



Miami-Dade's Housing League Rescues Foreclosure Victims

BY MARK SELL

Florida remains the nation's foreclosure capital, despite sharp declines in the rate, and Miami is first among large metropolitan areas.

This creates a unique opportunity for lenders with unwanted properties and families of modest means.

Banks can unload foreclosed homes to a small, select group of nonprofit developers, who, in turn, can renovate the properties to low- to moderate-income families, which form most households.

Lenders are starting to loosen their lending standards – if not to pre-recession levels, at least enough to permit five-digit-income families with decent, if not pristine, credit scores to buy a house. That window is likely to close quickly, as housing prices in Miami-Dade are rising by double digits.

Enter The Housing League. Founded in Coral Gables in 1998 by Jerry Flick, this not-for-profit 501c3 affordable housing developer was created to meet the urgent need for quality housing for low-to-moderate income families. It renovates foreclosed homes and sells them to those families — below replacement cost.

In Miami-Dade County, a family of four can make as much as \$93,000 a year to qualify. That's a vast majority of people. When a bank wants to rid its books of a foreclosed property, The Housing League is there to acquire it, renovate it, and find a Realtor to sell it to a qualifying family. The organization, which operates mostly in Florida, but also in five other states, reinvests its earnings into acquiring other foreclosed properties from lenders.

The League works with lenders from mortgage banking companies to money-center banks, seeking to liquidate inventory. In renovating properties, the League thereby gives qualified families a shot at home ownership and improves neighborhoods, transforming eyesores into assets. Flick has plenty of before-and-after pictures to prove it.

The League works with mortgage banking companies as well, such as Home Finance Center Mortgage Bankers in Coral Gables, which processes FHA, conventional and government-subsidized loans. Such mortgage banks, Flick says, are particularly vital to families of modest means, because of their "common-sense" underwriting policies.

For conventional banks, The Housing League business model also helps them as good community neighbors operating under the Community

Reinvestment Act, a federal law designed to encourage lenders to meet the needs of borrowers in all segments of the community, particularly low- and moderate-income neighborhoods.

"With home prices rising sharply in many parts of the state with stagnant family incomes, affordable housing is as urgent a need as ever," says Jerry Flick, who has been in the home selling and building business for more than half a century.

"In the wake of the Great Recession, many people are still struggling to regain shattered confidence. We are here to help families and communities build confidence. They might be pleasantly surprised to find that buying a home is easier than they think."

The League complements, rather than duplicates, Habitat for Humanity, which works with very low-income families and builds through a combination of volunteers and sweat equity. The League buys foreclosed vacant land and homes, and builds or refurbishes the properties to meet the highest available standards and help revitalize neighborhoods.

The recommended maximum mortgage payment is 30 percent of one's monthly income, Flick said. So, for example, someone in the Housing League's target market who grosses, say, \$4,000 monthly should aim to pay no more than \$1,200 a month for a house, including principal, interest, taxes and insurance.

Now is the time to buy, Flick says, adding: "We are now going to have a housing boom and interest rates are going to go up.

"There are more resources out there for home buyers than many families or even governments realize. Money from locally administered programs to help home buyers often goes unused and returned to the state and federal governments. So this program is a win for everybody."

Few people in the Southeast know more about affordable housing than Flick. Through his half century-plus career, he has been a Realtor, a mortgage company president, one of the top 10 home builders in Miami-Dade, and an expert in affordable housing programs at the state, local and national levels.

The Housing League has three Florida offices: in Coral Gables, serving primarily Miami-Dade, and newly-opened offices in Naples, serving Southwest Florida, and in Vero Beach, covering the rest of the state and beyond.

To learn more the League, visit <www.thehousingleague.org> or call 305-989-7878.