

M I HOMES INC  
Form 10-K/A  
March 07, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K/A  
(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2013

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-12434

M/I HOMES, INC.  
(Exact name of registrant as specified in its charter)

Ohio  
(State or other jurisdiction of incorporation or organization)

31-1210837  
(I.R.S. Employer Identification No.)

3 Easton Oval, Suite 500, Columbus, Ohio 43219  
(Address of principal executive offices) (Zip Code)  
(614) 418-8000

(Registrant's telephone number, including area code)

Title of each class  
Common Shares, par value \$.01  
Depository Shares, each representing 1/1000<sup>th</sup> of a 9.75% Series A Preferred Share

Name of each exchange on which registered  
New York Stock Exchange  
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes                      No             

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  
Yes                      No             

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  
Yes                            No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes            X            No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	X
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes                      No              X

As of June 30, 2013, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common shares (its only class of common equity) held by non-affiliates (23,713,238 shares) was approximately \$544.5 million. The number of common shares of the registrant outstanding as of February 26, 2014 was 24,437,338.

**DOCUMENT INCORPORATED BY REFERENCE**

Portions of the registrant's definitive proxy statement for the 2014 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (the “Amendment”) amends the Form 10-K of M/I Homes, Inc. (the “Company”) for the fiscal year ended December 31, 2013, as filed with the Securities and Exchange Commission on February 28, 2014 (the “Original Filing”). The Amendment is being filed solely for the purpose of correcting a typographical error in the tables in “Item 7A. Quantitative and Qualitative Disclosures About Market Risk” on page 49 of the Original Filing. In the Original Filing, (a) these tables indicate that figures therein are stated in thousands and (b) the figures included therein were inadvertently stated in ones. This amendment corrects the tables so that the figures are stated in thousands.

Except for this correction, there have been no changes in any of the financial or other information contained in the Original Filing. This Amendment does not reflect events occurring after the Original Filing or, except as described above, modify or update the disclosures therein in any way.

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## PART II

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk results from fluctuations in interest rates. We are exposed to interest rate risk through borrowings under our revolving credit facilities, consisting of the Credit Facility, the MIF Mortgage Warehousing Agreement, and the MIF Mortgage Repurchase Facility which permit borrowings of up to \$315 million, subject to availability constraints. Additionally, M/I Financial is exposed to interest rate risk associated with its mortgage loan origination services.

**Interest Rate Lock Commitments:** Interest rate lock commitments (“IRLCs”) are extended to certain homebuying customers who have applied for a mortgage loan and meet certain defined credit and underwriting criteria. Typically, the IRLCs will have a duration of less than six months; however, in certain markets, the duration could extend to twelve months.

Some IRLCs are committed to a specific third party investor through the use of best-efforts whole loan delivery commitments matching the exact terms of the IRLC loan. Uncommitted IRLCs are considered derivative instruments and are fair value adjusted, with the resulting gain or loss recorded in current earnings.

**Forward Sales of Mortgage-Backed Securities:** Forward sales of mortgage-backed securities (“FMBSs”) are used to protect uncommitted IRLC loans against the risk of changes in interest rates between the lock date and the funding date. FMBSs related to uncommitted IRLCs are classified and accounted for as non-designated derivative instruments and are recorded at fair value, with gains and losses recorded in current earnings.

**Mortgage Loans Held for Sale:** Mortgage loans held for sale consist primarily of single-family residential loans collateralized by the underlying property. During the intervening period between when a loan is closed and when it is sold to an investor, the interest rate risk is covered through the use of a best-efforts contract or by FMBSs. The FMBSs are classified and accounted for as non-designated derivative instruments, with gains and losses recorded in current earnings.

The table below shows the notional amounts of our financial instruments at December 31, 2013 and 2012:

Description of financial instrument (in thousands)	December 31,	
	2013	2012
Best-effort contracts and related committed IRLCs	\$2,494	\$1,184
Uncommitted IRLCs	49,710	25,854
FMBSs related to uncommitted IRLCs	48,000	26,000
Best-effort contracts and related mortgage loans held for sale	63,386	25,441
FMBSs related to mortgage loans held for sale	20,000	44,000
Mortgage loans held for sale covered by FMBSs	19,884	44,524

The table below shows the measurement of assets and liabilities at December 31, 2013 and 2012:

Description of Financial Instrument (in thousands)	December 31,	
	2013	2012
Mortgage loans held for sale	\$81,810	\$71,121
Forward sales of mortgage-backed securities	745	253
Interest rate lock commitments	(319 )	1
Best-efforts contracts	479	(3 )
Total	\$82,715	\$71,372

The following table sets forth the amount of (loss) gain recognized on assets and liabilities for the years ended December 31, 2013, 2012 and 2011:

Description (in thousands)	Year Ended December 31,		
	2013	2012	2011
Mortgage loans held for sale	\$(2,094 )	\$(1,494 )	3,065
Forward sales of mortgage-backed securities	492	723	(591 )

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Interest rate lock commitments	(320	)	(357	)	366	
Best-efforts contracts	482		128		(436	)
Total (loss) gain recognized	\$(1,440	)	\$(1,000	)	\$2,404	

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The following table provides the expected future cash flows and current fair values of borrowings under our credit facilities and mortgage loan origination services that are subject to market risk as interest rates fluctuate, as of December 31, 2013:

(Dollars in thousands)	Expected Cash Flows by Period						Total	Fair Value 12/31/2013
	2014	2015	2016	2017	2018	Thereafter		
<b>ASSETS:</b>								
Mortgage loans held for sale:								
Fixed rate	\$83,257	—	—	—	—	—	\$83,257	\$78,357
Weighted average interest rate	4.21%	—	—	—	—	—	4.21%	
Variable rate	\$3,613	—	—	—	—	—	\$3,613	\$3,453
Weighted average interest rate	3.24%	—	—	—	—	—	3.24%	
<b>LIABILITIES:</b>								
Long-term debt — fixed rate	152	182	242	\$57,803	\$316,614	\$887	\$375,880	\$421,014
Weighted average interest rate	3	3.37	3.37	3.25%	7.07%	3.37%	6.48%	
Short-term debt — variable rate	\$80,029	—	—	—	—	—	\$80,029	\$80,029
Weighted average interest rate	3.53%	—	—	—	—	—	3.53%	

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(3) The following documents are included as exhibits to this Form 10-K/A:

Exhibit

Number

Description

31.1 Certification by Robert H. Schottenstein, Chief Executive Officer, pursuant to Item 601 of Regulation S-K as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)

31.2 Certification by Phillip G. Creek, Chief Financial Officer, pursuant to Item 601 of Regulation S-K as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 7th day of March 2014.

M/I Homes, Inc.  
(Registrant)

By:           /s/Robert H. Schottenstein  
               Robert H. Schottenstein  
               Chairman of the Board,  
               Chief Executive Officer and President  
               (Principal Executive Officer)

EXHIBIT INDEX

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