

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
September 4, 2020  
Information Items



# CORONAVIRUS RELIEF FUND (CRF)

## *Information*

### I. CORONAVIRUS RELIEF FUND (CRF)

#### A. Coronavirus Relief Fund (CRF)

##### 1. Background/Present Situation

- a) The State of Florida has been awarded funding through the Coronavirus Aid, Relief and Economic Security (CARES Act) Coronavirus Relief Funds (CRF). Governor DeSantis announced \$250 million in CARES Act funding for rental and mortgage assistance for Florida families that have been negatively impacted by the COVID-19 pandemic.
- b) These initiatives include three funding pools: 1) \$120 million to provide rental assistance for residents in Florida Housing funded developments, 2) \$120 million to provide rent and mortgage assistance administered by State Housing Initiatives Partnership (SHIP) jurisdictions, and 3) \$2 million to provide operations assistance for special needs developments. \$8 million has been provided for administrative costs. All funds must be expended by December 30, 2020.
- c) Attached as [Exhibit A](#) is a summary of the CRF activities through August 21, 2020.

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

**I. FISCAL**

**A. Operating Budget Analysis for July 31, 2020.**

**1. Background/Present Situation**

- a) The Financial Analysis for July 31, 2020, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending July 31, 2020, is attached as [Exhibit B](#).

# GUARANTEE PROGRAM

## Information

### I. GUARANTEE PROGRAM

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

##### 1. Background/Present Situation

- a) Since the implementation of the Guarantee Program in 1993, 120 transactions facilitating the construction of over 28,000 housing units in Florida were guaranteed. 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 7/31/20, one (1) multifamily development remains in the Guarantee Program portfolio.
- b) Between November 2008 and April 2010, eight (8) multifamily claims were filed on the Guarantee Program portfolio, representing the total (and only) multifamily claims incurred in its 24-year history. The Guarantee Program experienced a strong 87% foreclosure recovery rate, compared to the 64% national average at that time.<sup>1</sup> 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 99%, as reflected below:

Portfolio Risk Exposure

As of 7/31/20	12/31/19		12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10
\$0	\$5.2M		\$19.9M	\$20.4	\$30.9M	\$59.4M	\$158.9M	\$306.5M	\$468.5M	\$578.8M	\$728.3M

- 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:

<sup>1</sup> Real Capital Analytics, April 2011

## GUARANTEE PROGRAM

### *Information*

#### Refinancing Activity

	As of 7/31/20	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Loans (#):</b>	0	2	0	1	5	17	22	22	9	12	2
<b>Risk ceded (\$):</b>	n/a	\$14.4M	n/a	\$10.2M	\$27.6M	\$100M	\$136.8M	\$149.4M	\$84M	\$117.9M	\$9.9M

- d) Contributing to the reduction in Total Commitments was 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 \$142 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA), rated "A+F" by Standard & Poor's as of September 30, 2017.

#### C. Current Ratings (Insurer Financial Strength)

##### 1. Background/Present Situation

Standard & Poor's: May 2020 A+ / Stable outlook  
 Cited strengths: "Strong state financial support...Strong asset quality...Strong asset management policies"<sup>[1]</sup>

Fitch: March 2018 A+ / Stable outlook  
 Cited strengths: "Low Risk-to-Capital Ratio... Limited State support ...Minimal Multifamily Losses"<sup>[2]</sup>

#### D. Risk-to-Capital Ratio

##### 1. Background/Present Situation

- a) Authorized Maximum Ratio = 5:1. Peaking in 1999 at 4.95:1, subsequent management efforts resulted in a more conservative downward trend to the vastly improved ratio of 0.04:1 as of 7/31/20. Capital not needed to support the outstanding Guarantees has been made available to the SAIL program for use in the 2016-2018 and 2019 competitive solicitations. Specifically, \$40 million was made available to workforce housing and the remaining \$78 million to SAIL.

#### E. Guarantee Program Portfolio ([Exhibit A](#))

<sup>[1]</sup> Standard & Poor's, "Florida Affordable Housing Guarantee Fund", April 11, 2017, [www.standardandpoors.com/ratingsdirect](http://www.standardandpoors.com/ratingsdirect).

<sup>[2]</sup> Fitch Ratings, "Fitch Affirms Florida Housing Finance Corp's Guarantee Fund at 'A+'; Outlook Stable", March 28, 2018, [www.fitchratings.com](http://www.fitchratings.com).

## HOUSING CREDITS

### *Information*

#### I. HOUSING CREDITS

##### A. The development listed below has requested changes to the Extended Use Agreement

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

- a) Douglas Pointe Apartments (2016-533C) is a 4% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Miami-Dade County on December 18, 2018.
- b) On July 22, 2020, staff received a letter from the Owner requesting a revision to Section 2 of the Extended Low-Income Housing Agreement (EUA) to correctly reflect the square footages of the two-bedroom and three-bedroom units.
- c) Staff will amend the Extended Low-Income Housing Agreement (EUA) as appropriate.

# HURRICANE MICHAEL UPDATE

## *Information*

### I. HURRICANE MICHAEL UPDATE

#### A. Multifamily Rental Portfolio

##### 1. Background/Present Situation

- a) Florida Housing has 68 developments comprised of 597 buildings with 6,134 units in its portfolio located in the twelve counties declared a major disaster due to Hurricane Michael.
- b) From the damage assessments, nine developments reported damage extensive enough to require displacement of some or all households. In total, 652 households have been displaced due to direct damage, unhealthy moisture content and/or the discovery of mold in the housing units. An additional 15 properties reported moderate damage, 17 reported limited damage because of the hurricane. Hatton House, a Jackson County development, was able to return all 76 households to their units once power was restored and the elevator operational.
- c) The status of displaced households typically fell into one of four categories:
  - (1) Those that received FEMA rental assistance despite having to move 30 miles or more to find affordable housing. Many displaced from Bay County had to find housing in Destin, Fort Walton or as far west as Pensacola. FEMA was able to relocate many Jackson County families to Dothan, Alabama;
  - (2) Those that were staying with family or friends in the immediate area to be closer to jobs and schools;
  - (3) Those that were transferred to another property owned by the same landlord; and
  - (4) Those, especially in Bay County, that permanently relocated due to loss of employment.
- d) Florida Housing continues to monitor the damaged properties for regular updates on reconstruction, damage mitigation efforts and rehousing of the displaced households. Initially, 40 units were projected to be ready for occupancy by the end of the first quarter with all units projected to be ready by year-end. As of July 31, 2020, 625 (99%) of the 652 previously uninhabitable units have been reoccupied. Those developments with units that have not been reoccupied are:
  - (1) Independence Village (Bay County) 24 uninhabitable units was purchased by the City of Panama City and will be demolished and replaced with affordable workforce housing.
  - (2) Pebble Hill Estates (Jackson County) 27 of the 30 restored units are re-occupied.

## HURRICANE MICHAEL UPDATE

### *Information*

- (3) Thirty-seven developments have completed all work and debris removal. A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Michael is attached as [Exhibit A](#).
- (4) The current status of Hurricane Michael related Requests for Applications (RFAs) and developments awarded funding through those RFAs is attached as [Exhibit B](#).



# MULTIFAMILY PROGRAMS – ALLOCATIONS

## *Information*

### I. MULTIFAMILY PROGRAMS – ALLOCATIONS

#### A. Present Situation of Multifamily Programs Allocations

##### 1. Background/Present Situation

###### a) RFA Updates

- (1) A workshop regarding the 9% Housing Credit geographic RFAs was held on July 28, 2020. The RFAs were issued on August 26, 2020.
- (2) A workshop regarding RFA 2020-204 “Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments” was held on August 11, 2020. The RFA was issued September 3, 2020.
- (3) A workshop regarding RFA 2020-205 “SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits” will be held September 10, 2020. Staff plans to issue the RFA on October 15, 2020.
- (4) A workshop regarding RFA 2020-101 “Elderly Housing Community Loan” will be held September 22, 2020. Staff plans to issue the RFA October 22, 2020.
- (5) A workshop regarding RFA 2020-206 “HOME Financing for the construction of small, rural Developments” will be held September 29, 2020. Staff plans to issue the RFA on October 29, 2020.

###### b) General Updates

- (1) A general workshop for specialized demographics will be held on September 23, 2020.

# STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

## *Information*

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

#### A. Changes to Construction Features and Amenities

##### 1. Background/Present Situation

- a) The following developments have requested, and staff approved, changes to the Construction Features & Amenities and/or Resident Programs in their application since the last Board Meeting:
- (1) Evergreen Village / RFA 2018-101 / 2018-308S – The Borrower has requested to replace “Energy Star Certified Roofing Materials (metal, shingles, thermoplastic polyolefin (TPO), or tiles)” (3 points) and “Energy efficient windows in each unit. For all Development Types except Mid-Rise and High Rise; Energy Star rating for all windows in each unit: For Development Type of Mid-Rise and High Rise: U-Factor of 0.50 or less and a SHHGC of 0.25 or less where the fenestration is fixed; and U-Factor of 0.65 or less and a SHHGC of 0.25 or less where the fenestration is operable (i.e., the window opens)” (3 points) with “Humidistat in each unit” (2 points), “Water Sense certified dual flush toilets in all bathrooms” (2 points), and “Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings” (2 points). Scoring of the application will remain unaffected.
  - (2) Venetian Walk II / RFA 2017-108 / 2018-017S – The SAIL/ELI Land Use Restriction Agreement is being amended to correct a scrivener’s error in Exhibit B, Section G to remove the Green Building Feature “Eco-friendly cabinets –no added urea formaldehyde and material must be certified by the Forest Stewardship Council, the Environmental Stewardship Program, or a certification program endorsed by the Programme for the Endorsement of Forest Certification (3 points)”. Scoring of the application will remain unaffected.
  - (3) Arbor Village / RFA 2017-103 / 2017-255CSN – The SAIL/NHTF Land Use Restriction Agreement is being amended to correct a scrivener’s error in Section 2.2(c) to state: Twenty percent (20%) of the total units (8 units) within the Development shall be rented to the demographic commitment of Persons with a Disabling Condition. Additionally, the borrower requested to add the following language after paragraph Section 2.2(c): A household may meet the requirements of more than one of the above Demographic commitments in (b) and (c) above; and the following language at the end of the paragraph in Section 2.2(g): At the end of the 30-Year Compliance Period, at the time the NHTF Set-Aside Units described in subsection (a) convert to serve residents at or below sixty percent (60%) of the area median income for the remainder of the Program Compliance Period, the rent controls for the NHTF Set-Aside Units shall not exceed thirty percent (30%) of the income of a family whose annual income equals sixty percent (60%) of the median income for the geographic area, as determined by HUD, with adjustments for the number of bedrooms in the unit. Scoring of the application will remain unaffected.

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Information*

- (4) Warley Park / RFA 2017-103 / 2017-258CSN – The SAIL and NHTF Land Use Restriction Agreements are being amended to correct a scrivener’s error in Section 2.2(c) to state: Twenty percent (20%) of the total units (8 units) within the Development shall be rented to the demographic commitment of Persons with a Disabling Condition. Additionally, the following language will be included for clarification after paragraphs in Section 2.2(c): A household may meet the requirements of more than one of the above Demographic commitments in (b) and (c) above. Scoring of the application will remain unaffected.
- b) Staff will amend the Land Use Restriction Agreement(s) and/or Extended Use Agreement(s) for the developments as appropriate.

# STRATEGIC PLAN AND PERFORMANCE MEASURES

## *Information*

### I. STRATEGIC PLAN AND PERFORMANCE MEASURES

#### A. Strategic Plan Performance Measures and Informational Indicators

##### 1. Background

- a) Sections 420.0006 and 420.504(1), Florida Statutes, direct the Executive Director of the Department of Economic Opportunity (DEO) to contract with Florida Housing on a multi-year basis to address the affordable housing needs of the state. The contract must include the performance measures adopted by the Board as part of and consistent with Florida Housing's Strategic Plan, pursuant to section 420.511(1), F.S.
- b) The Affordable Housing Services contract requires Florida Housing to report to DEO quarterly on the performance measures and targets. Section 420.0005, F.S., requires the DEO Director to certify to the state's Chief Financial Officer that Florida Housing is in compliance with the performance measure targets. This is required to give Florida Housing access to appropriated state funding. These reports are provided to DEO within 30 days of the end of each quarter.

##### 2. Present Situation

- a) Quarterly Performance Measures and Targets for Quarter 2 – 2020 are attached as [Exhibit A](#). Quarterly Informational Indicators for Quarter 2 – 2020 are attached as [Exhibit B](#).

# FHFC Performance Dashboard

Quarter 2 2020

Green = Good to Go  
 Orange = Merits additional Monitoring  
 Red = A Concern to Address

HOMEOWNERSHIP			
Performance Measures	Data	Informational Indicators	Data
Number of Participating First Mortgage Lenders*	End of Q2/2020 284 active and approved lenders. (Target: 50)	Homebuyer Loan Programs: Average Acquisition Price Average Homebuyer Income	Q2/2020 Price: \$178,137 Homebuyer Income: \$52,513
Homebuyer Loan Programs First Mortgage Loan and Down Payment Assistance (DPA):	First Mortgages Q2/2020: \$125,691,678 DPA Q2/2020: \$5,420,131	Mortgage Credit Certificate: Average Acquisition Price Average Homebuyer Income	Q2/2020 Price: \$195,303 Homebuyer Income: \$46,538
Foreclosure Counseling Program Funding Expended	Q2/2020: \$315,257 Since Inception: \$6,631,561 (Total only includes money expended by counseling agencies)	Homebuyer Loan Programs Top 5 Counties for Originations (*county with access to HHF DPA program introduced in July 2015)	Q2/2020 (# of Loans: \$ Total) Duval* (160 Loans: \$27,898,340) Hillsborough* (71 Loans: \$12,757,332) Pasco* (46 Loans: \$6,434,130) Pinellas* (44 Loans: \$7,398,043) Polk* (43 Loans: \$6,884,694)
HOME Allocation and Commitment Status	On pace for all commitments and disbursements		
Number of Local Governments Participating in the State Housing Initiative Partnership Program with Approved Local Housing Assistance Plans	End of Q2/2020 120 local governments have approved LHAPs (Target: Maintain at least 110 local governments with approved and active LHAPs)		
RENTAL			
Performance Measures	Data	Informational Indicators	Data
Guarantee Fund Risk-to-Capital Ratio	End of Q2/2020: .04:1 (Maintain no more than a 5.00:1 leverage ratio)	FHFC Rental Portfolio Occupancy Rate Statewide	Period Ending 5/31/20: 94.87% (Target 93%-95%)
Guarantee Fund Insurer Ratings	Standard & Poor's: A+/Stable (as of 05/21/20) Fitch: A+/Stable (as of 05/21/20) (Rating of not less than third-highest to safeguard State Housing Trust Fund)	Average Tenant Income in Florida Rental Properties	Most recent annual figures (2019) Public Housing: \$13,743 HUD Properties: \$11,207 USDA RD Properties: \$16,833 FHFC Properties: \$24,971 All Florida Renters: \$47,096
Amount of State Appropriated Rental Funding Awarded*	Q2/2020 100% of current FY appropriated rental program funds awarded. (Q2 Target: 80% of current FY appropriated rental program funds awarded.)	Average Tenant-Paid Gross Rent at Florida Rental Properties	Most recent annual figures (2019) Public Housing: \$312 HUD Properties: \$259 USDA RD Properties: Unavailable FHFC Properties (All): \$744 FHFC Properties (w/Rental Assist): \$307 FHFC Properties (w/o Rental Assist): \$859 All Florida Renters: \$1,208
Eligibility for National Pool of Low Income Housing Tax Credits	Most recent eligibility period Received 2018 National Pool Housing Credits	Maturing Loans Data	2019 7 SAIL Loans: 736 Units 5 HOME Loan: 368 Units 2020 Anticipated 5 SAIL Loans: 556 Units 1 HOME Loans: 33 Units
Percentage of SAIL Funds Awarded across each Demographic Group Compared to Reserved Allocation Percentages	FY 2019-20 Funds Allocation Reserved compared to Actual Awarded (End of Q2/2020) Farm/Fishworkers (5% - 4.05%) Homeless (10% - 13.0%) Special Needs (13% - 12.53%) Elderly (24.6% - 20.72%) Families (47.4% - 47.10%)	Searches for Affordable Rentals on Housing Locator Website	Q2/2020: 258,468 searches conducted
Percentage of SAIL Funds Awarded across Small, Medium and Large Counties	FY 2019-20 Funds Allocation Reserved compared to Actual Awarded (End of Q2/2020) Small Counties (10% - 4.79%) Medium Counties (36.2% - 38.05%) Large Counties (53.8% - 53.47%)		
Total/Affordable Units in FHFC Portfolio	End of Q2/2020 Total: 215,743 Affordable: 182,381 ELI: 17,406 Homeless/Special Needs: 7,991 (includes 3,241 Link units)		
OPERATIONS			
Performance Measures	Data	Informational Indicators	Data
Budgeted Total Operating Expenses to Actual Total Operating Expenses*	Period Ending 04/30/20 Under budget (Target: Not to exceed budget by more than 10%)		
Board Engagement: Attendance & Attainment of Quorum*	Q2/2020 Board Meetings April: 7 of 7 seated members present June: 7 of 7 seated members present (Target: Quorum - five members present)		

\*DEO/FHFC Contract Measure



**For Immediate Release**  
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## **Governor Ron DeSantis Announces Approval of \$75 Million Coronavirus Relief Fund Dollars for Property Owners, Renters and Homeowners Affected by COVID-19**

**Apopka, Fla.** — Today, Governor Ron DeSantis announced that the Florida Housing Finance Corporation (Florida Housing) Board of Directors unanimously approved the release of \$75 million to local governments to assist Floridians in need of rental and mortgage assistance due to the COVID-19 pandemic. Through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Governor DeSantis made available \$250 million, of which \$120 million will be sent to local governments to provide rental and mortgage assistance program. The \$75 million approved today is the first release of the funding to local governments.

“The COVID-19 pandemic has caused profound disruption to families throughout the state,” **said Governor DeSantis.** “It is my hope that these funds and the rest of the \$250 million will provide some level of relief to individuals who—through no fault of their own—are now having difficulty making ends meet.”

The \$75 million includes allocations to many local governments in Florida, but the Governor travelled to the City of Apopka to highlight Orange County’s allocation of \$7.3 million.

For a full list of the allocations, click [HERE](#).

“As Floridians continue to struggle with the negative economic impacts of COVID-19, Florida Housing remains committed to providing renters and homeowners with housing assistance,” **said Trey Price, Executive Director of Florida Housing Finance Corporation.** “We are proud to stand with the Governor to ensure affordable housing remains a top priority, and that families have the necessary assistance to remain in their homes during these difficult times.”

### \$120 Million Coronavirus Relief Fund for Impacted Homeowners and Renters

Impacted homeowners and renters can apply for the following assistance through a local State Housing Initiatives Partnership (SHIP) Program housing office:

- Rental and mortgage assistance payments for persons who experienced a hardship that prevents them from making these payments;
- Emergency Repair; and
- Rehabilitation and New Construction related specifically to a need caused by the COVID-19 emergency.

[Click here](#) for more information on the program and how to start the process. Florida Housing encourages homeowners and renters impacted by the pandemic to visit the website. Also, the toll-free Coronavirus Relief Fund for Impacted Homeowners and Renters Information Line **1-888-362-7885** will be available starting Monday, July 20<sup>th</sup> from 9 a.m. to 7 p.m. weekdays for those who would like to speak with a representative.

###

# SINGLE FAMILY HOMEBUYER PROGRAMS

## *Information*

### I. SINGLE FAMILY HOMEBUYER PROGRAMS

#### A. Single Family Homebuyer Programs

##### 1. Background/Present Situation

- a) Florida Housing's Homebuyer Loan 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 four first mortgage programs; the Florida First Government Loan Program (Government Loan Program), the Florida HFA Preferred Conventional Loan Program (HFA Preferred), the Freddie Mac HFA Advantage Conventional Loan Program (HFA Advantage) and the Salute Our Soldiers (S.O.S.) Military Loan Program. 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 COVID-19 pandemic has had a negative impact on overall loan production. The CARES Act, signed into law on March 27, 2020, allows new and existing homeowners to seek up to 12 months of loan forbearance on their mortgage payments. If a new loan goes into forbearance prior to securitization, Ginnie Mae will allow the loan to be placed into a security and sold. Unfortunately, both Fannie Mae and Freddie Mac will only allow a loan to be securitized with the payment of a large, additional fee of either 5% if the borrower is a first-time homebuyer or 7% if they are not.
- c) 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.
- d) The HFA Preferred Conventional Loan Program offers a first mortgage loan product developed by Fannie Mae specifically for state housing finance agencies. This program is offered both as a bond-financed product as well as a forward delivery "To Be Announced" (TBA) Program in conjunction with our TBA Program Administrator, Hilltop Securities. Single Family Program staff sets a daily mortgage rate for the TBA loans based upon prevailing market rates and predetermined profitability goals. The conventional loans, originated by participating lenders, offer borrowers a 30-year, fixed-rate mortgage.
- e) Borrowers at or below 80% AMI benefit by not having to pay Loan Level Price Adjustments (LLPA) and 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.



## SINGLE FAMILY HOMEBUYER PROGRAMS

### *Information*

- f) The Freddie Mac HFA Advantage Conventional Loan Program offers a first mortgage loan product developed by Freddie Mac specifically for state and local housing finance agencies. The program is offered both as a bond-financed product as well as a forward delivery “To Be Announced” (TBA) Program in conjunction with our TBA Program Administrator, Hilltop Securities. Single Family Program staff sets a daily mortgage rate for the TBA loans 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 at or below 80% AMI, benefit from lower mortgage insurance costs on these loans when compared to other Freddie Mac mortgage products and similar government-insured loans such as FHA.
- g) On March 2<sup>nd</sup>, we launched a new TBA first mortgage loan program named Salute Our Soldiers (S.O.S.) Military Loan Program. This loan program offers our military service personnel and veterans 30-year, fixed-rate first mortgage loans at a lower rate than our standard loan programs and with several down payment assistance options. This program is available in all 67 counties throughout the State of Florida to borrowers who are purchasing a primary residence, meet income and purchase price limits, can qualify for a first mortgage loan, and successfully complete a homebuyer education course. We have allocated \$8 million dollars of DPA for this program which should help over 1,000 military families acquire a home in Florida while generating over \$170 million in first mortgage loan volume.
- h) As part of the 2020 budget approved by the Florida Legislature and Governor Ron DeSantis, \$10 million was appropriated to Florida Housing to once again offer DPA through the popular and successful Hurricane Michael Recovery Loan Program. This Program was created to assist homebuyers purchasing homes in eleven Hurricane Michael impacted counties. These counties are: Bay, Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty, Taylor, Wakulla & Washington. On September 1st, we re-launched the Program. It offers qualified borrowers DPA of up to \$15,000 in the form of a 0%, 5 year forgivable second mortgage. The loan is forgiven at the rate of 20% each year on the anniversary of the note. For active duty military personnel who are reassigned and therefore forced to sell their homes, we will forgive any unpaid principal balance that remains on the second mortgage at closing if the transfer is for more than 6 months and over 250 miles away from their current base,. The DPA will be originated with Florida Housing first mortgage loans which will carry a substantially lower interest rate than other program loan products. Additionally, there will be no first-time homebuyer requirement. The Program targets previous homeowners who lost their homes completely or whose homes were damaged beyond repair from the storm and those who are seeking to relocate to the area to help in the rebuilding and recovery efforts.
- i) Florida Housing offers qualified homebuyers DPA in the form of a second mortgage loan in conjunction with all four of our first mortgage loan programs. 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.

## SINGLE FAMILY HOMEBUYER PROGRAMS

### *Information*

- j) The HFA Preferred PLUS Conventional Loan Program and the HFA Advantage PLUS Conventional Loan Program offer 3%, 4% and 5% of the purchase price of the home in DPA as forgivable second mortgage loans. These loans are forgiven 20% annually over a 5-year period unless the home is sold, refinanced or is no longer the borrower's primary residence. If any of these actions occur prior to the 5-year forgiveness period, any remaining balance becomes due and payable.
- k) We also offer an amortizing second mortgage product, the Homebuyer Loan Program (HLP) Second Mortgage. This product is offered across all of our first mortgage programs and provides up to \$10,000 of assistance at a 3% fixed interest rate and is repaid in monthly payments over 15 years.
- l) Our Mortgage Credit Certificate ("MCC") Program provides qualified first-time homebuyers with a non-refundable federal tax credit used to offset a portion of their 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 138 approved Participating Lenders in the MCC Program compared with 271 in our Homebuyer Loan Program. The current MCC Program, available through the end of 2020, utilizes a two-tier credit structure which offers either a 20% or 30% credit rate, dependent upon the dollar amount of the underlying first mortgage. Homeowners receiving a 30% credit may claim up to \$2,000 annually while those receiving the 20% credit are not capped on the amount of the tax credit that they can claim. The MCC Program is in the wind down process and we have ceased taking new MCC Lender applications. The Program will conclude no later than December 31, 2020 and we are in the process of notifying current lenders that the Program will be ending. This should ensure that lenders have adequate advanced notice of the impending Program closure and can manage their loan pipeline accordingly.
- m) 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. Due to COVID-19 travel restrictions, DBPR has given us temporary authority through yearend to offer the class via webinar (online) format. We have found this format to be highly effective in attracting more Realtors to the classes while eliminating travel costs entirely. We have submitted the curriculum for approval to allow us to continue to offer online classes once the temporary authority ends. Our most recent classes have been with the following Realtor Boards: Bonita Springs-Estero Realtors, Pinellas Realtor Origination & Central Pasco Chapter, Orlando Regional Realtor Association, Ocala/Marion County Association of Realtors, and Realtors Association of Franklin & Gulf Counties. There were 174 Realtors in attendance for these six classes.

## **SINGLE FAMILY HOMEBUYER PROGRAMS**

### ***Information***

- n) Single Family Program Staff also conducts telephonic and webinar trainings for lender partners throughout the state. Trainings consist 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 August 6, Single Family Staff conducted a Zoom lender training specifically for Valley National Bank. Valley National Bank hosted the event and over 15 lender staff attended. Also, on August 12<sup>th</sup>, Single Family Staff, in conjunction with eHousingPlus, held a webinar “lunch and learn” training which provided lenders with an opportunity to ask questions about program and master servicer requirements. More than 125 lending staff attended this event.
  
- o) Florida Housing sponsors a toll-free telephone line (800-814-HOME), for first time homebuyers to call. Callers receive a pre-recorded message that directs them to our website where they can access our Homebuyer Loan Program Wizard tool to learn more about our Program.

**SINGLE FAMILY HOMEBUYER PROGRAMS**

*Information*

**HOMEBUYER LOAN PROGRAMS SUMMARY**

	<b>2019 HLP Program Totals</b>	<b>2020 HLP Program Totals</b>	<b>2020 HLP Government Loan Programs Totals</b>	<b>2020 HLP Conventional Loan Programs Totals</b>	<b>2020 Mortgage Credit Certificate (MCC) Program</b>
Average 1 <sup>st</sup> Mortgage Loan Amount	\$156,525	\$170,907	\$174,021	\$166,380	\$188,816
Average Acquisition Price	\$164,068	\$175,576	\$177,126	\$173,325	\$195,508
Average Compliance Income	\$51,640	\$51,454	\$52,577	\$49,822	\$46,792
County Area Median Income %	65%	66%	68%	62%	*69%
<b>Total Purchased 1<sup>st</sup> Mortgage Loan Amounts</b>	\$762,593,654	\$298,807,454	\$180,185,575	\$118,621,880	NA
<b>Total # of Units</b>	4,872	1,754	1,039	715	479

\*uses 2020 statewide AMI of \$68,000

**2020 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS**

County	Loan Count	Loan Amount	DPA
Duval	363	\$61,953,155.59	\$2,692,571.00
Hillsborough	162	\$29,161,437.83	\$1,247,363.00
Polk	112	\$18,110,147.53	\$848,350.00
Pinellas	110	\$18,184,676.52	\$842,098.00
Pasco	106	\$15,427,318.35	\$813,097.00
Brevard	83	\$14,399,970.46	\$630,558.00
Volusia	78	\$13,279,202.45	\$589,122.00
Orange	74	\$13,728,797.19	\$588,264.00
Clay	62	\$11,572,307.91	\$418,885.00
Hernando	55	\$8,592,784.69	\$422,500.00