



Agency Rpt.

32

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

May 5, 1981

Housing Authority of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Housing Alternatives for Charlie Mae Patrick
of 4345 Fourth Avenue

SUMMARY

At the request of the City Council, the Authority has reviewed and identified the various housing alternatives available to Charlie Mae Patrick. Alternate 4.b. (Agency acquires and removes trailer only, owner retains land and receives a Section 8 Certificate) was recommended for approval per staff report dated February 19, 1981. The Commission instructed staff to discuss this matter with Ms. Patrick and conclude a mutually satisfactory arrangement based on a limited acquisition program. An agreement was reached, however, Ms. Patrick now is refusing to enter into any arrangement with the Agency.

BACKGROUND

Charlie Mae Patrick is the Oak Park resident who was living in a mobile home, parked on a vacant lot in the Oak Park neighborhood. The Sacramento Superior Court in August allowed her to keep the mobile home on the property; however, she cannot legally live in it due to "unsafe, unsanitary conditions". Her attorney, Lois Metlzer of the Legal Center for the Elderly and Disabled, indicates that because of her limited income, "It has been impossible for her to live any place else".

Elmer Larsen, City Building Inspector, reports that the age of the trailer and its present condition will not permit its relocation to any mobile home park within the City or the County. Part of his reasoning was based upon the fact that the trailer does not have an OSHA or other required Federal and State certification.

APPROVED
SACRAMENTO HOUSING AUTHORITY

5-14-81
D-5

Date 5-14-81

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the
City of Sacramento
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The value of the land is estimated at \$6,415 and the value of the trailer has been estimated from \$3,000 to \$5,000. The value of the trailer is affected by the fact that it is estimated to be more than ten years old and prior fire damage has been reported within the interior of the unit. The extent to which rehabilitation is required is unknown due to the fact that entry to the trailer has been refused. We are, therefore, unable to furnish any reliable estimate of repair.

SPECIFIC HOUSING ALTERNATIVES

The Authority believes that assistance can be provided to Charlie Mae Patrick in one or more of the following alternatives:

Alternative One - Agency's Rental Housing Program

In order to find her alternative housing the Agency's Central Eligibility Section contacted her in July in order to determine if she was qualified for any of the Agency's programs. Mrs. Ethel Singleton, Tenant Services Clerk, telephoned Mrs. Patrick to explain and to ascertain her eligibility for public housing. Mrs. Patrick stated at that time she was not interested, however, we could send her an application but she would rather go to jail than move.

At the request of Mr. Walter Thompson, Mrs. Singleton accompanied him and City Attorney, Bill Carnazzo, to Mrs. Patrick's mobile home. During this visit Mrs. Patrick was again advised that the Agency was willing to provide her with public housing provided that she would return the application and that eligibility could be determined. Again Mrs. Patrick stated that she was not interested in moving.

On the 25th of July a memorandum was sent to Mr. Walter Thompson advising him that the Agency had two one-bedroom dwelling units ready for immediate occupancy. It was determined shortly thereafter through investigative efforts of the Central Eligibility staff that she would qualify for housing under the Agency's housing programs.

On August 26, 1980 a certified letter was sent to Mrs. Patrick advising her that units were available for her to choose from, however, she again refused to take advantage of the program. Subsequently, the units were returned to the Agency's housing stock.

Conclusion: This option is not viable at this time.

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Alternative Two - Rehabilitate Trailer

Provide financial means to correct health and safety problems attributed to the 4345 Fourth Avenue property. This would require leaving the trailer in place, providing rehabilitation funds in an amount to be determined when permission is granted to enter the trailer and installation of proper hook-ups to all utilities.

Conclusion: Insufficient information to make a full finding; however, this alternative is not recommended under any circumstances.

Alternative Three - Agency Acquisition

The Agency could buy the land and trailer under the presently funded Scattered Site Public Housing Program or Project No. 2-A tax increment housing replacement program and provide replacement housing with the following choices, under the Uniform Relocation Act:

- 3.a. Owner elects to purchase another home with acquisition and replacement housing payment.
- 3.b. Owner elects to rent using rental assistance payment if appropriate.
 - (1) Rental of unit in the private sector.
 - (2) Rental of unit in private sector using Section 8.
 - (3) Rental of unit under public housing.
 - (4) Rental of a specific unit under public housing (owner temporarily relocates to public housing or the private sector until a new public housing unit is constructed on her former parcel and owner is moved into unit on a priority basis).

Alternative Four - Limited Acquisition

The Agency could use a limited acquisition program. Under this program we could buy the trailer, owner would retain ownership of lot and rebuild or rent as outlined below:

- 4.a. Owner to rebuild a new home on site using trailer acquisition funds and replacement housing payment. Agency pays temporary increased housing payment, moving expenses and trailer removal.
- 4.b. Owner elects to rent in the private sector using a Section 8 Certificate. Agency purchases trailer and demolishes.

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FINANCIAL DATA

(The following are estimates only for discussion purposes)

1. Alternative One - Use of public housing program.
2. Alternative Two - \$2,500 for utilities and permit. Rehabilitation estimate not available for this report.
3. Alternative Three
 - a. Owner to purchase another home

(1) Owner receives requisition funds for land and trailer	\$ 11,000
(2) Owner receives replacement housing payment	15,000
(3) Owner receives moving expenses	500
Total	\$ 26,500
 - (4) Cost of comparable housing \$ 32,000
 - (5) Difference between housing expense and available funds (\$32,000 - \$26,500); could be more if trailer or land not free and clear 5,500
 - (6) Estimated monthly mortgage payment on \$5,500 (16%, 20 years) = \$77/month
 - b. (1) Owner rents unit in the private sector

(a) Owner receives acquisition funds for land and trailer	\$ 11,000
(b) Private rental of a one-bedroom apartment, unfurnished at \$175/month	
(c) Assume 1/4 of income to be approximately \$100/month	
(d) Rental housing assistance for 4 years would be \$175 - \$100 = \$75 x 48/months	3,360
(e) Moving expenses - \$500 total =	\$ 14,360
(f) Housing expense during the first 4 years would be 0 \$ and \$175/month thereafter.	
 - (2) Owner rents in private sector using Section 8

(a) Owner receives acquisition funds for trailer and land	\$ 11,000
(b) Owner receives moving expense payment	500
Total	\$ 11,500

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- (c) Owner rents a two-bedroom house at \$255/month under Section 8 and pays 1/4 of income rent
- (d) Rental assistance would be paid only if owner pays a higher monthly housing cost than her existing housing cost.

(3) Owner rents unit under public housing

- (a) Owner receives acquisition funds for land and trailer \$ 11,000
- (b) Owner receives moving expense 500
- Total \$ 11,500

- (c) Owner pays 1/4 of her income for rent in public housing
- (d) Rent assistance would be paid only if owner pays a higher monthly housing cost than her existing housing cost.

(4) Owner rents public housing unit that is constructed on her former lot

- (a) Owner receives acquisition funds for land and trailer \$ 11,000
- (b) Owner relocates temporarily for 1 year to an existing public housing unit or if not available, rents in the private sector with rental assistance:
\$175 - \$100 = \$75 x 12 = 900
- (c) Actual moving expense to and from temporary housing 800
- Total \$ 12,700

- (d) Agency to construct a new single family home on her former lot and rent to former owner on a monthly basis at 1/4 of her income.

4. Alternative Four

a. Owner sells trailer only, retaining land ownership and rebuilds on lot

- (1) Owner receives funds for acquisition of trailer \$ 4,000
- (2) Owner receives replacement housing payment 15,000
- Total \$ 19,000

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(3) Agency pays increased temporary housing cost for reasonable rental for one year (\$75 x 12)	\$ 900
(4) Owner receives moving expenses to and from temporary housing	800
(5) Agency cost for trailer removal	1,000
(6) Assume comparable home	32,000
(7) Difference between housing expense and available funds (\$32,000 - \$19,000)	13,000
(8) Estimated monthly mortgage payment on \$13,000 (16%, 20 years) = \$183/month	

b. Owner sells trailer only, retaining land and elects to rent in the private sector with a Section 8 certificate

(1) Owner sells trailer	\$ 4,000
(2) Agency removes trailer	1,000
(3) Owner receives moving expense payment	<u>500</u>

Total \$ 5,500

On March 24, 1981 Agency staff with assistance of the Oak Park PAC staff indicated to Mrs. Patrick that her trailer was appraised by the County Real Estate at \$3,000 and her porch, carport and shed were at \$100. Although her improvements were initially appraised at \$3,100, staff indicated to her because of her reluctance to accept this amount that we would support the acquisition price and moving costs of up to a total of \$4,000.

In addition, staff contacted Lois Meltzer, Director of the Legal Center for the Elderly, to discuss the value of the trailer and improvements and sought her concurrence in advising her client to settle for this offer.

In early April, however, we were informed that Mrs. Patrick would not accept anything less than \$5000 for her improvements. Several attempts were made to secure a written acceptance of the \$5000 offer without avail. Mrs. Patrick said she would not sign an offer to sell until she had consulted with her attorney. Three days later she indicated to staff that she had changed her mind about the selling of her trailer and instead was going to repair it as a home.

Mrs. Patrick was again approached in an attempt to secure in writing the amount of funds she felt would be required in order to sell her home. She again refused to sign any document making an acquisition offer to the Agency.

At this time it was concluded by staff that it would be virtually impossible, given the current set of circumstances, to implement a program of agreeably resolving the code violations and eliminating the substandard dwelling

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the
City of Sacramento
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violations and eliminating the substandard dwelling currently on her property. It is therefore recommended that this matter and the program options be submitted to the Council for their information and that the matter be referred to the City Attorney for appropriate action.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of May 4, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Coleman, Luevano, A. Miller, Teramoto,
B. Miller

NOES: Serna

ABSENT: Fisher, Knepprath, Walton

RECOMMENDATIONS

Staff recommends this matter be forwarded to the City Attorney for review and appropriate action.

Respectfully submitted,



WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:



WALTER J. SLIPE
City Manager

Contact Person: Leo T. Goto



Agency Report
33

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

CITY MANAGER'S OFFICE

May 5, 1981

RECEIVED
MAY 6 1981

Housing Authority of the
City of Sacramento
Sacramento, California

FILED
SACRAMENTO HOUSING AGENCY

Honorable Members in Session:

Date 5-14-81

SUBJECT: Quarterly Progress Report - City and County Single Family
Mortgage Bond Program

SUMMARY

This report regards the quarterly progress report on the City and County Single Family Mortgage Bond Program as of February 15, 1981 and an update report as of March 31, 1981.

BACKGROUND

On December 11, 1980 by Resolution No. 80-1508 the Board of Supervisors approved an \$11.8 million revenue bond program to provide financing for approximately 180 low and moderate income families. The initial quarterly progress report for the period ending February 15, 1981 from PMI Mortgage Corporation (see Attachment I) indicates that one loan was completed at that time with an additional 29 loans being processed. The report contained various statistical data regarding distribution of loans and demographic and economic characteristics of the borrower. An update report as of March 31, 1981 notes a total of 19 loans completed (see Attachment II).

Due to the nature of this program, a long start up time was anticipated. However, the progress reported as of February 15, 1981 is cause for some concern, especially with a target of 180 homes by December 31, 1981.

Marketing of this program has been through the public and private sectors. The public sector prepared and distributed press releases and conducted a "grand opening ceremony" which resulted in a news article and photograph in a local newspaper. The Agency staff will also be placing an advertisement in the real estate sections of local newspapers. The private sector has been advertising the program through newsletters, trade publications, journals and advertisements in local newspapers.

Five of the 11 participating developers have requested consideration to raise the income limits of borrowers to increase the number of potential applicants. Two developers have provided written requests

5-14-81

All Districts

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(see Attachment III). These requests will be evaluated by the SHRA staff and a report and recommendation will be submitted. The staff will also review the entire program in terms of progress and adjustments made as appropriate to meet program goals.

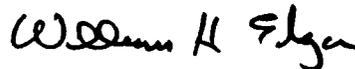
Besides factors of marketing and number of potential applications the prevailing lending rates charged by other competing financing sources such as FHA, VA and private lenders have to be considered in an analysis of a mortgage revenue bond program. The current rates for private and other public lending is 14% to 15%. The difference between the subject bond program at 12½% and other prevailing rates may not seem to be substantial enough in the eyes of prospective borrowers to cause a rapid sell-out of units financed with Sacramento bond funds, or there may be other financing available at a more favorable rate. This subject will be more fully discussed in subsequent reports.

On February 26, 1981 Management Study Report No. 3 was approved by the Board of Supervisors and City Council. This approval authorized the addition of a limited term position to monitor the revenue bond program and make recommendations for future issues. The recruitment and selection process for this position is underway with a target date of May 1, 1981 for hiring and commencement of duties.

RECOMMENDATION

This report is for information only and no specific action is required.

Respectfully submitted,



WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:



WALTER J. SLIPE
City Manager

Contact Person: Leo T. Goto



March 11, 1981

Copy to Joan Maloy

Mr. Leo Goto
Assistant Director
Sacramento Housing and
Redevelopment Agency
P.O. Box 1834
Sacramento, CA 95809

Dear Mr. Goto,

I have enclosed a copy of the quarterly statistical report you are to receive from us. As I previously stated to you, this report only contains information on one loan as that is all we have reviewed up to February 15th.

We have another report due you at the first of next month reflecting activity through March 31st. We have seen a total of seven (7) loans at this point plus received an additional seven (7) commitment letters from the lenders so your next report will reflect an increase in activity.

I apologize for any inconvenience caused you on this report. Should I be of further assistance please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Alan C. Quirion".

Alan C. Quirion
Manager
Client and Field Operations

Rec'd 3-12-81
(3)

COUNTY OF SACRAMENTO

NUMBER OF LOAN INCOME DISTRIBUTION BY LENDER

	MEDIAN INCOME RANGE					
	\$19,120 or less	%	19,120 to 23,900	%	23,900 to 28,680	%
ALTA MORTGAGE CO.						
AMFAC MORTGAGE CORP.						
FIRST CALIFORNIA MORTGAGE COMPANY						
RIVER CITY MORTGAGE CORP.						
STATEWIDE CITY MORTGAGE CORP.						
WESTLAND MORTGAGE SERVICE COMPANY						
YOUNG MORTGAGE SERVICE CORP.			\$23,472	100		
TOTALS			\$23,472	100		

COUNTY OF SACRAMENTO

STATISTICAL REPORT

February 15, 1981
Period Ending

GEOGRAPHICAL DISTRIBUTION

CITY vs. COUNTY

	# Loans in Period	\$ Amount in Period	%	# Loans Overall	\$ Amount Overall	%
Within Sacramento City Limits	1	\$41,000	100	1	\$41,000	100
Within County Limits						

CITY vs. CITY

CITY NAME	# Loans in Period	\$ Amount in Period	%	# Loans Overall	\$ Amount Overall	%
Sacramento	1	\$41,000	100	1	\$41,000	100

COUNTY OF SACRAMENTO
HOME AND LOAN-PROFILES

OVERALL

Average Sales Price \$ 59,710
 Average Down Payment \$ 18,710
 Average Loan Amount \$ 41,000

PRICE OF HOME

	# of Loans	%
Under \$50 mm	-0-	
\$50 - 60 mm	1	100
\$60 - 75 mm	-0-	
Over \$75 mm	-0-	

LOAN AMOUNT

	# of Loans	%
Under \$40 mm	-0-	
\$40 - 50 mm	1	100
\$50 - 60 mm	-0-	
\$60 - 75 mm	-0-	

TYPE OF UNIT

	# of Loans	%
Single Family Detached	1	100
Condominium	-0-	
Townhouse	-0-	

SIZE OF UNIT

#Bedrooms	# of Loans	%
1	-0-	
2	1	100
3	-0-	
4 or more	-0-	

COUNTY OF SACRAMENTO
DEMOGRAPHIC AND ECONOMIC PROFILE

February 15, 1981

Period Ending

	<u>During Period</u>	<u>Overall</u>
Total Loans	<u>1</u>	<u>1</u>
Avg. Family Size	<u>1</u>	<u>1</u>
Avg. Age of Head of Household	<u>52</u>	<u>52</u>
Avg. Household Income	<u>\$23,472</u>	<u>\$23,472</u>

OVERALL

Family Income

Income	# of Loans	%
28,680 or less	1	100
20,000 or less		

Sex of Head of Household

	# of Loans	%
Male	1	100
Female		

Marital Status

	# of Loans	%
Married		
Separated		
Unmarried	1	100

Family Size

Size	# of Loans	%
1	1	100
2		
3		
4 or more		

COUNTY OF SACRAMENTO
DEMOGRAPHIC AND ECONOMIC PROFILE

February 15, 1981
Period Ending

OWNERS vs. RENTERS

	# of Loans	%
Previous Renters		
Previous Owners	1	100

ETHNIC BREAKDOWN

	# of Loans	%
American Indian Alaskan Native		
Asian Pacific Islander		
Black		
Hispanic		
White		
Other and not answered	1	100



cc: John Holton

April 3, 1981

Mr. Leo Goto
Assistant Director
Sacramento Housing and Redevelopment Agency
P.O. Box 1834
Sacramento, CA 95809

Dear Mr. Goto,

Pursuant to your letter of February 13, 1981, I have enclosed a statistical report covering the period ending March 31, 1981.

Should I be of any further assistance, please contact me.

Sincerely,

Carla S. Wood
Carla S. Wood
Servicing and Underwriting Assistant
Operations Department

CSW:rdl
Enclosure

COUNTY OF SACRAMENTO
HOME AND LOAN PROFILES

OVERALL

Average Sales Price \$ 60,035.26
 Average Down Payment \$ 6,063.05
 Average Loan Amount \$ 54,788.16

PRICE OF HOME

	# of Loans	%
Under \$50,000	-0-	
\$50,000-\$59,999	10	52.63
\$60,000-\$74,999	9	47.37
Over \$75,000	-0-	

LOAN AMOUNT

	# of Loans	%
Under \$40,000	1	5.26
\$40,000-\$49,999	-0-	
\$50,000-\$59,999	15	78.95
\$60,000-\$75,000	3	15.79

TYPE OF UNIT

	# of Loans	%
Single Family Detached	19	100
Condominium	-0-	
Townhouse	-0-	

SIZE OF UNIT

# Bedrooms	# of Loans	%
1	-0-	
2	2	10.53
3	12	63.16
4 or more	5	26.32

COUNTY OF SACRAMENTO
DEMOGRAPHIC AND ECONOMIC PROFILE

March 31, 1981
Period Ending

	<u>During Period</u>	<u>Overall</u>
Total Loans	<u>19</u>	<u>19</u>
Avg. Family Size	<u>2.74</u>	<u>2.74</u>
Avg. Age of Head of Household	<u>29.26</u>	<u>29.26</u>
Avg. Household Income	<u>26,597.58</u>	<u>26,597.58</u>

OVERALL

Family Income

Income	# of Loans	%
28,680 or less	18	94.74
20,000 or less	1	5.26

Sex of Head of Household

	# of Loans	%
Male	18	94.74
Female	1	5.26

Marital Status

	# of Loans	%
Married	16	84.21
Separated	0	0
Unmarried	3	15.79

Family Size

Size	# of Loans	%
1	2	10.53
2	7	36.84
3	4	21.05
4 or more	6	31.58

COUNTY OF SACRAMENTODEMOGRAPHIC AND ECONOMIC PROFILEMarch 31, 1981Period EndingOWNERS vs. RENTERS

	# of Loans	%
Previous Renters	16	84.21
Previous Owners	3	15.79

ETHNIC BREAKDOWN

	# of Loans	%
American Indian Alaskan Native		
Asian Pacific Islander	2	10.53
Black		
Hispanic	1	5.26
White	7	36.84
Other & Not Stated	9	47.37

COUNTY OF SACRAMENTO

STATISTICAL REPORT

March 31, 1981
Period Ending

GEOGRAPHICAL DISTRIBUTION

CITY vs. COUNTY

	# Loans in Period	\$ Amount in Period	%	# Loans Overall	\$ Amount Overall	%
Within Sacramento City Limits	18	979,775	94.74	18	979,775	94.74
Within County Limits	1	61,200	5.26	1	61,200	5.26

CITY vs. CITY

CITY NAME	# Loans in Period	\$ Amount in Period	%	# Loans Overall	\$ Amount Overall	%
Sacramento	18	979,775	94.74	18	979,775	94.74
North Highlands	1	61,200	5.26	1	61,200	5.26

COUNTY OF SACRAMENTO

NUMBER OF LOAN INCOME DISTRIBUTION BY LENDER

	MEDIAN INCOME RANGE					
	\$19,120 or less	%	19,120 to 23,900	%	23,900 to 28,680	%
ALTA MORTGAGE CO.						
AMFAC MORTGAGE CORP.						
FIRST CALIFORNIA MORTGAGE COMPANY					3	15.79
RIVER CITY MORTGAGE CORP.	1	5.26	1	5.26	1	5.26
STATEWIDE CITY MORTGAGE CORP.						
WESTLAND MORTGAGE SERVICE COMPANY			4	21.05	8	42.11
YOUNG MORTGAGE SERVICE CORP.					1	5.26
TOTALS	1	5.26	5	26.32	13	68.42



AMHERST GROVE — 3040 EXPLORER DRIVE/SACRAMENTO, CALIFORNIA 95827/PHONE (916) 361-3632

February 23, 1981

Mr. Leo Gato, Assistant Director
Sacramento County Housing and
Redevelopment Agency
630 I Street
Sacramento, CA 95814

Subject: Sacramento City and County Housing Bonds

Dear Mr. Gato:

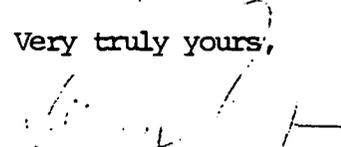
We are participants in the City-County Housing Mortgage Plan. We have had considerable interest by prospective buyers in this program and have managed to sell a few of the buyers though we have had a considerable amount of fatalities after the deposit receipts were taken. I would estimate that over one-half of the deposits that were taken do not qualify because of the very narrow-band between the amount that a buyer must make to qualify and the selling amount of \$28,860.00 as established by the City-County.

Using a hypothetical loan amount of \$65,000, a buyer would have to make somewhere around \$24,000 to qualify with FHA or VA and with the minimum allowable of \$28,860 you must see what a narrow-band of salary range this buyer must fall into to be able to purchase a home.

This particular problem was never envisioned initially by my colleagues or myself and I can only hope that your agency can assist ourselves and all the other builders in providing more flexibility. I am afraid if this restriction continues we will not be able to fulfill our mortgage commitment which means that we will be forced to lose more money. In these trying days, additional losses are disasterous.

If I can be of any help in working toward a solution please contact me personally.

Very truly yours,


Roy T. Brophy

RTB/tmb

Recd. 2-25-81

Statewide City Mortgage Corporation

7144 FAIR OAKS BLVD. • P. O. Box 609
CARMICHAEL, CALIFORNIA 95608
(916) 488-8700

REAL ESTATE FINANCING
BERT BONANNO, PRESIDENT

April 9, 1981

Mr. Leo Goto, Assistant Director
Sacramento Housing and Redevelopment Agency
P.O. Box 1834
Sacramento, California 95809

Dear Mr. Goto,

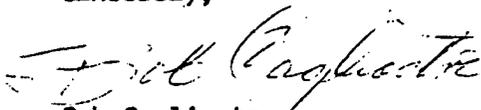
In regards to our conversation on the current income limits established for the Sacramento County Bond program, please be advised that it is my recommendation that the current limits be dropped or modified accordingly.

Based on a sales price of \$75,000 the maximum loan under FHA would be \$72,700. In order for an average family of four to qualify, their monthly gross income would have to be \$3,550 per month. Please find enclosed a copy of the FHA pre-qualification form to establish justification of increase in income limits.

In reference to a VA loan based on the same facts and figures the Veteran would be at an advantage over the FHA buyer and would more than qualify, see enclosed VA pre-qualification form.

Your consideration in modifying the current income limits would be greatly appreciated. Feel free to contact me for further clarification.

Sincerely,



Bob Cagliostro
Asst. Vice-President
STATEWIDE CITY MORTGAGE CORPORATION

BC/ps