

2011-011 HHP

July 12, 2011

Corporation Clerk

Florida Housing Finance Corporation

227 North Bronough Street, Suite 5000

Tallahassee, Florida 32301-1329

To Whom It May Concern,

The purpose of this letter is to formally appeal a decision by Evelyn Rusciolelli of the Florida Housing Coalition dated June 3, 2011 to reject me for the Florida's Hit Program because my condominium in Clearwater, Florida was not on a FHA or Fannie Mae list. When the program was first put in place in Lee County as a pilot in 2010, I contacted counselors at Solstice who were administering the program. The guidelines were very clear and have not changed since the program was first presented, stating on page 3 of 7 in the Q&A that "A condominium unit must be listed on current Federal Housing Administration (FHA), Freddie Mac, and Fannie Mae approved list". Since my name was on an approved Freddie Mac list, easily verified in the computer, the counselor told me that I

would be ok. As you know, it took a very long time for the pilot in Lee County to be finished testing, but based on information I was given, I proceeded to complete a bankruptcy in January of 2011 which was discharged on April 19, 2011 just one day after the program was extended to the rest of the state. I worked in good faith to collect paperwork (as in faxing in 55 pages) to Solstice in early May 2011.

As far as all the other criteria, I clearly met all 11 that were described on the Hardest Hit website. To summarize:

1. I am a Florida resident since June 8, 2009 with an active Florida driver's license.
2. I have been unemployed for 16 months since getting laid off from Wells Fargo Home Mortgage in Clearwater Beach in February 2010.
3. My income is below the 140% of area median income (currently earn \$960/month for Social Security and \$300/month from Canada Pension Plan). My Unemployment Insurance was exhausted in late May 2011.
4. I have an active checking account with Wells Fargo that

can be debited by the ACH method.

5. I have less than \$5000 in assets in my account.
6. I applied for chapter 7 bankruptcy on January 11, 2011 and the bankruptcy was discharged on April 19, 2011.
7. I have never been convicted on a mortgage related felony.
8. My first and second mortgage are serviced by a participating mortgage lender (Wells Fargo).
9. My first mortgage with Wells Fargo Home Mortgage is currently 5 months late but the guideline is up to 6 months.
10. My loan was originated before January 1, 2009 (it actually closed December 2005).
11. My existing primary first mortgage is below the

\$400,000 limit (mine is \$250,000).

Now to get to the main reason that I am appealing this ruling. As a mortgage broker, I have been involved in the issue of trying to get my building approved for FHA because I needed this to do reverse mortgages. I spent over a year with a HUD underwriter in Atlanta who denied me approval because my Board did not do 100% replacement reserves in their budget. In the case of my building, the actual reserve budget was over \$600,000, there were no condo delinquencies with the maintenance fees, and the 100% replacement reserves were only \$72,000 short (100% would be \$200,000 but my building voted for partial replacement at \$128,000). The HUD underwriter in Atlanta basically told me that the government had very little interest in doing condos in Florida as they were "risky". Your department basically told me that if I got the project approved then my application would be reconsidered but that seems doubtful at this time.

I have since done considerable research with the Pinellas County Assessor's Department and have discovered that there are only 11 condos in Clearwater FHA approved and 3 condo projects Fannie Mae approved and of the 3, 2 are on the FHA list. At the same time there are 455 condo projects in

Clearwater alone with no less than 24,879 units or over 50,000 people which means that there are only 2.6% approved and 97.4% of all condos in Clearwater are in fact ineligible for the Florida's Hardest Hit Program. When I looked at the FHA approved list, it looks like the same percentage throughout the state.

I find it hard to believe that the drafter's of the Florida Hardest Hit Program intended to discriminate against condo owners, given their very large numbers in Florida.

Anyway, the condo I live in is financially sound and I have attached the latest financial statements to prove this. The reserves budget actually exceeds the regular budget by over 100% which is rare for any condo in Florida. Furthermore, very very few condos in Florida opt for 100% replacement reserves because of the impact on their condo fees. Nevertheless, I do not feel that the Florida's Hardest Hit qualifying criteria should have anything to do with the building, but rather it should be determined by the applicants need for the program.

I am desperately looking for mortgage help so as to not lose my home. I have been out of work for 16 months now, for the first

time in my life. I am 64 years old, my unemployment insurance has run out in late May, and my health care benefits under COBRA were also exhausted at the end of May. I worked with the counselors of the program for a very long time and faxed in over 55 pages of documentation in good faith.

It is clear that requiring a condo building to have an FHA or Fannie Mae approval is not practical. I also found out there is no official Freddie Mac condo list, even though individuals can find their names on a Freddie MAC approval list. I believe that the program administrators of the program have made a grave error in this regard and are missing a huge opportunity to help many people in need. As you know the federal HAMP program had only a 6% take up and I fear similar results with the Hardest Hit.

Please do not let me down and come through for me and many others who might be mistakenly denied for a very good program.

Sincerely,

Dale Bairstow

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