PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

May 7, 2013

[X] Consent

[] Regular

[] Ordinance

[] Public Hearing

Department:

Department of Economic Sustainability

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: Twenty-four (24) Short Sales on County held mortgages approved from January 1, 2012 through December 31, 2012, by the Department of Economic Sustainability (DES).

Summary: On January 12, 2010, the Board of County Commissioners (BCC), in response to the economic housing crisis, approved Short Sale Policy Guidelines for homeowners that have County mortgages and that were seriously at risk of losing their homes to foreclosure. The County provides gap financing to eligible first-time home buyers in the form of a forgivable second mortgage loan. The County's investment is leveraged with recognized banks and mortgage lenders whose financing was secured by a mortgage with a first lien position. The short sale strategy prevents the loss of the County's entire investment that in the event of a foreclosure would be lost, provides financial relief to distressed homeowners, and decreases urban blight through the resale to an eligible buyer. The Short Sale policies require the first lender to repay the County a minimum of \$3,000 or eight percent (8%) of the remaining balance owed on the County's second mortgage. DES approved 24 short sales from January 1, 2012 through December 31, 2012. To date, 59 short sales have been approved representing three percent (3%) of the total HOME Investment Partnership Program (HOME) and the State Housing Initiatives Program (SHIP) mortgage portfolio. The original mortgages were funded in Fiscal Years 2002-2008, from the County's annual allocation of HOME and SHIP, and were awarded to 20 low and four (4) moderate-income eligible households, which are hereby being submitted to the BCC to receive and file. All short sales comply with the approved Guidelines. (BHI) Countywide (TKF)

Background and Justification: The housing programs administered by DES include, but are not limited to, the Universal Housing Trust Program (UHT), the Neighborhood Stabilization Programs 1, 2, and 3 (NSP1, NSP2, and NSP3), the State Housing Initiatives Partnership Program (SHIP) and the HOME Investment Partnership Program (HOME). Of the 24 short sales approved by DES, 19 were funded under SHIP and five (5) were funded under HOME. A total of \$64,953.75 was received by DES from these short sales. These funds will be returned to the respective sources from which homeowners were funded and will be reused for eligible uses as permitted by the funding sources.

Attachments:

1. Summary of Approved Short Sales from January 1, 2012 through December 31, 2012

2. Short Sale Policy Guidelines adopted January 12, 2010

Recommended By:

Department Director

Date

Approved By:

Assistant County Administrator

Date

II. FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact: A.

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures					
Operating Costs					
External Revenues					, , , , , , , , , , , , , , , , , , , ,
Program Income	(\$64,954)				
In-Kind Match (County)					
NET FISCAL IMPACT	(\$64,954-)				
# ADDITIONAL FTE POSITIONS (Cumulative)					

Pro	ogram Income	(\$64,954	_)		
ln-	Kind Match (County)				
NE	T FISCAL IMPACT	(\$64,954	(
	ADDITIONAL FTE DSITIONS (Cumulative)				
	m Included In Current let Account No.:	t Budget?	Yes	. No <u>X</u>	
В.	Recommended Sou	rces of Fu	nds/S	Summary of Fiscal Impact:	
				II provide program income to the respe ortgages were funded.	ctive
C.	Departmental Fiscal	Review:	Sha	nirette Major, Fiscal Manager I	
		III. <u>R</u>	EVIE\	W COMMENTS	
A.	OFMB Fiscal and/or	Contract I	Devel	opment and Control Comments:	

OFMB

В. **Legal Sufficiency:**

Chief Assistant County Attorney

C. Other Department Review: **Department Director**

DEPARTMENTOF ECONOMIC SUSTAINABILITY - SUMMARY OF APPROVED SHORT SALES THROUGH 12/31/12

		FIRST MORTGAGE	FIRST MORTGAGE	FIRST MORTGAGE	DATE OF	ORIGINAL PBO	SHORT SALE PROCEEDS	UNRECOVERED	FUNDING	FAIR MARKET	INCOME	HOUSEHOLD
#	ADDRESS	DATE	AMOUNT	LENDER	SHORT SALE	AMOUNT	RECEIVED	FUNDING	SOURCE	VALUE	CATEGORY	DEMOGRAPHICS
				Fidelity Federal								Black/Unmarried
1_	332 Springdale Circle #33-B, Lake Worth, FL 33461	7/30/2002	\$86,600.00	Bank & Trust	12/31/2012	\$12,500.00	\$500.00	\$12,000.00	SHIP	\$58,407.00	LOW	Age 46 HHS 1
	6121 Seminole Gardens Circle, Palm Beach Gardens,	0/20/2002	6422 500 00	Dank of Assessed	44 /24 /2042	¢15 000 00	¢1 200 00	643,000,00	CLUD	¢05 000 00	1014	Black/Unmarried
12	FL 33418	9/30/2003	\$123,500.00	Bank of America	11/21/2012	\$15,000.00	\$1,200.00	\$13,800.00	SHIP	\$85,000.00	LOW	Age 33 HHS 3 Hispanic/ Married
3	9503 Lily Bank Court, Riviera Beach, FL 33404	3/31/2004	\$129,920.00	DHI Mortgage	8/30/2012	\$15,000.00	\$2,361.75	\$12,638.25	SHIP	\$71,000.00	LOW	Age 41 HHS 4
				Northern Trust								White/Unmarried
4	4807 Poseidon Place Lake Worth, FL 33463	7/30/2004	\$122,400.00	Bank	8/16/2012	\$25,000.00	\$2,000.00	\$23,000.00	SHIP	\$106,240.00	LOW	Age 21 HHS 1
Г												White/Unmarried
5	10593 Bobbie Lane Royal Palm Beach, FL 33411	9/21/2004	\$104,800.00	World Savings	8/31/2012	\$15,000.00	\$1,200.00	\$13,800.00	SHIP	\$31,792.00	LOW	HHS 1
			4									Black/Married
6	6129 Moonbeam Drive, Lake Worth, FL 33463	10/8/2004	\$129,900.00	Bank of America	12/18/2012	\$24,650.00	\$1,972.00	\$22,678.00	SHIP	\$66,115.00	LOW	Age 33 HHS 2 White/Unmarried
_	2600 Fiore Way, #210C, Delray Beach, FL 33445	6/13/2005	\$108,500.00	Guardian Financial	9/21/2012	\$30,000.00	\$3,000.00	\$27,000.00	SHIP	\$40,000.00	LOW	Age 29 HHS 1
 	2000 1101C Way, #2100, Deliay Beach, 12 33443	0/13/2003	\$100,300.00	Tillullelai	3/21/2012	430,000.00	75,000.00	\$27,000.00	37111	\$40,000.00	LOW	Hispanic/Married
8	4616 Toga Way, Lake Worth, FL 33463	9/1/2005	\$115,000.00	Bank of America	8/16/2012	\$34,999.00	\$3,000.00	\$31,999.00	SHIP	\$31,628.00	LOW	Age 34 HHS 4
												Black/Married
9	1333 W. 37th Street, West Palm Beach, FL 33404	12/22/2005	\$120,000.00	World Savings	12/6/2012	\$34,000.00	\$2,720.00	\$31,280.00	HOME	\$31,105.00	LOW	Age 34 HHS 6
												Hispanic/Married
10	1044 Manor Dr. #11-D, Lake Worth, FL 33461	5/8/2006	\$124,000.00	нѕвс	10/25/2012	\$50,000.00	\$3,000.00	\$47,000.00	HOME	\$33,588.00	LOW	Age 55 HHS 2
												Hispanic/Married
11	461 Kirk Road #3-B, West Palm Beach, FL 33406	8/3/2006	\$131,200.00	HSBC	8/17/2012	\$38,700.00	\$3,000.00	\$35,700.00	SHIP	\$44,000.00	Moderate	Age 28 HHS 2
				Washington		-						Black/Unmarried
12	4670 Cherry Road, West Palm Beach, FL 33417	9/18/2006	\$123,900.00	Mutual	6/27/2012	\$50,786.00	\$5,000.00	\$45,786.00	SHIP	\$25,291.00	LOW	HHS 1
F-	1929 Marsh Harbor Drive #205, Riviera Beach, FL		. ,		., ,					,,		Black/Unmarried
13	33404	9/18/2006	\$81,300.00	Harris Bank	9/7/2012	\$42,000.00	\$3,000.00	\$39,000.00	SHIP	\$23,400.00	LOW	Age 42 HHS 1
												Black/Unmarried
14	1208 Lakeview Drive #E, Royal Palm Beach FL 33411	12/20/2006	\$102,100.00	Bank Atlantic	4/27/2012	\$64,800.00	\$3,000.00	\$61,800.00	HOME	\$44,785.00	LOW	HHS 1
												White/Unmarried
15	622 29th Street, West Palm Beach, FL 33407	12/27/2006	\$133,000.00	Harris Bank	9/10/2012	\$57,000.00	\$3,000.00	\$54,000.00	SHIP	\$27,570.00	LOW	Age 24 HHS 1
								. [Hispanic/UnMarried
16	8144 Ambach Way 7C, Lake Worth, FL 33462	3/16/2007	\$90,000.00	HSBC	10/30/2012	\$61,800.00	\$3,000.00	\$58,800.00	HOME	\$41,056.00	LOW	HHS 1

#	ADDRESS	FIRST MORTGAGE DATE	FIRST MORTGAGE AMOUNT	FIRST MORTGAGE LENDER	DATE OF SHORT SALE	ORIGINAL PBC LOAN AMOUNT	SHORT SALE PROCEEDS RECEIVED	UNRECOVERED FUNDING	FUNDING SOURCE	FAIR MARKET VALUE	INCOME CATEGORY	HOUSEHOLD DEMOGRAPHICS
				American Home	·							Hispanic/Married
17	13783 Creston Place, Wellington FL 33414	3/28/2007	\$211,120.00	Mortgage	9/7/2012	\$45,000.00	\$3,000.00	\$42,000.00	SHIP	\$108,000.00	Moderate	Age 33 HHS 3
	4151 Palm Bay Circle, #B, West Palm Beach, FL											Hispanic/Unmarried
18	33406	4/2/2007	\$127,200.00	Harris Bank	12/27/2012	\$38,099.00	\$3,000.00	\$35,099.00	SHIP	\$35,097.00	LOW	HHS 1
		·		Homebanc MTG								Black/Unmarried
19	1320 Chippewa Street, Jupiter, FL 33458	4/13/2007	\$152,000.00	Corporation	11/30/2012	\$38,000.00	\$3,000.00	\$35,000.00	SHIP	\$77,358.00	LOW	HHS 1
				Guardian								Hispanic/Married
20	9118 Carma Drive, Boynton Beach, FL 33437	9/6/2007	\$161,550.00	Financial	12/21/2012	\$60,000.00	\$3,000.00	\$57,000.00	SHIP	\$92,537.00	LOW	Age 29 HHS 4
												White/Unmarried
21	43 Mayfair Lane, Boynton Beach, FL 33426	9/13/2007	\$115,000.00	Bank of America	8/15/2012	\$44,250.00	\$3,000.00	\$41,250.00	SHIP	\$74,754.00	Moderate	Age 20 HHS 1
				Guardian								Black/Married
22	807 Minnesota Street, Lake Worth, 33462	10/31/2007	\$178,800.00	Financial	6/25/2012	\$45,000.00	\$3,000.00	\$42,000.00	SHIP	\$72,712.00	Moderate	Age 41 HHS 5
	3710 North Jog Road #103, West Palm Beach, FL			Guardian								Hispanic/Married
23	33411	10/31/2007	\$108,000.00	Financial	6/27/2012	\$47,141.00	\$3,000.00	\$44,141.00	SHIP	\$37,000.00	LOW	Age 47 HHS 3
										-		Hispanic/UnMarried
24	13164 Via Veneto, West Palm Beach, FL 33414	12/11/2008	\$80,382.00	National City	9/27/2012	\$48,300.00	\$3,000.00	\$45,300.00	HOME	\$92,230.00	LOW	Age 21 HHS 3
	TOTALS		\$2,960,172.00			\$937,025.00	\$64,953.75	\$872,071.25		\$1,350,665.00		

SHORT SALE POLICY GUIDELINES

Palm Beach County provides second mortgage subsidy assistance to first-time home buyers through its state SHIP and federal HOME housing assistance programs. The Board of County Commission approved state SHIP and federal HOME program regulations require the Department of Housing Community Development to encumber by way of a thirty (30) year mortgage, all single-family residential property financially assisted with SHIP and HOME funding. If the SHIP or HOME assisted homeowner sells the assisted property or transfers title in any way, the entire amount of the second mortgage subsidy becomes due and payable to Palm Beach County.

When SHIP or HOME assisted property owners become financially distressed and can no longer afford to pay their first mortgage; or when the property owner must relocate out of Palm Beach County, a Short Sale will be authorized based upon the following criteria:

- 1. The first mortgage lender must reimburse to Palm Beach County \$3,000.00 or eight percent (8%) of the remaining balance owed on the County's Second Mortgage, whichever is less.
- 2. The buyer of the SHIP or HOME assisted property cannot be a relative of the seller.
- 3. The seller of the SHIP or HOME assisted property shall not receive any money from the Short Sale transaction.
- Housing and Community Development must review and approve the HUD Settlement Statement prior to the Short Sale closing.
- 5. Upon receipt of the Short Sale reimbursement, the County shall waive all rights to file future judgements for deficiency against the SHIP or HOME homeowner.
- 6. Upon receipt of the Short Sale reimbursement, the Department of Housing and Community Development shall satisfy the second mortgage subsidy.
- 7. Palm Beach County may permit the seller of the SHIP or HOME assisted property to transfer such property to another SHIP or HOME income eligible home buyer in lieu of foreclosure or short sale. This new home buyer must then utilize the property as their principal place of residence for the balance of the original encumbrance period.
- Palm Beach County may also permit the seller of the SHIP or HOME assisted property to transfer the County's encumbrance to another property which will be encumbered for the balance of the original encumbrance period.