



SAN DIEGO  
HOUSING  
COMMISSION

## INFORMATIONAL REPORT

**DATE ISSUED:** January 28, 2015 **REPORT NO:** HCR15-025

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of March 19, 2015

**SUBJECT:** Status of Loan Portfolio – Second Quarter Fiscal Year 2015

**COUNCIL DISTRICT:** Citywide

**NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION**

### SUMMARY

Pursuant to San Diego Housing Commission (Housing Commission) Lending Authority Policy No. 600.101, the Housing Commission prepares quarterly reports listing the following:

- all loans funded during the reporting period
- all loans delinquent by 30 days or more
- all loans in foreclosure; and
- the disposition of foreclosed properties

As of December 31, 2014, the loan portfolio totaled \$326,915,068. The portfolio has four separate categories:

- 1) Multifamily Rental
- 2) Rehabilitation - One to Four Units
- 3) First Time Homebuyer
- 4) Affordable For-Sale Housing Program

All loan programs, except the Affordable For-Sale Housing Program, are funded using federal, state and local monies; all program loans are approved and funded in accordance with the General Lending Authority Policy No. 600.101. The Affordable For-Sale Housing Program uses a Promissory Note that represents the difference between (a) the fair market value of the property at the time it is purchased, and (b) the actual affordable price paid to purchase the property.

### I. Loan and Grant Funds

During the second quarter of Fiscal Year (FY) 2015 (October 1, 2014 – December 31, 2014), the Housing Commission generated 104 loans and grants totaling \$2,399,197 that will benefit 62 families. The loans and grants for the second quarter are briefly described below.

- The Home Safe Home team assisted 30 families by originating 41 loans and grants totaling \$576,121; which consists of the following types of projects:
  - 11 - Redevelopment Area Forgivable Loans or Grants / Owner-Occupied - \$252,227
  - 5 - Lead-Based Paint Hazard Control Program Grants / Owner-Occupied - \$42,563
  - 4 - Healthy Homes Production Grants / Owner-Occupied - \$6,150
  - 4 - Deferred Payment Loan / Owner-Occupied - \$85,800
  - 12 - Mobile Home Grants / Owner-Occupied - \$65,410
  - 5 - Lead-Based Paint Hazard Control Program Grants / Rental - \$123,971
  
- The Homebuyer team originated 63 loans and grants totaling \$1,823,076 that assisted 32 families with the purchase of a home under the Housing Commission's First Time Homebuyer Program.
  - 25 - 3 Percent Interest, Deferred Payment Loans / 80 percent of San Diego County Area Median Income (AMI) - \$1,180,881
  - 25 - Closing Cost Assistance Grants / 80 percent of AMI - \$229,397
  - 7 - 3 Percent Interest, Deferred Payment Loans / 100 percent of AMI - \$367,090
  - 6 - Closing Cost Assistance Grants / 100 percent of AMI - \$45,708

## II. Defaults

The overall default ratio, which consists of loans that are 30 days or more delinquent and loans in foreclosure, is 0.15 percent (\$491,513 of \$326,915,068) for this reporting period (See Attachment 1). This is a slight increase from the first quarter of FY 2015 (\$413,338 of \$325,678,849 or 0.13 percent). The figures include all Housing Commission loans that are delinquent, as well as loans for which the senior lien holder has filed a Notice of Default. The senior lien in foreclosure means that the Housing Commission loan is in default under the agreed upon terms.

There are two types of loans in the Housing Commission loan portfolio:

1. Loans requiring monthly or annual payments; and
2. Loans that are deferred or have residual receipts repayment terms.

	Rehab	FTHB	Multifamily Rental	Affordable For Sale	Total
Loans Requiring Payments	17	10	19	0	46
Deferred/Residual Receipt Loans	954	1,403	91	280	2,728
Total Loans	971	1,413	110	280	2,774
Loans that are Delinquent	1	1	2	0	4
Loans that are in Default	3	3	0	0	6

Of the 46 loans requiring payments, there are four delinquent loans: a) one rehabilitation loan totaling \$7,699; b) a first-time homebuyer loan for \$74,500; and c) two multifamily loans with a total of \$11,716 past due. The four past due loans total \$296,278. (Attachment 2)

In addition, there are a total of six Housing Commission loans in default as shown on Attachment 3: a) three rehabilitation loans totaling \$72,560; and b) three first-time homebuyer loans totaling \$122,675. No payments are required on the Housing Commission's loans, so the default exists because the borrowers are not making the payments owed the senior lien holder.

Respectfully submitted,

*Vicki Monce*

Vicki Monce  
 Loan Services Manager  
 Real Estate Division

Approved by,

*Deborah N. Ruane*

Deborah N. Ruane  
 Senior Vice President  
 Real Estate Division

- Attachment(s):
- 1) Loan Portfolio Default Status
  - 2) Delinquent Loans Requiring Payments
  - 3) Loans in Foreclosure

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

## ATTACHMENT 1

### LOAN PORTFOLIO DEFAULT STATUS AS OF DECEMBER 31, 2014

The Housing Commission's loan portfolio currently totals \$326,915,068. The overall default ratio, which consists of all loans 30 days or more delinquent and loans in foreclosure, is 0.15 percent. The following is the present status by loan category:

<u>Loan Type</u>	<u>Loan Portfolio</u>	<u># Loans</u>	<u>Default Ratio</u>
Multifamily Rental	\$199,576,526	110	.11%
Rehabilitation - Single and Multifamily	17,515,021	971	.46%
First-Time Homebuyer-Market Rate	49,943,186	1,413	.40%
Affordable For-Sale Housing	<u>59,880,335</u>	<u>280</u>	<u>.00%*</u>
	<b>\$326,915,068</b>	<b>2,774</b>	<b>.15%</b>

At the present time, six properties are in foreclosure. A summary of the Housing Commission loans are reflected within this report in Attachment 3.

\*Any defaulted affordable for-sale housing loans are not funds actually disbursed by the Housing Commission. The promissory note for the affordable restricted units represents the difference between the fair market value of the property at the time of the original purchase and the actual affordable price paid to purchase the property.

SAN DIEGO HOUSING COMMISSION  
 PAYMENTS REQUIRED - DELINQUENT LOANS  
 AS OF DECEMBER 31, 2014

LOAN NUMBER	NAME/ PROPERTY ADDRESS/ STATUS	NO. OF UNITS	TYPE OF PROPERTY	DUE DATE	PRINCIPAL BALANCE	MONTHLY / ANNUAL PRINCIPAL & INTEREST PAYMENT	AMOUNT PAST DUE
<b>30+ DAYS DELINQUENT</b>							
	None in this quarter.						
<b>SUB-TOTAL</b>							
<b>60+ DAYS DELINQUENT</b>							
	None in this quarter.						
<b>SUB-TOTAL</b>							
<b>90+ DAYS DELINQUENT</b>							
	None in this quarter.						
<b>SUB-TOTAL</b>							
<b>120+ DAYS DELINQUENT</b>							
Rehab 3-27-0019	LUSAIN 3038 Clay Avenue San Diego, CA 92113 <i>Borrower is working on a repayment plan.</i>	1	SFR	2/1/2014	\$ 7,699	\$ 195	Principal - \$2,340 Penalties - \$1,225 Total - \$3,565
Multifamily 2-29-0025	GREATER GOLDEN HILL CDC 1825-1827 Felton Street San Diego, CA 92102 <i>Borrower is working on plan for repayment and may be requesting a refinance</i>	2	Duplex	4/24/2013	\$ 121,410	Residual Receipts	\$ 4,926
Multifamily 2-90-0003	GREATER GOLDEN HILL CDC 1801-1803 Gregory Street San Diego, CA 92102 <i>Borrower is working on plan for repayment and may be requesting a refinance</i>	2	Duplex	4/24/2013	\$ 92,669	Residual Receipts	\$ 6,790
FTHB 4-R9-1206	ASMUS 1080 Park Blvd. No. 605 San Diego, CA 92101 <i>CCDC loan - HOA filed a Notice of Default, junior</i>	1	CONDO	1/1/2013	\$ 74,500	\$ 250	Principal - \$6,250 Penalties - \$337 Total - \$6,587
<b>SUB-TOTAL</b>					<b>\$ 296,278</b>		
<b>TOTAL</b>					<b>\$ 296,278</b>		
GRAND TOTAL OF FIRST TIME HOMEBUYER, REHAB AND MULTIFAMILY DELINQUENT LOANS REQUIRING PAYMENTS LOAN PORTFOLIO DELINQUENCY = 0.09%							

ATTACHMENT 2

## ATTACHMENT 3

### LOANS IN FORECLOSURE As of December 31, 2014

#### A. Status of Rehabilitation Loans in Foreclosure:

1. R. Schulke

1995 Isla Del Carmen

San Diego, CA 92173

1 unit – A \$22,675 Memorandum of Lien was recorded against the property in third position.

Status:

The first trust deed holder, First Magnus Financial Corporation, recorded a Notice of Default against the property because the September 1, 2013 payment and all subsequent payments have not been paid. The 90-day reinstatement period ended May 20, 2014. The Trustee has not yet recorded the Notice of Trustee's Sale.

2. G. Rader

2519 Violet Street

San Diego, CA 92105

1 unit – A \$15,000 Memorandum of Lien and a \$4,885 Memorandum of Lien were recorded against the property in fifth and sixth position.

Status:

The first trust deed holder, Fannie Mae, recorded a Notice of Default against the property because the March 1, 2014 payment and all subsequent payments have not been paid. The 90-day reinstatement period will end March 9, 2015.

3. K. Hodge

4961 Lace Place

San Diego, CA 92102

1 unit – A \$30,000 Redevelopment Area Deed of Trust was recorded against the property in second position.

Status:

The first trust deed holder, Bank of America, recorded a Notice of Default against the property because the May 1, 2014 payment and all subsequent payments have not been paid. The 90-day reinstatement period ended December 24, 2014. Ms. Hodge submitted an application to her lender for a loan modification and she is waiting for approval.

B. Status of First-Time Homebuyer Loans in Foreclosure:

1. M. Domingo and F. Reyes  
9380 Twin Trails Drive, No. 102  
San Diego, CA 92129  
1 unit – A \$23,000 Shared Equity Loan was recorded against the property in second position.

Status:

The first trust deed holder, Bank of America, recorded a Notice of Default against the property because the November 10, 2010 payment and all subsequent payments have not been paid. A Trustee's Sale was held on March 22, 2011. That sale was subsequently rescinded because the borrower filed a Chapter 13 bankruptcy on March 21, 2011. The bankruptcy was terminated August 24, 2012. In October 2012 another Chapter 13 bankruptcy was filed by Mrs. Domingo (without her spouse). She is on a 5-year repayment plan through the bankruptcy court. The court is sending payments directly to the lender. Authorization for the Trustee's Sale to proceed without Housing Commission participation was approved pursuant to Housing Commission Policy 600.103.

2. E. Bryers, II  
5328 Encina Drive  
San Diego, CA 92114  
1 unit – A \$38,000 Three Percent Interest Loan and a \$2,800 Three Percent Interest Loan were recorded against the property in second and third position.

Status:

The first trust deed holder, World Wide Credit Corporation, recorded a Notice of Default against the property because the October 1, 2013 payment and all subsequent payments have not been paid. Mr. Bryers submitted an application to his lender for a loan modification, postponing the Trustee's Sale until February 27, 2015.

3. O. Massot  
4444 Cherokee Avenue, No. 5  
San Diego, CA 92116  
1 unit – A \$58,875 Shared Appreciation Loan was recorded against the property in second position.

Status:

The first trust deed holder, Wachovia Mortgage, recorded a Notice of Default against the property because the January 1, 2014 payment and all subsequent payments have not been paid. The 90-day reinstatement period ended January 24, 2015. The Trustee has not yet recorded the Notice of Trustee's Sale.