

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
March 16, 2012
Information Items



AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Information

I. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

A. Changes to Construction Features and Amenities and/or Resident Programs

1. Background/Present Situation

- a) The developments listed below have requested, and staff has approved, changes to the Construction Features & Amenities and/or Resident Programs in their Application since the last Board meeting:
 - (1) Mirabella Apartments (2009-030CT/2010-002CT) has exchanged “Toilets that have dual flush options which include 1.6 gallons of water or less” for “Energy star rating for all windows in each unit.” With this exchange, the development remains committed to 10 Green Building items.
 - (2) Pinnacle at Avery Glen (2009-139C/2010-044CX) has swapped “Motion detectors on all outside lighting that is attached to the units” (1 of 10 green building features) for “Florida Yards and Neighborhood certification on all landscaping” (1 of 10 green building features). This exchange is of equal point value to the amenities originally chosen in the application.
 - (3) Johnson-Kenneth Court (2009-233C/2010-015CX) has swapped “Motion detectors on all outside lighting that is attached to the units” (1 of 10 green building features) for “Florida Yards and Neighborhood certification on all landscaping” (1 of 10 green building features). This exchange is of equal point value to the amenities originally chosen in the application.
- b) Staff will amend the Extended Use Agreements and/or Land Use Restriction Agreements for each of the developments as appropriate.

COMMUNICATIONS

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II. COMMUNICATIONS

A. Hardest-Hit Fund

1. Background/Present Situation

a) Since the HHF launched statewide, Florida Housing has received press on the program in the following media outlets (including print, broadcast and Internet):

- (1) Bay News 9 Tampa
- (2) Boston Today Newspaper
- (3) Bradenton Herald Newspaper
- (4) CBS 4 in Miami
- (5) Clay Today Newspaper
- (6) CitrusDaily.com Online
- (7) Daytona News-Journal Newspaper
- (8) First Coast News.com Online
- (9) Florida Times Union Newspaper
- (10) Florida Today Newspaper
- (11) Herald Tribune Newspaper
- (12) Highlandstoday.com Online
- (13) Housingwire.com Online
- (14) Miami Herald Newspaper
- (15) Mortgageorb.com Online
- (16) News-Press Newspaper in Fort Myers
- (17) NorthEscambia.com Online
- (18) Ocala.com Online
- (19) Ocala Star Banner Newspaper
- (20) Orlando Sentinel
- (21) Palm Beach Post
- (22) Pensacola News Journal Newspaper

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- (23) RealEstateRama.com Online
 - (24) Stateline.org Online
 - (25) St. Augustine Record Newspaper
 - (26) St. Pete Times Newspaper
 - (27) Sun-Sentinel Newspaper
 - (28) Tampa Bay Times Online
 - (29) TCPalm.com Online
 - (30) Tomrollins.com Online
 - (31) WBBH Channel 2 Charlotte County
 - (32) WDEF News Channel 12 online wdef.com
 - (33) WEAR Channel 3 Pensacola
 - (34) WESH 2 News Orlando
 - (35) WFTV News Orlando
 - (36) WJXT Channel 9 Jacksonville
 - (37) WOFL Channel 35 Lake Mary
 - (38) WPTV Channel 5 West Palm Beach
 - (39) WTVT Channel 13 Fox Tampa
 - (40) WUFT 89 FM Radio Gainesville
 - (41) WZVN ABC Channel 7 Fort Myers
- b) Follow-up articles continue to be monitored, and are being saved and cataloged. Communications staff is also monitoring HHF Advisors marketing of the program in their communities. Additionally, the HHF website (www.FLHardestHitHelp.org) continues to be updated with important information for homeowners seeking HHF assistance.
- c) Communications staff recently facilitated an HHF Marketing and Outreach webinar for HHF Advisor Agencies, at which we provided information on and tools for them to use when engaging in outreach for the HHF program. The presentation contained detailed explanations of approved marketing materials, and effective marketing strategies and pitfalls for the HHF program in Florida. More than 95 percent of agencies participated.

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- d) New materials have been created to forward “branding” of the program in Florida; they include an appointment card, tablecloths and reusable signage. The card is available on the HHF Download Center; the table cloth and display sign have been mailed out to each agency for use when they perform outreach activities.
- e) In February, Communications and HHF staff participated in the federal “Help for Homeowners Community Event,” a joint venture of Making Home Affordable (MHA) and HOPE NOW. Held in Miami and Tampa, these events give troubled homeowners an opportunity to meet one-on-one with their mortgage company and/or a HUD-approved housing counselor to find options to avoid foreclosure. Four Advisor Agencies were on-site in both cities to work with homeowners seeking financial assistance through the HHF.

COMMUNICATIONS

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B. Communications Ongoing Public Relations

1. Background/Present Situation

- a) Communications staff continues to implement a plan to revamp the corporate newsletter, *What's Developing*. To date, research is complete and work has begun to determine the most cost-effective way to distribute the newsletter, in addition to re-building the distribution list. Target publication date is during July 2012.
- b) Also, staff is working through the corporation's Information Technology Steering Committee to redevelop the website, in accordance with the Strategic Plan.
- c) In an effort to continue building relationships with affordable housing advocates and providers, Communications staff will be participating as an exhibitor at the following workshops and annual conferences this year:
 - (1) March 27- Department of Elder Affairs Housing Seminar;
 - (2) June 18-22-Florida Association of Counties Annual Conference;
 - (3) August 23-25- Florida League of Cities Annual Conference; and
 - (4) September 10-12- Florida Housing Coalition Annual Conference.

FINANCE

Information

III. FINANCE

A. Operating Budget Analysis for December 2011

- a) The Financial Analysis for December 31, 2011, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending December 31, 2011, is attached as [Exhibit B](#).

B. Operating Budget Analysis for January 2012

- a) The Financial Analysis for January 31, 2012, is attached as [Exhibit C](#).
- b) The Operating Budget for the period ending January 31, 2012, is attached as [Exhibit D](#).

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C. Performance Based Contract Administration (PBCA)

1. Background/Present Situation

- a) In May 1999 HUD issued a Request for Proposals (RFP) to procure Performance Based Contract Administration (PBCA) services for project-based Housing Assistance Payments (HAP) Contracts under Section 8. The Section 8 Program was authorized by Congress in 1974 and developed by HUD to provide rental subsidies for eligible tenant families (including single persons) residing in newly constructed, rehabilitated and existing rental and cooperative apartment projects. With project based assistance the subsidy is committed by HUD for the assisted units of a particular property for a contractually determined period. In 1999 there were approximately 24,200 project based contracts in effect with PHAs (public housing agencies, which include both state and local housing organizations) administering approximately 4,200 and HUD administering the other 20,000. Florida had approximately 488 contracts that represent 39,000 units.
- b) Successful respondents to the RFP entered into an Annual Contributions Contract (ACC) with HUD. The initial term of the contract was 36 months with a possibility of two twelve month extensions. The contractor could elect to unilaterally terminate the ACC at the end of the initial 36 months or at the end of any month of the renewal period.
- c) Florida Housing did not respond to the 1999 RFP and the ACC for Florida was awarded to North Tampa Housing Development Corporation, Inc.
- d) Under the contracts awarded from the 1999 RFP, HUD paid the PBCA a base fee per unit as well as incentive fees depending on the provider achieving certain timing and accuracy goals. During the contract term HUD revised the fee structure and eliminated the incentive fees.
- e) Florida Housing served as the traditional contract administrator for twenty-two (22) Section 8 properties from 1982 to 2007 when the properties were transferred to the PBCA for Florida.
- f) In December 2008 HUD announced that they were planning to revise the ACC governing performance-based contract administration and the plan to “rebid” the contracts in the fall of 2009 by issuing a public Invitation To Bid. Florida Housing’s expectation is that the program fees available under this contract would provide revenue greater than the costs associated with the program and will generate income for Florida Housing’s operations.
- g) At the September 18, 2009 meeting of the Florida Housing Board of Directors, the Board approved staff’s recommendation to issue an RFP to solicit proposals to select a contractor to assist with the preparation of a response to a HUD PBCA Invitation to Bid and provide contract administration services.

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- h) At the January 22, 2010 meeting of the Florida Housing Board of Directors, the Board approved staff's recommendation to enter into contract negotiations with Multifamily Asset Managers (MAM) a Joint Venture of Du & Associates, Inc. and Reznick Group, P.C. to provide contract administration services for the purpose of applying to the HUD PBCA Invitation To Bid and if Florida Housing won the bid, administering the program.
- i) After months of delays, HUD posted their Invitation for Application: Contract Administrators for Project Based Section 8 Housing Assistance Payment (HAP) Contracts on February 25, 2011. On April 28, 2011, Florida Housing and MAM submitted their joint application to become Florida's PBCA.
- j) On July 1, 2011 Florida Housing was notified that there were four applicants for Florida. Florida Housing was awarded second place. National Housing Compliance was awarded the highest score and the contract.
- k) Due to a large number of protests from other housing finance agencies around the country regarding the entities selected for contracts, as well as HUD's review process, on August 10, 2011, HUD announced that it was withdrawing the current competition for Project-based Section 8 Rental Assistance Contracts in certain states and would solicit new proposals through a competitive Notice of Funding Availability (NOFA) later in 2011. Only eleven states, where there were no competitive bidders, were awarded contracts. As there were four bidders for the state of Florida, no contract was awarded.
- l) As of February 24, 2012, HUD had not posted the NOFA. They recently announced that the new NOFA for Contract Administrators for Project Based Section 8 Housing Assistance Payment (HAP) Contracts would be posted in late February or very early March 2012.
- m) The NOFA is expected to permit a 60-day response time. Based on the approvals previously received by the Florida Housing Board, staff will work with MAM in responding to the 2012 NOFA.

GUARANTEE PROGRAM

Information

IV. GUARANTEE PROGRAM

A. Status of the Guarantee Program Portfolio

1. Background/Present Situation

- a) Since the implementation of the Guarantee Program in 1993, it has guaranteed 120 transactions, facilitating the construction of over 28,000 housing units in Florida. 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. Of the 79 multifamily developments in the Guarantee Program portfolio today, 53 are Risk-Sharing transactions.
- b) Since November 2008, there have been eight (8) multifamily claims filed on the Guarantee Program, representing the total (and only) multifamily claims incurred in its 18-year history. The last multifamily claim occurred in April 2010. The chart in Exhibit A reflects the developments that have been foreclosed as of January 31, 2012, listed in chronological order by claim filed date.
- c) As of January 31, 2012, there were no developments in the portfolio in monetary default (due to the borrower's failure to make timely payments on the note) and there are no foreclosures in inventory.

B. Guarantee Program Foreclosure Summary ([Exhibit A](#))

C. Guarantee Program Portfolio Summary and Guarantee Fund Capacity ([Exhibit B](#))

INFORMATION TECHNOLOGY

Information

V. INFORMATION TECHNOLOGY

A. Information Technology Steering Committee

1. Background/Present Situation

- a) The Information Technology Steering Committee (ITSC) was established in June 2011. The purpose of the ITSC is to oversee the information technology investment priorities for Florida Housing and ensure that they are properly aligned with the needs of the business. More information about the ITSC's purpose may be found in [Exhibit A](#).
- b) The ITSC appointed a Project Portfolio Manager to monitor the health and performance of its project portfolio.
- c) The following initiatives have been evaluated, prioritized and sponsored to move forward:
 - (1) Discovery – Loan Servicing Software Solution

Description: The goal of implementing a new software solution is to provide a more secure environment for loan servicing data while increasing the efficiency and consistency of data input and storage. This project team will evaluate and rank potential software solutions that will improve the management and accessibility of Loan Servicing data.

Status: In progress - January - June 2012
 - (2) Discovery - Location A Overhaul – Limited Development Area (LDA)

Description: The current process of aggregating and collecting data for Location A is laborious and prone to human error. The goal of this initiative is to expand the data resources used for decision making and develop a road map for automating the process of establishing LDAs.

Status: In progress – December 2011 – December 2012
 - (3) Discovery – Microsoft SharePoint 2003 Replacement

Description: The current collaboration platform, Microsoft SharePoint 2003, is outdated and no longer supported. Prior to replacing the collaboration platform, the project team will establish an enterprise-wide collaboration strategy and evaluate potential collaboration platforms against that strategy. Once the evaluations are complete the project team will make a recommendation for the purchase of a collaboration platform to replace SharePoint 2003.

Status: In progress - January - August 2012

INFORMATION TECHNOLOGY

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(4) Enterprise Upgrade to Microsoft Windows 7

Description: It is necessary to update our current operating system, Microsoft Windows XP (XP), because it will no longer be supported as of April 2014. The lack of supported patches and updates will result in an immediate risk to our network security. The Microsoft Windows 7 (MSW7) upgrade began in 2011 and will be staggered over a period of three years (2011 – 2013). The multi-year upgrade plan was designed to help distribute the cost of purchasing new computer equipment, which is required in order to support MSW7.

Status: In progress - January 2011 - December 2013

(5) Mortgage Credit Certificate (MCC) System

Description: The MCC Reservation system will provide a data store, web-based user interfaces and reports to support the MCC program, which will be managed by Homeownership.

Status: In progress - January - May 2012

(6) Multifamily Strategic Data Initiative (SDI)

Description: The SDI is comprised of three initiatives that were designed to align with the Strategic Plan. The directive is to develop a strategic data management system to assist Florida Housing in setting program priorities and managing its Multifamily Rental Portfolio.

(a) SDI - Audited Financial Reporting

Description: A web-based reporting system developed to collect and report on financial data from multifamily developments.

Status: In progress - February 2009 – December 2012

(b) SDI - Multifamily Portfolio Reporting

Description: A web-based data collection and reporting system that will enable users to access centralized and consolidated multifamily data and documents.

Status: In progress – December 2010 – December 2012

(c) SDI - Tenant Data Reporting

Description: A web based reporting system developed to upload, aggregate and report on tenant data from Florida Housing's multifamily developments.

Status: In progress –January 2012 – December 2012

INFORMATION TECHNOLOGY

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(7) Website Content Advisory Committee (WCAC)

Description: The WCAC was established to develop and pilot procedures that will govern the content that is published on the Florida Housing website. Once the pilot is complete the WCAC will refine the procedures and complete a schedule for deployment across all of Florida Housing.

Status: In progress - December 2011 - June 2012

LOAN SERVICING

Information

VI. LOAN SERVICING

A. Financial Past Due Report and Noncompliance Report

1. Background/Present Situation

- a) Financial Past Due Reports and Noncompliance Reports are prepared prior to each board meeting but may be updated more frequently if circumstances require them.
- b) The details of these reports are available at:
 - (1) <http://www.floridahousing.org/PropertyOwnersAndManagers/PastDueReports>
 - (2) <http://www.floridahousing.org/PropertyOwnersAndManagers/NoncomplianceReports>

MULTIFAMILY BONDS

Information

VII. MULTIFAMILY BONDS

A. Changes to Construction Features and Amenities and/or Resident Programs

1. Background/Present Situation

- a) The development listed below has requested, and staff has approved, changes to the Construction Features & Amenities and/or Resident Programs in their Application since the last Board meeting:

Villa Capri, Phase 3 (2010 Series D) has exchanged “Double compartment kitchen sink in all units” (1 Point) for “Ceramic tile bathroom floors in all units” (2 points). This exchange is of greater point value to the amenities originally chosen in the application.

- b) Seltzer Management Group has reviewed this request and has recommended approval. Staff has approved the request.
- c) Staff will amend the Land Use Restriction Agreements and/or Extended Use Agreements for each of the developments as appropriate.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Information

VIII. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Predevelopment Loan Program (PLP) Overview and Status Report

1. Background

- a) At the January 27, 2012 Board meeting, a request was made to staff to provide an overview and status of the PLP program.
- b) Florida Housing's PLP program began in 1992 and is governed by 420.521-529, Florida Statutes, and Chapter 67-38, Florida Administrative Code. The purpose of PLP is to provide below market interest rate financing for predevelopment activities for community-based organizations, local governments, public housing authorities, and other not-for-profit organizations developing affordable housing. The program also provides for individualized technical assistance at no cost to the applicant.
- c) PLP is funded through the State Housing Trust Fund, but has not requested or received an allocation since 2004. The fund of nearly \$24 million was allocated in years prior to 2004 and has been operated as a revolving fund since that time.

2. Present Situation

- a) A written overview and status report of the program is attached as [Exhibit A](#), including charts that detail the financial history of PLP.
- b) In the narrative portion of the report, there is discussion of program history, application processes including risk analysis, and technical assistance provided to applicants.
- c) The charts detail the overall loan portfolio (chart 1, 4), loans resulting in units being developed (chart 2), and a risk analysis (chart 3).

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Information

IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Changes to Construction Features and Amenities and/or Resident Programs

1. Background/Present Situation

- a) The development listed below has requested, and staff has approved, changes to the Construction Features & Amenities and/or Resident Programs in their Application since the last Board meeting:

Hannah House (RFP 2008-01-07) has exchanged “Motion detectors on all outside lighting that is attached to the units” for “Low VOC paint (less than 50 grams per liter).” With this exchange, the development remains committed to 10 Green Building items.

- b) Staff will amend the Land Use Restriction Agreement for the development as appropriate.

SINGLE FAMILY BONDS

Information

X. SINGLE FAMILY BONDS

A. Single Family Professional Development and Outreach

1. Background/Present Situation

- a) Florida Housing continues to honor our commitment to have funds continuously available for qualifying homebuyers through our First Time Homebuyer Program. Florida Housing's Program provides assistance to eligible homebuyers by offering low cost, 30-year, fixed-rate mortgages together with down payment and closing cost assistance. Current allowable mortgage loan products include: Federal Housing Administration (FHA), Department of Veterans Affairs (VA), United States Department of Agriculture - Rural Development (USDA-RD), as well as conventional loan products offered through Fannie Mae and Freddie Mac. These loan products are 100% guaranteed. Borrowers must have a 620 FICO score or higher and must complete a 6-8 hour face-to-face homebuyer education class in order to qualify for assistance through our First Time Homebuyer Program. Our increase from a minimum 600 to a 620 FICO score was a result of closely monitoring Program delinquency data and making the necessary Program changes to ensure that we are helping borrowers not only obtain homeownership but more importantly sustain homeownership. Florida Housing offers qualified homebuyers two down payment and closing cost assistance programs in the form of second mortgage loans. Florida Assist is a 0% deferred payment \$7,500 second mortgage that serves homebuyers with an area median income (AMI) of up to 100%, adjusted for family size. Homeowner Assistance for Moderate Incomes (HAMI) serves households above 100% AMI, up to Program first mortgage income limits. This product provides a qualified buyer with up to \$5,000 of assistance in the form of a 10-year, amortizing second mortgage, currently at a 5% fixed rate. These second mortgage products may only be used in conjunction with Florida Housing's first mortgage products.'
- b) Since 2003, Single Family Program Staff has taught 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. As previously reported in September, our travel costs have, historically, been partially offset by charging a nominal fee to the sponsoring Realtor board based upon the number of participants in attendance. For 2011, we have had a number of classes cancel due to lack of pre-registrations by their members. While class evaluations indicate that Realtors continue to find the course information useful for their prospective homebuyers, we are being told that our fee is to blame for the cancellations. We have discovered that many other CE classes held by these organizations are free of charge. As a result, we agreed to waive our fee for 2012, in cases where the Realtor board can guarantee increased attendance. The results of this decision were demonstrated at our two most recent Realtor training sessions held in Boca Raton and Miami in January. The Boca event, where the class was held at the local Board's offices, was at no cost to the Realtors who attended. Attendance was in excess of 60 people. The Miami class was charged a fee by its Board due to the event having to be moved to a local hotel conference room at the last minute. Since the Board incurred costs for this venue, they passed those costs on to their members in the form of a \$35 registration fee. The attendance at this event was slightly over 20 people. We have conducted this class annually for the Miami group, and have seen

SINGLE FAMILY BONDS

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attendance in excess of 30 people each year when the event was held at their offices and at a lower cost to the attendees. This illustrates that the economy has had an impact on Realtors ability and willingness to invest in continuing education courses such as the one we offer. We will continue to monitor attendance throughout the year at these events and attempt to gauge the effectiveness of our policy going forward.

- c) The Single Family Program Staff, in conjunction with our Master Servicer, US Bank, and the program compliance team at eHousing, conducts quarterly lender training webinars. The morning session is held for loan officers and processors, with the afternoon session directed to underwriters, closers, shippers, and post-closing staff. By splitting the training into two webinars, we are better able to target the specific needs of each group. Our most recent training was conducted on February 15th. We had over 200 loan staff from both new and currently participating lending institutions take part in this webinar. We continue to work with US Bank to convert this training into a 24/7 online educational platform. The ability to quickly and efficiently train new lenders is needed as we have recently begun to accept new applications from lending institutions at any time during the year. This move is in response to the decreased number of approved lending institutions in our program. This reduction has been the result of industry consolidation and attrition that began with the financial meltdown in 2008. Even with fewer lending institutions currently originating loans in our program, 2011 was historically our third highest production year for both number of loans and dollar volume in the First Time Homebuyer Program.
- d) Florida Housing continues to sponsor a toll-free telephone line (800-814-HOME), for first time homebuyers to call for information about our program. For the month of January, we received 492 total calls; of which 220 were transferred to the Single Family Staff. The remaining callers that were not transferred to the Single Family Staff were able to receive information by accessing our First Time Homebuyer Wizard tool, which is located on our website. We continue to closely monitor these calls to evaluate the best way to efficiently handle the call volume in the long term.
- e) At the January 27, 2012 meeting, the Board approved the renewal of the Mortgage Credit Certificate (MCC) Program. This program provides qualifying first time homebuyers an ongoing annual tax credit that reduces the amount of taxes owed. This increases disposable income and provides the homeowner more money towards their mortgage payment. MCC's are offered through approved participating lenders and are issued in connection with the lender's in-house fixed rate mortgage product. We anticipate that MCC's will assist borrowers with higher incomes than those who currently use the FTHB Program. We have published our mandatory 90 day public notice and are currently revising and updating program forms, guides, and a new FHFC reservation system. By working with bond counsel and through much research and effort by Program staff, we were able to reduce the cost of publishing the notice from an estimated \$19,500.00 to an actual amount of \$7,436.00. This was accomplished by replacing one very expensive statewide publication with 5 regional, less costly, newspapers that insured statewide coverage. With the later than expected publication date, our Program launch date is now June 1, 2012.

B. Single Family Bonds Information ([Exhibit A](#))

SUBORDINATED MORTGAGE INITIATIVE (SMI)

Information

XI. SUBORDINATED MORTGAGE INITIATIVE (SMI)

A. Program Update

1. Background/Present Situation

- a) As of this date the Board has approved funding for a total of thirty-two (32) Subordinated Mortgage Initiative (SMI) loans. The purpose of these loans is to provide subordinate financing on these developments which are credit enhanced by the Guarantee Program, and determined to be in financial distress, in order to provide temporary assistance in funding their mortgage debt service obligations for a period of up to twenty-four (24) months. Florida Housing provided funding for up to one mortgage payment per each three month period. The developer is required to make the remaining payments. This process is to be repeated for up to twenty-four (24) months, with Florida Housing potentially making up to a total of eight mortgage payments and the developer making a total of sixteen mortgage payments during this period.
- b) Attached as [Exhibit A](#) is a spreadsheet of the status of the SMI loans approved to date. Highlights of the data are as follows:
 - (1) The Board has approved a total of thirty-two (32) SMI loans in the amount of \$19,120,000.
 - (2) Thirty (30) of these SMI loans have been closed to date in the principal amount of \$17,834,309.01.
 - (3) \$16,752,485.90 has been disbursed to date.
 - (4) Two (2) loans, representing two different developers, approved in the total amount of \$675,000, have yet to be closed.
 - (5) It does not appear, at this time, that these two loans will be closed due to an inability to obtain the required consent of the investment limited partner.
 - (6) As of March 1, 2012, the final disbursement has been made on twenty-four (24) of the thirty (30) loans closed to date. All accrued interest will be due on these loans twenty-four months after the final disbursement. The loan will then be amortized based on a twenty year amortization with a balloon payment due at the end of year six.
 - (7) One loan, Villas at Lake Smart, was paid in full on April 11, 2011. There was \$151,730.22 in undisbursed SMI funds at the time. Another loan, Woodbridge Apartments, was paid in full on December 13, 2011. A third loan is expected to be paid in full by March 31, 2012.
- c) Since the inception of the Subordinated Mortgage Initiative, only one developer, involving two SMI loans, has failed to make a required payment under their obligations as outlined in the SMI loan. However, the required payments were ultimately made, and as a result, there have been no claims made on the Guarantee Fund Program for any development receiving SMI funding.