FLORIDA HOUSING RE-OPENS PRINCIPAL REDUCTION APPLICATION PROGRAM

By Ashley E. Smith, Communications Intern, Florida Housing

In early 2010, the federal government allocated more than $1 billion in Hardest-Hit funding to the State of Florida to assist homeowners who are experiencing challenges with their mortgages. Last year, Florida Housing Finance Corporation’s (Florida Housing) Board of Directors approved using $350 million of this funding for the Florida Hardest-Hit Fund Principal Reduction (HHF-PR) program. HHF-PR provides up to $50,000 to reduce the unpaid principal balance for eligible homeowners who have remained current on their payments and who owe at least 125 percent more on their home than its current market value, commonly referred to as the home being “underwater.”

On May 13, representatives of Florida Housing announced the re-opening the HHF-PR program application for Florida homeowners who may have missed the first opportunity to apply for the program last fall. The initial application process closed after one week after receiving 25,000 online applications. Florida Housing re-opened the online application for the program on May 19 and it will remain open until further notice.

As of late June, nearly more than 6,000 new application have been received. Nearly $118 million has been encumbered on behalf of almost 2,800 qualified and approved homeowners since the program opened in September 2013. The average amount per homeowner is $42,000.

The minimum qualifications a homeowner must meet to be considered for participation in the Florida HHF-PR program are as follows:

- Must be a Florida resident and a legal US resident/legal alien, and occupy the property as the primary residence;
- Must be current on the monthly mortgage payment—first mortgage payment cannot
Principal reduction program funds will be in the form of a 0-percent, deferred-payment loan that will be subordinate to current mortgages on the home. The loan can be forgiven over a five-year period, at a rate of 20 percent each year. For conventional mortgages, once HHF-PR funds are applied to the principal, the mortgage will be recast (the terms of the loans will remain the same, but the loan will be re-amortized).

If the borrower has a FHA, VA or USDA-RD mortgage, the mortgage will need to be refinanced within 120 days after closing on HHF principal reduction funds in order to receive the pro rata forgiveness.

If a refinance is not completed within the specified time, the principal reduction loan will be 100 percent forgiven after a full five years of the borrower remaining in the home.

Homeowners in every Florida County may apply for the Florida HHF-PR program by using the official website: www.PrincipalReductionFLHHF.org. The site is the only way a homeowner can apply for assistance, it contains all the information users will need to begin the application process, including a program fact sheet and answers to frequently asked questions. Applicants that have additional questions may call the Florida HHF Toll-free Information Line [1-(877)-863-5244].

First announced on February 19, 2010, by the US Department of the Treasury (Treasury), the “Housing Finance Agency (HFA) Innovation Fund for the Hardest-Hit Housing Markets” (HFA Hardest-Hit Fund) provides federal funding to states hardest hit by the aftermath of the burst of the housing bubble. To date, $7.6 billion has been infused into the HFA Hardest-Hit Fund for 18 states and the District of Columbia; Florida’s allocation stands at more than $1 billion. The goal is to help create sustainable homeownership in our state.

Legislative Session Wrap-Up

The 2014 Legislative Session concluded on May 2, 2014. By the time session ended, Florida Housing’s Board members received Senate confirmation and more than $167 million in funding toward affordable housing programs had been approved. On June 2, Governor Rick Scott signed the General Appropriations Act (GAA), HB 5001, to seal this funding. The funding Florida Housing received is largest documentary stamp tax appropriation since 2009, and we are appreciative that the Legislature and the Governor has entrusted us with this funding.

The GAA appropriated a total of $167,660,000 from the housing trust funds for affordable housing as follows:

- $67,660,000 to the State Apartment Incentive Loan (SAIL) program; and
- $96,000,000 for the State Housing Initiatives Partnership (SHIP) program.

There was also $4 million from the Local Government Housing Trust Fund that will be used by the state departments of Children and Families and Economic Opportunity to assist homeless populations. Proviso language contained in the GAA provides guidance on the use of these funds.

“We are appreciative of the funding that was approved to support the construction and rehabilitation of affordable housing in our state,” said Steve Auger, executive director for Florida Housing. “The SAIL and SHIP Program funding will foster overall affordable homeownership and rental housing opportunities for Florida’s working families, while also targeting special needs...

Hilton Orlando, Orlando
September 15
Florida Housing Board of Directors Meeting
City Commission Chambers, City Hall, Tallahassee
8:30 a.m.
populations, such as the elderly, homeless persons and those with disabling conditions or developmental disabilities. The funding will provide safe and decent affordable housing opportunities to citizens in our state. It is the right thing to do and important to Florida’s continued economic growth and development.”

A special thanks to the respective Chairmen of the House and Senate Appropriations committees and sub-committees, and their staffs.

Photo L to R: Representative Hooper, District 67, Chair of House Transportation and Economic Development Appropriations Subcommittee; Senator Gardiner, District 13, Chair of Senate Appropriations Subcommittee Transportation, Tourism and Economic Development; Representative McKeel, District 40, Chair of House Appropriations Committee; and Senator Negron, District 32, Chair of Senate Appropriations Committee

Homeownership Updates

Single Family staff recently attended Annual Mortgage Bankers Association Conference in Delray Beach, June 18-19, 2014. Homeownership Director, David Westcott, was a guest speaker on the Industry Panel during the conference.

Photo L-R: Florida Housing’s Sandy Gaver, Single Family Programs Manager; Chip White, Single Family Programs Administrator; and David Westcott, Homeownership Director, at the Annual MBA Conference.

Looking for Affordable Rental Housing?

Florida Housing provides a web-based housing locator service to connect people in need of housing with affordable and available rental housing throughout the state. FloridaHousingSearch.org allows landlords, including providers of critically needed affordable and special needs housing, to advertise their properties FREE of charge, while helping renters find a property that fits their needs. Additionally, through a partnership with the Florida Department of Elder Affairs, FloridaHousingSearch.org also includes a separate search engine for locating assisted living facilities and adult family care homes. The expanded housing locator service allows all private and publicly funded landlords statewide to list rental units that are affordable for households that earn up to 120% of area median income (AMI) for their county.

FloridaHousingSearch.org currently has more than 160,000 affordable rental units registered in its database, with approximately 10,000 of those listed as available. With the support of state agencies, local governments and community stakeholders, we have a goal of having at least 180,000 units registered in the locator’s database.

The public can search for properties with available units 24 hours a day using the locator website or by calling the toll-free, bilingual search support call center at 1-(877) 428-8844 (TTD/TTY: 7-1-1) Monday through Friday, 9:00 a.m. to 8:00 p.m. (Eastern). Call center staff can assists callers with conducting searches, as well as providing affordable housing resources information and referral services. The website and call center both serve English- and Spanish-speaking people; also, the website can be translated into 30+ languages using the embedded Google Translator. Every month, more than 100,000 searches are conducted through FloridaHousingSearch.org and more than 3,500 calls are handled by the call center.
In addition, the website connects users to other housing resources through online links and provides helpful tools for renters such as an affordability calculator, rental checklist, and renter rights and responsibilities information.

**Asset Management and Compliance Updates**

Florida Housing sponsors Compliance Training workshops throughout the year. These workshops pertain to compliance rules and regulations, completion of the Tenant Income Certification and Program Report, and may provide a forum to discuss changes and updates to various housing programs.

The 2014 workshop locations and dates are as follows:

- August 14, in Orlando; and
- November 14, in Fort Lauderdale.

Click here to download workshop registration forms and/or for the workshop presentation.

**Florida Housing will hold a second rule development workshop regarding Rule Chapter 67-53 F.A.C.** to solicit public comments regarding updates to the Compliance Rule. The workshop will be held on July 15, 2014, at 1:00 pm in the Rick Seltzer Conference Room, Suite 6000, Florida Housing Finance Corporation, 227 North Bronough Street, Tallahassee, Florida 32301. The workshop will be open to the public and interested parties may attend in person or by telephone. Click here for information on the workshop.

**Florida Housing RFA Updates**

Prior to 2013, Florida Housing had traditionally issued the majority of its 9% Competitive Low Income Housing Tax Credits (housing credits), SAIL (State Apartment Incentive Loan) Program and HOME-Rental (HOME Investment Partnerships) Program funding through one large annual application. Last year, Florida Housing began soliciting targeted applications through a Request for Applications (RFA) process.

To date, Florida Housing has issued the following RFAs:

<table>
<thead>
<tr>
<th>RFA Name</th>
<th>Number Received</th>
<th>Number Recommended for Funding</th>
<th>Total Funding Available within RFA</th>
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**RFA 2014-109 HOME Financing to be used for Rental Developments in Rural Areas (Applications are due July 1, 2014)**  
N/A | N/A | Home-Rental: estimated $20,000,000

**RFA 2014-107 for the Financing of Permanent Supportive Housing with a Priority to Assist Veterans with a Disabling Condition that Lack Permanent and Stable Housing**  
1 | 1 | Housing Credits: $2,200,000

**RFA 2014-106 For PHA Revitalization Of Affordable Housing Developments**  
4 | 2 | Housing Credits: $1,750,000

**RFA 2014-105 Financing To Build Or Rehabilitate Smaller Permanent Supportive Housing Properties For Persons With Developmental Disabilities**  
17 | 12 | Grants: $1,983,009

**RFA 2014-104 Preservation RFA**  
33 | 6 | Housing Credits: $5,369,334

**RFA 2014-103 SAIL Funding to be used in conjunction with Tax-Exempt Bonds (issued by FHFC or a Local Government) and Non-Competitive HC**  
30 | 13 | SAIL: $32,500,000

**RFA 2014-102 High Needs/High Costs Persons with Special Needs Who are Chronically Homeless**  
6 | 3 | GAA Contingent Appropriation: $10,000,000

**RFA 2014-101 Financing To Build Permanent Supportive Housing For Homeless Persons And Families**  
11 | 3 | Grants: $1,696,898

**RRFA 2013-010 HOME Funding to be used in conjunction with FHFC-issued MMRB and Non-Competitive HC**  
12 | 4 | HOME-Rental: $15,000,000

**RFA 2013-006 Grants for Housing Homeless Persons**  
13 | 6 | Grants: $10,000,000

**RFA 2013-005 Financing To Build Or Rehabilitate Smaller Permanent Supportive Housing Properties For Persons With Developmental Disabilities**  
17 | 14 | Grants: $4,000,000

**RFA 2013-004 Financing To Build Larger Permanent Supportive Housing Properties For Persons With Developmental Disabilities**  
6 | 3 | Housing Credits: $2,200,000

**RFA 2013-003 for Affordable Housing Developments Located in Broward, Miami-Dade and Palm Beach Counties**  
119 | 5 | Housing Credits: $10,052,825

**RFA 2013-002 for Affordable Housing Developments Located in Duval, Hillsborough, Orange and Pinellas Counties**  
34 | 6 | Housing Credits: $7,898,649

**RFA 2013-001 for Affordable Housing Developments Located in Medium and Small Counties**  
96 | 11 | Housing Credits: $12,474,753

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**SHIP Updates**

For the 2014-15 fiscal year, the state Legislature allocated $96 million from the Local Housing Trust Fund for the State Housing Initiative Partnership (SHIP) program. This funding will be disbursed to 120 SHIP-eligible local governments to carry out activities detailed in their local housing assistance plans (LHAPs). These funds will allow local governments to provide various forms of assistance to their citizens such as down payment assistance, rehabilitation of owner occupied homes, foreclosure prevention services and housing for persons with special needs. This allocation represents the largest amount of funding to SHIP since the 2008-09 fiscal year and will allow local governments to build upon the more than 185,000 Florida families that have benefitted from SHIP.
Foreclosure Counseling Program Updates

The Foreclosure Counseling Program (FCP) has approximately 50 HUD-approved counseling agencies in place to provide counseling to homeowners throughout the state who are in danger of having their homes foreclosed. The counselors provide assistance in pursuing loan modifications, as well as requiring a financial management education course for homeowners aimed at preparing them to manage their personal finances after the loan modification has been completed.

NCSHA Connection

The National Council of State Housing Agencies (NCSHA) is a nonprofit, non-partisan organization created by the nation's state HFAs more than 30 years ago to coordinate and leverage federal advocacy efforts for affordable housing issues. What began as a small group of executive directors meeting annually now has grown into a powerful national association and advocate in Washington, DC, for HFAs and affordable housing. For more information, please visit the organization's website at www.ncsha.org.

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227 North Bronough Street, Suite 5000, Tallahassee, FL 32301