

Memorandum

Housing Finance Authority

600 Cleveland Street, Suite 800
Clearwater, FL 33755
Phone: 727-464-8210 Fax: 727-464-8260



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

FROM: Anthony M. Jones
Executive Director

SUBJECT: Increased HFA Investment in Bond Programs

DATE: November 6, 2007

Recommendation: I recommend that the Board increase your investment in several bond programs by \$72,857.71 and reduce your County SHIP liability by a corresponding amount.

Background: Over the years the Authority and the County have partnered by blending County funds with bond proceeds to create a lower mortgage rate for certain income-qualified buyers. Eight of these loans are fully bond compliant, but there lack sufficient documentation to certify their compliance according to the County's grants standards. At the time, the Authority did not have the checks and balances in place to find these errors until after the programs closed-out. These issues have since been corrected, but there are eight such files still outstanding. Since these are older files, it is problematic to go back and collect the missing data. Therefore, it is recommended that the Authority will reduce your SHIP liability to the County and increase your investment by \$72,857.71. This investment does not represent a loss to the Authority. These funds will be recovered as a result of parity releases from the subject bond programs. Further, this action reduces your future liability to the County by the corresponding amount.

The County and the Authority will continue partnering with respect to the bond programs by funding the Hometown Heroes Plus and Making Pinellas Home programs. These programs have been structured especially to avoid the types of problems that occurred with these eight loans.

Thank you.