Florida CFO Alex Sink Creates Financial Action Team

Team formed to help Floridians maximize the benefits of the Housing and Economic Recovery Act of 2008

In response to the downturn in the housing market, this summer Congress passed the Housing and Economic Recovery Act of 2008 (H.E.R.A.). To help to Floridians who are facing economic crisis benefit from the provisions in the Act, Florida’s Chief Financial Officer Alex Sink created a Financial Action Team (F.A.T.) to identify and maximize Florida’s share of the billions in federal dollars available to help taxpayers address a range of economic challenges.

As a member of the team, Florida Housing Finance Corporation (Florida Housing) is working with its counterparts and team members to develop outreach efforts to inform those who may benefit from this aid just what is available and how they may take advantage of the funding. Currently, the CFO’s office is developing a website to give citizens access the many resources available during this economic crisis.

In October, Gov. Charlie Crist announced that Florida would receive $1 billion in federal support for the housing market; in addition, he announced that Standard & Poor’s affirmed an “AAA” rating with a stable outlook to Florida’s general obligation bonds.

The federal support will come in two forms. First, an additional $571 million in tax-exempt bond capacity will allow developers to acquire or rehabilitate affordable housing. The bonds also will make funds available for lower-interest first-mortgage loans to first-time home buyers with low and moderate incomes, and will leverage state-funded down payment assistance programs. Florida Housing and local housing agencies will administer the programs.

Second, $541 million will be used to assist Florida communities hardest hit by the national housing crisis. These Community Development Block Grant (CDBG) funds will be used within local communities to purchase foreclosed homes at a discount, to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values, and to promote other community stabilizing activities. The Florida Department of Community Affairs is the lead agency responsible for administering the CDBG program.

For more information on the Financial Action Team, visit the Florida Department of Financial Services website at http://www.fldfs.com/.

Single Father Creates the American Dream

This truly is an amazing story! Recently, Mitchell Harlee—a single father of two daughters—was able to purchase his own home in Orange County.

Harlee started looking for a home in 2006 and quickly got discouraged because his credit was not very good. It took him more than a year to get his credit score up, letters of recommendation, and the other things he needed in order to buy a home.

“I heard of your program from my Realtor at Century 21, Michele Guzman,” Harlee said. “So, once I got my credit issues taken care of, I was ready to finish the process.”

Harlee qualified for Florida Housing’s First Time Homebuyer Program at a low 5.9 percent, 30-year fixed interest rate mortgage and $10,000 in down payment assistance from Florida Housing’s Florida Assist Program. He and his daughters moved into their four-bedroom, two-bathroom home, with approximately 1,600 square feet of space, in January 2008. The home is split level, has a front and back yards (the backyard has a patio), and a two-car garage.

“When I saw the house I wanted, I gave Michele a nod and wink, and said this is the one for me!” Harlee said. “The interest rate and down payment assistance was outstanding and much needed. I was preparing myself to try to save money to pay for my down payment assistance.

“The greatest part was when I closed on my home in January 2008,” he continued. “Not only did it only take 45 minutes, but I did not have to put down any of my own money!”

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On Saturday, October 4, Community Housing Trust of Sarasota County (CHT) held its 2008 Housing Fair. This year CHT partnered with Habitat for Humanity of South Sarasota County and Laurel Civic Association to hold a Financial Fitness and Housing Fair at the Laurel Community Center in Laurel, Florida. In an effort to encourage participation from the entire community, the event featured a Health Fair, a Farmers Market, and a “Garage Sale” by Habitat ReStore and Laurel Civic Association. While those events were taking place outside, the Housing Fair was taking place inside the Community Center. Forty-plus exhibitors had display tables and door prizes to give away to the many people who visited the fair. Educational workshops were held at 15-minute intervals throughout the day in the exhibit area. These workshops consisted of classes on First Time Home Mortgages, Homeowners Insurance, Credit Management, Habitat Family Selection, How to Work with a Realtor, Government Down Payment Assistance, Introduction to Homebuyers class, Roadmap to Homeownership through Land Trust, and two Foreclosure Prevention classes taught by a Fannie Mae representative. More than 300 community residents attended the event.

People were drawn to the Fair for the variety things going on in one location. The local television station did a spot on the Fair and it was shown all day on Thursday and Friday. Both local newspapers participated by publishing articles and calendar notifications, as well as running ads on Thursday, Friday and Saturday. The local Chamber of Commerce, the city, and the county posted a flyer advertising the event on their websites. Also, the churches in the area were contacted and advised of the event. Realtor and lender participants were actively involved in promoting, planning, exhibiting at and teaching at the Fair.

Everyone involved with the event was pleased with the outcome this year. Through the partnering of non-profit organizations, the event was able to appeal to a wide variety of Sarasota County residents. Getting people together at one event with so many activities served as a catalyst for community participation. It was possible to attend the Fair to get information on how to finance a home in today’s financial climate and, at the same time, support Habitat by purchasing a wonderful item from their Garage Sale or buy fresh produce at the Farmers Market. The variety of activities available that day seemed to be the key to the success of the Fair!

The Fair could not have been nearly as successful as it was without the many Sponsors; Florida Housing Finance Corporation and Gulf Coast Community Foundation of Venice, Inc. were generous in their support of this event. In addition, we want to thank BB&T, Countrywide Home Loans, Harris Bank, and Great American Mortgage Company also were sponsors this year. The community is looking forward to next year’s fair!

The Community Housing Trust of Sarasota County (CHT) is an independent, non-profit organization established to create opportunities and foster stewardship of permanently affordable housing for low-income and moderate-income families and individuals. The CHT was initially funded through a commitment by the Board of County Commissioners in July 2005 as a new strategy in dealing with the shrinking supply of affordable housing in Sarasota County. For more information, go to www.mycht.org.
Florida Housing’s Homeownership Programs are the Best Out There

Florida Housing’s 2007 Top Producing Lender, Pat Gaver with BB&T, gives his perspective

2008 has been a very difficult year for lending institutions and the municipal bond market. Although this is the situation, Florida Housing currently is the only provider in the state offering 100 percent financing in this tough housing market. Taylore N. Maxey, Florida Housing’s marketing and communications coordinator, sat down with 2007 Top Producing Lender Pat Gaver to get his take on the housing market, in general, and how Florida Housing’s programs are able to help Floridians statewide achieve homeownership.

Taylore (TM): Pat, how long have you been originating loans with Florida Housing Finance Corporation?
Pat (PG): I have been originating loans since September of 2003.

TM: Describe for me the reason(s) why you like helping Floridians achieve homeownership?
PG: It is a protected program. Everyone gets the same consistent product, and it is usually the best deal in the market.

TM: How helpful are Florida Housing’s programs and its funding to you and your clients?
PG: They are the primary tool for clients who do not have down payment - it is a huge opportunity. The Florida Housing Program is traditionally 65 percent of my total business.

TM: What is usually the biggest barrier for your clients during the entire loan process?
PG: Clients in today’s market do not realize there is down payment and money available. The media acts as if there are no loans unless your credit is perfect and you have substantial funds.

TM: Since the housing market has taken a downward turn, what are some of the new barriers interested homebuyers have when applying for a loan?
PG: Credit scores typically have to be 600, but sometimes lower scores are possible. The key barrier is that down payment of at least 3 percent is a must. On January 1, the minimum will be 3.5 percent. This is where Florida Housing is most helpful.

TM: What solutions to the housing market [situation] do you feel Florida Housing’s programs have been able to offer interested homebuyers statewide?
PG: Many Floridians would not be able to be homeowners without this program— that’s why we are very fortunate that our state has made this program available. I would encourage our elected officials to consider broadening the program and helping as many people as possible. The current crisis is that the inventory levels of homes continue to rise. First time homebuyers are key in the absorption of this inventory. They are getting great deals on the properties and the Florida Housing Corporation makes the financing possible.

TM: What are your thoughts on how the Housing and Economic Recovery Act (H.E.R.A.) will help Floridians?
PG: I think that if banks will participate with Hope For Homeowners it will be excellent. Unfortunately, most of lenders that issued sub-prime loans are not cooperating with the program.

TM: Recently recognized as Florida Housing’s Top Producing Lender for 2007, can you describe working as an affordable housing provider and advocate?
PG: It is about protecting the client and helping them make the best decision possible. It is also about working with other state, local and federal programs to enhance all of the down payments programs. I am very active and vocal with our local city and county programs because I think it is important to ensure these programs are continued with integrity for the next first time homebuyers.

For more information on Florida Housing’s homeownership programs, click on the First Time Homebuyer Wizard at www.floridahousing.org, or contact Single Family Program staff at (850) 488-4197.

Single Father Creates the American Dream continued ▶

Harlee ended up obtaining his American Dream despite credit issues and the tragic death of one of his children in 2005, as a result of a fire. Since moving into his home, he has been sending thank you cards and e-mails to his lender and Realtor. Below is the latest email he sent to his lender, Judy Bamundo with National City Mortgage; she has been an approved Florida Housing lender for more than 17 years:

Hi Judy,
I just want to thank you all over again for making my dream of home ownership possible. My family and I will remain in your debt forever. May God bless you and give you good health forever. Our house has been a blessing and we have grown closer together and able to help others. We really have faith that others will also be blessed thanks to your efforts. May God keep you and continue to give you breath. Once again, thanks and stay blessed.

-Mr. Mitchell Harlee & 2 daughters

Harlee’s lender was Judy Bamundo with National City Mortgage. Bamundo has been an approved Florida Housing lender for more than 17 years. “Judy Bamundo is a very, very patient person,” he said. “She emailed me everyday with updates. I loved the fact that Judy had an ‘open door’ policy. Though we never physically met, she responded right back to all my calls and emails.”

“These are the kinds of emails all of us who work in this industry need to remember when we wake up each day and wonder, in the midst of all the doom and gloom, if it’s worth it to keep doing what we do,” Bamundo said. “I’ll remember Mr. Harlee to drive me to get out there and keep doing what we all know how to do, and keep remembering we DO make a difference in people’s lives.

For more information on Florida Housing’s homeownership programs, click on the First Time Homebuyer Wizard at www.floridahousing.org, or contact Single Family staff at (850) 488-4197.

www.floridahousing.org • Communicator
Florida Housing’s HOP Program “Goes GREEN”

Across the nation, Americans are becoming increasingly more energy efficient by, among other things, conserving electricity, recycling, and using environmentally friendly cleaning methods at home and in the workplace. The housing and building industry has jumped on the band-wagon, with Florida as one of the model states leading the way in implementing green building standards.

Florida Housing Finance Corporation (Florida Housing) is no exception and has incorporated green initiatives in its affordable homeownership and rental housing programs.

One of Florida Housing’s more popular and successful programs is the Homeownership Opportunity Pool (HOP). HOP is a non-competitive, ongoing program, where developers—using an online system—are able to reserve down payment assistance funds for eligible homebuyers, effectively matching qualified homebuyers with developers of affordable housing.

Beginning January 1, 2009, the program will “go green” by requiring all new construction units (excluding Self-Help units) be certified by one of the following green building practices: EnergyStar, Florida Green Building Coalition, or Leadership in Energy and Environmental Design (LEED).

Eligible homebuyers include the following:

• Those whose adjusted income does not exceed 80 percent of the area median income (AMI); they may receive a 0 percent deferred second mortgage loan for the lesser of 25 percent of the purchase price of the home, or $70,000.

• Those with disabilities and eligible homebuyers at 50 percent AMI or below, which are limited to 35 percent of the purchase price, or $80,000.

For more information on the Homeownership Pool (HOP) Program, contact Nicole Gibson, homeownership program administrator, at (850) 488-4197, or via email at nicole.gibson@floridahousing.org.

Bethel CDC Takes its Housing Efforts to New Heights To Break Ground on New Subdivision

by Shannon Williams, Uzzell Advertising

On Thursday, October 16, at 10:00 a.m., Bethel Community Development Corporation (Bethel CDC) and Kham Development, Inc., held a groundbreaking ceremony for a new subdivision in south Tallahassee. The subdivision named Wellington Place will be located at the intersection of Ross Road and Rice Road. It will have 14 state-of-the-art homes at affordable prices. Construction of the new Wellington Place subdivision is set to begin immediately and the first model home should be complete in late-December.

Howard Rice, CFO, and Myra Rice, President, of Kham Development have been working on this development for the last four-and-a-half years. “We have been working on this project for so long and it’s a blessing that the Bethel CDC is able to help us build homes for the community,” Howard Rice said. “Knowing that we can help families get into homes and keep them when the economy is suffering makes me so happy,” Myra Rice said. “I am just glad that I can be a part of this project.”

For 10 years, the Bethel CDC, an affiliate ministry of the Bethel African Methodist Episcopal Church, now under the leadership of the Rev. Julius H. McAllister, has been helping families in Tallahassee realize their dream of homeownership. Bethel CDC has made those dreams come true through its affordable housing program, which provides down payment assistance for those who qualify. Bethel CDC is able to produce quality and affordable homes for low-income families as a result of a partnership with the Florida Housing Finance Corporation. The Bethel CDC strives to promote homeownership and raise economic, educational, and social levels for families living on Tallahassee’s south side.

Bethel Community Development Corporation was founded on February 23, 1995. Bethel CDC has constructed and sold 54 homes in the Greater Bond and Providence neighborhoods, located on the south side of Tallahassee. For more information, visit www.bethelame-tallahassee.org.

Florida Housing Takes Part in Southside Investment Showcase

by Christie Henry, Kingdom First Realty

In September, the Florida Housing Finance Corporation (Florida Housing), along with local Realtors, lenders, credit counselors, and financial planners, participated in the Southside Affordable Housing and Investment Showcase (SAHIS) Fall Event which featured financial literacy workshops and homeownership information seminars for prospective homeowners and real estate investors in Southside Tallahassee.

The workshop also featured educational seminars on Credit Repair and Debt Management, Financial Planning and Investment, Affordable Living and Budgeting, and Affordable Lending. Following the seminars, participants caravanned to available and affordable new homes and developments in greater and Southside Tallahassee. More than 30 attendees came to hear how they could gain control over their finances and get on the path to homeownership.

“I have been to every workshop since [SAHIS] started,” said Carolyn Neely, an attendee and prospective homeowner. “…And, I am going to keep coming until I get my house.”

The SAHIS is a grassroots financial literacy and outreach effort coordinated by local Realtors Betsy Henderson (Innovation Realty) and Christic Henry (Kingdom First Realty); the event takes place quarterly at the Smith-Williams Service Center from and features a “Tour of Homes” that showcases affordable new construction and housing development. Facilitators for this event included Mary Williams, community relations manager/certified housing counselor for Consumer Credit Counseling Service of Gulf and Central Florida; Major Whitlow, mortgage lender with Answer One Mortgage; and Robin Smith, financial advisor with Prudential Financial; and Taylore Maxe, marketing and communications coordinator for Florida Housing Finance Corporation.

During Florida Housing’s sponsored workshop, participants learned about various programs offered through Florida Housing for first time homebuyers. Attendees had the opportunity to ask specific questions about the Homeownership Pool (HOP) program, and were provided information about SHIP down payment assistance and Florida Housing’s other first time homebuyer programs. In addition, attendees were encouraged to continue on their path toward homeownership until it was achieved!

“Information is the key to sound financial decisions,” Henry said. “It is our hope that our participants will be informed and encouraged to continue to make decisions that will make them Homeowners.”

Sponsors for the event included Premier Bank, Brakenchase Builders, Markhor Investments, Bethel CDC, Smith Thompson Shaw Manausa P.A. and Stewart Title Company of Tallahassee. For more information about SAHIS, please e-mail sahistally@gmail.com or call (850) 509-5559.
Florida Housing recently sold a new $100 million bond series to help eligible homebuyers in the state. In this uncertain market, Florida Housing has remained committed to assisting prospective homebuyers achieve the “American dream” of homeownership by continuing to offer 100 percent financing for people who qualify. Florida Housing also re-introduced two popular housing programs: the Florida Advantage Program and the Community Heroes program. The Florida Advantage Program is for eligible homebuyers purchasing in special geographic areas, rural self-help buyers or for households with at least one disabled member. Participants in this program must be at or below 80 percent of the area median income (AMI) adjusted for household size. Homebuyers using this product also qualify for Florida Housing’s $10,000 Florida Assist down payment assistance program.

Florida Housing Community Heroes Program is designed to help Veterans and active duty military personnel, full-time employees of the school system, police departments, firefighters, and certain healthcare workers purchase their first homes.

Moreover, the passage of H.E.R.A. has provided even more changes and new opportunities to the First Time Homebuyer Program (FTHB). One of the most beneficial is the permanent elimination of the alternative minimum tax on mortgage revenue bonds. This effect should translate into mortgage revenue bonds pricing higher, which, in turn, should result in Florida Housing being able to offer lower mortgage rates.

Another major change that H.E.R.A. brought to the FTHB program was the elimination of seller assisted “grant” programs, which means Florida Housing is one of the few providers remaining who are authorized to provide down payment assistance to first time homebuyers. The Act also broadens disaster relief area provisions; this means that borrowers purchasing homes in areas of the state that are declared a “disaster area” by the President are exempt from having to be first time homebuyers, and are allowed higher income and purchase price limits.

For questions about Florida Housing’s homeownership programs, or to become an approved lender to administer our programs, contact Single Family program staff at (850) 488-4197.

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If you would like to submit a story for consideration in our next issue please contact Taylore Maxey at taylore.maxey@floridahousing.org.

Florida Housing was created more than 20 years ago by the Florida Legislature to finance affordable housing for low and moderate income Floridians.