

Housing Finance Authority

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TO: Rodney S. Fischer, Chairman
and Members of the Housing Finance Authority

FROM: Anthony M. Jones, Executive Director

SUBJECT: Executive Director's Report

DATE: November 6, 2007

1) Staff continues to work with our lenders to streamline the Making Pinellas Home and HomeTown Heroes Plus loan purchase process. We purchased 32 loans for \$830,000 and have been successfully reimbursed by the County for 15 loans totaling \$380,000. The program moved slowly for the first 60 days, partly because of additional documentation requirements, beyond the usual bond loan file. We have stepped up our training efforts and the system is moving much better. To date, we have hosted three in-house training sessions and one on-site session. Our most recent training was held on September 19th, with nine lenders in attendance.

2) The closing of American Home, Market Street, and National City Mortgage were a great loss to the program. However, we have established relationships Bank of America, Washington Mutual, Regions Bank and GMAC, and expect them in the program soon. Two new lenders already accepted into the program are St. Petersburg Neighborhood Housing Services and Flagship Financial Services. We have also seen increased participation from SunTrust and are very happy to have them back in full swing. Marjorie Burdine, their new Community Lending Officer was, herself, one of our most active lenders. Having her support from a leadership position has been very helpful.

3) Due to the rapid changes in mortgage industry personnel, we are establishing a referral service as a new method of handling customer inquiry. In the past, we sent out a brochure containing a list of lenders. Now, that list is changing constantly. We plan to begin taking customer information and sending them directly to specific lenders on a rotating basis, based on location. This will help us assure that the customer always gets to a person who is still active in the program.

4) As of this report, the 2007A Single Family Bond Program is 49% originated, up from 33% in the August 2007 Report. The 49% origination is based on 84 loans totaling \$9,725,071 in prospective mortgage loans out of an overall allocation of \$20,000,000 for the program. The

first mortgage product most often used by borrowers continues to be the Home Key 30-year fixed rate mortgage at 6.1% interest. Also, the second mortgage products most preferred are Making Pinellas Home and HomeTown Heroes Plus. The following are some important averages for the program.

Averages

- Loan Amount: \$ 116,049
- Second Loan Amount: \$ 20,382
- Purchase Amount: \$ 133,573
- Household Income: \$ 36,400

As you see, the program is moving, although not as quickly as we would like. We are working with our Financial Advisor and Program Administrator as we look for options to stimulate the program. The consensus is that this slowdown seems to stem from the turmoil within the mortgage lending industry itself. The lenders who are still in the program are performing very well. However, two of the dissolved companies, Market Street & American Home, accounted for over half our production in the past few issues. It will take a little while to compensate for that loss. We think that our stepped-up lender recruitment efforts and our referral service are good first steps. As soon as the referral service is in place, we plan to launch a major marketing effort.

5) On the good news side, we are pleased to announce a new partnership with MGIC mortgage insurance company. Pinellas has been approved to offer reduced mortgage insurance premiums to our borrowers through MGIC's new Front Step initiative in their Emerging Markets program. Discounts can be as high as 50%. This will provide lower payments and increased affordability for our borrowers. The program requires borrowers to attend a six-hour homebuyer education class. Borrowers also get free job loss protection and accident insurance. MGIC initially unveiled this program for State HFAs. We were able to join forces with some of our sister local agencies and convince MGIC to extend that program to select local HFAs as well. We are still in talks with other mortgage insurers and hope to announce another success in next month's report. Our Program Administrator, eHousing Plus, must be thanked for their role in helping us move this forward.

6) As part of the HFA 25th Anniversary celebrations in October, on the 4th, our Chairman, Rodney Fischer discussed the history of the HFA, our present impact in the local communities and future initiatives on the HFA's monthly radio show "There's No Place Like Home" on WRXB Radio. The show was well received and is posted on our website for those of you interested in hearing the tape.

On the following Tuesday, October 9th, Rodney presented the HFA's annual report and a 25 year overview to the Board of County Commissioners. The Commissioners thanked you for the work done in Pinellas County over the years. And, of course, on the 12th, friends of the Authority joined us at the Mirror Lake Lyceum and we reminisced with Darlene Kalada about the past 25 years in the Authority. Special acknowledgement and thanks are due to our partners who sponsored the event. Once again, our team of professionals really stepped up to the plate. Their contributions fully funded the event. Because of their generosity, the Authority's only cost was a \$500 donation to the Youth Arts Corp in appreciation of their well received interactive art piece and to support their work with the creative youth of our community. A cost breakdown for the event is attached to this report.