

Miami Herald: Rubio home equity loan questioned; Florida House Speaker Marco Rubio failed to disclose a \$135,000 home equity loan he got from a Miami bank controlled by political supporters.

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March 29, 2008

State House Speaker Marco Rubio abruptly amended his financial disclosure forms Friday after The Miami Herald asked why they lacked a \$135,000 home-equity loan he obtained from a bank controlled by his political supporters.

Rubio and his wife bought the West Miami home for \$550,000 in December 2005, with a \$55,000 down payment. A month later, Rubio qualified for the equity loan from Miami-based U.S. Century Bank because an appraisal valued the home far higher than the purchase price: \$735,000.

Real-estate experts said the deal -- on which Rubio gained \$185,000 in equity in just 37 days -- was unusual. But the 36-year-old Republican said Friday that it was all above board, that he obtained no special favors and that the failure to disclose the loan was just ``an oversight."

"There's nothing unusual about the loan or the application," Rubio said. ``They went out and ordered the appraisal. . . . They said I qualified for \$135,000. I took the equity line."

Rubio said the appraisal was legitimate, considering the heady days of Miami's real estate boom, but experts aren't so sure.

"It looks a lot like somebody's currying favor with an important political person," said Michael Cannon, a market analyst and executive director of Integra Realty Resources-Miami whose real estate column appears in The Herald. ``People off the street don't get this deal because he just purchased the property for \$550,000. If it is a true equity loan, there has to be equity in the house to make the loan."

Though U.S. Century Bank's appraiser said Rubio's new house was worth far more than the purchase price, none of the homes of similar size within a half-mile sold for any more than Rubio paid for his in the year before or after he bought it, according to home sales data.

Rubio provided The Herald a copy of the January 2006 appraisal. Because it was a new home, the appraisal says sales prices near the Rubio home ``do not reflect current market conditions as these were purchased at preconstruction prices prior to price increases in the area, thus these comparables were not used."

The appraiser, Fidel Petisco of Alliance Appraisal Corp., then compared the home to newer homes located between a mile and a mile and a half away.

Petisco could not be reached Friday.

In his financial disclosure for 2006, Rubio said his home was worth \$710,000.

"I definitely knew we had equity for that house when we moved in," Rubio said. `` We had spent a year looking for a comparable house in my district."

Rubio said he went to U.S. Century Bank, whose board of directors includes such South Florida political heavyweights as developer Sergio Pino, lobbyist Rodney Barreto and consultant Jose Cancela, because his sister had a favorable experience with the bank that same year.

Pino, who is vice chairman of the board of Century, said Friday that the bank's decision to lend Rubio the money was based on the value of his home and had nothing to do with politics.

"Whatever loan Marco took, it was backed up by an appraisal," he said. `` I'm sure he could have gotten that loan at any other bank. We would not have given Marco a loan that he could not have gotten at any other bank."

Pino said Rubio never called him personally asking for a loan and that he never called Rubio to suggest that Century could or should lend him money.

He said he didn't remember exactly when he learned of the loan, but that it was too small to require approval from the board of directors.

And Rubio pointed out that it's no surprise that powerful and connected people, like Pino or Cancela, run the bank where he got the loan because `` every bank has politically powerful people on their board."

Cancela has been deeply involved with Floridians for Property Tax Reform, a group that has gotten behind Rubio's efforts to push for property-tax cuts. Rubio himself has raised money for the organization, which also helped push for a constitutional amendment to cap property taxes.

Rubio said Friday that he followed normal procedures to obtain the financing, saying that the amount U.S. Century agreed to give him was based on the appraisal that the bank ordered. He said he didn't ask for \$135,000, the bank came up with that number.

He said he used the money to liquidate a previous debt and fix up his new home with new floors and furniture as he attempted to sell his first home. During much of 2006, he and his wife were carrying five different mortgages, records show.

Besides the two West Miami homes, Rubio owns a town house in Tallahassee which he bought with Republican Rep. David Rivera, the House rules chairman, in early 2005. Rubio sold his first home in West Miami in 2007.

Rubio said his failure to disclose the \$135,000 loan on his last financial disclosure, for 2006, `` was an oversight."

"As soon as I found about it, I corrected it," Rubio said. `` I over-disclose. I try to over-disclose as opposed to under-disclose."

Rubio made the same mistake with another loan, however. He never disclosed a \$64,000 equity loan that he took out on his previous home in February 2005. On Friday, he said he plans to amend the disclosure form for that year.

Rubio's most recent disclosure shows that he was earning nearly \$32,000 from his position with the Legislature and \$300,000 from the law firm of Broad and Cassel, a job he landed in 2004, two years before he became speaker.

Since he began leading the state House of Representatives, Rubio has established himself as the most vociferous of property-tax cutters and has clashed in recent days with Miami-Dade Mayor Carlos Alvarez, against whom he is considering a run later this year.

Rubio has helped build up a formidable political machine, with the help of Cancela, and has long relied on Pino for campaign-finance support. Pino-controlled companies contributed about \$3,000 to Rubio in 2006.

"I think that chances are on that board everybody knows Marco, everybody's a friend," Pino said. ``Chances are that most people there have given him checks for reelections at some point."

Pino insisted the financial help from the bank was strictly business.

"I assure you everything is in order," Pino said. Rubio ``is a real good guy and it's a real good bank. We're not involved in politics. My bank is not involved in politics."

Miami Herald staff writers Marc Caputo and Mary Ellen Klas contributed to this report.

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