

TRANSMITTAL

To:

THE COUNCIL

Date:

OCT 24 2012

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Mercedes Marquez) for

ANTONIO R. VILLARAIGOSA

Mayor



MAJOR PROJECTS DIVISION – PORTFOLIO MANAGEMENT UNIT

Los Angeles Housing Department
LAHD

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lahd.lacity.org



OFFICE OF THE
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Antonio R. Villaraigosa, Mayor

Mercedes M. Márquez, Interim General Manager

2012 OCT 19 PM 4:12

CITY OF LOS ANGELES

September 24, 2012

Council File:	
Council District:	Citywide
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The Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

**COUNCIL TRANSMITTAL: LOAN PORTFOLIO REPORT FOR PROGRAM YEAR
2011/12**

SUMMARY

Pursuant to CF10-0294, this report outlines the Los Angeles Housing Department's (LAHD) loan portfolio performance for program year (PY) 2011/12, which comprises the period of April 1, 2011 to March 31, 2012. This report covers all aspects of the loan portfolio including loan receivable and program income trends, loan defaults, loss mitigation efforts and write offs. The establishment of a policy enumerated in the REO Disposition Policy section of this report is also being recommended to accelerate the disposition of LAHD-owned, multi-family properties

RECOMMENDATIONS

The General Manager, LAHD, respectfully recommends:

1. That your office schedules this matter with the appropriate Council Committee(s) for review and approval at the next available meeting(s) and forward it to the City Council for review and approval immediately thereafter.

2. That the City Council:

- a) Receive and file the following Loan Portfolio Report for Program Year 2011/12.
- b) Authorize the General Manager, LAHD, to write off the following losses:
 - i. PY 2011/12 - 51 single family loans totaling \$2.54 million in principal and associated interest
- c) Authorize the General Manager, LAHD, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and authorize the Controller to implement these instructions.
- d) In response to adopted Council Action dated July 3, 2012, establish a LAHD policy, as enumerated in the REO Disposition Policy section of this report, to accelerate the disposition of multi-family properties of five units or more in the LAHD REO portfolio (CF 12-0018).

3. The Mayor concur with the actions of the City Council.

BACKGROUND

Pursuant to Council File 10-0294, this transmittal is LAHD's report on the overall condition of its loan portfolio for Program Year 2011/12 (April 1, 2011 to March 31, 2012). The report includes information pertaining to: (1) accounts receivable balances, (2) program income, (3) delinquencies, (4) accounts that are: (a) in probate or (b) under bankruptcy protection, (5) foreclosure or short pay losses, (6) loan write offs, and (7) the management of LAHD real estate owned (REO) properties.

OVERVIEW OF THE PORTFOLIO

LAHD's loan portfolio is comprised of loans originated by LAHD or by the Community Development Department (CDD) prior to LAHD's inception in 1990. The funding sources of these loans include Neighborhood Stabilization Program (NSP), Community Development Block Grant (CDBG), Home Investment Partnership Act (HOME), Earthquake HOME, Rental Rehabilitation and Earthquake CDBG Funds received from the U.S. Department of Housing and Urban Development (HUD).

A key element of LAHD's mission is to increase the quality and quantity of the City's housing stock for low-and moderate-income households through loans to homeowners, multifamily apartment owners, and developers to purchase, rehabilitate or create affordable housing. These loans normally require servicing for 20 to 40 years. Beyond the collection of loan payments, loan servicing includes the analysis and processing of

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requests to: (1) calculate and collect residual receipts payments, (2) assist borrower debt restructuring by allowing new loans to be senior to City loans (subordination), (3) change repayment terms due to financial hardship (work out), and (4) allow a reduced payoff to avoid an even greater loss as a result of senior-lender foreclosure or short pay.

Other loan servicing responsibilities include: (1) loss mitigation measures, such as participating at a foreclosure sale or curing a senior lender default, (2) processing mechanics' liens and stop notices, (3) resolving unauthorized title transfers, (4) processing loan reconveyances, and (5) issuing payoff quotes. LAHD also collaborates with the City Attorney's Office regarding legal matters such as litigation, preparing legal agreements, responding to bankruptcy declarations and probate notices.

Accounts Receivable Balances

LAHD's loan portfolio consists of various loan types including deferred loans, principal-only loans, interest-bearing loans, residual receipt loans, term loans, equity-share loans, and bridge loans. Over the two year period of PY 2010/11 and PY 2011/12, the number of loans in the LAHD portfolio remained stable at 4,843 and 4,841 loans, respectively (Attachment 1). Simultaneously over the same two year period, the balance of loans in the LAHD portfolio increased by 7% from \$1.05 billion to \$1.13 billion (Attachment 2). The increase in LAHD's total receivable balance was driven primarily by the origination of large multifamily loans funded by the Affordable Housing Trust fund (AHTF).

Program Income

LAHD's program income supplements the Consolidated Plan budget and funds housing, economic development, public services, public facilities, neighborhood initiatives and more. LAHD's program income is generated from loan payoffs, monthly payments, and annual payments from residual receipts. During the past program year, LAHD's program income experienced a slight 1.4% decrease from \$18.6 million in PY 2010/11 to \$18.4 million in PY 2011/12. This was due in part to a 54% decrease in total payoffs, from \$6.1 million PY2010/11 to \$2.8 million in PY 2011/2012 (Attachment 3b), which most likely reflects the continuing stagnant, post-bubble real estate market comprised of lingering low property values and tight credit. However, the steep decline in payoffs was mitigated by a 49% boost from residual receipt payments, from \$6.8 million in PY 2010/11 to \$10.1 million in PY 2011/12 (Attachment 3a). Overall, the relative steadiness in total program income during the past three program years is a stark contrast to dramatic \$21 million (55%) decline in program income from \$39 million in PY 2006/07 to \$17.7 million in PY 2009/10 (Attachment 3a).

Probates

Probate is the legal process to administer the estate of deceased individuals. LAHD works with the City Attorney to file probate court claims and assist heirs regarding the assumption of debt. As of March 31, 2012, there were 18 LAHD loans in probate with

balances of \$452,692. The LAHD loans in probate remain secured by a deed of trust and are usually repaid or assumed by the borrowers' heirs at the close of probate. Probate does not normally change the terms of debt against a property.

Bankruptcies

Due to financial issues, borrowers may be inclined to seek the protection of the Federal Bankruptcy Court. Through a bankruptcy proceeding, while LAHD's promissory note may be rendered unenforceable, the recorded deed of trust is rarely affected. By legally continuing to hold a deed of trust (lien), it provides incentive for a borrower to repay their LAHD debt over time and/or when a property is refinanced or sold. As of March 31, 2012, LAHD has 65 such loans with outstanding balances of \$3,212,766.

Loan Defaults

As of March 31, 2012, there were 149 LAHD loans in monetary default (90+ days delinquent) with amounts due of \$8.1 million (Attachment 4a, 4b). This is a default rate of 0.72% for LAHD's \$1.13 billion loan portfolio. Included in these defaults were 66 multi-family loans (5+ units) with amounts due of \$6.9 million as well as 83 single-family loans (1-4 units) with amounts due of \$1.2 million dollars. Of the \$6.9 million, there are \$2.6 million in construction loans that are expected to be converted to permanent loans.

Commencing in PY 2006/07, LAHD initiated a concerted effort to aggressively resolve multifamily and single-family loan defaults. Consequently, monetary loan defaults have declined from a high of \$32.0 million as of March 31, 2007 to \$8.1 million as of March 31, 2012 (Attachment 4b). Overall, LAHD's 0.1% default rate for single family loans compares favorably to national delinquency figures, as indicated by FNMA's 8.35% default rate as of March 31, 2012. LAHD's multifamily default rate of 0.61% is slightly higher than FNMA's 0.37% delinquency rate; LAHD multifamily loans are mainly Second Deeds of Trust, while FNMA loans are comprised of First Deeds of Trust, thereby making LAHD loans inherently more risky.

Loss Mitigation

Through loss mitigation efforts, LAHD acts to minimize potential loan losses that may result from senior lender foreclosure action that eliminates LAHD's lien or borrowers who are unwilling to repay their LAHD's loans. Unrecoverable loan losses require a loan write off.

Third Party Foreclosures

When a senior lender forecloses on a LAHD-secured property, the LAHD lien is eliminated. If there are insufficient sale proceeds from the foreclosure sale to payoff LAHD, the remaining balance requires a write-off. In PY 2011/12, 32 properties, secured by 47 LAHD loans totaling \$2.5 million, were eliminated through third-party completed foreclosures. These were all single family residences whose diminished

equity resulted in LAHD's investments being unrecoverable. As of March 31, 2012, senior lender-initiated foreclosures were pending on 69 properties that secure LAHD loans with outstanding balances totaling \$16.5 million.

Short Pays

In order to avert potential third-party foreclosures and allow LAHD to recover at least a portion of its original loan investment, LAHD may accept a short pay. A short pay occurs when LAHD accepts less than full payment for a debt where the value of LAHD collateral has greatly declined, with the remaining unpaid debt then subsequently written off. In PY 2011/2012, LAHD accepted ten loan short pay proposals for seven single family home owners that resulted in principal and interest repayments of \$12,750 with loan balances of \$582,973 to be written off. Had LAHD not accepted the short pay proposals, LAHD's loans would have been entirely wiped out in foreclosure without the recovery of any funds.

LAHD-Initiated Foreclosures / Real Estate Owned (REO)

Further loss mitigation action includes LAHD's ability to initiate foreclosure when borrowers are unwilling or unable to satisfy their monetary and/or non-monetary loan obligations. If foreclosure is unavoidable, a property may be sold at a foreclosure auction to an outside party where the LAHD loan is repaid or, in the event that no one bids, the property reverts to LAHD and becomes Real Estate Owned (REO). As of March 31, 2012, LAHD owned twelve REO properties representing 116 units and one 2.6 acre parcel of undeveloped land (Attachment 5). One 8-unit property has since been sold, while eight properties are either under sales contract, listed, or in the process of being listed with LAHD-approved real estate broker. Proposals for disposition and rehabilitation of the 79-unit Plaza Vermont REO are currently being evaluated.

As of March 31, 2012, monetary foreclosure actions are pending on 15 properties securing 22 LAHD loans totaling \$25.9 million. Should a property revert to LAHD, its disposition will be pursued in a manner that is consistent with LAHD's mission to provide decent and safe affordable housing.

LAHD REO Disposition Policy

On July 3, 2012, City Council directed LAHD to make recommendations concerning its disposition of real estate (CF 12-0018). Specifically, City Council is concerned about the length of time LAHD has held on to property without taking action. As stated in the CAO report dated June 28, 2012, "the continued ownership of LAHD REO properties represents a potential liability to the City and is not the best use of City resources. If the ownership of an REO neither serves LAHD's mission, nor provides a public benefit, it is in the best interest of the City for LAHD to dispose of such properties as expeditiously as possible."

Currently, when a sale of a real estate asset is being contemplated, the Administrative Code requires two separate approvals from City Council and the Mayor for each of the following purposes:

- A. To approve the concept of the sale, and;
- B. To approve the actual sale.

LAHD hereby makes the following recommendation to accelerate the disposition of multi-family (five or more units) properties in the REO portfolio by at least three months, while at the same time maximizing public benefit and minimizing risk to the City.

1. Direct LAHD to issue a RFP within nine months after acquisition of a multi-family real estate asset. This will provide sufficient time to stabilize, operate, and explore maximum utilization of the asset for the City's greater benefit, as well as give LAHD the opportunity to provide better disclosure for potential bidders.
2. Authorize LAHD to issue a RFP without having to seek conceptual approval from Council. Specifically, LAHD recommends that the City Council and Mayor approve a policy by which LAHD is allowed to solicit, consider, negotiate and recommend the sale of multi-family real estate assets through an RFP process as long as the RFP meets the following criteria:
 - A. The resulting use of the disposed multi-family real estate property will be for Affordable Housing purposes. Affordable Housing shall mean any type of housing eligible for HOME funds, though the sale and purchase of the asset may utilize any combination of funding that may or may not include the actual use of HOME funds.
 - B. A competitive process, including but not limited to public advertising, multiple listing services, and objective scoring criteria, will be used to select the recommended bidder.
 - C. The sales price of the multi-family real estate asset will be no less than the appraised value, or no less than 99% of the appraised value if NSP funds are involved.
3. Direct LAHD to seek Council approval of the actual sale and terms of that sale. LAHD will not effectuate any sale or transfer, or commit any public funding without prior City Council and Mayor approvals.

Loan Losses

LAHD incurred approximately \$2.54 million in loan losses during PY 2011/12 (Attachment 6), which represents 0.23% of LAHD's loan portfolio as of March 31, 2012. The following chart categorizes these losses:

Non- Collectible Loan Losses

Loss Type	PY 2011/12	
	Number of Loans	Amounts to be Written off
Third-party Foreclosure	47	\$ 2,461,248
Short Payoff	1	\$ 46,513
Unaccounted reconveyances	2	\$ 31,456
Totals:	51	\$ 2,539,217

For PY 2011/2012, third party initiated foreclosures resulted in 32 properties that reverted back to the senior lenders and effectively wiped out 47 LAHD junior liens from title. This attributed to over 97% of the total write-offs. These were all single family residences whose diminished equity resulted in LAHD's investments being unrecoverable. The average loan amount for each single family residence was approximately \$76,914.

There are two loans totaling \$31,456 that are in need of administrative write-off, as it was discovered that they had been reconveyed in 1987 and 1993 without any further account reconciliation.

LAHD is requesting Mayor and Council approval to write off these PY 2011/12 loan losses and related interest in accordance with policies adopted on January 8, 2001 (CF97-0426 and CF 99-1272).

FISCAL IMPACT

There will be no fiscal impact on the City General Fund.

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Executive Officer

Approved by:


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Interim General Manager

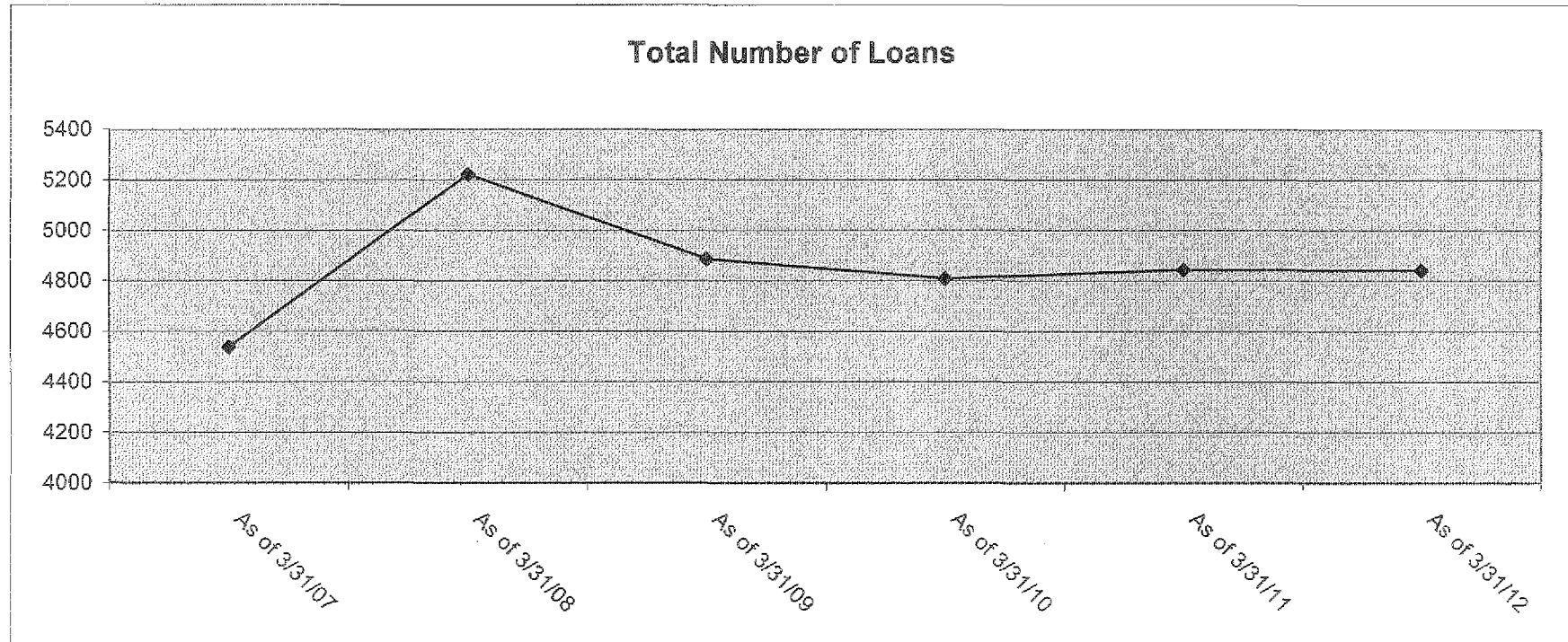
List of Attachments

Attachment Number	Description
1	Number of Loans as of March 31, 2012
2	Receivable Balance as of March 31, 2012
3	Total Program Income for PY 2006/07 to PY 2011/12
3b	Total Payoffs for PY 2011/12
3c	Regular Program Income for PY 2006/07 to PY 2011/12
3d	Program Income from Residual Receipts Loans for PY 2006/07 to PY 2011/12
3e	Total Program Income vs. Payoffs vs. Regular Program Income for PY 2006/07 to PY 2011/12
4a	Total Defaults as of March 31, 2012
4b	Number of Loans in Default as of March 31, 2012
5	LAHD Real Estate Owned (REO) as of March 31, 2012
6	Types of Non-collectible Loans to be Written Off for PY 2011/12

Attachment 1
Number of Loans in Loan Portfolio
March 31, 2007 to March 31, 2012

Number of Loans by Loan Type

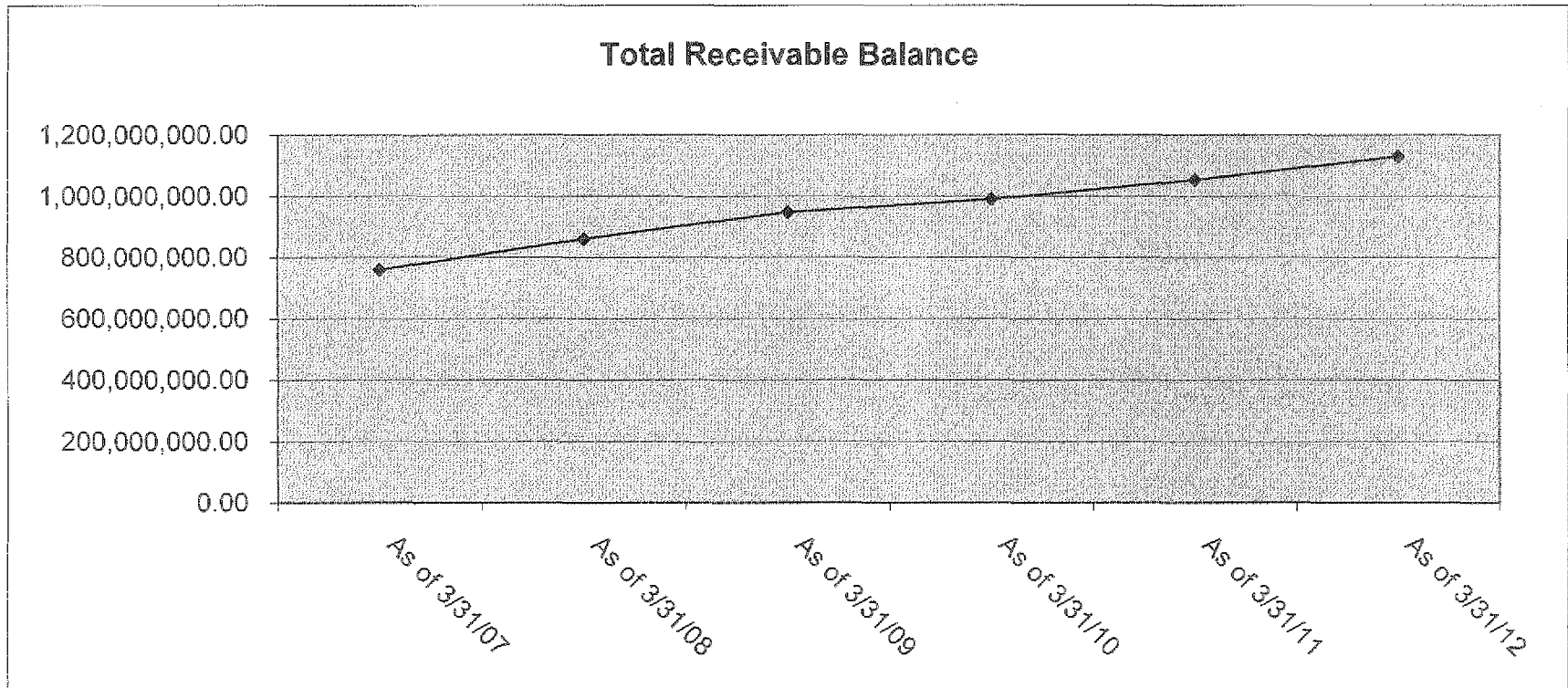
Loan Type	As of 3/31/07	As of 3/31/08	As of 3/31/09	As of 3/31/10	As of 3/31/11	As of 3/31/12
1 - Deferred	1,725	1,685	1,599	1,544	1,516	1,483
2 - Principal Only	810	840	686	627	591	536
3 - Interest Bearing	188	217	147	114	99	84
5 - Service Payback	20	20	17	19	17	17
6 - Forgivable Loan	136	127	154	155	145	142
7 - w/ Disbursement Interest	-	-	-	-	-	-
8 - Residual Receipts	316	466	362	370	390	413
9 - Renewable Deferred	99	117	87	73	71	69
10 - Term Loan	768	865	886	887	910	912
11 - Equity Share	476	885	948	1,019	1,104	1,185
Total	4,538	5,222	4,886	4,808	4,843	4,841



Attachment 2
Receivable Balance of Loan Portfolio
March 31, 2007 to March 31, 2012

Receivable Balance by Loan Type

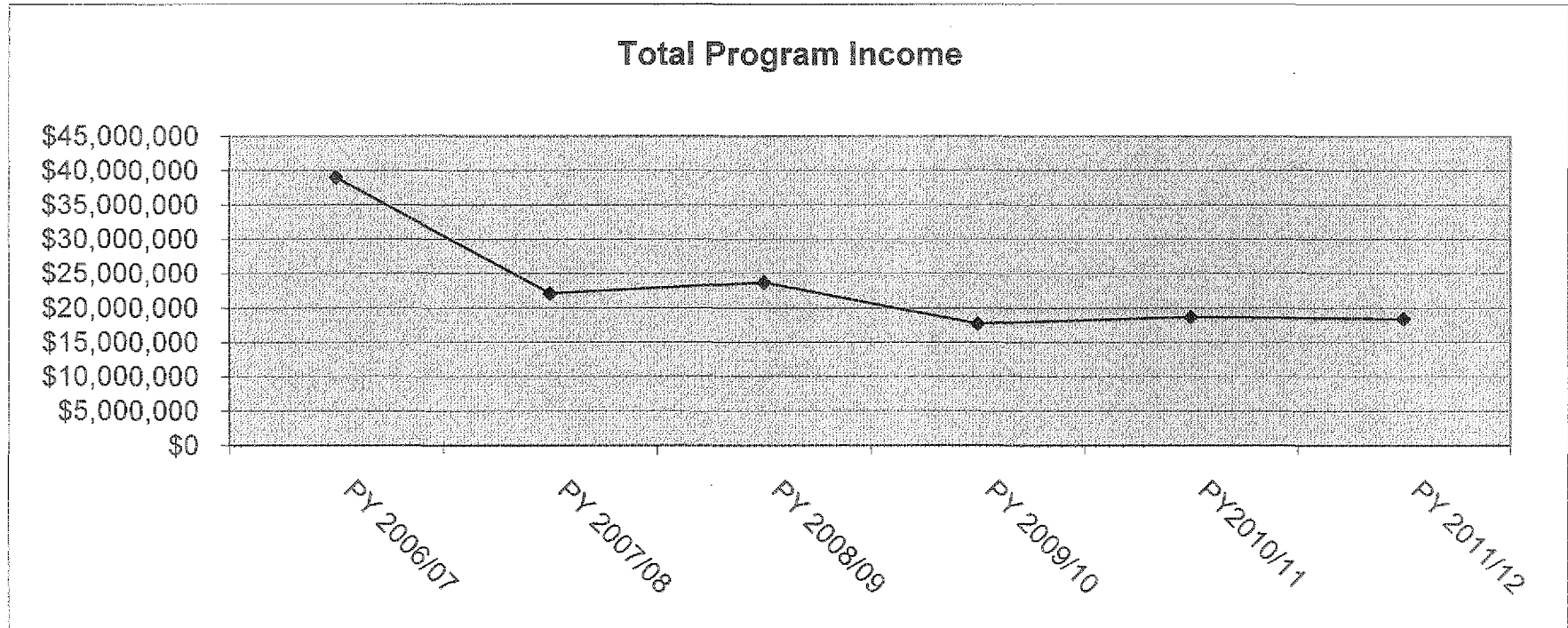
Loan Type	As of 3/31/07	As of 3/31/08	As of 3/31/09	As of 3/31/10	As of 3/31/11	As of 3/31/12
1 - Deferred	57,200,780.49	54,772,938.82	54,744,419.99	53,584,499.30	53,295,364.37	52,746,016.41
2 - Principal Only	106,416,529.27	98,702,093.97	87,423,589.05	82,845,283.43	76,288,324.66	76,250,771.37
3 - Interest Bearing	17,817,861.26	15,153,368.64	14,525,251.56	9,923,343.76	8,350,105.36	7,517,250.98
5 - Service Payback	9,289,313.35	6,911,384.93	5,838,503.60	6,238,798.27	5,274,187.19	5,491,287.37
6 - Forgivable Loan	818,576.36	785,668.36	2,008,200.36	1,925,275.78	1,892,136.80	1,884,836.80
7 - w/ Disbursement Interest	641,192.62	-	-	-	-	-
8 - Residual Receipts	446,355,705.94	535,174,726.43	634,779,246.12	690,161,287.78	750,909,350.66	824,075,590.22
9 - Renewable Deferred	13,451,740.65	12,813,503.00	15,294,661.82	13,702,198.72	13,617,331.86	13,594,128.62
10 - Term Loan	80,855,975.30	85,534,494.29	76,531,287.56	71,057,319.34	75,193,237.03	75,826,319.11
11 - Equity Share	25,207,374.99	50,402,369.62	56,346,035.99	61,286,320.03	67,258,392.11	71,988,759.64
Total	758,055,050.23	860,250,548.06	947,491,196.05	990,724,326.41	1,052,078,430.04	1,129,374,960.52



**Attachment 3a
Program Income
PY 2006/07 to PY 2011/12**

Program Income by Loan Type

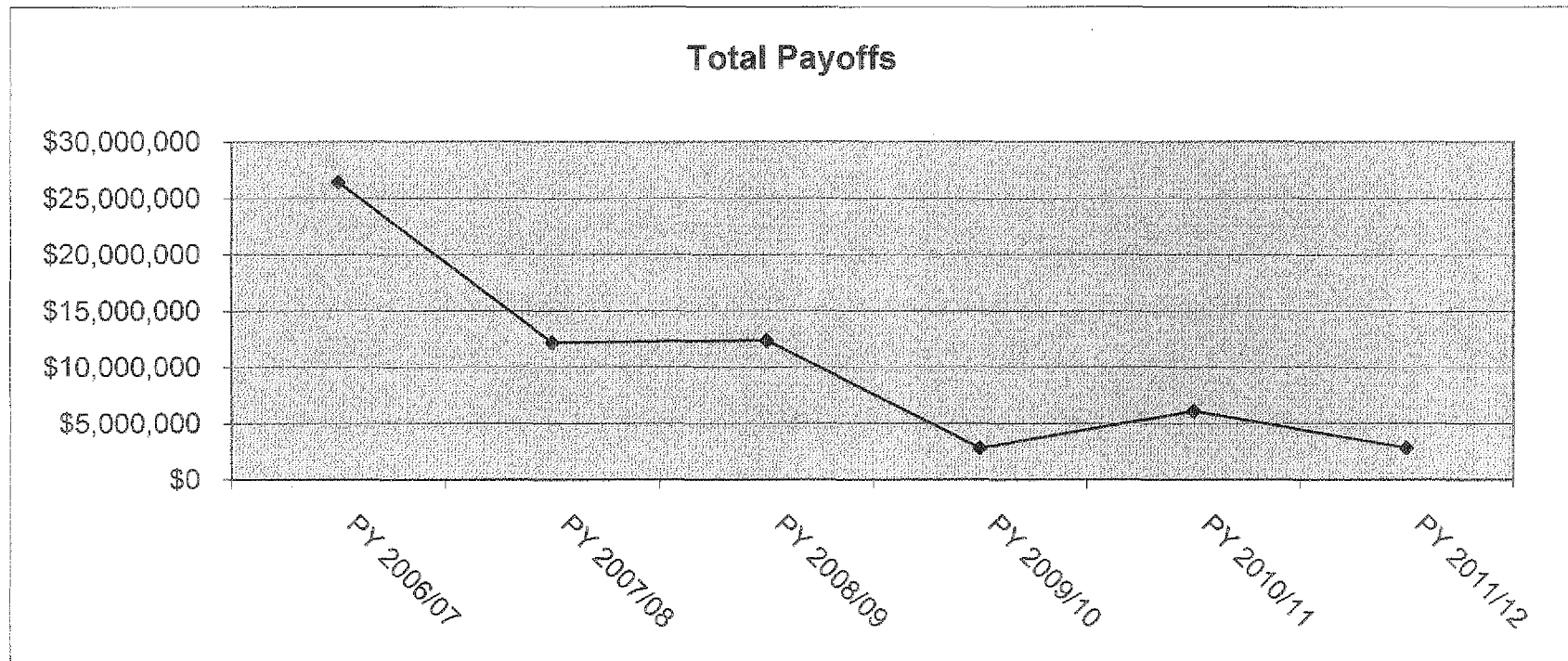
Loan Type	PY 2006/07	PY 2007/08	PY 2008/09	PY 2009/10	PY 2010/11	PY 2011/12
1 - Deferred	4,682,766.29	3,646,498.92	1,722,454.70	1,151,463.77	1,195,801.61	812,294.77
2 - Principal Only	13,253,064.99	8,269,586.33	11,403,945.47	5,790,695.72	6,967,698.06	6,074,235.36
3 - Interest Bearing	3,909,606.99	3,178,323.44	1,369,932.55	956,043.89	1,746,154.29	719,118.26
5 - Service Payback	0.00	0.00	650.00	0.00	0.00	0.00
6 - Forgivable Loan	83,706.03	7,394.00	1,540.00	702.00	11,352.92	516.00
7 - w/ Disbursement Interest	0.00	0.00	0.00	0.00	0.00	0.00
8 - Residual Receipts	4,862,056.38	3,347,409.51	7,869,170.53	8,816,328.86	6,758,715.41	10,070,265.39
9 - Renewable Deferred	553,877.78	159,860.16	176,188.73	69,227.67	85,356.86	14,631.44
10 - Term Loan	10,369,031.69	2,934,690.24	801,611.33	599,410.43	1,627,015.00	549,969.04
11 - Equity Share	1,258,330.15	546,441.69	318,899.26	285,078.72	250,988.46	130,987.42
Total	38,972,440.30	22,090,204.29	23,664,392.57	17,668,951.06	18,643,082.61	18,372,017.68



**Attachment 3b
Total Payoffs for PY 2006/07 to PY 2011/12**

Payoffs by Loan Type

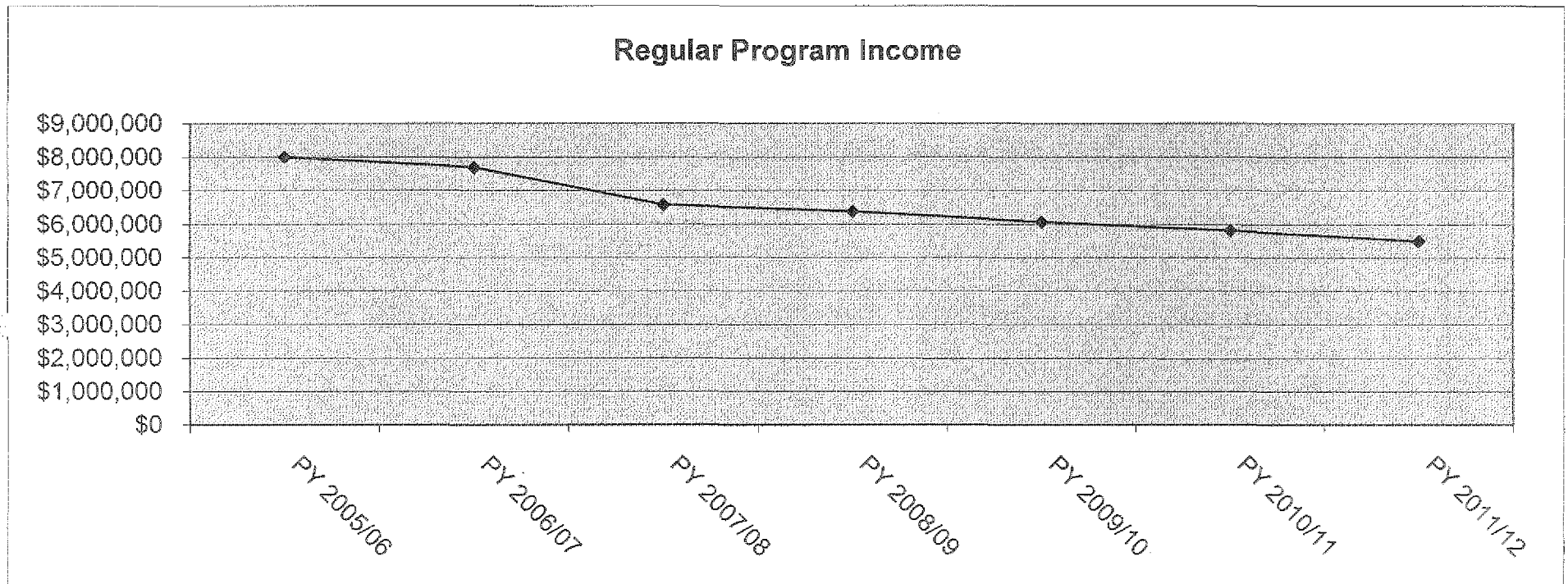
Loan Type	PY 2006/07	PY 2007/08	PY 2008/09	PY 2009/10	PY 2010/11	PY 2011/12
1 - Deferred	4,650,764.07	3,637,510.41	1,738,888.39	1,130,497.36	995,482.17	784,948.97
2 - Principal Only	7,427,623.02	2,681,929.94	6,286,306.06	689,923.78	2,052,187.42	1,262,138.66
3 - Interest Bearing	2,204,173.28	2,250,483.84	270,337.27	53,072.54	1,182,874.70	331,156.98
5 - Service Payback	0.00	0.00	0.00	0.00	0.00	0.00
6 - Forgivable Loan	83,796.71	7,394.00	1,540.00	702.00	11,352.92	516.00
7 - w/ Disbursement Interest	0.00	0.00	0.00	0.00	0.00	0.00
8 - Residual Receipts	0.00	0.00	2,959,772.65	0.00	0.00	3,484.00
9 - Renewable Deferred	548,440.62	154,473.00	169,700.50	75,547.71	82,140.00	10,174.00
10 - Term Loan	10,232,503.84	2,908,354.03	677,362.62	572,275.90	1,532,609.81	337,794.09
11 - Equity Share	1,269,068.38	522,258.33	266,612.80	260,647.73	217,238.86	76,026.55
Total	26,416,369.92	12,162,403.55	12,370,520.29	2,782,667.02	6,073,885.88	2,806,239.25



**Attachment 3c
Regular Program Income
PY 2005/06 to PY 2010/11**

Regular Program Income by Loan Type

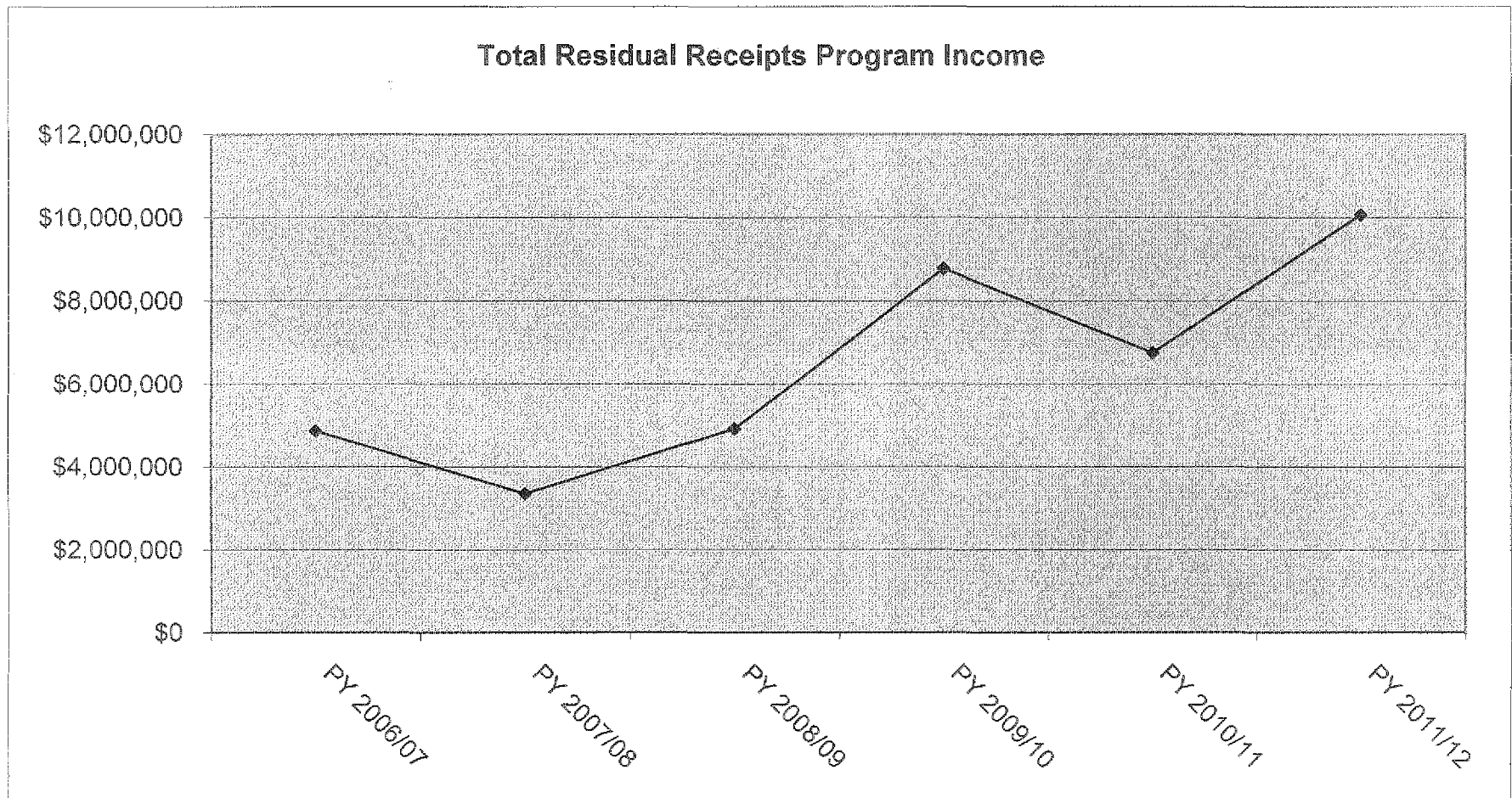
Loan Type	PY 2005/06	PY 2006/07	PY 2007/08	PY 2008/09	PY 2009/10	PY 2010/11	PY 2011/12
1 - Deferred	95,700.23	32,002.22	8,988.51	(16,443.69)	20,966.41	200,319.44	27,345.80
2 - Principal Only	6,359,066.41	5,825,441.97	5,587,656.39	5,117,639.41	5,100,771.94	4,915,510.64	4,812,096.70
3 - Interest Bearing	1,181,862.88	1,705,433.71	927,839.60	1,099,595.28	902,971.35	563,279.59	387,961.28
5 - Service Payback	0.00	0.00	0.00	650.00	0.00	0.00	0.00
6 - Forgivable Loan	(457.00)	(90.68)	0.00	0.00	0.00	0.00	0.00
9 - Renewable Deferred	4,950.23	5,437.16	5,387.16	6,488.23	(6,320.04)	3,216.86	4,457.44
10 - Term Loan	305,762.52	136,527.85	26,336.21	124,248.71	27,134.53	94,405.19	212,174.95
11 - Equity Share	52,968.61	(10,738.23)	24,183.36	52,286.46	24,430.99	33,749.60	54,960.57
Total	7,999,853.88	7,694,014.00	6,580,391.23	6,384,464.40	6,069,955.18	5,810,481.32	5,498,996.74



**Attachment 3d
Program Income from Residual Receipts Loans
PY 2006/07 to PY 2011/12**

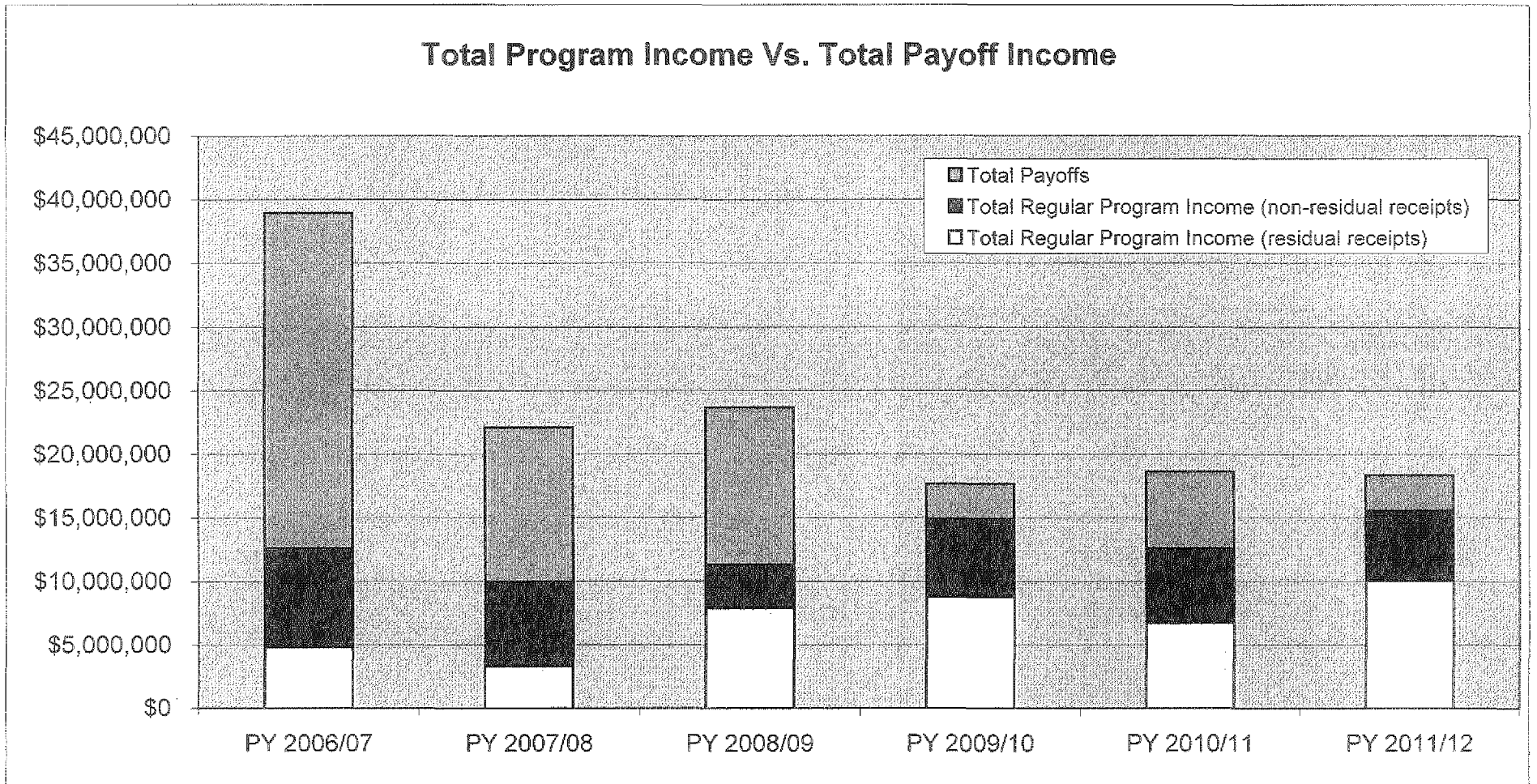
Program Income from Residual Receipts Loans

Loan Type	PY 2006/07	PY 2007/08	PY 2008/09	PY 2009/10	PY 2010/11	PY 2011/12
8 - Residual Receipts	4,862,056.38	3,347,409.51	4,909,397.88	8,816,328.86	6,758,715.41	10,066,781.39
Total	4,862,056.38	3,347,409.51	4,909,397.88	8,816,328.86	6,758,715.41	10,066,781.39



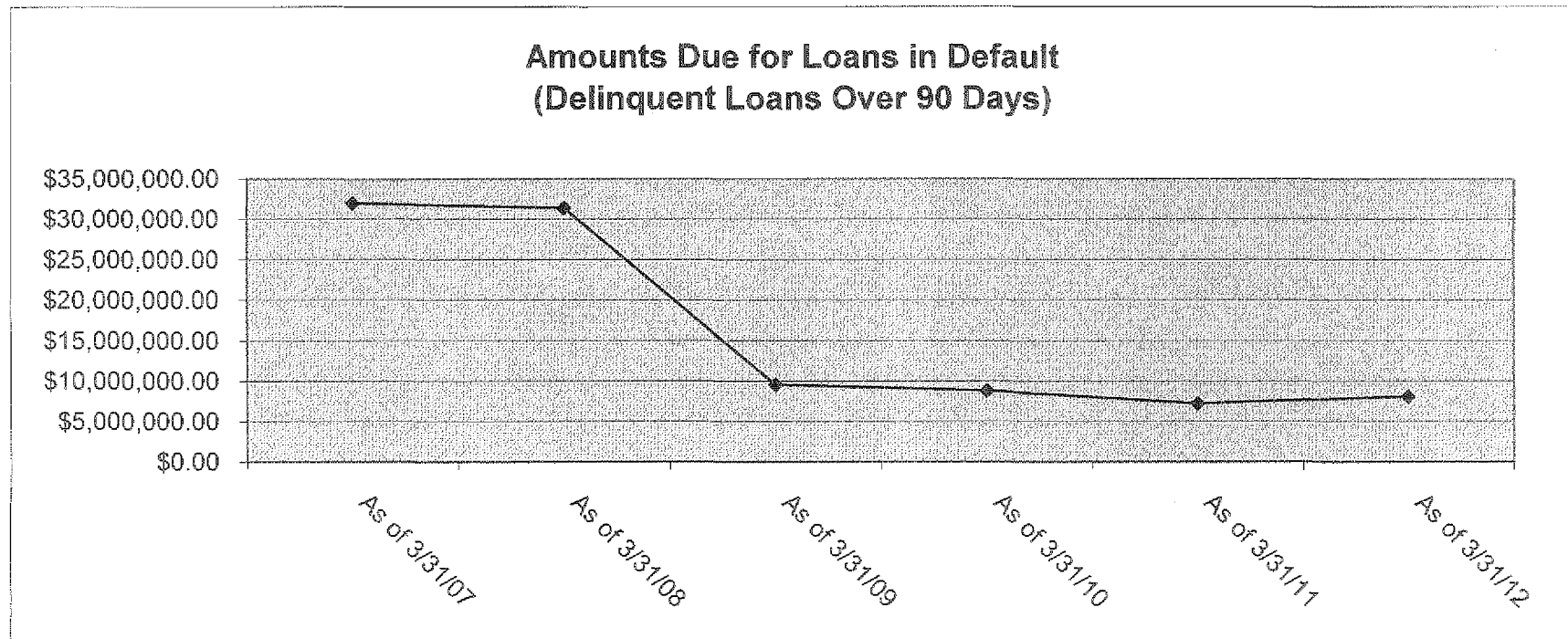
Attachment 3e
Total Program Income vs. Payoffs vs. Regular Program Income
PY 2006/07 to PY 2011/12

Loan Type	PY 2006/07	PY 2007/08	PY 2008/09	PY 2009/10	PY 2010/11	PY 2011/12
Total Payoffs	26,416,369.92	12,162,403.55	12,370,520.29	2,782,667.02	6,073,885.88	2,806,239.55
Total Regular Program Income (non-residual receipts)	7,694,014.00	6,580,391.23	3,397,691.75	6,069,955.18	5,810,481.32	5,498,996.74
Total Regular Program Income (residual receipts)	4,862,056.38	3,347,409.51	7,896,170.53	8,816,328.86	6,758,715.41	10,066,781.39
TOTAL PROGRAM INCOME	38,972,440.30	22,090,204.29	23,664,382.57	17,668,951.06	18,643,082.61	18,372,017.68



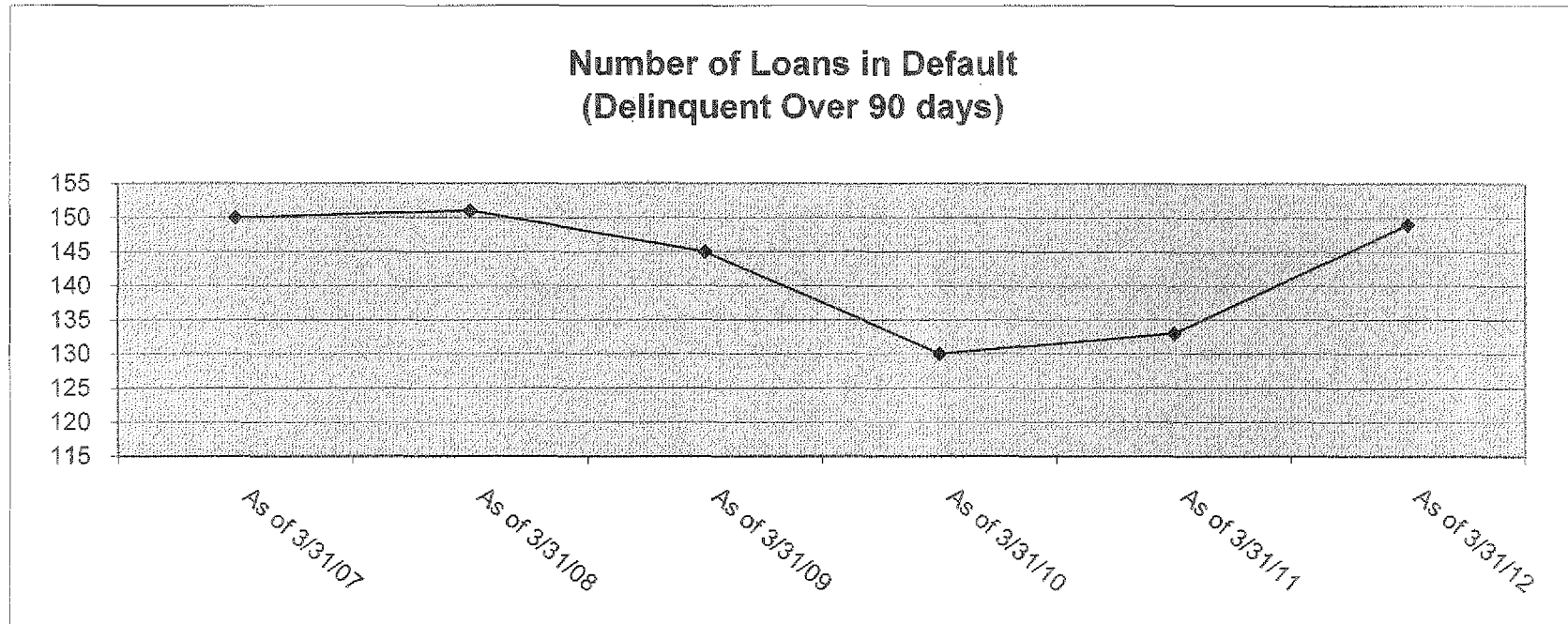
Attachment 4a
Amounts Due for Loans in Default
March 31, 2007 to March 31, 2012
(Delinquent Loans Over 90 Days)

Loan Type	As of 3/31/07	As of 3/31/08	As of 3/31/09	As of 3/31/10	As of 3/31/11	As of 3/31/12
1 - Deferred						
2 - Principal Only	\$ 964,703.97	\$ 870,649.53	\$ 862,753.00	\$ 1,119,254.69	\$ 1,203,230.68	\$ 1,429,586.29
3 - Interest Bearing	\$ 3,403,215.81	\$ 2,678,727.47	\$ 386,220.00	\$ 288,782.52	\$ 314,601.61	\$ 326,093.21
5 - Service Payback						
6 - Forgivable Loan						
7 - w/ Disbursement Interest						
8 - Residual Receipts	\$ 1,500,000.00	\$ 403,924.00	\$ 1,657,984.00	\$ 723,280.02	\$ 517,140.00	\$ 818,815.00
9 - Renewable Deferred	\$ 881,713.44	\$ 4,573,601.41	\$ 72,546.00	\$ 345,651.22	\$ 255,334.78	\$ 843,844.58
10 - Term Loan	\$ 25,203,642.53	\$ 22,876,545.83	\$ 6,559,235.00	\$ 6,330,765.19	\$ 4,941,080.51	\$ 4,690,260.78
11 - Equity Share						
Total	31,953,275.75	31,403,448.24	9,548,738.00	8,807,733.64	7,231,387.58	8,108,599.86



Attachment 4b
Number of Loans in Default
March 31, 2007 to March 31, 2012
(Delinquent Over 90 Days)

Loan Type	As of 3/31/07	As of 3/31/08	As of 3/31/09	As of 3/31/10	As of 3/31/11	As of 3/31/12
1 - Deferred						
2 - Principal Only	70	62	58	61	62	61
3 - Interest Bearing	32	29	16	17	18	18
5 - Service Payback						
6 - Forgivable Loan						
7 - w/ Disbursement Interest						
8 - Residual Receipts	2	16	51	22	24	41
9 - Renewable Deferred	8	9	3	16	17	17
10 - Term Loan	38	35	17	14	12	12
11 - Equity Share						
Total	150	151	145	130	133	149



Attachment 5
LAHD Real Estate Owned (REO)
as of March 31, 2012

Project Name	Property Address	Zip Code	Property Type	Acquisition Date	Source of Funds	Council District	No. of Units	Disposition Status	Current Notes
Eastlake & Altura Walk REO	2516 Eastlake Ave., Los Angeles 3211-3213 1/2 Altura Walk, Los Angeles	90031 90031	1-Single Family & 1-Multi-Family	11/14/1995	424/KZ23 - CDBG : \$137,884.37	1	5	Under sales contract	Acquired by LAHD to eliminate site of criminal activity. Purchase of the property by East Los Angeles Community Corporation pending Council approval.
Lekeview Terrace REO	11681 Foothill Blvd., Sylmar	91342	Vacant Land (2.6 Acres)	12/28/2005	561 - HOME Regular : \$1,828,828.30	7	0	listed/to be listed with broker	Acquired through LAHD foreclosure due to borrower non-performance. Authorized to sell through CF 12-0018.
Tupper/Tobias REO	9273 N. Tobias Ave., Panorama City	91402	Child Care Center	2/28/2006	424- CDBG : \$225,615.00	7	1	Under sales contract	Acquired through negotiated settlement with borrower. Completion of sales agreement with non-profit in progress. Authorized to sell through CF 11-1717.
San Pedro REO	819 W. 4th Street, San Pedro	90731	Apartment	9/11/2006	100/44G/T211 General Fund: \$70,158.43	15	10		Acquired through a Tax Sale. Exclusive Negotiation Agreement has been executed with a developer selected through an RFP. The completion of the Sale is pending.
Arlington REO	6577 Arlington Ave., Los Angeles	90043	Single Family	4/5/1988	424- CDBG :\$27,500.00 ; unknown funding sources: \$88,301.75	8	1	listed/to be listed with broker	Acquired by CDD Foreclosure. Former owner resides on premises. Authorized to sell through CF 12-0018.
Glenoaks REO	11150 Glenoaks Blvd. #86, Pacoma	91331	Condo	11/20/2008	561 - HOME Regular : \$102,000	7	1	listed/to be listed with broker	Acquired through third party foreclosure to protect LAHD loan on property. Authorized to sell through CF 12-0018.
43rd Street Apts REO	1211 E. 43rd Street, Los Angeles	90011	Apartment	1/6/2012	561 - HOME Regular : \$239,167	9	5	listed/to be listed with broker	Disposition of property to be determined. Authorized to sell through CF 12-0018.
81st Street REO (Greater Bethany)	851 W. 81st Street, Los Angeles	90044	Apartment	1/5/2009	561 - HOME Regular : \$673,117	8	8	Sold	Acquired through LAHD foreclosure due to borrower non-performance. Sold to RNLA on 4/30/2012.
Ralston Polk Site REO	12568 San Fernando Rd, Los Angeles	91342	Single Family	SFR: 12/9/2005 ; Land: 9/23/1969	SFR - 44G Affordable Housing: \$800,000	7	1		Joint LAHD/GSD RFP to develop a 32 detached condo units, mixed-income homeownership project "for-sale" (CF05-1397).
Rampart REO	252 S. Rampart Blvd, Los Angeles	90057	Single Family	4/23/2010	424 - CDBG : \$129,045	13	1	Under sales contract	Acquired through LAHD foreclosure due to borrower non-performance. The property is vacant and boarded. Proposed sale to RNLA pending Council approval.
Main Street REO	10219-10223 S Main Street, Los Angeles	90003	Apartment	12/17/2010	561 - HOME Regular : \$175,000	8	4	listed/to be listed with broker	Acquired through LAHD foreclosure due to borrower non-performance. Authorized to sell through CF 12-0018.
Plaza Vermont REO	960 62nd PL., Los Angeles	90035	Apartment / Vacant Land	2/4/2011	424- CDBG : \$5,012,107	9	79	Proposal for purchase being considered	Acquired through LAHD foreclosure due to borrower non-performance. Proposals for RFP concerning disposition of property received. Proposals currently being evaluated.

Attachment 6
Non-collectible Loans to be Written Off for Program Year 2011/12

Writeoff Type	Loan No	Loan Type	Borrower Name	Address	Units	Loan P Note	Write Off Amt Requested	Writeoff Reason
Administrative	KPC8421	Prin. Only, Amort.	SPINKS, MAMMIE	803 E 105TH ST 90002	1	\$24,773.00	\$21,456.00	Loan was targeted for LAHD foreclosure but discovered loan was reconveyed in 1993.
	SAC8417	Renewable Deferred	BLUNT, PATSY	5876 S OLIVE ST 90003	1	\$10,000.00	\$10,000.00	Loan reconveyed in 1987
				ADMIN SUB		\$34,773.00	\$31,456.00	
Foreclosure	CM0126	Equity Share Loan	AARON SCOTT,	7045 N WOODLEY AVE 91406	1	\$74,700.00	\$74,700.00	3rd party foreclosure-lien eliminated
	CN0058	Equity Share Loan	ABNER NOE GARCIA,	5414 N NEWCASTLE AVE 91316	1	\$50,000.00	\$48,303.56	3rd party foreclosure-lien eliminated
	CC0781	Equity Share Loan	ANDREA KANNIKE,	3631 S LA CIENEGA #2, LOS ANGELES, CA 90016	1	\$90,000.00	\$90,000.00	3rd party foreclosure-lien eliminated
	CC0782	Term Loan	ANDREA KANNIKE,	3631 S LA CIENEGA #2, LOS ANGELES, CA 90016	1	\$25,000.00	\$10,905.00	3rd party foreclosure-lien eliminated
	CL0055	Equity Share Loan	ANDREA KANNIKE,	3631 S LA CIENEGA BLVD 90016	1	\$20,178.00	\$20,178.00	3rd party foreclosure-lien eliminated
	CM0232	Equity Share Loan	BEOM ROK CHANG,	360 WEST AVENUE 26 #116, LOS ANGELES, CA 90031	1	\$75,000.00	\$75,000.00	3rd party foreclosure-lien eliminated
	CM0181	Equity Share Loan	BLACK, TORRY L.	2331 N LILLYVALE AVE 90032	1	\$75,000.00	\$75,000.00	3rd party foreclosure-lien eliminated
	CC0901	Equity Share Loan	CASILLAS, CYNTHIA	15425 SHERMAN WAY #144, VAN NUYS, CA 91406	1	\$90,000.00	\$89,432.32	3rd party foreclosure-lien eliminated
	CC0902	Term Loan	CASILLAS, CYNTHIA	15425 SHERMAN WAY #144, VAN NUYS, CA 91406	1	\$10,812.00	\$10,622.00	3rd party foreclosure-lien eliminated
	CL0136	Equity Share Loan	CASILLAS, CYNTHIA	15425 W SHERMAN WAY 91406	1	\$16,218.00	\$16,218.00	3rd party foreclosure-lien eliminated
	CE0385	Term Loan	CORTEZ, ABEL CELSO	12601 W VAN NUYS BLVD 91331	1	\$56,948.00	\$56,948.00	3rd party foreclosure-lien eliminated
	WA00366	Renewable Deferred	EASLY, JUDY	1811 E. 103RD PLACE, LOS ANGELES, CA 90002	1	\$10,000.00	\$10,000.00	3rd party foreclosure-lien eliminated
	CM0147	Equity Share Loan	ERVIN PEREZ,	360 W AVENUE 26 UNIT 439, LOS ANGELES, CA 90031	1	\$50,000.00	\$50,000.00	3rd party foreclosure-lien eliminated
	CC0857	Equity Share Loan	FREDY AVILA,	1350 N. MARINE # 212, LOS ANGELES, CA 90744	1	\$90,000.00	\$90,000.00	3rd party foreclosure-lien eliminated
	CC0858	Term Loan	FREDY AVILA,	1350 N. MARINE # 212, LOS ANGELES, CA 90744	1	\$25,000.00	\$23,581.00	3rd party foreclosure-lien eliminated
	CL0101	Equity Share Loan	FREDY AVILA,	1350 N. MARINE # 212, LOS ANGELES, CA 90744	1	\$17,220.00	\$17,220.00	3rd party foreclosure-lien eliminated
	CM0020	Equity Share Loan	GEOFFREY S. HAHN,	19446 W WYANDOTTE ST 91335	1	\$75,000.00	\$75,000.00	3rd party foreclosure-lien eliminated
	CM0005	Equity Share Loan	HANNA, CANECE L.	21800 W SCHOENBORN ST 91304	1	\$50,000.00	\$50,000.00	3rd party foreclosure-lien eliminated
	CN0068	Equity Share Loan	HOLMAN, BRYAN	5461 N NEWCASTLE AVE 91316	1	\$50,000.00	\$50,000.00	3rd party foreclosure-lien eliminated
	CM0244	Equity Share Loan	JACQUELINE GONZALEZ,	360 W AVENUE 26 #109, LOS ANGELES, CA 90031	1	\$75,000.00	\$75,000.00	3rd party foreclosure-lien eliminated
	CM0201	Equity Share Loan	JESSICA LOPEZ-DRIOTTIS,	15425 W SHERMAN WAY 91406	1	\$75,000.00	\$74,018.30	3rd party foreclosure-lien eliminated
	CM0115	Equity Share Loan	JOHN TAK LO,	360 W. AVE 26 #441, LOS ANGELES, CA 90031	1	\$74,660.00	\$73,620.65	3rd party foreclosure-lien eliminated
	CN0069	Equity Share Loan	JUAN VIZCARRA,	360 WEST AVENUE 26, #400, LOS ANGELES, CA 90031	1	\$49,838.00	\$48,981.98	3rd party foreclosure-lien eliminated
	CM0211	Equity Share Loan	JUNHO HWANG,	4141 VIA MARISOL #309, LOS ANGELES, CA 90042	1	\$75,000.00	\$75,000.00	3rd party foreclosure-lien eliminated
	CM0045	Equity Share Loan	LAFAYETTE HUFFMON,	13750 HUBBARD STREET #58, SYLMAR, CA 91342	1	\$75,000.00	\$75,000.00	3rd party foreclosure-lien eliminated
	CM0046	Term Loan	LAFAYETTE HUFFMON,	13750 W HUBBARD ST 91342	1	\$30,000.00	\$23,700.00	3rd party foreclosure-lien eliminated
	CW0017	Term Loan	LAURIA, HARVEY	124 EAST AVENUE 44, #B, LOS ANGELES, CA 90031	1	\$57,726.00	\$57,726.00	3rd party foreclosure-lien eliminated
	CM0154	Equity Share Loan	LEE, JONATHAN	360 W. AVENUE 26 #438, LOS ANGELES, CA 90031	1	\$75,000.00	\$74,826.75	3rd party foreclosure-lien eliminated
	CP0006	Term Loan	LEE, JONATHAN	360 W. AVENUE 26 #438, LOS ANGELES, CA 90031	1	\$30,000.00	\$30,000.00	3rd party foreclosure-lien eliminated
	CL0173	Equity Share Loan	MAHARGONO, DEDI	736 255TH ST., #D, HARBOR CITY, CA 90710	1	\$21,000.00	\$21,000.00	3rd party foreclosure-lien eliminated
	CS0006	Term Loan	MAHARGONO, DEDI	736 W 255TH ST 90710	1	\$90,000.00	\$89,392.00	3rd party foreclosure-lien eliminated
	CN0027	Equity Share Loan	MARCIAL A. ANAYA,	360 WEST AVENUE 26 #430, LOS ANGELES, CA 90031	1	\$50,000.00	\$49,751.66	3rd party foreclosure-lien eliminated
	CW0003	Term Loan	MARCIO PEPE,	392 S. MIRALESTE DR #489, LOS ANGELES, CA 90732	1	\$90,000.00	\$90,000.00	3rd party foreclosure-lien eliminated
	CE0399	Equity Share Loan	MARIE SIMON,	6323 RESEDA BLVD., #36, TARZANA, CA 91335	1	\$90,000.00	\$90,000.00	3rd party foreclosure-lien eliminated
	CL0058	Equity Share Loan	MARIE SIMON,	6323 N RESEDA BLVD 91335	1	\$15,540.00	\$15,540.00	3rd party foreclosure-lien eliminated
CM0018	Equity Share Loan	MICHAEL G. ENCINAS,	5460 WHITE OAK AVENUE #K204, ENCINO, CA 91316	1	\$50,850.00	\$50,850.00	3rd party foreclosure-lien eliminated	
CM0019	Term Loan	MICHAEL G. ENCINAS,	5460 N WHITE OAK AVE 91316	1	\$16,000.00	\$15,980.00	3rd party foreclosure-lien eliminated	
CM0235	Equity Share Loan	MIKE BETANCOURT,	15425 W SHERMAN WAY 91406	1	\$74,944.00	\$74,225.07	3rd party foreclosure-lien eliminated	

Attachment 6
Non-collectible Loans to be Written Off for Program Year 2011/12

	CC0727	Term Loan	NUNEZ, MARTIN	1047 N MCDONALD AVE 90744	1	\$75,000.00	\$74,980.00	3rd party foreclosure-lien eliminated
	CE0372	Term Loan	SAMUEL R GELFF,	5460 N WHITE OAK AVE #C308 91316	1	\$54,022.00	\$36,602.45	3rd party foreclosure-lien eliminated
	CC0969	Equity Share Loan	SEVAN ALANAKIAN,	10149 COMMERCE AVENUE #8, TUJUNGA, CA 91042	1	\$90,000.00	\$90,000.00	3rd party foreclosure-lien eliminated
	CC0970	Term Loan	SEVAN ALANAKIAN,	10149 COMMERCE AVENUE #8, TUJUNGA, CA 91042	1	\$20,000.00	\$19,995.00	3rd party foreclosure-lien eliminated
	CL0187	Equity Share Loan	SEVAN ALANAKIAN,	10149 N COMMERCE AVE 91042	1	\$16,800.00	\$16,800.00	3rd party foreclosure-lien eliminated
	CC0867	Equity Share Loan	SMITH, NICOLE	8550 INDEPENDENCE AVE., #101, LOS ANGELES, CA 91304	1	\$90,000.00	\$90,000.00	3rd party foreclosure-lien eliminated
	CC0868	Term Loan	SMITH, NICOLE	8550 INDEPENDENCE AVE., #101, LOS ANGELES, CA 91304	1	\$25,000.00	\$5,450.00	3rd party foreclosure-lien eliminated
	CL0108	Equity Share Loan	SMITH, NICOLE	8550 N INDEPENDENCE AVE 91304	1	\$14,700.00	\$14,700.00	3rd party foreclosure-lien eliminated
	CM0291	Equity Share Loan	SUSAN NABER,	7740 REDLANDS STREET #G2087, LOS ANGELES, CA 90293	1	\$75,000.00	\$75,000.00	3rd party foreclosure-lien eliminated
				FORECLOSURE SUB TOTAL		\$2,527,156.00	\$2,461,247.74	
Short Pay	CN0036	Equity Share Loan	SEAN T. BLOMGREN,	15425 W SHERMAN WAY 91406	1	\$50,000.00	\$46,513.00	Short pay accepted
				SHORT PAY SUB TOTAL		\$50,000.00	\$46,513.00	
				GRAND TOTAL		\$2,611,929.00	\$2,539,216.74	

Total Vw All Loan Proj Baseds: 69

Filter: Vw All Loan Proj Baseds with: All of (Writeoff Status = "Active", Date Case Opened from 4/1/2011 to 3/31/2012)