

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
April 27, 2007
Information Items



FISCAL

Informational

I. FISCAL

A. Operating Budget Analysis for February 2007

- a) The Financial Analysis for February 28, 2007, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending February 28, 2007, is attached as [Exhibit B](#).

GUARANTEE PROGRAM

Information

II. GUARANTEE PROGRAM

A. Guarantee Program Capacity ([Exhibit A](#))

LEGAL

Information

III. LEGAL

A. In Re: Creative Choice Homes XXIX, Ltd.

FHFC Case No. 2006-076VW - Application No. 2003-023CS

Development Name: (“Development”):	Mariner’s Landing
Developer/Principal: (“Developer”):	Creative Choice Homes, Inc.
Number of Units: 112	Location: Lee County
Type: garden apartments	Set Asides: 60% @ 50% AMI 40% @ 60% AMI
Demographics: Elderly	SAIL: \$860,000
MMRB: N/A	Housing Credits: \$825,000

1. Background

- a) During the 2003 Universal Cycle, Florida Housing awarded \$860,000 in State Apartment Incentive Loan (SAIL) funding and \$825,000 in low income housing Tax Credits to Creative Choice Homes XXIX, Ltd. (“Petitioner”) to construct a 112-unit elderly rental apartment complex to be located in Lee County, Florida, known as Mariner’s Landing (“Development”). The Development achieved its placed in service date for its allocation of housing Tax Credits on December 31, 2006.
- b) On November 14, 2006, Florida Housing received a “Petition for Variance and Waiver from Rules 67-48.004(14)(1), 67-48.009(4), 67-48.012(g) and Part V.A.1. of the Universal Application (Rev. 4-03) Incorporated by Reference into Rule 67-48.002(111)” (“Petition”), from Petitioner.
- c) On November 22, 2006, the Notice of Petition was published in the Florida Administrative Weekly in Volume 32, Number 47. Florida Housing received no comments concerning the Petition.
- d) Petitioner requested variances and waivers of Rule 67-004(14)(1), 67-48.009(4), 67-48.012(1)(g) and Part V.A.1 of the 2003 Universal Application Instructions to permit a change in the funding request. Specifically, Petitioner sought to change the current SAIL funding request of \$860,000.00 to request an additional \$2,000,000.00 for a total SAIL funding request of \$2,860,000.00 and to reduce its debt service coverage ratio to less than 1.10. Petitioner sought additional SAIL funds to offset the cost overruns it alleged were incurred due to hurricanes making landfall in south Florida during construction.

2. Present Situation

- a) The Board denied Petitioner’s request for variances and waivers of Rule 67-004(14)(1), 67-48.009(4), 67-48.012(1)(g) and Part V.A.1 of the 2003 Universal Application Instructions incorporated by reference in Rule 67-48.002(111), Florida Administrative Code (2003). Petitioner failed to demonstrate entitlement to a variance or a waiver of the rules pled in its Petition. Petitioner failed to demonstrate that the purpose of the underlying statute will be or has been achieved by other means by the person. Petitioner failed to demonstrate how the application of the rules to it would create a substantial hardship.

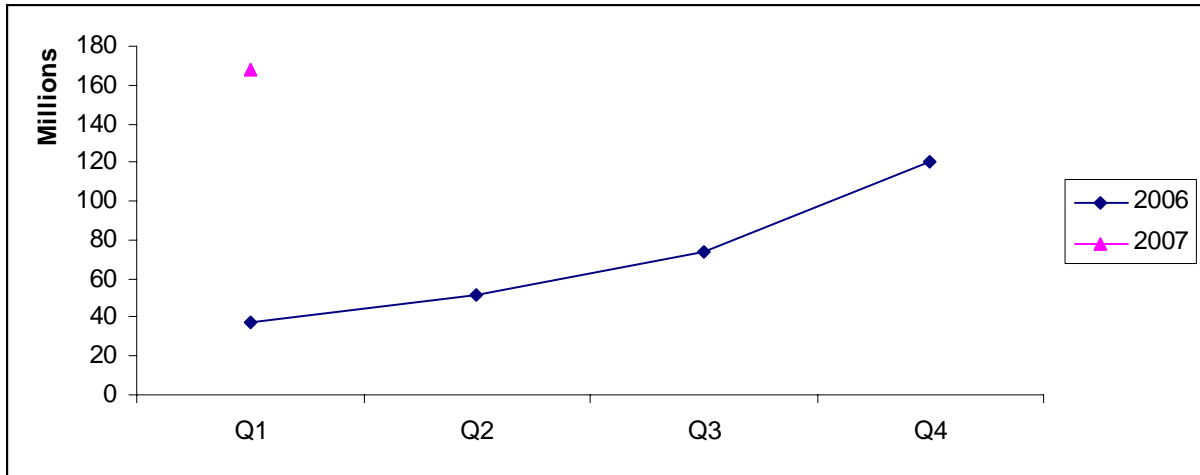
LEGAL

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Petitioner failed to demonstrate how the application of the rules will affect it in a manner significantly different from the way the rules affect other similarly situated developers who are subject to the rule. Moreover, Petitioner has completed construction and met its placed in service date requirement under IRC Section 42(h)(1)(E)(i). As a matter of policy, were Florida Housing to allow Petitioner to receive additional funding, Florida Housing would be severely hampered in implementing its underlying statutory goal of facilitating the availability of decent, safe and sanitary housing in the State of Florida.

- b) On March 13, 2007, Petitioner filed its “Petition for Formal Administrative Hearing,” seeking a hearing before the Division of Administrative Hearings (“DOAH”) under sections 120.569 and 120.57(1), Florida Statutes, as provided in section 120.542(8), Florida Statutes. On April 4, 2007, the Petition was transmitted to DOAH, and an Initial Order was issued by Administrative Law Judge Stuart M. Lerner on April 5, 2007.
- c) Florida Housing will proceed to hearing on this matter.

**Single Family Bonds
Mortgage Backed Securities
Purchased by Trustee 2006 vs. 2007 by Quarter**



Lenders originate and close loans. US Bank (Servicer) purchases loans from lenders. US Bank then pools the loans into Mortgage Backed Securities (MBS) and sells them to the Bank of New York (Trustee). The Bank of New York buys MBS with bond proceeds on behalf of Florida Housing Finance Corporation.

	2007	2006
Q1	\$168,232,579	\$37,741,593
Q2		\$51,883,821
Q3		\$73,437,556
Q4		\$120,286,661
TOTALS	\$168,232,579	\$283,349,631

The final 2006 MBS funding by the Bank of New York in 2006 was December 15, 2006. The first 2007 MBS funding by the Bank of New York was January 12, 2007 in the amount of \$47,681,370 which included loans that were originated in 2006.

Top Ten Producing Counties for 2007 Quarter 1
(Counties are listed in ranking order)

	2007	2006
Duval	\$35,949,311	\$5,583,446
Broward	\$19,222,682	\$1,170,392
Orange	\$13,405,183	\$4,920,518
Escambia	\$11,828,194	\$4,336,365
Leon	\$9,466,196	\$4,116,670
Clay	\$7,759,956	\$1,079,651
Pinellas	\$7,552,804	\$1,248,058
Brevard	\$6,316,502	\$434,465
Palm Beach	\$4,765,723	\$549,596
Manatee	\$4,446,846	\$398,245

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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IV. SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

A. 2007 Series-1 Single Family Mortgage Revenue Bond Program

1. Background

- a) Lendable proceeds totaling \$111,578,325 were made available on February 13, 2007. The pool sizes and rates are as follows:
- (1) Lendable proceeds totaling \$22,618,047 for the Florid First Loan pool were made available and offered at an interest rate of 5.79%.
 - (2) Lendable proceeds totaling \$50,040,157 for the Florida Plus Loan pool were made available and offered at an interest rate of 6.35%.
 - (3) Lendable proceeds totaling \$16,680,052 for the Florida Heroes Loan pool were made available and offered at an interest rate of 5.54%.
 - (4) Lendable proceeds totaling \$5,560,017 for the Florida Advantage Loan pool were made available and offered at an interest rate of 5.29%.
 - (5) Lendable proceeds totaling \$8,340,026 for the Florida 40 Loan pool were made available and offered at an interest rate of 5.89%.
 - (6) Lendable proceeds totaling \$8,340,026 for the Florida 40 Plus Loan pool were made available and offered at an interest rate of 6.45%.
- b) As of April 3, 2007, the following activity was reported for the 2007 Series 1 program:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Florida First	\$34,318,047	\$34,233,063	282	\$84,984	99.75%
Florida Plus	\$39,840,157	\$33,568,011	224	\$6,272,146	84.26%
Florida Heroes	\$16,680,052	\$16,393,209	114	\$286,843	98.28%
Florida Advantage	\$4,060,017	\$1,942,484	19	\$2,117,533	47.84%
Florida 40	\$8,340,026	\$5,165,634	38	\$3,174,392	61.94%
Florida 40 Plus	\$8,340,026	\$4,577,927	26	\$3,762,099	54.89%

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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- c) As of April 3, 2007, the following activity was reported for the down payment and closing costs assistance programs:

2nd Mortgage	Allocation Amount	Used Amount	Number	Available Amount	% Used
HAMI	\$360,000	\$305,600	63	\$54,400	84.89%
FL Assist	\$3,150,000	\$2,562,500	262	\$587,500	81.35%

- d) Demographic Analysis Report:

For 2007 Series 1 MRBP the average loan amount increased from \$130,346 to \$136,387 from the previous bond issue. Likewise, the average purchase price increased from \$144,629 to \$150,666. Our average household size is 2.28 persons with an average age of 34 years old and a household income of \$39,463. The average second mortgage loan amount decreased to \$8,825 with 46.23 % of first mortgage loans originated using one of Florida Housing's second mortgage products. Of the 703 loans originated, 97.01% are first time homebuyers with the majority (66.15%) purchasing 1 unit detached homes. The next largest segment of home type purchased, 18.63%, is a 1 unit condo.

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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B. 2006 Series 6 Single Family Mortgage Revenue Bond Program

1. Background

- a) Lendable proceeds totaling \$125,471,008.66 were made available on November 20, 2006. The pool sizes and rates are as follows:
- (1) Lendable proceeds totaling \$59,471,008.66 for the Low Rate Spot pool were made available and offered at an interest rate of 5.69%.
 - (2) Lendable proceeds totaling \$30,000,000 for the Assisted Spot pool were made available and offered at an interest rate of 6.20%.
 - (3) Lendable proceeds totaling \$30,000,000 for the Community Spot pool were made available and offered at an interest rate of 5.25%.
 - (4) Additionally, \$6,000,000 was set-aside for special targeting for purchases in Urban Infill, Targeted Areas, HOPE VI and Front Porch Communities; the USDA Rural Development (RD) Section 523 Mutual Self-Help Housing Program; and for individuals with Disabilities at an interest rate of 5.10%.
- b) As of April 3, 2007, the following activity was reported for the 2006 Series 6 program:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Low Rate Spot Pool	\$57,971,008	\$57,814,688	483	\$156,320	99.73%
Assisted Spot Pool	\$34,500,000	\$32,650,832	215	\$1,849,168	94.64%
Community Rate	\$27,000,000	\$27,008,500	193	(8,500)	100.03%
Subsidized Rate Pool	\$6,000,000	\$4,529,722	45	\$1,470,278	75.50%

- c) As of April 3, 2007, the following activity was reported for the down payment and closing costs assistance programs:

2nd Mortgage	Allocation Amount	Used Amount	Number	Available Amount	% Used
HAMI	\$248,683	\$205,650	43	\$43,033	82.70%
HAP	\$1,849,933	\$1,834,139	245	\$15,794	99.15%
HOME	\$1,024,341	\$789,996	77	\$234,345	77.12%
HOME High Cost	\$4,305,972	\$4,203,854	281	\$102,118	97.63%

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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d) Demographic Analysis Report

For 2006 Series 6 MRBP the average loan amount increased from \$123,130 to \$130,346. Likewise, the average purchase price increased from \$144,050 to \$144,629. The average household size was 2.06 persons with an average age of 33 years old and a household income of \$38,723. The average second mortgage loan amount was \$10,888 with 69.02% of first mortgage loans originated using Florida Housing's second mortgage products. Of the 936 first mortgage loans originated in this series, 99.15% of the borrowers are first time homebuyers. The majority of loans, 67.31% were for 1 unit detached homes with the next largest segment, 18.38% purchasing 1 unit condos.

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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C. 2006 Series 4-5 Single Family Mortgage Revenue Bond Program

1. Background

- a) Lendable proceeds totaling \$176,853,125 were made available on July 18, 2006. The origination period began on July 18, 2006.
- b) Freddie Mac purchased \$30 million of the 2006 4-5 bond issue at a below-market rate which created a low rate spot pool specifically for homebuyers in the Wilma GO Zone.
- c) The pool sizes and rates are as follows:
 - (1) Lendable proceeds totaling \$91,753,125 for the Low Rate Spot pool were made available and offered at an interest rate of 5.97%. The rate was increased to 6.10% on September 5, 2006.
 - (2) Lendable proceeds totaling \$14,500,000 for the Assisted Spot pool were made available and offered at an interest rate of 6.67%.
 - (3) Lendable proceeds totaling \$33,350,000 for the Community Spot pool were made available and offered at an interest rate of 5.72%.
 - (4) Lendable proceeds totaling \$24,000,000 for the Wilma GO Zone pool were made available and offered at an interest rate of 5.72%.
 - (5) Lendable proceeds totaling \$6,000,000 for the Wilma Cash Assisted pool were made available and offered at an interest rate of 6.42%.
 - (6) Additionally, \$7,250,000 were set-aside for special targeting for purchases in Urban Infill, Targeted Areas, HOPE VI and Front Porch Communities; the USDA Rural Development (RD) Section 523 Mutual Self-Help Housing Program; and for individuals with Disabilities at an interest rate of 5.10%.

SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM

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d) As of April 3, 2007, the following activity was reported for the 2006 Series 4-5 program:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
Low Rate Spot Pool	\$93,705,475	\$92,859,477	812	\$845,998	99.10%
Assisted Spot Pool	\$12,547,650	\$12,547,650	83	0	100%
Community Rate	\$33,350,000	\$32,863,283	250	\$486,717	98.54%
Subsidized Rate Pool	\$7,250,000	\$7,274,683	71	(\$24,683)	100.34%
GO Zone Pool	\$24,000,000	\$22,341,078	164	1,658,922	93.09%
Wilma Cash Assisted	\$6,000,000	\$5,603,916	29	\$396,085	93.40%

e) As of April 3, 2007, the following activity was reported for the down payment and closing costs assistance programs:

Allocated Pool	Current \$ Amount Allocated	Purchased/Reserved		\$ Amount Available	% Used
		\$ Amount	Number		
HAMI	\$282,050	\$282,050	57	\$0.00	100%
HAP D/P	\$3,718,788	\$3,668,788	370	\$50,000	98.66%
HOME High Cost	\$16,050,017	\$15,972,519	644	\$77,500	99.52%
HOME	\$2,485,598	\$2,385,598	162	\$100,000	95.98%

f) **Demographic Analysis Report**

In the 2006 Series 4-5 MRBP the average loan amount was \$123,130 with a purchase price averaging \$144,050. The average household size was 2.08 persons with an average age of 35 years old and a household income of \$35,974. The average second mortgage loan amount was \$18,094 with 87.51% of the first mortgage loans originated using Florida Housing's second mortgage products. Of the 1,409 first mortgage loans originated in this series, 98.94% of the borrowers are first time homebuyers. The majority of homes purchased, 64.09% were 1 unit detached homes, with the next largest segment, 22.00% purchasing condominiums.

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D. Single Family Marketing and Outreach

1. Partnership with MGIC and Genworth

- a) Florida Housing's Single Family Program recently formed a partnership with Mortgage Guaranty Insurance Corporation (MGIC) and Genworth Mortgage Insurance to provide reduced mortgage insurance costs to Florida Housing borrowers. These programs provide substantial savings to borrowers on the cost of mortgage insurance and will also provide free job loss protection coverage. Borrowers are able to receive these benefits once they have received homebuyer education counseling from an approved agency. Trainings for participating lenders on these special products were conducted in March.
- b) MGIC's SmartPath Program is a benefit to lenders, nonprofit agencies and consumers. For lenders it helps boost origination volumes, expand market presence and enhances their CRA grade. For nonprofits, MGIC pays a fee to cover costs and mortgage insurance (MI) premiums for loans to borrowers. Lastly, but most importantly, it helps consumers by providing a discount on their mortgage insurance.
- c) With SmartPath, MGIC provides the lowest-cost, most flexible mortgage insurance available today on conventional emerging market loans. These reduced SmartPath mortgage insurance rates directly save families money by making their mortgages more affordable. Genworth Mortgage Insurance Program also brings value to its borrowers through lower mortgage payments and the added security of free mortgage payment protection.

2. Call Center

Florida Housing has launched a statewide call center for consumers inquiring about the First Time Homebuyer Program. Florida Housing's new toll free number is 1-800-814-HOME. Consumers can now call this toll-free number and their call will be answered by a live operator who can answer basic questions about the program, direct them to the appropriate participating lender, or forward their request to program staff if necessary. The call center is operational seven days a week, 24 hours a day.

3. Ongoing Marketing

Single Family and Communications staff will begin to implement the program's 2007 marketing goals and objectives. Our 2007 marketing efforts will be based on research and data collected by the Shimberg Center for Affordable Housing, which outlines the markets with the most potential for the First Time Homebuyer Program. Florida Housing received that information in February 2007 and is currently finalizing an advertising and outreach strategy for the key markets that were identified.

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4. TLC Homebuyer Showcase

- a) Florida Housing and the Tallahassee Lenders' Consortium (TLC) along with the City of Tallahassee and Leon County held the 2007 Homebuyer Showcase at the North Florida Fairgrounds in Tallahassee on Saturday, March 10 from 10:00 a.m. to 2:00 p.m. This event was free for consumers and matched prospective homebuyers with providers of affordable housing and other housing services. More than 500 interested homebuyers attended this year's event. Highlights of the 2007 Homebuyer Showcase included credit counseling, workshops and seminars on securing financing, understanding the loan closing process and how to become a homeowner.
- b) There was also a tour of affordable homes throughout the day that featured three (3) homes on Mizell Street in the Campbell Park subdivision. These 1,350 square foot, 4-bedroom/ two-bath homes are priced at \$146,000. The Homebuyer Showcase also included a variety of homebuyer related exhibits and booths, numerous affordable housing builders, lenders and Realtors, and homebuyer workshops on topics, including loan pre-qualifications. More than 40 local area businesses and organizations were onsite and available to educate consumers about homeownership through one-on-one sessions, seminars and other activities.

5. Realtor Trainings and Partnerships

- a) Communications and Single Family staff are drafting plans to allow Florida Housing trained Realtors to display Florida Housing's logo and First Time Homebuyer Program details on their Realtor signs. The use of these signs will help spread the word about Florida Housing's homeownership programs, increase Realtor interest and participation in our affordable housing programs and help Realtors better serve first-time homebuyer clients.
- b) In 2007, Florida Housing has already conducted 5 Realtor Training and has received extremely positive feedback on these training. Additional trainings have been scheduled for the remainder of 2007:
 - (1) April 21, 2007 – National Assoc of Real Estate Brokers – Tallahassee
 - (2) April 25, 2007- Emerald Coast Realtor Assoc.- Ft. Walton Beach
 - (3) June 9, 2007- Orlando Regional Realtors Assoc.- Orlando (during National Homeownership Month)
 - (4) August 2007- Florida Assoc. of Realtors Annual Conference-Orlando
 - (5) September 14, 2007- Northeast Florida Assoc. of Realtors- Jacksonville
- c) Florida Housing and the Florida Association of Realtors (FAR) have formed a partnership to offer Realtor trainings at their Mid-Winter and Annual conferences starting in January. The first session was held at their Mid-Winter meeting in Orlando on January 20, 2007; over 60 Realtors attended this session and provided positive feedback on the session. Offering our Affordable Housing Solutions Realtor training course at FAR's annual meetings will enable

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Florida Housing to reach more Realtors at once. We are working to schedule trainings in Tampa, Lakeland and Tallahassee as well.

6. Annual Homebuyer Expo

- a) June is National Homeownership Month, and as part of celebrating homeownership Florida Housing will host a number of events in Orlando, including our 2007 Homebuyer Expo, Realtor and Lender trainings and our Fourth Annual Affordable Housing Awards Gala.
- b) The Expo will be held on Saturday, June 16 from 10:00 a.m. to 5:00 p.m. at the Orange County Convention Center, Hall D2, West Building, and will include hundreds of exhibits and booths showcasing resources available to secure affordable housing. Highlights of the Expo include free credit reports and credit counseling, workshops and seminars on securing financing, understanding the loan closing process and determining how much you can afford.
- c) The Fourth Annual Affordable Housing Appreciation Awards Gala will be held on Friday, June 15 at 7:00 p.m. at the Peabody Orlando at 9801 International Drive, Orlando. This year's keynote speaker is David Berson, Vice President & Chief Economist for Fannie Mae, and our 2007 Gala Host is Trei Johnson, A.M. News Anchor for Fox35 Orlando. The Awards Gala highlights the successes of Florida Housing's top producing lenders in our First Time Homebuyer Program and serves as an opportunity to bring our affordable housing partners together.
- d) This event is free to our participating lenders, affordable housing providers and advocates, expo partners, and other special guests. For more information on all National Homeownership Month events, visit www.floridahousing.org/expo.

UNIVERSAL CYCLE

Information

V. UNIVERSAL CYCLE

A. 2007 Universal Cycle Update

1. Background

- a) The 2007 Universal Cycle opened on March 12, 2007, and closed on April 10, 2007.
- b) A report on the Applications submitted, describing such information as number of applications received, demographic commitments, designation selections, etc., is provided as [Exhibit A](#).
- c) Staff anticipates issuing preliminary scores on May 9, 2007.