

SUMMARY REPORT MINNEAPOLIS MF HUB PRODUCTION, FY 2007

Overview of Minneapolis MF HUB Production

In FY07, the Minneapolis MF Hub (“Mpls Hub) experienced a significant decrease in loan production from FY 06 in commitments, units and loan value.¹

- In FY07, Mpls Hub issued 27 Commitments on 2,374 units, for a combined loan value of \$103.6M
- In FY06, Mpls Hub issued 64 Commitments on 4,375 units, for a combined loan value of \$228.4M
- In FY05, Mpls Hub issued 54 Commitments on 4,252 units, for a combined loan value of \$186.2M

Overview of MF Production, Nationally

FY07 national production was down from FY06 and FY05. FY06 was slightly up from FY05.

- In FY07 HUD issued 827 Commitments on 88,337 units, for a combined loan value of \$4.6B
- In FY06 HUD issued 1,240 Commitments on 136,143 units, for a combined loan value of \$7.3B
- In FY05 HUD issued 1,115 Commitments on 131,261 units for a combined loan value of \$6.7B

FY06 saw the highest production in most Hubs from FY05 to FY07. FY05 production was slightly lower than FY06, and FY07 had the lowest production of the three years for almost every Hub. This trend was mirrored in the amount mortgaged and the number of units produced from FY05 to FY07. In several Hubs, there were minor changes in production from FY05 to FY06, but then production substantially decreased in FY07.

In FY 07, the Mpls Hub tied for 12th highest, out of 18 HUBs, in the number of Commitments issued in the FY. In FY06, Minneapolis was tied for 11th. In FY05 the Mpls Hub was tied for 12th. So, while the Mpls Hub saw a significant reduction in production in FY07, it was in line with production across the country. See Table 1 for the rankings of all Hubs.

Minneapolis MF HUB Production Compared to Similar HUBS

Similar Hubs to the Mpls Hub include Kansas City (KC), Columbus, Detroit, and Denver because they oversee production in the remainder of the Midwestern states and make good comparisons with Minneapolis (e.g. same region, similar population base). The Seattle Hub is also good Hub for comparison, mirroring Minneapolis in population and

¹ This report utilizes Firm Commitment data, which may be a better indicator of current Production activity than Endorsement data (e.g. Delayed closing, Insurance Upon Completion can close several months after completed processing). Typically HUD utilizes Endorsement data for Management Goals. Firm Commitment data comes from the Development Application Processing (DAP) database and includes only Firm Commitments Issued during the fiscal year. It does not include Firm Commitments that were re-issued during the fiscal year. The data used in this report were pulled from the DAP database on October 11, 2007.

market demographics (e.g. two primary metropolitan areas). Additional information on the production in each of these Hubs can be found in Tables 2 and 3.

Commitments Issued by Similar HUBs

Table 2 shows commitments issued by Similar Hubs. In all similar Hubs, production increased from FY05 to FY06. From FY06 to FY07, all similar Hubs decreased in production. Most Hubs saw a substantial decrease in the number of commitments issued from FY05 to FY07. Production increased across the board from FY05 to FY06, but from FY06 to FY07 production decreased below the FY05 levels. This trend is also shown in the number of units produced and the amount mortgaged.

Average Project & Mortgage Sizes for Similar HUBs

Table 3 shows average project and mortgage sizes for similar Hubs. For most similar Hubs the average mortgage size decreased from FY05-FY07. The Mpls Hub, however, saw an increased average mortgage size from \$3.4M in FY05 to \$3.8M in FY07. Seattle saw an increased average mortgage size (smaller than the increase in the Mpls Hub) from \$5.6M in FY05 to \$5.7M in FY07.

Average project size decreased from FY05 to FY07 for all similar Hubs except Minneapolis. The Mpls Hub saw an increase from an average of 79 units per project in FY05 to an average of 88 units per project in FY07. In the Mpls Hub the average mortgage, however, increased from FY05 to FY06 and from FY06 to FY07, with the average mortgage amount in FY05 being \$3.4M, increasing to \$3.8M in FY07. From FY06 to FY07, there was no clear trend in project or mortgage size among Hubs that are similar to the Mpls Hub. Some of the similar Hubs had increased average project and mortgage size, while others had decreased average project and mortgage size. The Seattle Hub saw a decreased average project size, while at the same time showing an increased average mortgage size.

Production of Similar HUBs by Project Type (Tables 4, 5 & 6)

In FY07, 22% (6 projects) of Mpls Hub production was in NC/SR Apts & Coops. This was the highest percentage of the similar Hubs. FY07 production of NC/SR Apts & Coops in the Mpls Hub made up a similar percentage of the Mpls Hub's production in FY05 and FY06.

Only 3.7% of the Mpls Hub's production was in the 232 program in FY07. This is significantly lower than similar Hubs for FY07. 40% of the Denver Hub's production was in the 232 program and 73.9% of the Seattle Hub's production was in the 232 program. Mpls Hub production in the 232 program was also down from 14.1% in FY06 and 9.3% in FY05. The Mpls Hub only issued one Section 232 commitment in FY07, which was on the low end for similar Hubs, while on the high end Columbus issued 18 commitments and Seattle issued 17 commitments.

In FY07, 44% (12 projects) of the Mpls Hub's projects were Section 223f projects. This is consistent with similar Hubs, which also had a significant portion of their production in the 223f program. Mpls Hub production in the 223f program accounted for 13% (7

projects) of the Hub's production in FY05 and 59.4% (38 projects) of production in FY06. So, while the percentage of the Mpls Hub production in the Section 223f program has decreased from FY06 to FY07, it still remains a significant portion of the Mpls Hub's business.

Section 223(a)(7) production has decreased across the board for similar Hubs from FY05 to FY07. In FY05, 35% (19 projects) of the Mpls Hub production was in the 223(a)(7) program. In FY06, this decreased to 1.6% (1 project) of the Hub's production. In FY07, 14.8% (4 projects) of the Mpls Hub production was in the Section 223(a)(7) program. While the Section 223(a)(7) program made up a larger percentage of the Mpls Hub's production in FY07 than in FY06, the Mpls Hub's percentage production in this program was down from FY05.

The Section 542 program made up 14.8% (4 projects) of the Mpls Hub's production in FY07. This was a significantly larger percentage than similar Hubs. The Denver Hub had 6.3% (1 project) of its projects in the Section 542 program, while the other similar Hubs all had 0% of their production in the risk share program in FY07. In FY05 and FY06 the Minneapolis and Denver Hubs produced the largest percentages of Section 542 projects, while the rest of the Hubs had low percentages of their production in the Section 542 program.

Summary

While production in the Mpls Hub substantially decreased in FY07, the Mpls Hub has continued to produce new units and refinance existing units, consistent with, and relatively proportional to, the production of other Hubs, particularly the similar Hubs.

Table 1
Commitments Issued FY05 to FY07

	Commitments Issued			Amount Mortgaged (Millions of Dollars)			Number of Units		
	FY 07	FY 06	FY 05	FY 07	FY 06	FY 05	FY 07	FY 06	FY 05
Chicago	93	118	105	457,719,000	657,232,600	552,128,800	10,695	15,516	13,279
Fort Worth	86	103	105	704,378,700	813,041,943	678,461,800	12,062	13,071	14,319
Columbus	75	92	73	230,327,200	319,680,300	304,205,900	6,833	9,198	7,254
Atlanta	70	107	80	233,048,800	357,403,450	278,477,100	7,776	10,535	7,924
Boston	65	91	96	447,243,397	579,088,719	533,559,744	6,988	9,989	10,232
Greensboro	63	75	64	282,021,200	396,022,100	361,391,600	5,048	7,125	6,532
Philadelphia	58	76	57	202,911,900	272,624,723	207,688,687	5,540	7,285	6,106
Jacksonville	50	57	57	239,959,400	221,137,800	290,196,900	5,385	5,582	6,884
Kansas City	48	80	54	135,567,100	298,585,600	268,487,900	4,029	7,336	6,559
Baltimore	33	55	78	261,019,100	714,074,458	652,444,209	4,353	7,558	11,117
Detroit	29	64	38	117,829,000	225,456,900	159,066,200	3,078	6,260	4,950
Denver	27	37	32	100,948,500	180,665,000	273,948,209	1,979	3,391	3,042
Minneapolis	27	64	54	103,598,853	228,408,118	186,195,800	2,374	4,375	4,252
San Francisco	27	69	57	180,875,900	534,137,200	378,966,000	2,627	9,264	7,199
Los Angeles	23	73	71	157,321,800	572,244,255	362,717,100	1,741	8,726	6,513
Seattle	23	39	38	132,568,000	185,146,350	213,265,800	1,853	3,557	3,641
Buffalo	15	19	27	104,122,800	142,957,600	139,316,000	2,227	3,645	3,593
New York	15	21	29	496,363,000	648,959,900	820,384,300	3,749	3,730	7,865
Total	827	1,240	1,115	4,587,823,650	7,346,867,016	6,660,902,049	88,337	136,143	131,261

Table 2
Commitments Issued by Similar HUBs FY05 to FY07

	Commitments Issued			Amount Mortgaged (Millions)			Number of Units		
	FY 07	FY 06	FY 05	FY 07	FY 06	FY 05	FY 07	FY 06	FY 05
Columbus	75	92	73	230,327,200	319,680,300	304,205,900	6,833	9,198	7,254
Kansas City	48	80	54	135,567,100	298,585,600	268,487,900	4,029	7,336	6,559
Detroit	29	64	38	117,829,000	225,456,900	159,066,200	3,078	6,260	4,950
Denver	27	37	32	100,948,500	180,665,000	273,948,209	1,979	3,391	3,042
Minneapolis	27	64	54	103,598,853	228,408,118	186,195,800	2,374	4,375	4,252
Seattle	23	39	38	132,568,000	185,146,350	213,265,800	1,853	3,557	3,641
Total	229	376	289	820,838,653	1,437,942,268	1,405,169,809	20,146	34,117	29,698

Table 3
Average Project and Mortgage Sizes form Similar HUBs FY05 to FY07

	FY 05	FY 06	FY 07
Columbus			
Avg. Project Size	99	100	91
Avg. Mortgage	\$4.2 M	\$3.5 M	\$3.0 M
Denver			
Avg. Project Size	95	92	73
Avg. Mortgage	\$8.6 M	\$4.9 M	\$3.7 M
Detroit			
Avg. Project Size	130	98	106
Avg. Mortgage	\$4.2 M	\$3.5 M	\$4.0 M
Kansas City			
Avg. Project Size	121	92	84
Avg. Mortgage	\$5.0 M	\$3.7 M	\$2.8 M
Minneapolis			
Avg. Project Size	79	68	88
Avg. Mortgage	\$3.4 M	\$3.6 M	\$3.8 M
Seattle			
Avg. Project Size	96	91	81
Avg. Mortgage	\$5.6 M	\$4.7 M	\$5.7 M

Table 4
Similar HUB Production by Program FY07

FY 2007						
	Minneapolis	Columbus	Denver	Detroit	Kansas City	Seattle
Section 223(a)(7)						
Total # of Projects	4	19	6	1	10	0
# of Units	451	1,681	453	176	843	
Total Amount \$	14,265,800	23,697,700	23,761,300	7,738,000	19,079,300	
Average Units Per Project	113	88	76	176	84	
Average Loan Amount	3,566,450	1,247,247	3,960,217	7,738,000	1,907,930	
Section 223f						
Total # of Projects	12	29	9	19	21	5
# of Units	1,124	1,844	591	1,779	1,666	395
Total Amount \$	35,400,500	67,051,600	28,232,300	56,672,700	52,558,300	21,375,400
Average Units Per Project	94	64	66	94	79	79
Average Loan Amount	2,950,042	2,312,124	3,136,922	2,982,774	2,502,776	4,275,080
Section 232						
Total # of Projects	1	18	11	4	7	17
# of Units	149	2,124	839	513	446	1,333
Total Amount \$	5,875,000	103,431,500	40,223,600	23,791,100	25,587,300	90,024,100
Average Units Per Project	149	118	76	128	64	78
Average Loan Amount	5,875,000	5,746,194	47,942	5,947,775	3,655,329	5,295,535

NC/SR APTS & COOPS	Minneapolis	Columbus	Denver	Detroit	Kansas City	Seattle
Total # of Projects	6	9	1	5	6	1
# of Units	370	1,184	96	610	741	125
Total Amount \$	37,639,800	36,146,400	8,731,300	29,627,200	25,192,200	21,168,500
Average Units Per Project	62	132	96	122	124	125
Average Loan Amount	6,273,300	15	8,731,300	5,925,440	4,198,700	21,168,500
Section 542						
Total # of Projects	4	0	0	0	3	0
# of Units	280				256	
Total Amount \$	10,417,753				12,900,000	
Average Units Per Project	70				85	
Average Loan Amount	2,604,438				4,300,000	
Section 241						
Total # of Projects	0	0	0	0	1	0
# of Units					77	
Total Amount \$					250,000	
Average Units Per Project					77	
Average Loan Amount					250,000	

Percent of Mortgaged Amount that is:						
	Minneapolis	Columbus	Denver	Detroit	Kansas City	Seattle
NC/SR APTS & COOPS	22.2%	12.0%	3.7%	17.2%	12.5%	4.3%
Section 232	3.7%	24.0%	40.7%	13.8%	14.6%	73.9%
Section 223(f)	44.4%	38.7%	33.3%	65.5%	43.8%	21.7%
Section 223(a)(7)	14.8%	25.3%	22.2%	3.4%	20.8%	0.0%
Section 542 (Risk Share)	14.8%	0.0%	0.0%	0.0%	6.3%	0.0%
Total # of Projects	27	75	27	29	48	23
Total # of Units	2,374	6,833	1,979	3,078	4,029	1,853
Total Mortgaged	103,598,853	230,327,200	100,948,500	117,829,000	135,567,100	132,568,000

Table 5
Similar HUB Production by Program FY06

FY 2006	Minneapolis	Columbus	Denver	Detroit	Kansas City	Seattle
Section 223(a)(7)						
Total # of Projects	1	27	5	4	16	2
# of Units	36	2,376	541	539	1,663	65
Total Amount \$	510,000	43,673,500	12,949,300	17,601,800	62,120,300	906,150
Average Units Per Project	36	88	108	135	104	33
Average Loan Amount	510,000	1,617,537	2,589,860	4,400,450	3,882,519	453,075
Section 223f						
Total # of Projects	38	36	15	44	45	13
# of Units	2,553	2,792	1,610	3,837	3,612	1,406
Total Amount \$	110,076,570	111,231,700	80,012,700	134,829,400	138,931,500	49,010,800
Average Units Per Project	67	78	107	87	80	108
Average Loan Amount	2,896,752	3,089,769	5,334,180	3,064,305	3,087,367	3,770,062
Section 232						
Total # of Projects	9	17	12	4	8	20
# of Units	675	2,167	914	362	568	1,867
Total Amount \$	42,924,500	104,306,100	38,299,700	15,431,400	25,302,300	122,534,800
Average Units Per Project	75	127	76	91	71	93
Average Loan Amount	4,769,389	6,135,653	3,191,642	3,857,850	3,162,788	6,126,740

NC/SR APTS & COOPS	Minneapolis	Columbus	Denver	Detroit	Kansas City	Seattle
Total # of Projects	11	7	2	11	4	2
# of Units	601	1,334	120	1,394	725	159
Total Amount \$	54,867,900	43,755,100	9,398,300	52,894,300	42,731,500	10,999,600
Average Units Per Project	55	191	60	127	181	80
Average Loan Amount	4,987,991	6,250,729	4,699,150	4,808,573	10,682,875	5,499,800
Section 542						
Total # of Projects	5	4	1	1	7	2
# of Units	510	508	180	128	768	60
Total Amount \$	20,029,148	14,511,000	8,950,000	4,700,000	29,500,000	1,695,000
Average Units Per Project	102	127	180	128	109.7142857	30
Average Loan Amount	4,005,830	3,627,750	8,950,000	4,700,000	4,214,286	847,500
Section 241						
Total # of Projects	0	1	0	0	0	0
# of Units		21				
Total Amount \$		2,202,900				
Average Units Per Project		21				
Average Loan Amount		2,202,900				

	Other	Minneapolis	Columbus	Denver	Detroit	Kansas City	Seattle
Total # of Projects		0	0	2	0	0	0
# of Units				26			
Total Amount \$				31,055,000			
Average Units Per Project				13			
Average Loan Amount				15,527,500			
Percent of Mortgaged Amount that is:							
NC/SR APTS & COOPS		17.2%	7.6%	5.4%	17.2%	5.0%	5.1%
Section 232		14.1%	18.5%	32.4%	6.3%	10.0%	51.3%
Section 223(f)		59.4%	39.1%	40.5%	68.8%	56.3%	33.3%
Section 223(a)(7)		1.6%	29.3%	13.5%	6.3%	20.0%	5.1%
Section 542 (Risk Share)		7.8%	4.3%	2.7%	1.6%	8.8%	5.1%
Total # of Projects		64	92	37	64	80	39
Total # of Units		4,375	9,198	3,391	6,260	7,336	3,557
Total Mortgaged		228,408,118	319,680,300	180,665,000	225,456,900	298,585,600	185,146,350

Table 6
Similar HUB Production by Program FY05

FY 2005						
	Minneapolis	Columbus	Denver	Detroit	Kansas City	Seattle
Section 223(a)(7)						
Total # of Projects	19	30	14	14	27	6
# of Units	1,733	2,846	1,428	1,893	2,390	653
Total Amount \$	56,566,000	72,236,800	44,688,900	54,052,300	71,476,900	30,013,600
Average Units Per Project	91	95	102	135	89	109
Average Loan Amount	2,977,158	2,407,893	3,192,064	3,860,879	2,647,293	5,002,267
Section 223f						
Total # of Projects	7	4	3	9	4	7
# of Units	429	487	215	1,106	413	427
Total Amount \$	17,985,900	26,077,100	5,013,600	38,129,400	15,042,300	16,851,100
Average Units Per Project	61	122	72	123	103	61
Average Loan Amount	2,569,414	6,519,275	1,671,200	4,236,600	3,760,575	2,407,300
Section 232						
Total # of Projects	5	30	7	11	6	14
# of Units	441	2,939	580	1,424	623	1,137
Total Amount \$	17,650,300	138,847,500	31,335,200	41,205,200	39,049,500	67,186,000
Average Units Per Project	88	98	83	129	104	81
Average Loan Amount	3,530,060	4,628,250	4,476,457	3,745,927	6,508,250	4,799,000

NC/SR APTS & COOPS	Minneapolis	Columbus	Denver	Detroit	Kansas City	Seattle
Total # of Projects	14	6	4	3	9	6
# of Units	1,013	765	592	438	1,940	933
Total Amount \$	75,288,400	35,580,500	47,616,400	21,979,300	97,659,200	71,965,100
Average Units Per Project	72	128	148	146	216	156
Average Loan Amount	5,377,743	5,930,083	11,904,100	7,326,433	10,851,022	11,994,183
Section 542						
Total # of Projects	9	2	2	1	8	5
# of Units	636	192	132	89	1,193	491
Total Amount \$	18,705,200	5,519,000	4,230,109	3,700,000	45,260,000	27,250,000
Average Units Per Project	71	96	66	89	149	98
Average Loan Amount	2,078,356	2,759,500	2,115,055	3,700,000	5,657,500	5,450,000
Section 241						
Total # of Projects	0	0	0	0	0	0
# of Units						
Total Amount \$						
Average Units Per Project						
Average Loan Amount						

	Other	Minneapolis	Columbus	Denver	Detroit	Kansas City	Seattle
Total # of Projects		0	1	2	0	0	0
# of Units			25	95			
Total Amount \$			25,945,000	141,064,000			
Average Units Per Project			25	48			
Average Loan Amount			25,945,000	70,532,000			
Percent of Mortgaged Amount that is:							
NC/SR APTS & COOPS		25.9%	8.2%	12.5%	7.9%	16.7%	15.8%
Section 232		9.3%	41.1%	21.9%	28.9%	11.1%	36.8%
Section 223(f)		13.0%	5.5%	9.4%	23.7%	7.4%	18.4%
Section 223(a)(7)		35.2%	41.1%	43.8%	36.8%	50.0%	15.8%
Section 542 (Risk Share)		16.7%	2.7%	6.3%	2.6%	14.8%	13.2%
Total # of Projects		54	73	32	38	54	38
Total # of Units		4,252	7,254	3,042	4,950	6,559	3,641
Total Mortgaged	186,195,800	304,205,900	273,948,209	159,066,200	268,487,900	213,265,800	