

CITY COUNCIL

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DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 10

Date: September 12, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, director of Finance

SUBJECT: Write off of Housing Loans

RECOMMENDATION:

It is requested that Council approve the write-off of various Housing loans.

FISCAL ANALYSIS:

The total amount of the write-off is \$360,793.61. All means of collection and/or recouping funds have been exhausted. This write off of bad loans is necessary to accurately report the City's overall financial status without overstating assets.

BACKGROUND:

This write-off is the accumulation of two years' worth of bad loans. Ten of the loans are from the first-time homebuyer program of which we had second position on the property and the mortgage holder on the property had written off their loan. These ten loans total \$228,000. Three of the loans were mobile rehab loans where the unit had no residual value. These loans totaled \$45,492. Two loans were single family rehab loans that ended up as a foreclosure and a short sale. They amounted to \$30,767.01 and the last two loans were a Rancho Escondido Mobilehome Park lot that was foreclosed on by its first position mortgage holder (for \$9,122), and the City foreclosed on a Escondido Views lot that we now own and is part of the mobilehome park Request For Proposal awarded to Urban Housing Communities. The foreclosed loan amounted to \$47,412.

Respectfully submitted,



Gilbert Rojas
Director of Finance