



Stabilizing Communities Series:
Acquiring REOs
in Compliance with NSP

REO Gifting and Discounted Sales Strategy

- Our goal is to leverage resources in order to stabilize communities and maintain housing stock while providing affordable housing through collaborative partnerships
- Working with individual non-profits and government entities and NSP jurisdictions to donate or sell Chase, WaMu or EMC-owned REO properties within their service areas that will assist in stabilizing neighborhoods with high foreclosure activity

REO Gifting and Discounted Sales Program Process

- Properties of interest are identified by nonprofit, government entities and NSP jurisdiction
- Availability of properties is confirmed and viewing of properties is arranged
- Nonprofit, government entities and NSP jurisdiction confirm interest in properties after viewing
- Implement the process to transfer ownership of properties

REO Gifting and Discounted Sales Program Process

- Properties are rehabilitated by the nonprofit/NSP jurisdiction and sold
- Generally using properties as investment properties are not allowed but will consider requests from nonprofit to utilize properties as rentals
- 1 to 4 family units
- Will consider requests for bulk sales and single donations and purchases
- Participating in NCST First Look Program
- Utilizing a defined property valuation model that includes a discount that should allow for meeting the HUD discount requirement

REO Gifting and Discounted Sales Program Process

▪ **Documentation Required**

- Property Address
- Planned use of property
- Proof of 501 (C) (3) status or letter on official letterhead from governmental entity stating that they are a governmental entity, provides nine-digit tax identification number and signature of senior officer
- Most recent annual report
- Most recent audited financial statements
- Mission statement including information about who the organization serves, geographic area served and a list of programs and services offered
- Board of Directors list, including names and role
- Information on previous rehab or new construction project

What is the National Community Stabilization Trust?

A joint venture launched in 2008 and sponsored by Enterprise Community Partners, the Housing Partnership Network, the Local Initiatives Support Corporation, National Urban League and NeighborWorks America.

The Stabilization Trust facilitates the transfer of foreclosed and abandoned property from financial institutions nationwide to localities to promote neighborhood stability.

Creates a bridge between two worlds – the financial institution servicer/REO departments and state and local housing providers.

What Does the Stabilization Trust Do?

Transfer Properties - Facilitate the Effective Transfer of Foreclosed and Abandoned Properties to Localities

Financing – Provide Debt and Equity Financing to Support Local and State Efforts

Capacity Building - Organize and Facilitate Local Collaborations Working Through our Sponsor Organizations

Focal Point – Serve as an Industry “Voice” for Foreclosures and Neighborhood Stabilization

Property Acquisition Programs

Program structures have been and will continue to be developed to ensure that the properties are returned to the stock of ownership and rental housing available primarily for low- and moderate-income families.

Examples include:

*The “[First Look](#)” / [Right of First Offer](#) and “[Bulk Sale](#)”

*Property Acquisition Program Principles

*[Scalable](#) – general framework with common protocols designed to minimize exceptions and focus on volumes

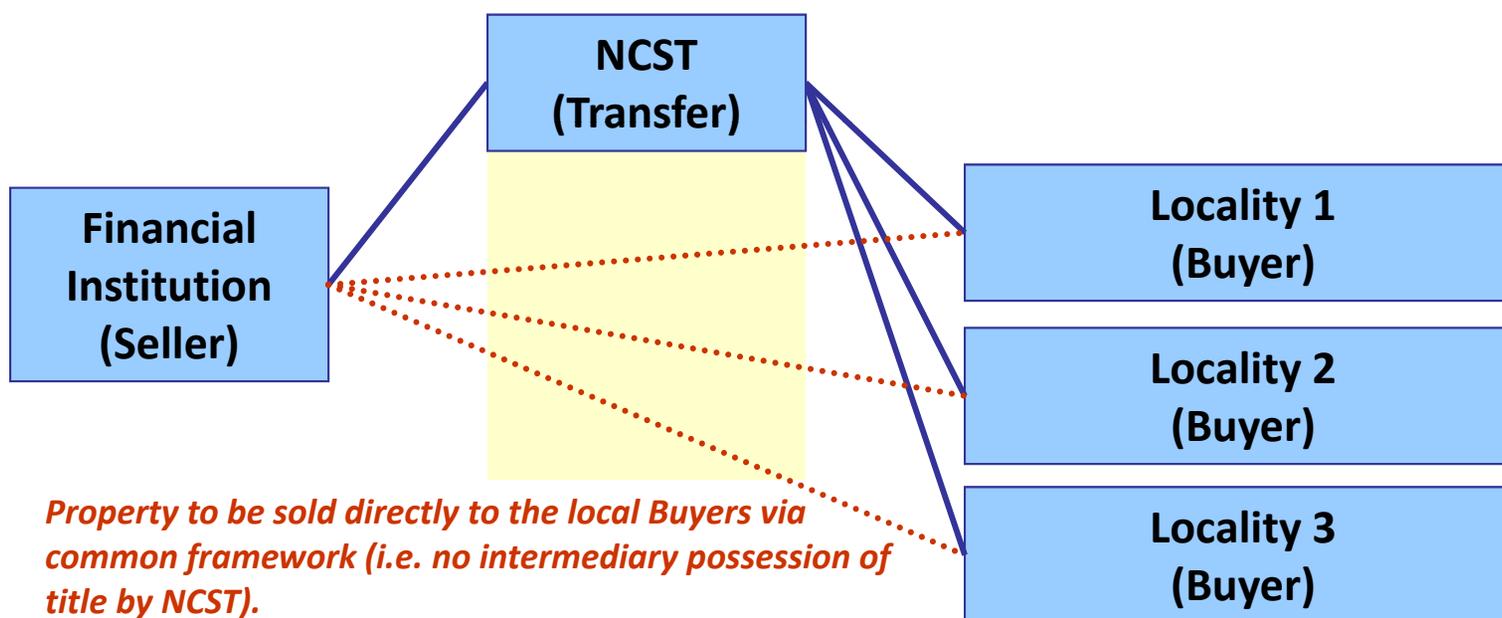
*[Transparent](#) – establish solid basis of common understanding with Buyers and Sellers to reduce friction

*[Practical](#) – ease of implementation, supports guidelines / requirements from the HERA and related HUD NSP guidelines [H.R. 3221 / §2301\(d\)\(1\)](#)

Property Acquisition Programs (Roles and Title)

Counterparties

NCST will be acting as Buyer's counterparties to engage participating "Sellers" and facilitate the buy / sell process.

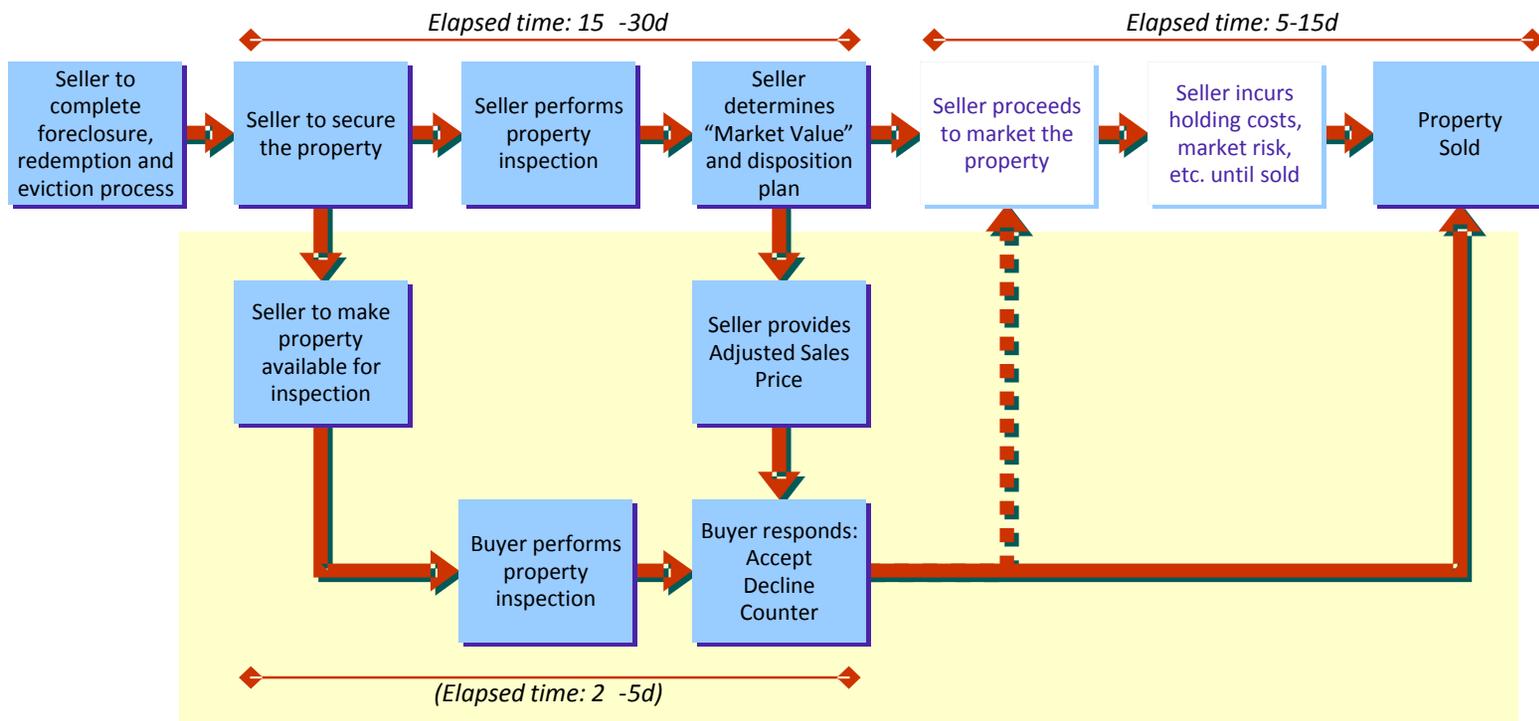


Property to be sold directly to the local Buyers via common framework (i.e. no intermediary possession of title by NCST).

First Look Program (Detail)

Timing Considerations

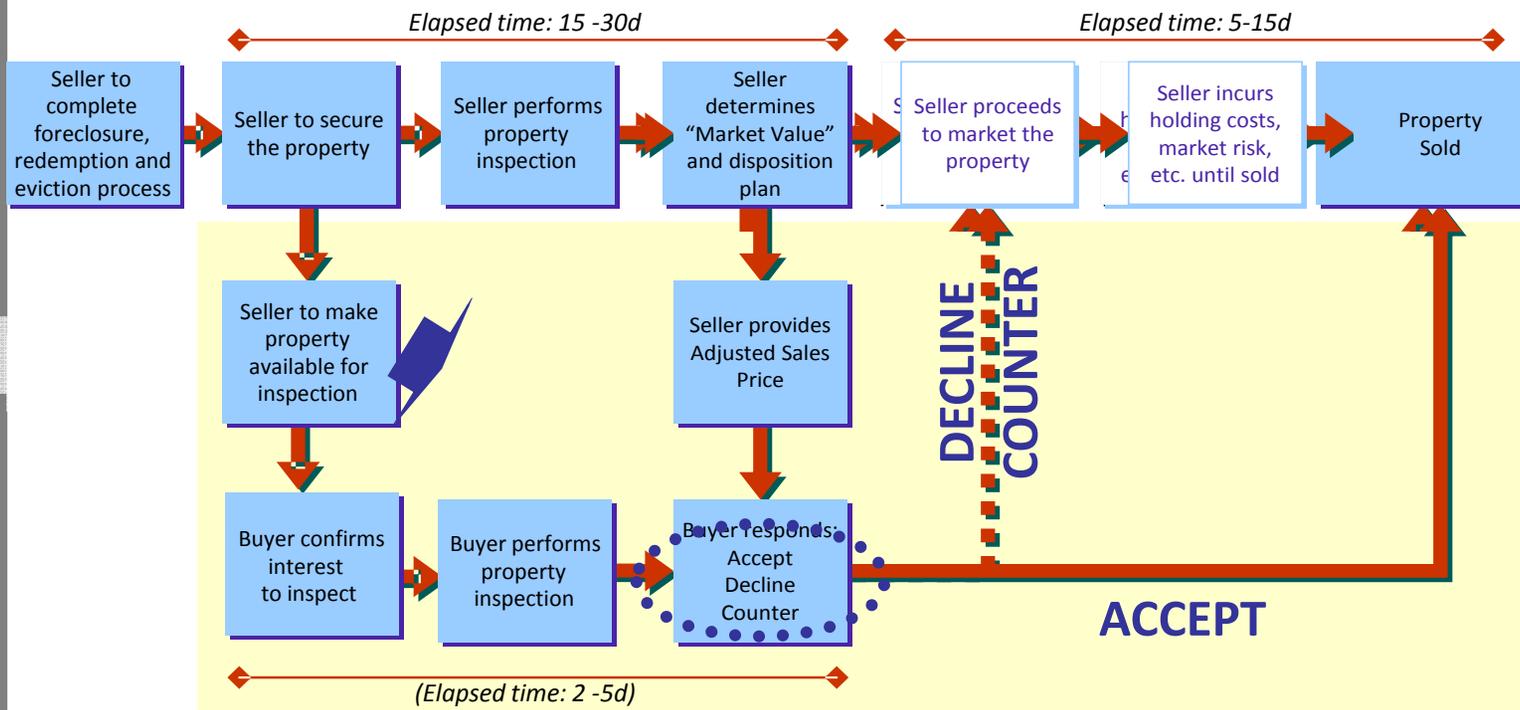
Designed to be implemented on a flow basis, prior to property being listed via typical means, with negligible impact to current operations



First Look Program (Detail)

Offer Acceptance

As property inspection will have occurred in advance of Seller providing offer price, Buyer will promptly respond to offer with an Accept or Decline (or provide a Counter offer)



Bulk Sale Program (Detail)

Selection Considerations

“Push” method vs. “Pull” method (aka “reverse inquiry”)

Timing Considerations

Designed to be applied towards existing, aged properties.
Properties will generally already be listed.

Pricing Considerations

As with the First Look / Right of First Offer program, the Bulk program is designed to be implemented in an open and transparent manner to promote quick and efficient transactions, and comply with housing bill

Other Considerations

True “bulk sale” vs. wholesale grouping of individual transactions.
Not all Sellers can offer bulk sales.

REO Gifting and Discounted Sales Program

- Existing product line is available for the homeowner who will be purchasing the property.

REO Gifting and Discounted Sales Program Process

***Properties list on Chase website:**

http://mortgage.chase.com/pages/other/co_properties_landing.jsp

***Properties list on WaMu website:**

<http://www.wamuproperties.com>

REO Gifting and Discounted Sales Program Process

- Yves M. Mombeleur, Vice President-Program Manager
 - (817) 581-6513
 - (206) 926-6872
 - yves.mombeleur@wamu.net

- Toll Free Number: (866) 803-9844