults with developmental disabilities in Winnebago County.

The ADVOCAP Senior Services Program creates opportunities for independence for older persons.

Senior Services
 The ADVOCAP Senior Services serves many low-income, frail elders and under 60 if disabled. It provides hot and nutritious meals at 9 meal sites in Winnebago County. Home-delivered meals are also available to those who are unable to attend a meal site. It meets the community needs of the special population by helping them maintain a dignified and stabilized environment in their own home through other projects like Home Handyman. The Retired and Senior Volunteer Program (RSVP) offers retired persons 55 or older a convenient and comprehensive selection of volunteer opportunities.

1994 HIGHLIGHTS

Senior Nutrition Meals Served	106,715
Daily Average of Meals Served	429
Seniors Participating	2,007
Senior Contributions	\$195,140
RSVP Volunteers	287
RSVP Volunteer Hours	24,927

Weatherization Program

The ADVOCAP Weatherization Department helps low-income households reduce their home heating bills and conserve energy. Both renters and home owners are eligible. A trained energy auditor assesses each site and determines the needed energy improvements. A crew of trained ADVOCAP employees insulates walls and attics, tunes furnaces, and weatherstrips and insulates heaters, pipes and hot-air ducts.

1994 HIGHLIGHTS

Homes Weatherized	266
Total Residents Served	812



February 17th, 1995: U.S. Representative Thomas E. Petri spoke to low-income citizens, ADVOCAP Board members and staff about the important work facing the 104th Congress.



Poverty Myths & Facts

MYTH: *Once a family is poor, they will always be poor.*

FACT: Most of those on AFDC receive assistance for less than two years. One in four Americans will live in poverty sometime during their lives.

MYTH: *If you work, you will not be poor. Most people in poverty are lazy.*

FACT: As shown in survey after survey, most people in poverty already work or would prefer to work rather than receive public assistance. Nearly two out of three able-bodied Americans in poverty work. Even though more and more poor are working, they are *still* in poverty.

MYTH: *Most in poverty are on welfare.*

FACT: Adults receiving AFDC represent less than 20% of all those in poverty. Children, the elderly, the disabled and the working poor make up the bulk of the poverty population.

MYTH: *There just really aren't many poor people.*

FACT: According to the 1990 Census, 13.5% of Americans are poor. And the majority of the poor are white. In fact, nationally, over 50% of the poverty population is white; 29% is African-American, and 18% is Hispanic.

MYTH: *There aren't many poor people in Fond du Lac and Winnebago Counties. Most poverty is found in the big cities.*

FACT: Most people living in poverty reside in America's suburbs, small towns and rural areas. In Fond du Lac and Winnebago Counties, over 18,000 are poor.

Family Size	1995 Federal Poverty Income Level
1	\$ 7,470
2	10,030
3	12,590
4	15,150

Note: A full-time, minimum-wage job would provide yearly gross earnings of \$8,840.

ADVOCAP assists area farmers and economically distressed victims of the summer flood of 1993.



Straight From The Heart

Three Testimonials from Participants

When It Rained, It Poured

Richard and Judy Lee are dairy farmers who were affected by the 1993 floods. ADVOCAP has been able to assist them with its Flood Assistance Project.

When Richard's brother developed cancer, Judy and Richard Lee took leaves of absences from their Colorado jobs, packed up their children, and returned to Wisconsin to help him run the family farm. "We thought it would be three months. It's been three years," Judy says.

Richard's brother passed away. The Lees decided to take over the farm (and all its debts) to keep it in the family. A month later, the Flood of 1993 hit Winnebago and Fond du Lac Counties. Richard could not plant any of the 60-acre corn crop, and could only plant 10 out of 90 acres of hay. The hay they reaped was of poor quality; he had to supplement it with other poor marsh hay to feed their cows. "The excessive rainfall also caused unusually high health problems for the dairy herd — broken legs from slipping, hoof disease and mastitis from standing in the mud. The reduced number of cows milking, along with decreased food quality, resulted in lower milk production... and lower milk income checks.

"We would not be farming today if it wasn't for ADVOCAP's help," commented Richard. ADVOCAP helped weatherize their farm house, equipping it with a new woodburner heater to warm the entire farm-house. ADVOCAP found the means to assist the Lees in meeting farm and family living expenses. Richard has enrolled in a farm management course at the Fox Valley Technical College through funding provided out of the Flood Assistance Program and receives on-site consultation on a periodic basis from the instructor. In addition, ADVOCAP put them in touch with three different organizations to obtain financial grants and other needed services.

ADVOCAP also coordinated efforts with the Winnebago County Social Services Department, and Judy was able to get on WIC and Healthy Start to help meet the medical needs of both her children and her pregnancy with their fourth child. Richard said the ADVOCAP Flood Assistance Program has been instrumental in turning things around. The Lees have had an excellent harvest, sufficient to provide feed for the herd through the next fall.

A Place to Hang Your Hat

Norma and Alfredo Mauricio have four children — 3 boys and a girl. They are bilingual, and new homeowners, thanks to the ADVOCAP Homeowners Program. As of January, 1995, they are no longer on welfare.

The first thing you notice about the Mauricio house is the huge yard. That ... and the American flag proudly waving from the front porch steps. "I knew when I saw this house: 'I want this house. I want the yard for football for my sons and husband.' It's a nice yard for my family." Norma smiles.

She remembers when her family had to live for two weeks in their car. "It was a hard, hard time," Norma remembers sadly, until they heard of ADVOCAP. "I received a lot of very good things from ADVOCAP. The staff said, 'You can't stay in your car one more night.' They found us room at the Bethany House Homeless Shelter. They helped us find clothes and pampers and dishes. They helped my husband type his resume. He got a temporary job doing weatherization for ADVOCAP. Soon he got a good job at a restaurant. Now he will have an even better-paying welder job starting in January. And he also does part-time cement work."

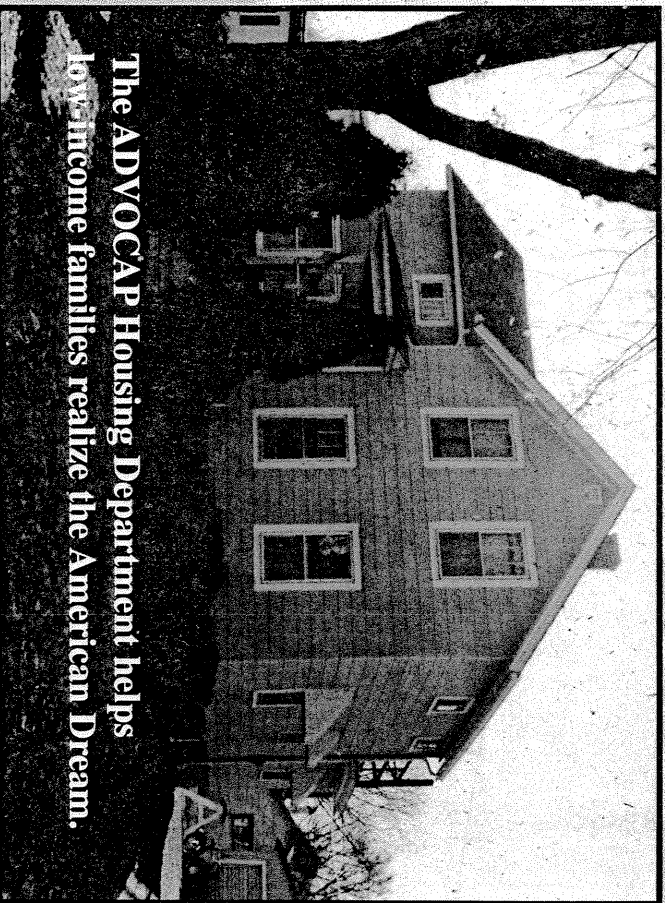
The Mauricios began the ADVOCAP Homeowners Seminar classes in March and April. Three months later, they closed on their home. "I am happy. It was my dream. I never thought that in one year, I could have my house. I like my house. I'm very proud of my house."

"I baby-sit and I work at a canning factory. I am going to school for my HSED. I learn a lot in my school ... self-esteem ... a lot of things. It's like a different life. My husband stays with the children at night when I work and go to school. I am with them during the day."

"In January, we will not be on welfare anymore. My boy in junior high comes home from school one day and says, 'Mama, I don't want food stamps. At school, they call me welfare boy.' So beginning in January — no more welfare. 'Mama,' my son says, 'I now feel better.' I do not hear that stress any more from him. It feels better, different. If our family thinks like that, then it will be a different life for the family."

Norma pays the family bills and watches expenses closely. They cannot afford to eat in a restaurant. "But what do you want? I ask my children. 'Hamburger? I will buy hamburger at the store.' Their dad is a good cook. We eat like a restaurant, but it's homemade and we eat at the house."

"I love my family. I love my house — with this family and with my same husband. For me it's big. For me it's huge. My family is number one. And my husband? He is a nice person with me."



The ADVOCAP Housing Department helps low-income families realize the American Dream.

Those Nasty Flies

An ADVOCAP Community Employment client who's happy about his well-rounded association with ADVOCAP, from social services to economic development, is Ken Nast. His Case Manager, Cindy Fenske, creatively addressed Ken's desire to be involved with the fishing trade by working with the ADVOCAP Business Development program to establish his own fly-tying shop. Along the way, Ken's been supported not only by other ADVOCAP staff, but also by other Business Development clients who know how it feels to be a new entrepreneur, and how much it means to be the recipient of ADVOCAP's networking of services and opportunities.

Ken Nast is bent over his worktable, bobbin thread held between his teeth and left hand as he meticulously winds it around the head of a fishing hook, binding the 2 contrasting layers of bucktail hairs, and ties a knot. On the wall is his business sign "THOSE NASTY FLIES." The ADVOCAP Business Incubator has designed a space specially suited to meet Ken's needs. His tidy work area has organized feather containers of goose, peacock, seagull, and rooster alongside equally neat boxes of bucktail hairs and chenille and wool yarns of all weights and colors. He's wearing a sweatshirt with a large mouth bass swimming across the middle. He finishes the hook, looks up at us, and grins proudly.

When ADVOCAP CEP Case Manager Cindy Fenske first met Ken, the fish sweatshirt was there, but his smile wasn't. "I looked at Ken, thinking how unhappy he was, and my gaze fell to the fish on his sweatshirt. All at once, something clicked — it said something to me. Fishing is the big love of Ken's life. We were placing him in the wrong field of work."

Cindy began job-developing in sporting goods environments. Rick, an avid fisherman and owner of *The Tackle Box*, took an interest in Ken and offered to show him how he made flies in his shop. Darrell, an ACE *Hardware* salesman, once had a broken arm and could identify with Ken's need to be able to the flies with only his left hand (Ken's right arm is paralyzed). He helped Ken select the tools he would need for his business. Darrell gave him helpful tips that would've never occurred to us, like a magnet to help hold the hook to the vice until Ken could tighten it securely into place," Cindy said. "Ken's extreme desire to be involved in the fishing area over-compensated for any physical limitation," Cindy said proudly. "The sky's the limit -- or in Ken's case, the lake is!"

Mort Gazerwitz, Director of the ADVOCAP Business Incubator Program, worked with Ken to develop a marketing plan and secure a small business loan. It was Mort who suggested the slogan, "Flies by Nast — Catch Fish Fast!" The quality of Ken's finished work is superior to "the competition" sold in the area. More importantly, Ken's really happy. His associates say, "Whatever's going on, it's the most wonderful thing we've seen in years."

The ADVOCAP Community Employment Program creates employment and business ownership opportunities for low-income people.



1994 Financial Report *

Revenues

Cost Reimbursement Contracts	\$4,735,254
Grant Revenues	588,804
Sale of Goods and Services	232,057
Program Income	318,026
Donations, Interest Income	44,928
Value of Food Commodities	107,603
In-Kind Donations	524,869
Total Revenues	\$6,551,541
Small Business Administration	
Micro-Loan	70,000
TOTAL	\$6,621,541

1994 Investment of Funds By Program

Head Start & Family Services	\$1,817,198	28%
Community Employment	1,217,252	18%
Housing Rehab, Weatherization & Homeownership	1,342,730	20%
Senior Services Nutrition & RSVP	769,662	12%
Business Development & Micro-Loans	297,063	5%
** Community Services & All Others	1,124,672	17%
TOTAL	\$6,568,577	100%

* This Report has been assembled by ADVOCAP, Inc. One agency-wide audit report of all funds is conducted annually by the independent CPA firm of Schenck & Associates, SC, of Fond du Lac, Wisconsin, and is available for inspection at the ADVOCAP, Inc. offices. There were no questioned costs on any of the 61 different contracts or grants for services administered by the Agency in 1994.

** Includes Community Services and Advocacy, Emergency Food and Shelter, Employment Training, Literacy Training, Commodity Distribution, Planning and Administration.

Expenditures

Personnel Costs	\$3,318,787
Professional Services	84,493
Office Operating Expenses	216,141
Facilities	331,455
Travel	123,334
Training	70,259
Participant & Volunteer Expenses	456,262
Contractor Labor	76,758
Program Materials	539,994
Vehicle Operation	118,164
Tools & Equipment	71,247
Other	2,204
Commodity Food Distribution	107,603
In-Kind Expenses	524,869
Subtotal Operating Expenditures	\$6,041,570

Funds Loaned:

Business Entrepreneurs	79,441
Homeowners	447,566
TOTAL	\$6,568,577

ADVOCAP services are provided to qualified persons on the basis of expressed and assessed needs and within the limits of grant guidelines. No qualified persons shall be excluded from participation in ADVOCAP programs or be denied the benefits of, or otherwise be subject to discrimination in any manner on the basis of age, race, creed, religion, color, sex, physical condition, handicap or disability, developmental disability, association with a person with a disability, sexual orientation, national origin, ancestry, political affiliation, marital, parental or familial status, pregnancy, arrest record, citizenship status, veteran status or any other characteristic protected by law. ADVOCAP has a grievance procedure. If you have concerns or a complaint, please contact the Director of Program Operations at ADVOCAP.

*Statement of Assets, Liabilities
& Fund Balances
December 31, 1994*

Assets

Cash & Equivalents	\$216,510
Accounts Receivable	13,967
Receivables from Funding Agencies	465,690
Materials and Supplies Inventory	219,534
Prepaid Expenses	26,746
Investment in Subsidiary	29,039
Land, Building and Equipment (Net)	945,439
Loan Program Receivables:	
Micro-Loans to Small Businesses	148,750
Homeowner Loans	901,472
Rental Housing Loans	154,633
TOTAL ASSETS	\$3,121,780

Liabilities & Fund Balances

Program and Inventory Advances	192,148
Accounts Payable	189,986
Accrued Payroll and Related Expenses	67,548
Health Insurance Escrow	160,617
Mortgages Payable	846,911
Deferred Loans Payable	119,094
TOTAL LIABILITIES	\$1,576,304
Fund Balances -Restricted	\$1,126,043
Fund Balances - Unrestricted	419,433
TOTAL LIABILITIES & FUND BALANCES	\$3,121,780

Board of Directors

Officers

<i>President</i>	Charles Birschbach, Jr.
<i>Vice President</i>	Barbara Kapal
<i>Secretary</i>	Matthew Kallio
<i>Treasurer</i>	Oscar Stein

Fond du Lac County Winnebago County

Low-Income Groups:

Matthew Kallio	Gail Barrett
Roman Lamers	Jeff Gonia
Xao Chia Lo	Craig Johnson
Leo Nikson	Julie Luebke
Sharron Olesen	Oscar Stein
Rebecca Peterson	Chue D. Vue

Community Groups:

Mary Avery	Eileen Connolly-
Ruth Dauterman	Keesler
Sister Mary Christine	Robert Fick
Fellerhoff	Stephen Hintz
Louise Gudex	Barbara Kapal
Craig Hamberger	Michael Norton
Ralph Timm	Wesley Urch

Government Representatives:

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Clifford Bryden	David Kollath
Robert Fox	Helen Savas
Melvin Heller	Dorothy Schwartz
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Raymond Wagner	Mary Jo Widener

Advocacy Staff

RICHARD SCHLIMM
Executive Director
MICHAEL BONERTZ
Deputy Director
TONY BEREGSZAZI
Director of Program Operations
STEVEN PIERCE
Director of Planning & Development

Business Development
MORTON GAZERWITZ, Director
Kathy Doyle

Community Employment Program - Fond du Lac County
BRIAN JACOBSON, Program Manager

Candace Fetting
Jean Hickey
James Kelly
Steven O'Connor
Susan Schaefer
Suzanne Schumacher
Virginia Whittaker
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Community Employment Program - Winnebago County
ANTHONY EARL, Director

Cherese Akhaverin
Patricia Albers
Carresse Benzow
Tracy Binner
Thomas Brinkman
Sherrie Duplechain
Michael Dyer
Estella Farrisworth
Jodi Fechter
Cynthia Fenske
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Amy Hartman
Robert Herman
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Katherine Kusche
Todd Lowe
Donald Marshall
Cheryl McClelland
Jody Merenick
Theresa Mokler
Clifford Paulson
Rodney Robien
Phyllis Robinson
Judie Robson
Jackie Rose
Sherry Rosenthal
Jane Scholz
Lovell Stevens
Richard Van Eperen
Jeanette Williams
Matthew Yates

Community Services
PATTY BUMGARDNER, Director

Debra Beregszazi
Shirley Bremer
Mark Burns
Thomas Ekvall
Marlene Fairbank
Scott Lefevre
Laura Schumacher

Head Start & Family Development
MYRNA BAUCOM, Director

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Sylvia Anderson
Linda Bennett
Leslie Benson
Alvin Boerson
Marion Breaux
Betty Clausen
Susan Coghill
Arlene Costello
Sandra Delzer
Evangelina Dimas
Shelia Engel
Bette Eyers
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Sally Holz
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Eunice Scheberl
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Renee Weinschel
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Cheryl Wikowski
Faye Witt
Joua Xiong
May Xiong
Song Xiong
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Housing & Home Ownership
MARY BACH, Director

Shirley Anderson
Gladys Bowen
Mary Hall
Dennis Schultz

Management, Planning & Program Support

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Jayson Chittick
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Susan Mason
Joyce Murphy
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Sandra Street
Wanda Timm
Lori Van Dalen
David Vande Zande
James Wheeler
Jimmy Wiersema

Senior Services

SUE RUCK, Director
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Judy Brewer
Esther Coon
Fred Dodge
Priscilla Edwards
Rhonda Fink
Laurence Grobe
Beverly Johnston
Harley Joslin
Rose Kennitz
Harold Kietz

Patricia Kurkowski
Gary Laabs
Teresa Lee
Carol Lerch
June Lynch
Joyce Merkey
Frank Offenbecher
Donna Resheske
Virginia Ruch
Catherine Steffens
Jacqueline Weiler

Weatherization Program

THOMAS ROWLAND, Production Manager
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James Blom
Herbert Burdick

Norman Domer
James Fryda
Mark La Vallie
Edward Maloney
Bernard Mueller

Produced By: ADVOCAP, Inc.
Executive Director: Richard Schlimm
Editor: Joyce Griffin
Photographer: Tom Ekwall

ADVOCAP, Inc.

1995 FUNCTIONAL ORGANIZATIONAL CHART

EXECUTIVE

- Agency-Wide Leadership/Management
- Public & External Relations
- Agency-Wide Accountability
- Chief Staff Person to the Board

PLANNING & DEVELOPMENT

- Agency-Wide Annual Plan
- Exploring/Securing New Funds from Federal, State and Local Public and Private Sources
- Program Planning to Meet New Emerging Needs and Target Groups
- Staff the Board's PPD Committee

PROGRAM OPERATIONS

- Agency-Wide Service Delivery to over 5,000 Households
- Program Coordination/Collaboration to Pursue Mission
- New Program Implementation
- Advocacy Coordination
- Staff the Board's A & O Committee

FINANCE & PERSONNEL

- Personnel Policies, Benefits, Records, Affirmative Action, Payroll for 150 Employees
- Computerized Accounting, Fiscal Reporting, Cash Flow Management on 50 Grants/Contracts Totalling \$5.0 M
- Property Management, Purchasing, Risk Management, Annual Audit
- Staff the Board's F & P Committee

SENIOR SERVICES	HEAD START FOR CHILDREN AND FAMILIES	COMMUNITY SERVICES	COMMUNITY EMPLOYMENT PROGRAMS	BUSINESS DEVELOPMENT	HOUSING	WEATHERIZATION
<ul style="list-style-type: none"> • 440+ Hot Meals Daily to Seniors (60+) • 9 Congregate Meal Sites in Winnebago County • Home-Delivered Meals in Winnebago County • 2,000 Elderly Served Annually • Coordination of RSVP Volunteers and Sites • Home Repair Services 	<ul style="list-style-type: none"> • A Comprehensive Development Program for 250 Low-Income Pre-School Children and Families • Education, Health, Family Development and Social-Service Activities • Parent Involvement • Fond du Lac and Green Lake Counties • Family Development Demonstration Project 	<ul style="list-style-type: none"> • Employment & Training for Youth, Adults, and Mature Workers • Advocacy, Access, I&R to 1,000 Households at 3 Centers • Surplus Commodities to 4,000 Households • Distribute Emergency Food & Shelter Resources • Family Development for Housing and Incubator Tenants • Adult Literacy Training 	<ul style="list-style-type: none"> • Community Employment for Adults - Developmentally Disabled - Chronically Mentally Ill - Brain Injured • Works with 185 Area Employers • Under Contract with Winnebago & Fond du Lac Counties Dept. of Community Programs • Special Job Placement Services 	<ul style="list-style-type: none"> • Two Business Incubators Provide Space, Management Assistance and Shared Support Services to New Businesses • Job and Business Development for Low-Income Entrepreneurs • Community Opportunity Enterprises, Inc. Loans to New Businesses • SBA Microloan Demonstration Project 	<ul style="list-style-type: none"> • Help 35 Low-Income Families Become Homeowners • Manage Rehab of 35 Owner-Occupied Homes • Homeownership Training Seminars • Down payment Assistance • Access to First Mortgages • Develop Housing Projects for Special Populations • Property Management of ADVOCAP's 15 housing units 	<ul style="list-style-type: none"> • Weatherize 275 Low-Income Households in Fond du Lac, Winnebago & Green Lake Counties • Energy Conservation Education • Coordination with Public Utilities

If you would like
more information
on our program
call the

ADVOCAP
Homeowner
Development
Program

Fond du Lac: (414) 922-7760

or 1-800-631-7760

Oshkosh: (414) 426-0150

or 1-800-323-0150

MARY BACH

Housing Director

DENNIS SCHULTZ

Rehab Specialist

SHIRLEY ANDERSON

Housing Case Manager

MARY HALL

Housing Case Manager

SKIP BOWEN

Administrative Assistant

ADVOCAP, Inc.

MAIN OFFICE - Fond du Lac:

19 W. First Street

Fond du Lac, WI 54936-1108

(414) 922-7760

1-800-631-7760

TDD: (414) 922-3975

FAX: (414) 922-7214

Oshkosh Office:

2929 Harrison Street

Oshkosh, WI 54901

(414) 426-0150

1-800-323-0150

TDD: (414) 426-1369

FAX: (414) 426-3071

Neenah Office:

181 E. North Water Street

Neenah, WI 54956

(414) 725-2791

1-800-631-2791

TDD: (414) 725-6337

FAX: (414) 725-6337

ADVOCAP'S MISSION STATEMENT

ADVOCAP is a Community Action Agency
whose mission is to reduce poverty
by creating opportunities
which develop the economic and social capacity
of people and our communities.



ADVOCAP services are provided to qualified persons on the basis of expressed and assessed needs and within the limits of grant guidelines. No qualified persons shall be excluded from participation in ADVOCAP programs or be denied the benefits of, or otherwise be subject to discrimination in any manner on the basis of age, race, creed, religion, color, sex, physical condition, handicap or disability, developmental disability, association with a person with a disability, sexual orientation, national origin, ancestry, political affiliation, marital, parental or familial status, pregnancy, arrest record, citizenship status, veteran status or any other characteristic protected by law. ADVOCAP has a grievance procedure. If you have concerns or a complaint, please contact the Director of Program Operations at ADVOCAP.



2/16/96

PURPOSE

ADVOCAP believes that the place in which a person or family lives is an important part of their lives. A home not only provides shelter -- but is a center of rest, comfort, love and family togetherness. A home promotes pride, dignity and self-esteem. ADVOCAP recognizes the serious need for decent and affordable housing for low-income people in Fond du Lac, Winnebago and Green Lake Counties.

ADVOCAP works with low-income people to make homeownership a reality. Eligible families previously unable to escape the cycle of spiralling rental costs can now participate in seminars and learn about home buying, financing, establishing good credit, and home maintenance. ADVOCAP provides down payment assistance and access to low-cost financing. Owning a home gives low-income people a financial foothold, an asset for their family to build upon -- and it is often achieved at a lower monthly cost than renting.

ELIGIBILITY REQUIREMENTS

ADVOCAP, Inc. assists prospective buyers in obtaining home loans from participating lenders, and provides additional downpayment/closing cost and rehabilitation loans with deferred repayment. Eligible applicants must meet the following requirements:

- Annual household income does not exceed maximum levels (see chart below)
- Applicants cannot currently own other property
- Applicants must attend the *Homeowner Development* seminars to prepare themselves for home buying
- House must be located in Fond du Lac, Winnebago or Green Lake County
- House must pass an inspection done by ADVOCAP staff

Weatherization is available to homebuyers below a certain income, as well as other grants or forgivable loans for rehabilitation.

CONTACT

Do not wait until you have found a house to make an appointment! You may need to work on your credit, savings or other criteria. We would like to talk to you as early as possible in the process to help you prepare.

In Fond du Lac County:

Mary T. Hall

Homeowner Development

Case Manager

(414) 922-7760/1-800-631-7760

TDD (414) 922-3975

In Winnebago/Green Lake Co.:

Shirley Anderson

Homeowner Development

Case Manager

(414) 426-0150/1-800-323-0150

TDD (414) 426-3071

Mary Bach
Housing Director
Dennis Schultz
Rehab Specialist

Family Size	Maximum Income (80% of County Median Income)
1	\$22,600
2	25,850
3	29,100
4	32,300
5	34,900
6	37,500
7	40,100
8	42,650

	Fond du Lac	Winnebago	Green Lake
1	\$24,900	\$24,900	\$21,100
2	28,500	28,500	24,150
3	32,050	32,050	27,150
4	35,600	35,600	30,150
5	38,450	38,450	32,550
6	41,300	41,300	35,000
7	44,150	44,150	37,400
8	47,000	47,000	39,800

(Effective 12/1/495)