



The Road Home

BUILDING A SAFER,
STRONGER, SMARTER LOUISIANA

Small Rental Property Program

State of the Business

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Program Funded by:
U.S. Department of Housing and Urban Development

Program Sponsored by:




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Executive Summary: Background

- **18,991 applications submitted to the Rental program**
 - 35% online
 - 65% paper
- **9,730 Conditional Awards issued**
 - 18,344 Total Units
 - 15,681 Affordable Units
 - Round 1 – 2,702
 - Round 2 – 5,032
 - Round 2 Waitlist (R2.1) – 1,996
- **5,939 Current/Active Awardees¹**
 - \$518.3MM Awards (including Rental, Owner Occupant, and AIL Awards and Bonuses)
 - 11,449 Total Units
 - 10,061 Affordable Units

¹ Data Source: HDS, 10/01/08, 6:00 a.m.

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Executive Summary: Key Stage Indicators (Combined) Commitment Letter through Construction Stages

- **81% of Active Awardees have received a Commitment Letter from the program (4,823 of 5,947)**
 - Totaling \$390.9MM; 9,325 Total Units; 8,265 Affordable Units
 - 19% (1,124) have not yet received a Commitment Letter
- **60% of Commitment Letters mailed have been returned to the program (2,901 of 4,823)**
 - Totaling \$244.7MM; 5,745 Total Units; 5,071 Affordable Units
 - 66% (1,922) have not yet returned their Commitment Letter
- **44% of Active Awardees who have returned a Commitment Letter are self-reported to be 100% Construction Complete (1,281 of 2,901)**
 - Totaling \$100.2MM; 2,488 Total Units; 2,099 Affordable Units
 - 56% (1,620) are not yet 100% Construction Complete
- **87% of the Active Awardees who are reportedly 100% Construction Complete have submitted a Certificate of Occupancy/Completion to the Program (1,119 of 1,281)**
 - Totaling \$89.0MM; 2,174 Total Units; 1,849 Affordable Units
 - 13% (162) have not yet returned a Certificate of Occupancy

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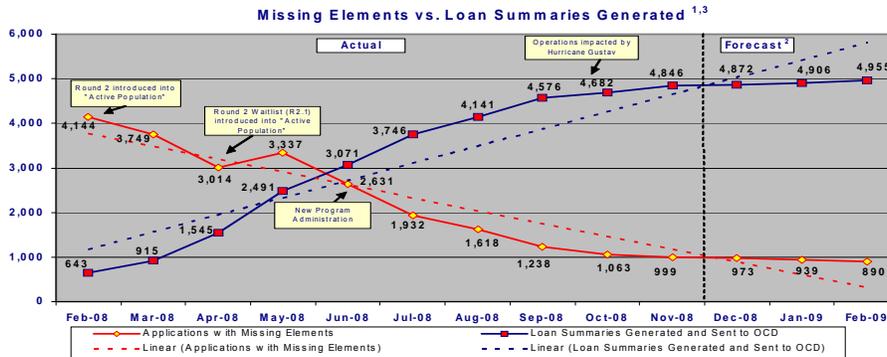
Executive Summary: Key Stage Indicators (Combined) Construction through Closing Stages

- **70% of Lead Assessments received have passed (610 out of 874)**
 - Of the 1,119 who are reportedly 100% Construction Complete that have submitted a Certificate of Occupancy/Completion to the Program, 826 require a Lead Assessment, 285 do not, and 8 have an open Credit Report exception
 - Of the 826 Active Awardees who require a Lead Assessment, 11 have been provided by applicant and 759 have been ordered (92.9% complete) for the 1st attempt only
 - Of the total 979 Lead Assessments ordered, 874 have been received (89.3%) and 610 of those have “passed” (69.8% overall pass rate)
- **58% of Final Inspections received have passed (567 out of 985)**
 - Of the 906 (Lead Assessment: 610 passes + 11 provided by applicant + 285 not required) Active Awardees who may order a Final Inspection, 820 have been ordered at the request of the applicant (90.5%)
 - Of the 820 ordered for first attempt, 695 have been received (84.8%). In total, 1,143 Final Inspections have been ordered of which 985 have been received (86.2%)
 - Of the 985 Final Inspections received, 567 have passed (57.6% overall pass rate)
- **38% of passed Final Inspections have Closed and Funds have been disbursed (216 out of 567)**
 - Totalling \$17.3MM; 392 Total Units; 332 Affordable Units
 - Of the 567 that have passed Final Inspection, 100 Rental Disbursements are complete
 - 62% (351) have not yet been Closed and/or Funds Disbursed
- **113 are Pending Scheduling, 134 are Pending Tenant Certification/Documentation, 65 are Pending Commitment Letter Amendment, and 39 are WIP (OCD/ICF QA/QC, Fund Approval).**

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State of the Business: Conditional Awards to Loan Summaries



¹ Each monthly period (e.g. Feb-08) denotes the end of the month.

² The Forecasted totals do not take into account any cancellations or reinstatements and excludes applications where no CA package has been received. OO's with only Market Rate units, and Loan Summaries that are in internal QA/QC so may be slightly overstating/understating the Current Population. Finally, the forecast assumes timely receipt of Outstanding NTP where it is the only missing item.

³ Data Source: HDS, 12/01/08, 6 a.m.

Key Points

- Total Actual Loan Summaries Generated and Sent to OCD (03/01/08-12/01/08) increased from 643 to 4,846 – 653.7% improvement
- Total Actual Applications with Missing Elements (03/01/08-12/01/08) decreased from 4,144 to 999 – 75.9% reduction
- Total Forecasted Loan Summaries Generated and Sent to OCD (03/01/08-03/01/09) will increase from 643 to 4,955 – 670.6% improvement
- Total Forecasted Applications with Missing Elements (03/01/08-03/01/09) will decrease from 4,144 to 890 – 78.5% reduction

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State of the Business: Commitment Letter Overview

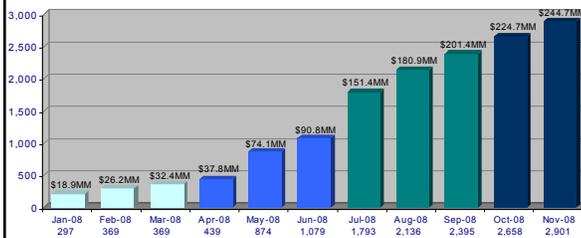
Small Rental Commitment Letters Mailed



Key Points

- Total Actual Commitment Letters Mailed to Date (10/01/07-12/01/08): 4,823 for \$389.9MM
- YOY Total Actual Commitment Letters Mailed (2007 vs. YTD 2008) increased from 328 (\$28.0MM) to 4,495 (\$361.9MM): 1,270.4% improvement
- MOM Total Actual Cumulative Commitment Letters Mailed (Oct 2008 vs. Nov 2008) increased from 4,646 (\$374.6MM) to 4,823 (\$389.9MM): 3.8% improvement

Small Rental Commitment Letters Returned



Key Points

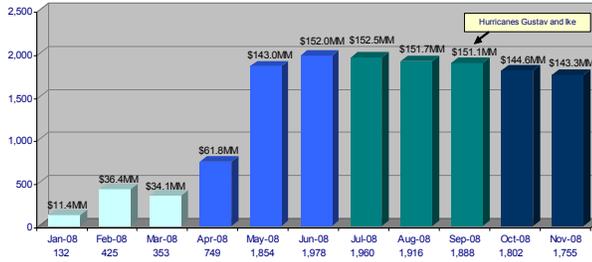
- Total Actual Commitment Letters Returned to Date (10/01/07-12/01/08): 2,901 for \$244.7MM
- YOY Total Actual Commitment Letters Returned (2007 vs. YTD 2008) increased from 118 (\$10.8MM) to 2,783 (\$233.9MM): 2,258.5% improvement
- MOM Total Actual Cumulative Commitment Letters Returned (Oct 2008 vs. Nov 2008) increased from 2,658 (\$224.7MM) to 2,901 (\$244.7MM): 9.1% improvement

*TTD reflects total at each quarter end; it does not take into account Cancellations.



State of the Business: Construction to Closing

Small Rental Properties Under Construction

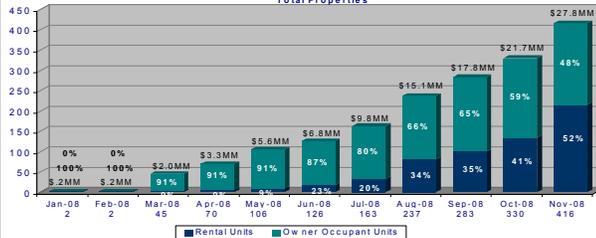


Key Points

- Total Properties Currently under Construction (as of 12/01/08): 1,755 for \$143.3MM
- YOY Total Properties Currently under Construction (2007 vs. YTD 2008) increased from 105 (\$9.3MM) to 1,755 (\$143.3MM): 1,571.4% improvement
- MOM Total Properties Currently under Construction (Oct 2008 vs. Nov 2008) decreased from 1,802 (\$144.6MM) to 1,755 (\$143.3MM): 2.6% decrease

*This data has been provided to SRPP by applicants within a Commitment Letter Package or were self-reported to an Underwriter. The construction stage has not been inspected or verified by the program.

Small Rental Closings Held:
Rental Units and Owner Occupant Units
Total Properties



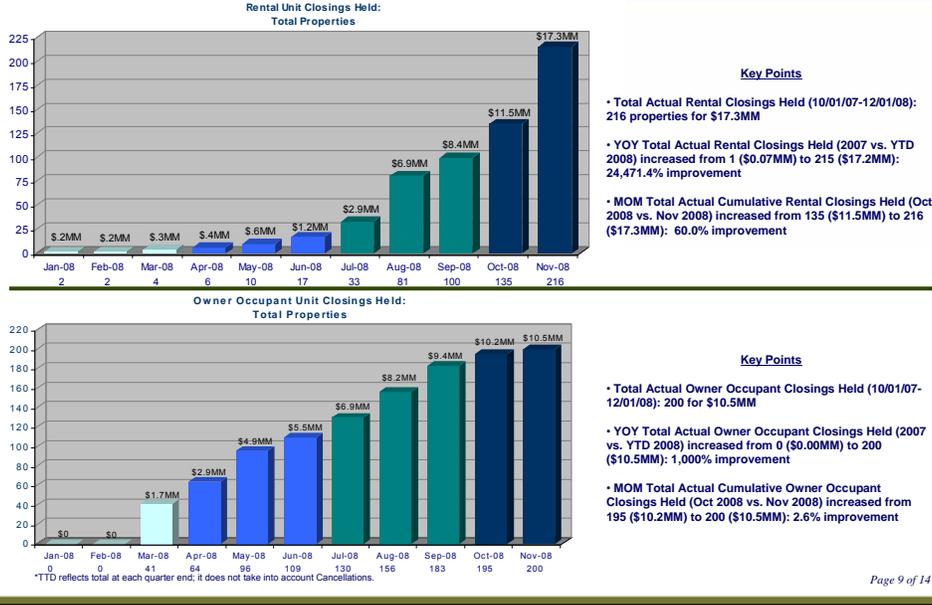
Key Points

- Total Actual Combined Closings Held (10/01/07-12/01/08): 416 for \$27.8MM
- YOY Total Actual Combined Closings Held (2007 vs. YTD 2008) increased from 1 (\$0.07MM) to 415 (\$27.7MM): 39,514.3% improvement
- MOM Total Actual Cumulative Combined Closings Held (Oct 2008 vs. Nov 2008) increased from 330 (\$21.7MM) to 416 (\$27.8MM): 26.1% improvement

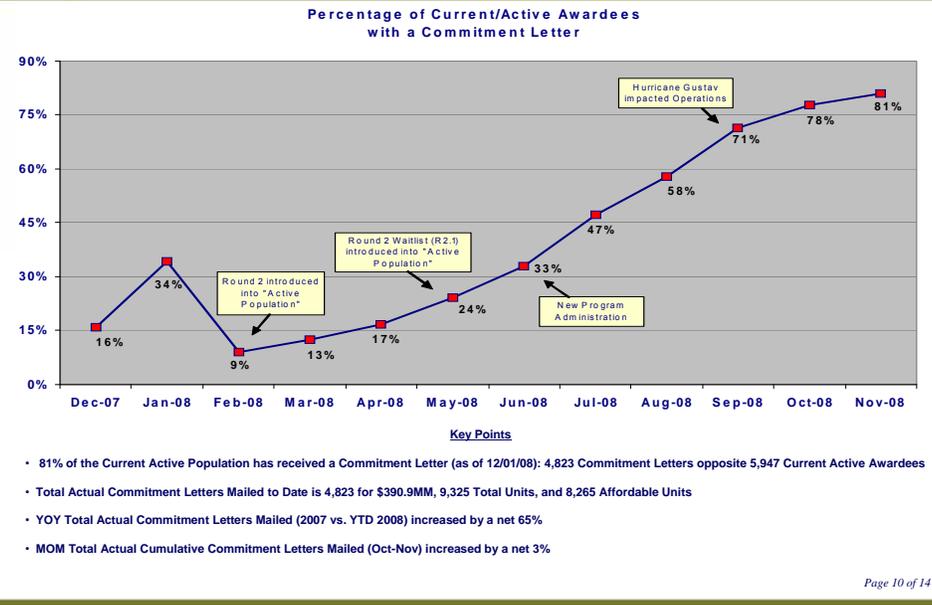
*TTD reflects total at each quarter end; it does not take into account Cancellations.



State of the Business: Closing Details (Rental vs. Owner Occupied)



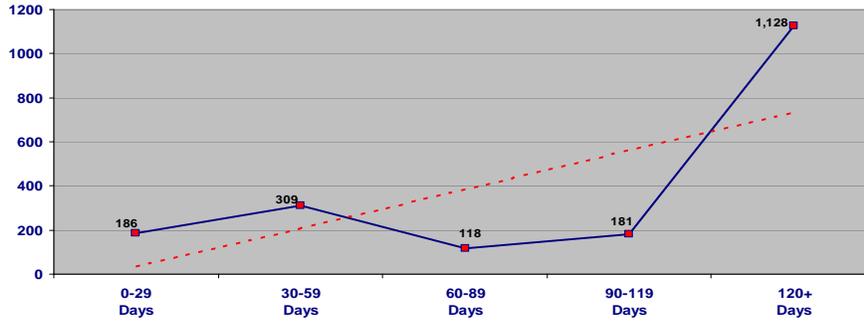
State of the Business: Total Universe with a Commitment Letter





State of the Business: Aging of Commitment Letters Not Yet Returned

Age of Commitment Letters Not Received



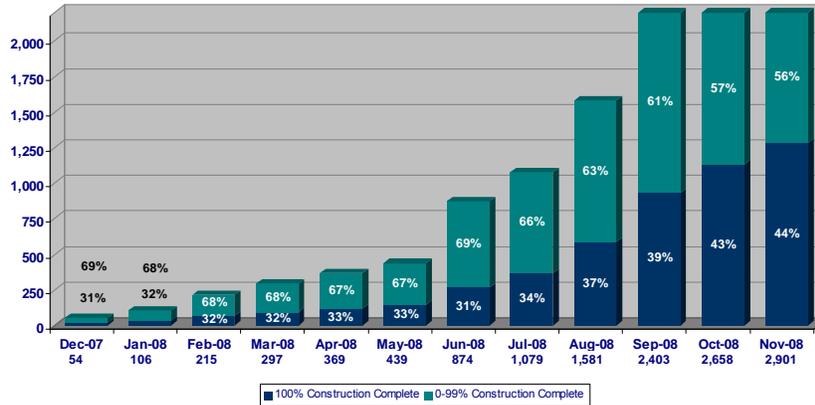
Key Points

- Outstanding Commitment Letters(1,922) total \$146.2MM; 3,580 Total Units; 3,194 Affordable Units
- 40.0% of Commitment Letters Mailed have Not Yet Been Returned to the program (1,922 of 4,823 mailed)
- 68.1% of the Commitment Letters Not Yet Returned are greater than 90 days old (1,309 of 1,922)
- 58.7% of the Commitment Letters Not Yet Returned are greater than 120 days old (1,128 of 1,922)
- 68 Commitment Letters Not Yet Returned are greater than 300 days old



State of the Business: Commitment Letters & Construction Complete

Construction Status of Applicants who have Returned a Commitment Letter

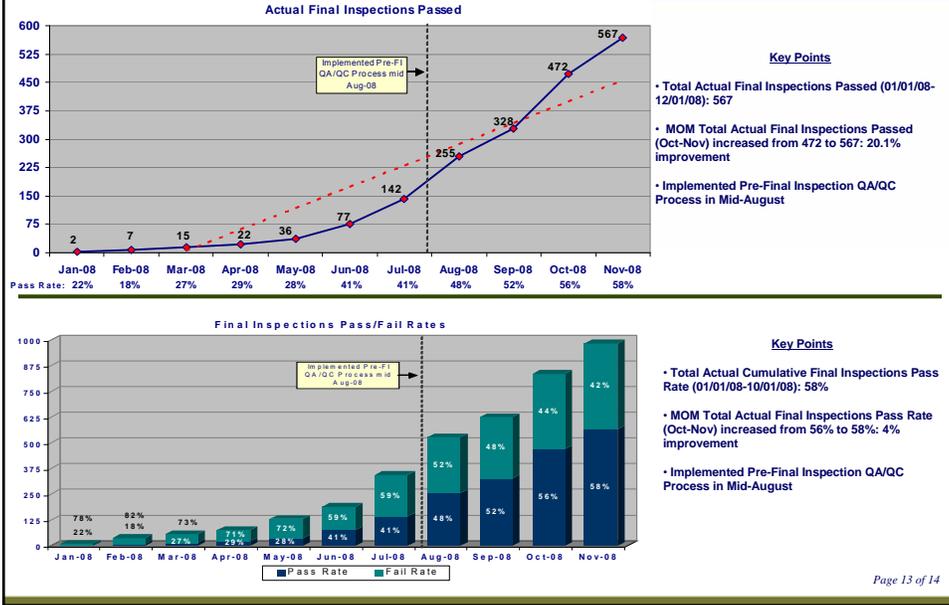


Key Points

- Commitment Letters returned to the program (2,901 of 4,823 mailed) total \$244.7MM; 5,745 Total Units; 5,071 Affordable Units
- 44.2% of Commitment Letters returned to the program are self-reported as 100% Construction Complete (1,281 of 2,901)
- YOY Total Actual self-reported as 100% Construction Complete, opposite increased Commitment Letter production, increased a net of 13%
- MOM Total Actual self-reported as 100% Construction Complete, opposite increased Commitment Letter production, increased a modest net of 1%



State of the Business: Final Inspection Overview



Program Development & Outlook

Streamlining the Program/Process

- Key Enablers
 - Staff Additions to process loans
 - Complete Restructure of Lending (from Round-based to Functional-based)
 - Reassignment of “Team Leaders” to line positions to improve productivity and efficiency
 - Established and implemented Vendor Services team
 - Established and implemented extensive MIS for Pipeline Management purposes as well as for public consumption via web
 - Added stipulations to Commitment Letters (i.e. credit, judgments, liens, some title issues)
 - Design and implementation of targeted, internal Quality Control and Assurance

Barriers to Completion

- 40.0% of Commitment Letters mailed have yet to be returned to the program (1,922 of 4,823 mailed)
 - Of the Commitment Letters Not Yet Returned, 68.1% are greater than 90 days old (1,309 of 1,922); with 86.2% of those (1,128 of 1,309) 120+ days old
 - Outstanding Commitment Letters(1,922) total \$146.2MM; 3,580 Total Units; 3,194 Affordable Units
 - 55.8% of Applicants who have returned a Commitment Letter are less than 100% Construction Complete (1,620 of 2,901)
 - 42.4% of the 985 Final Inspections received have failed (418)
 - Key Obstacles
 - Applicants’ ability to obtain (interim) financing to complete Construction
 - Applicants’ failure to complete the Scoring Items as selected on their original application (i.e. via Final Inspection).
 - Program’s Response
 - Established and implemented Financial Advisor Team
 - Established and implemented Outreach Events; redesigned to Workshop format with roll-out in October
 - Compliance with Scoring Items: Self-certification of certain program-defined criteria permitted, as a last resort
 - Allowed tenants to move-in prior to closing
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