

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**February 3, 2017**  
**Information Items**



# COMMUNICATIONS

## *Information*

### I. COMMUNICATIONS

#### A. Florida Hardest-Hit Fund (HHF) Programs

##### 1. Background/Present Situation

a) Since the implementation of the statewide launch, Florida Housing has received press on the program in the following media outlets (including print, broadcast and Internet)<sup>1</sup>:

- (1) 4Closure Fraud Blog
- (2) ABC 7 (WWSB)
- (3) ABC 13 (WMBB.com)
- (4) ABC 25
- (5) Alton Daily News
- (6) Active Rain Blog
- (7) American Banker
- (8) Associated Press
- (9) Bay News 9 Tampa
- (10) Before It's News Blog
- (11) Boston Today Newspaper
- (12) Bradenton Herald Newspaper
- (13) CBS 4 in Miami
- (14) CBS 12 News
- (15) Charlotte Sun
- (16) Chicago Sun Times
- (17) CitrusDaily.com Online
- (18) Clay Today Newspaper
- (19) Coconut Grove Times
- (20) Counselor's Corner
- (21) Crestview Bulletin
- (22) The Current
- (23) Daily Record
- (24) Daytona News-Journal Newspaper
- (25) DS News (2)
- (26) eCreditDaily

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<sup>1</sup> ***Bold Italics*** – Media Hit  
**Bold** – New Media Hit

## COMMUNICATIONS

### *Information*

- (27) Elder Affairs Newsletter
- (28) First Coast News.com Online
- (29) Florida Courier
- (30) Florida Current
- (31) Florida Housing Coalition Update
- (32) Florida.newszap.com
- (33) Florida Times Union Newspaper
- (34) Florida Today Newspaper
- (35) Florida Trend
- (36) Florida Weekly
- (37) Fox News
- (38) Free-Press-Release.com
- (39) Gainesville.com
- (40) GreenvilleOnline.com
- (41) Guardian
- (42) Heartland News
- (43) Herald Tribune Newspaper
- (44) Highlandstoday.com Online
- (45) Hispanic Business
- (46) Housingwire.com
- (47) Huffington Post
- (48) In USA News
- (49) The Island Packet
- (50) Kansas City Star
- (51) **KIOW**
- (52) Lake City Journal
- (53) Lakeland Ledger
- (54) The Laker
- (55) Law Firm Newswire
- (56) Livinglies Garfield Firm
- (57) The Ledger
- (58) Lexology.com
- (59) Loan Modification Key
- (60) Lobby Tools
- (61) Madison County Carrier

## COMMUNICATIONS

### *Information*

- (62) Matt Widner's Foreclosure News
- (63) Mearkle, Trueblood, Adam
- (64) Mtalawyesjacksonville.com
- (65) Media Advisory – US Senate
- (66) Meetup
- (67) ***Miami Herald Newspaper***
- (68) The Monitor Daily
- (69) Mortgageorb.com Online
- (70) MPA (Mortgage Professional America mpamag.com)
- (71) MyPalmBeachPost Blog
- (72) Naples News
- (73) National Mortgage Professional.com
- (74) NCOA
- (75) News 13 Online
- (76) News Channel 5 (online)
- (77) News Chief
- (78) News-Press Newspaper in Fort Myers
- (79) News Service of Florida
- (80) News Vine
- (81) New York Times
- (82) NorthEscambia.com Online
- (83) Ocala.com Online
- (84) Ocala Star Banner Newspaper
- (85) Orlando Sentinel
- (86) Palm Beach Post
- (87) Panama City News Herald
- (88) PBS.org
- (89) ***Pensacola News Journal Newspaper***
- (90) PR Newswire
- (91) Ponte Vedra Recorder
- (92) The Real Deal
- (93) RealEstateRama.com Online
- (94) The Record
- (95) The Republic
- (96) Reuters Newspaper

## COMMUNICATIONS

### *Information*

- (97) Reverse Mortgage Daily
- (98) RiverBender
- (99) ***St. Augustine Record Newspaper***
- (100) St. Petersburg Sunburn
- (101) St. Pete Times Newspaper
- (102) San Francisco Chronicle
- (103) South Florida Business Journal
- (104) Stateline.org Online
- (105) Sun-Sentinel Newspaper
- (106) Sunshine State News
- (107) Tallahassee Democrat
- (108) ***Tampa Bay Times***
- (109) ***Tampa Bay Times Editorial***
- (110) Tampa Tribune
- (111) TCPalm.com Online
- (112) The Times ([www.nwtimes.com](http://www.nwtimes.com))
- (113) Tomrollins.com Online
- (114) Townhall
- (115) Treasury Notes
- (116) Tweet - @Framabama
- (117) Tweet – Troy Kinsey @TroyKinsey
- (118) Tweet – Peter Schorsch @SaintPetersblog
- (119) WAND 17
- (120) Washington Times
- (121) Watchdog
- (122) WBBH Channel 2 Charlotte County
- (123) WBZT “The Talk Station”
- (124) WCTV – Action 9
- (125) WDEF News Channel 12 online wdef.com
- (126) WEAR Channel 3 Pensacola
- (127) Weidner Law Blog
- (128) WESH 2 News Orlando
- (129) Western Orlando News Online
- (130) **WFLA Tampa**
- (131) WFOL Orlando

## COMMUNICATIONS

### *Information*

- (132) WFSU
- (133) WFTV News Orlando
- (134) WGCU
- (135) WINK Ft. Myers News
- (136) Winter Haven News Chief
- (137) WJXT Channel 9 Jacksonville
- (138) WLRN Miami Herald News
- (139) WMBB
- (140) Wn.com
- (141) WOFL Channel 35 Lake Mary
- (142) WPEC Palm Beach TV
- (143) WPTV Channel 5 West Palm Beach
- (144) WTSP
- (145) WTVT Channel 13 Fox Tampa
- (146) WTXL Tallahassee TV
- (147) WUFT 89 FM Radio Gainesville
- (148) WZVN ABC Channel 7 Fort Myers

- b) Working with public relations consultant, Evok Advertising, the Corporation has completed its direct mail engagement for the Florida Hardest-Hit Fund Principal Reduction (HHF-PR) Program, targeting more than 170,000 homeowners in Florida. The goal was to increase applications to the program in the targeted areas.
- c) The media outreach portion of the engagement has been postponed until later in the second quarter of the year. We will provide updates on when this part of the engagement will commence.
- d) The Communications team is currently reviewing outreach opportunities with participating servicers and HOPE Now specifically regarding events in which Florida HHF will participate. As these events are scheduled, the Board will be provided updates.
- e) Lastly, team members continue to handle inquiries from homeowners, the media and others regarding the Florida HHF programs, its application process and related issues in as timely a manner as possible. This includes managing public inquiries, phone calls to Florida Housing and referrals from the toll-free information line, and third-party requests from servicers.

# COMMUNICATIONS

## *Information*

### **B. Business Continuity**

#### **1. Background/Present Situation**

- a) The Business Continuity team is finalizing the business impact analysis and is meeting with Executive Staff during first quarter 2017 to prioritize recovery processes and systems. Additionally, the Information Technology Systems (ITS) team is working to ensure our business recovery solutions are adequate for the Corporation. As additional information becomes available, the Board will be provided with updates.
- b) Additionally, the business continuity plan (BCP), disaster and evacuation procedures, and other materials are kept updated and dynamic to respond to the ever-changing disaster/emergency preparedness climate.

### **C. Corporate Marketing and Outreach**

#### **1. Background/Present Situation**

- a) Training on the new Listserv service will take place during first quarter 2017, with full implementation to occur by this summer. Also, the Communications team is working with ITS on the new website development. The design is in its final stages; more information is available under the ITS informational item.
- b) Additionally, Communications will participate in three partner events to continue fostering relationships with local governments and stakeholders throughout the state. Those events are the annual conferences for the Florida Association of Counties (FAC), the Florida League of Cities (FLC) and the Florida Housing Coalition (FHC).

# FORECLOSURE COUNSELING PROGRAM

## *Information*

### II. FORECLOSURE COUNSELING PROGRAM

#### A. Foreclosure Counseling Program

##### 1. Background

- a) In September 2013, the Foreclosure Counseling Program (FCP) was launched to help at-risk homeowners avoid foreclosure by providing foreclosure counseling and financial management education to help them better manage their money and assist them in resolving credit problems to become more financially stable.
- b) The program was appropriated funding by the state Legislative Budget Commission which approved \$10 million from the National Mortgage Settlement funds to provide foreclosure counseling services to be administered by Florida Housing over a four-year period.
- c) The program objectives are met by providing funding on a fee-for-service basis to non-profit HUD approved housing counseling agencies to carry out foreclosure counseling services and financial management education.

##### 2. Present Situation

- a) As of December 31, 2016, the program had expended \$1,543,425 and reserved more than \$4.5 million (including expended funds). Since inception, 5,090 households have received some form of foreclosure counseling.
- b) On May 6, 2016, the Board approved up to \$3 million of FCP funds to be disbursed to SHIP local governments that certified the funds would be used for housing counseling activities including foreclosure counseling and first-time homebuyer education. To date, more than \$2.3 million has been disbursed to eligible local governments.
- c) [Exhibit A](#) provides information on the status of the program over the fourth quarter and since program inception. This report details the number of households that have entered the program and the progress and outcomes that have resulted since inception. The outcomes data will lag behind the number of participants in the program, as the typical time for a homeowner to get through this process is 12-24 months.
- d) [Exhibit B](#) is a revised report from the third quarter of 2016 ending September 30, 2016, that corrects calculation errors related to the number of households entering the program during the quarter.



**FISCAL**  
***Information***

**III. FISCAL**

**A. Operating Budget Analysis for November 30, 2016**

**1. Background/Present Situation**

- a) The Financial Analysis for November 30, 2016, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending November 30, 2016, is attached as [Exhibit B](#).

## GUARANTEE PROGRAM

### *Information*

#### IV. GUARANTEE PROGRAM

##### A. Status of the Guarantee Program portfolio

###### 1. Background/Present Situation

- a) Since the implementation of the Guarantee Program in 1993, it has guaranteed 120 transactions, facilitating the construction of over 28,000 housing units in Florida. In November 1994, the Guarantee Program entered into an agreement with HUD to participate in the Risk-Sharing Program; characterized by a 50/50 sharing of default risk in connection with the mortgage guarantee. As of 12/31/16, four (4) multifamily developments remain in the Guarantee Program portfolio; one (1) is a Risk-Sharing transaction.
- b) Between November 2008 and April 2010, eight (8) multifamily claims were filed on the Guarantee Program, representing the total (and only) multifamily claims incurred in its 23-year history. Currently, there are no foreclosures in inventory and no developments in monetary default in the portfolio.

##### B. Corpus and Portfolio Risk Exposure

###### 1. Background/Present Situation

- a) The global liquidity crisis of 2008 collapsed the market for the variable rate bonds capitalizing the Guarantee Program corpus, ultimately leading staff to restructure the debt, paying off approximately \$89 million and refinancing the remaining \$156.2 million in variable rate bonds to a 5-year term loan with Citibank, closing on December 31, 2009.
- b) At that time, the Guarantee Program's total risk exposure was \$754.5 million. Since then, in keeping with the Board's mandate to cede risk from the portfolio, total risk exposure has been reduced over 95%, as reflected below:

Portfolio Risk Exposure

As of 12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10	12/31/09
\$30,970,538	\$59,425,913	\$158,914,288	\$306,526,369	\$468,471,463	\$578,754,817	\$728,323,576	\$754,475,974

- c) The continued low interest rate environment has prompted many Developers to refinance their properties, paying-off their guaranteed mortgages and removing them from the Guarantee Program portfolio, representing the primary driver behind the reduction in Total Commitments reflected above. Refinancing activity is reflected in the following chart:

## GUARANTEE PROGRAM

### *Information*

#### Refinancing Activity

	As of 12/31/16	12/31/15	2014	2013	2012	2011	2010
<b>Loans (#):</b>	<b>5</b>	<b>17</b>	<b>22</b>	<b>22</b>	<b>12</b>	<b>12</b>	<b>2</b>
<b>Risk ceded (\$):</b>	<b>\$27,612,152</b>	<b>\$99,956,473</b>	<b>\$136,753,440</b>	<b>\$149,398,081</b>	<b>\$83,995,036</b>	<b>\$117,963,056</b>	<b>\$9,876,854</b>

- d) Contributing to the reduction in Total Commitments is approximately \$115 million in partial prepayments (of mortgages) from SAIL ELI proceeds, funded prior to or at the time of closing, helping facilitate refinancing activity.
- e) Furthermore, Management aggressively reduced the Guarantee Program capitalizing debt, paying off \$90.2 million on April 20, 2011, another \$15 million on July 29, 2011, and the remaining \$51.0 million on December 21, 2012, reducing the Guarantee Fund's capitalizing debt to zero (\$0).
- f) The Guarantee Fund corpus contains approximately \$132 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA), rated "A+f" by Standard & Poor's as of June 30, 2016.

- C. **Guarantee Program Portfolio** ([Exhibit A](#))
- D. **FHFC actions to effectively manage the Guarantee Program** ([Exhibit B](#))

## HOUSING CREDITS

### *Information*

#### V. HOUSING CREDITS

##### A. Changes to Unit Sizes

##### 1. Background/Present Situation

- a) The development listed below has requested, and staff has approved, changes to the Extended Use Agreement since the last Board meeting:

Brookside Village (#2015-517C) is a Family 4% Housing Credit Development. The extended Use Agreement (EUA) was recorded in Lee County on June 28, 2016. The document is being amended to correct inaccurate square footages originally included.

- b) Staff will amend the Extended Use Agreement for this development, as appropriate.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Information*

#### VI. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

##### A. Changes to Construction Features and Amenities and/or Resident Programs

###### 1. Background/Present Situation

- a) The Development listed below has requested, and staff has approved, a change to the Construction Features & Amenities in their Application since the last Board meeting:

The Villages Apartments, Phase I (RFA 2014-111 / 2014-422S) has requested the following change due to a scrivener's error. Scoring of the Application will remain unaffected.

Remove language stating "Fifty-eight (58) three bedroom/three bath units" and replace with "Fifty-eight (58) three bedroom/two bath units."

- b) Staff will amend the Land Use Restriction Agreement as appropriate.

## SINGLE FAMILY HOMEBUYER PROGRAMS

### *Information*

#### VII. SINGLE FAMILY HOMEBUYER PROGRAMS

##### A. Single Family Homebuyer Programs

###### 1. Background/Present Situation

- a) Florida Housing continues to have funds continuously available for qualifying homebuyers through our Homebuyer Loan Programs. Florida Housing's Programs provide assistance to eligible homebuyers by offering low-cost, 30-year, fixed-rate mortgages together with down payment and closing cost assistance (DPA). Currently, we have two Homebuyer Loan Programs; the Florida First Government Loan Program (Government Loan Program) and the Florida HFA Preferred Conventional Loan Program (HFA Preferred). We also offer a Mortgage Credit Certificate Program for qualified homebuyers who may benefit from additional annual federal tax savings offered through this program.
- b) The Government Loan Program offers borrowers a 30-year, fixed-rate mortgage using all approved government-insured loan types. These include Federal Housing Administration (FHA) loans, U.S. Department of Veteran Affairs (VA) loans, and United States Department of Agriculture-Rural Development (RD) loans. This program is funded through both traditional mortgage revenue bond sales as well as by the sale of Mortgage Backed Securities (MBS) into the secondary markets. Included in this program is the Military Heroes Program, which offers both honorably discharged veterans and active duty military personnel the benefit of a lower first mortgage interest rate.
- c) The HFA Preferred Program uses a loan product developed by Fannie Mae specifically for state housing finance agencies. Rather than selling bonds as a funding source, this program is structured as a forward delivery "To Be Announced" (TBA) Program in conjunction with one of our contracted investment bankers, Raymond James. Single Family Program staff sets a daily mortgage rate based upon prevailing market rates and predetermined profitability goals. The conventional loans, originated by participating lenders, offer borrowers a 30-year, fixed-rate mortgage. Borrowers benefit from lower mortgage insurance costs on these loans when compared to other Fannie Mae mortgage products, as well as similar government-insured loans such as FHA.
- d) Florida Housing primarily offers qualified homebuyers DPA in the form of a second mortgage loan on both the Government Loan Program and HFA Preferred loans. Our Florida Assist loan is a 0% deferred payment loan of \$7,500. This second mortgage program serves homebuyers with an area median income (AMI) of up to 120%, adjusted for household size. It is repayable upon sale of the property, refinance of the first mortgage, at the end of the first mortgage term, or if the homeowner no longer occupies the property as his/her primary residence.
- e) We also offer a 3% grant program as part of the HFA Preferred PLUS Conventional Loan Program. The grant program offers borrowers 3% of the purchase price in non-repayable assistance to help with downpayment and closing costs. The HFA Preferred PLUS, like the HFA Preferred, offers daily pricing, but at a slightly higher first mortgage interest rate to generate the 3% assistance. Our HFA Preferred PLUS grant provides assistance to borrowers with an area median income (AMI) of up to 140%, adjusted for household size.

## SINGLE FAMILY HOMEBUYER PROGRAMS

### *Information*

- f) On July 13, 2015, we launched a DPA Program that utilizes Hardest Hit Fund (HHF) resources. The HHF DPA Loan Program was initially being offered as a pilot program in Brevard, Duval, Hillsborough, Orange and Volusia counties. On August 31, 2016, the HHF DPA Loan Program expanded into an additional six counties; Clay, Osceola, Pasco, Pinellas, Polk and St. Lucie. This Program can serve borrowers with incomes up to 140% AMI. The Program offers the following benefits to qualified borrower(s):
- (1) Borrower(s) qualifying for eligible Homebuyer Loan Programs automatically qualify.
  - (2) A five-year loan that is forgiven at the rate of 20% per year, provided the borrower is not in default.
  - (3) 0% interest rate.
  - (4) Up to \$15,000 in assistance.
- g) Our Mortgage Credit Certificate (“MCC”) Program provides qualified first time homebuyers with a non-refundable federal tax credit. Our MCC Program uses a 50% credit rate that provides the homeowner with a maximum \$2000 annual tax credit used to offset any federal tax liability. The homeowner can claim this credit each year they occupy the home as a primary residence, pay mortgage interest, and have a tax liability to offset. We currently have 124 approved lenders participating in the MCC Program compared with 157 in our loan programs. We charge a \$500 issuance fee for each MCC to cover administration and support of the program.
- h) Single Family Program Staff continually offers a three hour, Department of Business and Professional Regulation (DBPR)-approved continuing education (“CE”) course for Realtors, which is coordinated through local Realtor boards throughout the state. Realtors who attend these classes receive a general 3 hour CE credit while learning about our Homebuyer Loan Programs, our Mortgage Credit Certificate Program, and other affordable housing programs available to their potential homebuyers. We strive to market to large groups such as Realtors and lenders statewide to maximize the benefit of our time and travel and to help others learn about the resources available through our programs. On December 9, 2016, Single Family Program Staff conducted a class at the Pinellas REALTOR® Organization in Clearwater Florida. Over 60 Realtors attended.
- i) Single Family Program Staff also conducts telephonic, webinar and face-to-face trainings for lender partners throughout the state. Training consists of program requirements and recent updates, system training offered in conjunction with eHousing and first mortgage and servicer requirements and updates offered in conjunction with US Bank Home Mortgage. Together, Florida Housing, eHousing and US Bank Home Mortgage provide lenders with information to better assist with the origination, delivery and purchase of first and second mortgages originated through our Homebuyer Loan Program. On January 5th, Single Family Program Staff conducted telephonic training with Renasant Bank. Secondary marketing staff attended as well as other members of their management team.

## **SINGLE FAMILY HOMEBUYER PROGRAMS**

### ***Information***

- j) Florida Housing sponsors a toll-free telephone line (800-814-HOME), for first time homebuyers to call for information about our program. Callers are able to receive information through pre-recorded information that directs them to our First Time Homebuyer Wizard tool, which is located on our website. Those callers that have additional questions are transferred to Single Family Staff for assistance.



**SINGLE FAMILY HOMEBUYER PROGRAMS**

*Information*

**HOMEBUYER LOAN PROGRAMS SUMMARY**

	<b>2016 FTHB Program Totals</b>	<b>2017 YTD FTHB Program Totals</b>	<b>2017 Government Loan Program</b>	<b>2017 HFA Preferred Conventional Loan Program</b>	<b>2017 Mortgage Credit Certificate (MCC) Program</b>
Average Loan Amount	\$134,213	\$139,484	\$128,472	\$145,033	\$166,673
Average Acquisition Price	\$143,790	\$150,300	\$135,114	\$157,953	\$170,324
Average Compliance Income	\$47,217	\$46,982	\$44,219	\$48,375	\$44,869
County Area Median Income %	62%	61%	67%	58%	78% *
<b>Total Purchased Loan Amounts</b>	\$960,833,583	\$26,953,484	\$8,305,486	\$18,647,998	NA
<b>Total # of Units</b>	7,196	194	65	129	17

\*uses 2016 statewide AMI of \$57,200

**2016 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS**

County	Loan Count	Loan Amount
Duval	1,704	\$222,759,385.71
Hillsborough	1,544	\$218,049,470.97
Brevard	856	\$107,778,936.92
Orange	671	\$100,759,244.69
Volusia	499	\$61,318,458.15
Pinellas	276	\$35,273,347.59
Pasco	194	\$23,329,924.22
Lee	174	\$23,924,565.69
Polk	155	\$20,000,291.03
Clay	112	\$14,809,191.43

**2017 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS**

County	Loan Count	Loan Amount
Hillsborough	45	\$6,098,511.15
Duval	41	\$5,672,443.52
Pinellas	18	\$2,537,490.64
Brevard	15	\$2,244,696.03
Orange	13	\$2,077,114.43
Pasco	13	\$1,782,571.83
Osceola	10	\$1,620,717.16
Volusia	8	\$921,776.16
Clay	6	\$716,785.13
Lee	4	\$556,511.90

## SUBORDINATED MORTGAGE INITIATIVE (SMI)

### *Information*

#### VIII. SUBORDINATED MORTGAGE INITIATIVE (SMI)

##### A. Program Update

##### 1. Background/Present Situation

- a) Between April 2009 and September 2010, the Board approved funding for a total of thirty-two (32) Subordinated Mortgage Initiative (SMI) loans to developments determined to be in financial distress within the Guarantee Program portfolio. The loans provided properties with temporary assistance in funding their first mortgage debt service for a period of up to twenty-four (24) months. To that extent, Florida Housing provided up to one (1) mortgage payment per quarter, with the developer making the remaining payments. Over the twenty-four (24) month disbursement period, Florida Housing could fund up to eight (8) mortgage payments and the developer the other sixteen (16) mortgage payments.
- b) Pursuant to SMI loan terms, no payments were due during the first 48 months (inclusive of the first 24-month disbursement period). However, interest accrues and is payable in full at the end of the 48-month period, followed by monthly principal-and-interest payments based on a twenty (20) year amortization and a balloon (payment in full) due at the end of year ten.
- c) [Exhibit A](#) (attached) reflects the status of the SMI loans as of December 31, 2016, highlighted as follows:
  - (1) The Board originally approved thirty-two (32) SMI loans totaling up to \$19,120,000 in aggregate.
  - (2) Thirty (30) SMI loans were closed totaling approximately \$17.8 million, of which approximately \$17.6 million was disbursed.
  - (3) To date, twenty nine (29) loans totaling approximately \$17.1 million have been paid in full.
  - (4) No SMI loans have been foreclosed or resulted in a loss.