Multifamily Hubs' FY 11 Initial Endorsements

The *FY 11 Multifamily Initial Endorsements Site* provides detailed counts, maps, and graphs on MF Hubs' production, but key highlights are bulleted below.

After exploding in FY 10, in FY 11 MF Hubs' production remained strong and set new records. In FY 11, MF 's 18 Hubs initially endorsed ***1244*** FHA & Risk Sharing loans -- 23% more than the 1013 loans Hubs closed in FY 10. The ***1244*** is the largest number of loans closed since FY 03 and 04. These 1244 loans provided ***188,807*** units/ beds and totaled ***$12.5*** billion, the highest dollar volume Hubs have ever closed in one fiscal year.

FY 11	FHA Apts / Coops	FHA 232 Health Care	HFA Risk Sharing	Fannie & Freddie Risk Sharing	Total
# Loans	1,143	6	73	22	1,244
# Units	176,709	1,400	8,083	2,615	188,807
Mtge (mils)	$11,605.3	$119.1	$593.6	$186.9	$12,504.9

Freddie made 16 loans; Fannie made 6. Hubs processed only six health care as Office of Health Care Programs (OHP) assumed full responsibility for processing Section 232 health care.

- ***FHA Programs:*** ***44*** Multifamily production offices and 52 lenders processed ***1149*** of these loans under *FHA* programs that provide mortgage insurance on 100% of the loan amount. These 1149 FHA loans supported construction, rehab, purchase or improvements to 1123 apartment projects; 17 cooperatives; 3 mobile home parks, and six assisted living facilities/ nursing homes. For the first time, the FHA endorsements provided shelter in all 50 states, DC and Puerto Rico.
- ***Risk Sharing:*** HUD's Risk Sharing programs created additional shelter. 9 states made ***73*** HFA risk sharing loans covering 8,083 units/beds. In addition, Fannie made ***6*** loans and Freddie made ***16*** loans, supporting 2,615 units.
- ***Affordability:*** ***235*** properties (with *25,866* units and *$1.52* billion in FHA/ risk sharing mortgages) supported initiatives that make units especially affordable and improve physical conditions for elderly & low income families.
  - ***154*** properties in 33 states (80 with FHA insurance & 74 under Risk Sharing) involved new LIHTC and 65 properties used tax exempt bonds.
  - ***68*** loans refinanced loans on older 202 elderly housing and 10 loans decoupled Section 236 Interest Reduction Payment (IRP) contracts.
  - 27 loans involved CDBG or HOME funds.

FHA Volume Trends: While the combined FHA & Risk Sharing increase of 23% cited above is impressive, looking at only the FHA apartment programs paints an even more dramatic comparison between FY 11 and both FY 10 and most earlier years. FY11's *1143* endorsements under FHA apartment programs exceeded FY10's closings (902 loans) by 27% and is the largest number of apartment loans ever closed in one fiscal year. The *1143* loan count is more than triple the number of FHA apartment loans Hubs closed in FY 08 & FY 09 and exceeds the total loan closings for health care, risk sharing & apartments combined in each of FY 05 thru FY 09.

	FHA Apartment/ Coop Programs				
FY11	FHA NC/SR Apts	223f Refi/Pchse Apts	223a7 Refi Apts	Other	Total
# Loans # Units Mtge (mils)	189 30,483 $3,080.6	442 60,742 $3,532.3	508 85,015 $4,970.1	4 469 $22.3	1,143 176,709 $11,605.3
% of FY 11 loans	*16.5%*	*38.7%*	*44.4%*	*0.3%*	*100%*
"Other" are two 241as, 1 Mobile Home Park, & a operating loss on a 221D4 .					

1. *223a7 Apts (without OAHP):* While all programs posted high volumes and fueled FY11's 27% increase in FHA apartment loans, the Sec 223a7 refinancings of loans already holding FHA insurance ignited the production. FY 11's Sec 223a7 closings *(508 loans for 85,015 units and $4.97 billion)* produced the highest # of 223a7 loans, units and mortgage amounts ever closed in one fiscal year. FY 11's a7 production was 231% of FY 10's 220 loans and 248% of FY 10's $2.0 billion Sec 223a7 production. The only fiscal year that began to approach FY11 levels was FY 03 when Hubs closed 400 Sec 223a7 loans. The 508 loans supported units in 43 states, Puerto Rico and the District of Columbia.

2. ***New Construction / Sub Rehab (NCSR) Apts:*** After increasing 219% in FY 10, NCSR apartment/ coop programs (221d4, 220, 213 coops, and 231 elderly) collectively remained strong. FY 11's NCSR apartment/ coop production (*189 loans for 30,483 units & $3.1 billion*) was just slightly less than FY 10's huge output (205 loans for $3.8 billion). FY11's 189 NCSR loans was nearly double the NCSR apt loan count for each of FY 06 thru 09 and just less than the all time highs (209-221 loans) in FY 02 thru FY 04. 58 (31%) of the 189 loans involved new LIHTC allocations. The 189 loans supported units in 39 states and the District of Columbia. The 189 NCSR loans included 174 Sec 221d4 loans, one more than Hubs closed in FY 10. The 174 is the highest number of 221d4 loans closed since FY 03 and 04 when Hubs closed 189 and 206 Section 221d4 loans.

Data	221d4	221d3 MR	220	213 coop	231	Total
# Loans # Units Mtge $$ (mils)	174 28,561 $2,772.0	0	8 1,332 $277.5	3 98 $11.4	4 492 $19.8	189 30,483 $3,080.6

3. *223f Apts:* FY 11's 442 loan volume (totaling 3.5 billion) was just slightly less than the all-time high 223f loan record (473 loans) set in FY 10. FY 11's *60,742 Sec 223f unit output* is 1.5 to 3 times the units closed in each prior fiscal year except FY 10. 424 of the 442 loans were refinancings and 18 supported purchases. 115 (26%) of the 442 loans involved projects already in the HUD mortgage or subsidy portfolio. 59 of the loans refinanced older Section 202 elderly housing loans, 22 involved new LIHTC allocations, and 5 involved decoupling older Section 236 loans. The442 loans supported units in 43 states and the District of Columbia.

Risk Sharing Volume Trends: Risk Sharing increased with both Housing Finance Agencies (HFAs) and Qualified Participating Entities (QPEs), but still remained low in comparison to earlier years' peaks.

1. ***Risk Sharing with HFAs*:** HFAs' FY 11 production was nearly double FY 10's levels. HFAs closed *73* loans (***for 8,083 units and $594 million***) – nearly double FY10's 41 loans and $304 million. So, output is improving but still significantly below prior year peaks (151 loans in FY 04 and 91 loans in FY 05). 9 HFAs made these 73 loans. Massachusetts, Rhode Island and Illinois were the top producers with 12, 11 and 10 loans. 59 (81%) of the 73 loans involved new LIHTC allocations.

2. ***Risk Sharing with QPEs*** *(Freddie & Fannie)*: QPEs' FY 11 production jumped significantly over FY 10 levels, but still remained well below prior year records (41 loans in FY 04 and 27 in each of FY 05 and 06). Fannie made 6 loans and Freddie closed 16 loans, The combined output (22 loans for 2,615 units and $187 million) was 2.5 times FY10's loan count (9 loans) and 5.7 times FY 10's dollar volume ($33 million). Fannie made loans in 5 states and Freddie made loans in 7 states. 15 (68%) of the 22 loans involved new LIHTC allocations.

Lender Distribution: 51 lenders closed FHA loans under one / more programs. 40 lenders closed NC/SR Apt loans, 41 closed 223fs, and 36 closed 223a7s. 26 lenders closed loans involving new LIHTC allocations. Three lenders -- *Berkadia (with 124 loans), Oppenheimer (107), and Wells Fargo (104)* -- closed over 100 loans and those lenders' closings accounted for about **29%** of the 1143 FHA closings under apartment /coop programs. Four lenders (*Red Capital and the 3 companies above*) each closed over $1 billion. 7 lenders closed over 50 loans (accounting for 55% of the 1143 FHA loans) and 17 lenders closed 20/ more loans (accounting for 81% of the 1143 FHA loans). 10 lenders closed only one loan each and 17 lenders closed under 5 loans each.

Hub Distribution: Four Hubs closed 85/ more FHA loans: ***Chicago*** (148 loans); **Fort Worth** (127 loans); ***Atlanta*** (88 loans); and ***Jacksonville*** (85 loans). All Hubs *(except Columbus, Detroit and Fort Worth)* closed more FHA loans in FY11 than in FY 10. The Boston and Denver Hubs closed nearly double the loan volume they closed in FY10. 11 Hubs closed over 50 FHA loans; in FY 09 only 2 Hubs (FTW & Chicago) exceeded 50 FHA loans. All 18 Hubs closed loans in all major programs (NCSR Apts, 223f and 223a7) and all 18 Hubs closed LIHTC loans.

Office Distribution: As in FY10, *Indianapolis* closed the most FHA loans (83) and was followed by Denver (69 loans) and Chicago (65 loans). Other high volume offices are listed in grid below. These top 8 offices each closed over 40 loans and collectively closed 445 loans (39% of the total 1149 Hub FHA apartment / health care closings).

# Loans	Office	NCSR Apts	223f	223a7	Health Care	Other
83	**Indianapolis**	1	50	32		
69	**Denver**	16	18	35		
65	**Chicago**	4	30	28	2	1
51	**Greensboro**	13	6	32		
48	**Jacksonville**	5	24	19		
44	**Fort Worth**	15	5	24		
43	**Detroit**	8	29	6		
42	**Baltimore**	12	8	22		
	"Other" is a 241a improvements/ additions loan.					

a. ***NCSR Apts***: *Denver* closed the most NCSR Apt loans (16). *Fort Worth, Greensboro and Baltimore offices* followed with *15, 13 and 12* NCSR Apt closings. These 4 offices closed *30*% of the 189 NCSR apt loans made nationwide in FY 11.

b. ***223f Apts:*** *Indianapolis'* 223f production (*50* loans) soared above all other offices' production, but 3 other Hubs also produced a significant volume of 223f loans: *Chicago (30 loans), Detroit (29 loans) and Jacksonville (24 loans).*

c. ***223a7 Apts:*** *Denver* closed the most 223a7 loans (35) and was followed closely by *Greensboro and Indianapolis offices (each with 28 loans).*