



# Facilitating the Transfer of REO to Stabilize Neighborhoods

Presented by Racquel Reddie

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Turning Around Vacant Properties in Greater Richmond  
Federal Reserve Bank of Richmond  
Richmond, Virginia

Friday, August 20, 2010



National Community  
Stabilization Trust

T H E   B R I D G E   T O   S T R O N G E R   C O M M U N I T I E S

# Outline

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- **Stabilization Trust Introduction and Background**
  - **Progress to Date**
- **Property Acquisition Strategies**
  - **Key Capabilities**
  - **REO Property Acquisition Programs**
  - **REOMatch™**
  - **Richmond Foreclosure Sales Data**
  - **Reverse Look**
  - **Distressed Property Continuum**
- **Q & A**

# Stabilization Trust By the Numbers

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- Launched in 2008 by **6** National Non-Profit Sponsor Organizations
- Currently working with **170** NSP 1 Direct Grantees and **59** NSP 2 Grantees across **40** states
- The NSP Grantees working with the Stabilization Trust represent **78%** of the available federal funding
- Stabilization Trust has shown its Buyers more than **55,000** REO properties
- Working with *more than* **20** of the nation's top financial institutions to transfer REO:
  - **Bank of America**
  - **Citi**
  - **Chase**
  - **GMAC**
  - **Fannie Mae**
  - **Freddie Mac**
  - **Wells Fargo**
  - **Saxon Mortgage**
  - **FDIC**
  - **Litton Servicing**
  - **Deutsche Bank National Trust Company**
  - **U.S. Bank Corporate Trust Services**

# Property Acquisition in Context

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The Stabilization Trust property acquisition programs allow communities to ***focus their efforts*** on the most critical components of their local community stabilization programs:

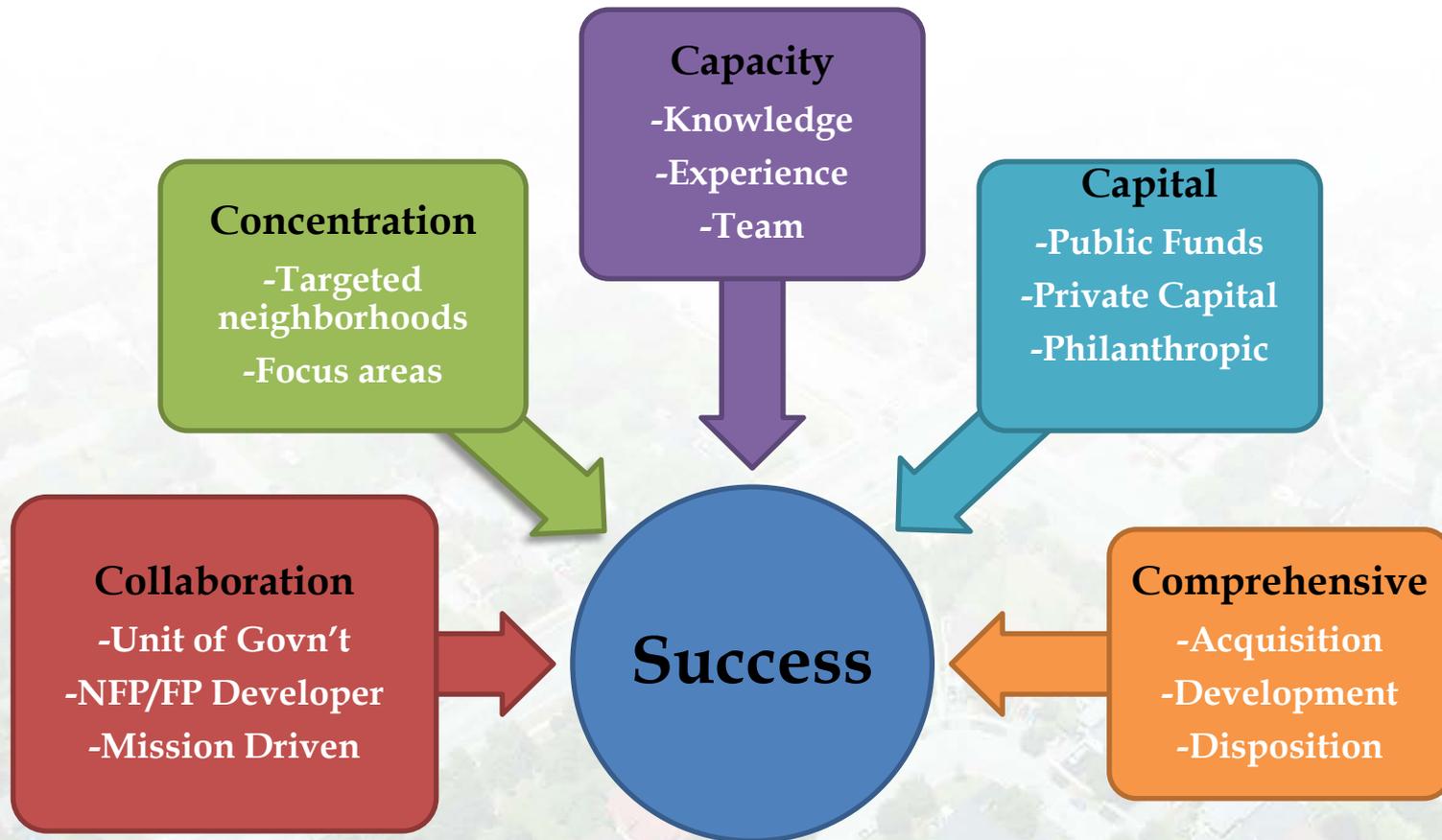
- Which properties should be acquired; and
- What do to with them once they are acquired.

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	<b>Planning</b>	Which neighborhoods and types of properties
	<b>ACQUISITION</b>	<b>ACQUIRING THE PROPERTIES FROM FINANCIAL INSTITUTIONS</b>
	<b>Development</b>	Rehabilitation, tear down / land bank, repurpose, etc.
	<b>Distribution</b>	Sales and marketing, etc.

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# Key Capabilities for Success (5 C's)



# REO Property Acquisition Program

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The Stabilization Trust facilitates the transfer of REO property in two ways:

## ■ “First Look” Program:

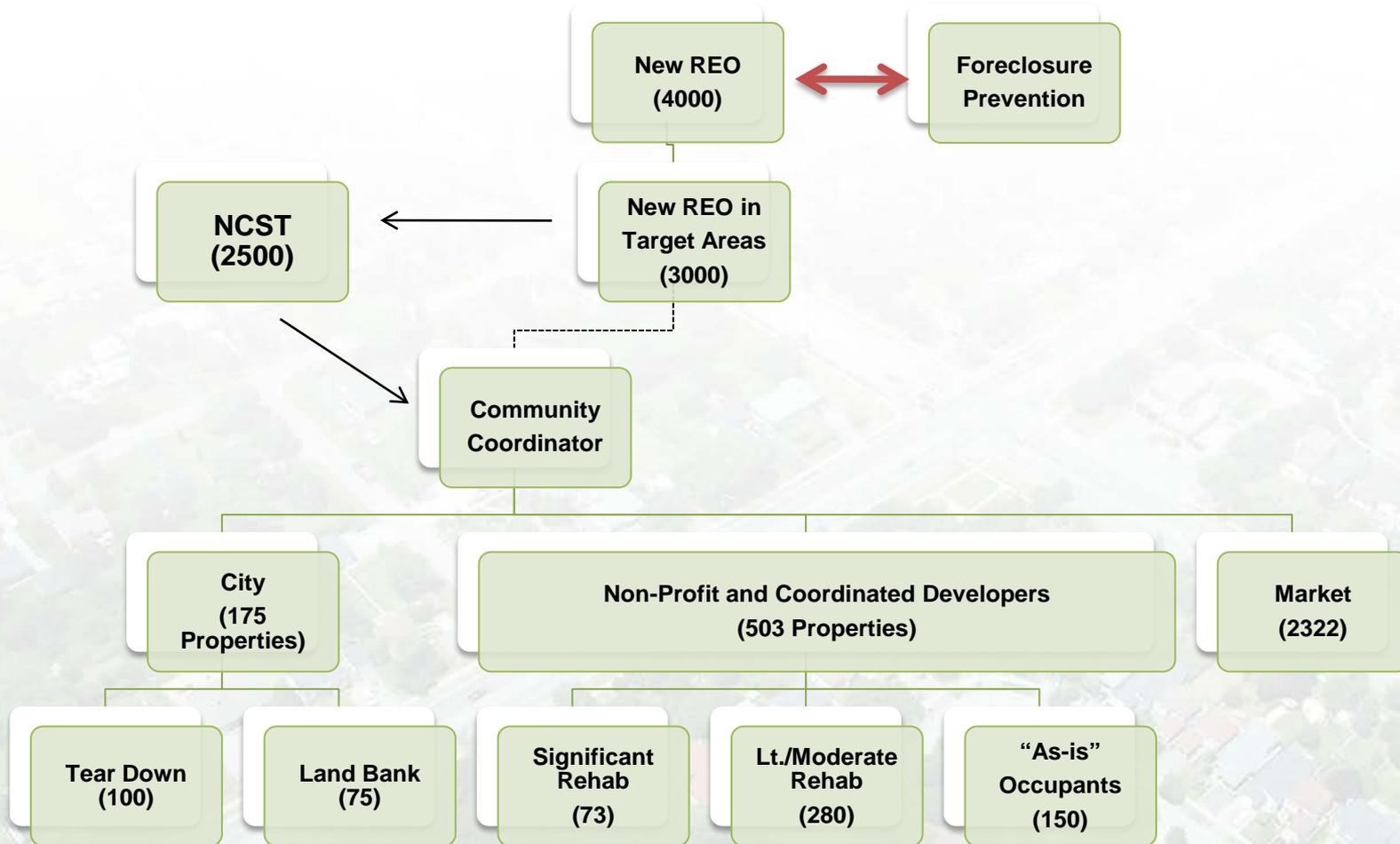
- Communities have the opportunity to access key properties in targeted areas prior to the properties being listed in the open market.
- Financial institutions have the opportunity to sell to a buyer who has both cash in hand (either NSP or other public funds) and an incentive to improve the neighborhood while minimizing hold times.
- Allows the local Neighborhood Stabilization Program to beat opportunistic investors to the properties – *puts the NSP grantee in the drivers seat.*
- Helps target the right properties in NSP focus areas.

## ■ Existing Property Inventory:

- Properties remain listed and exposed to marketplace during evaluation.
- Purchased on either an individual basis or bulk basis.

**Purchase Agreements:** Pre-approved, Supports guidelines/requirements from HUD NSP programs

# Sample Local Program



**Subsidy Required**

**No Subsidy Required**

**Coordinated: 678 of 3000 (23%)**

# REOMatch™

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## New web-based property transaction portal for Stabilization Trust Buyers

- Developed as the primary transaction platform for the Stabilization Trust Property Acquisition Program.
- Buyers are able to identify *at-a-glance* available REO properties that fall within their geographic target areas and have access to a streamlined property transaction process.
- Creates a virtual ‘marketplace’ through which REO properties available for sale on a first-look basis from Stabilization Trust Sellers are posted in real-time.
- Through *REOMatch*, Stabilization Trust Buyers will be able to:
  - Record neighborhood stabilization target areas down to street-level detail
  - Easily identify aggregated REO inventory within target areas from Stabilization Trust Sellers
  - Make more strategic REO acquisition decisions and plan target area adjustments by visualizing REO clusters
  - More effectively manage the acquisition process for all property transactions facilitated through the Stabilization Trust
  - Leverage the layered benefits of TRF’s *PolicyMap* and Mercy Housing’s *Community Central*.
- For use exclusively by NSP Grantees and other community based housing providers participating as Buyers with the Stabilization Trust.

# REOMatch™ : Define Interest Areas

The screenshot displays the REOMatch web application interface. At the top right, it says "Welcome Sarasota County" and has a "Sign Out" button. The main header is "National Community Stabilization Trust". Below this is a navigation bar with "Zoom", "Map Types", "Stake Out Interest Area", "Edit Your Interest Areas", "Search", "Markers", "Overlays", and "Reverse Look". A search box is on the right with a "GO" button and a "My Profile" link.

The left sidebar is titled "REOMatch Toolbox" and contains several sections:

- New Properties Pending Response (24hrs)**: 4454 APPLETON TERRACE, 433 REDWOOD RD, 4567 OAKLEY RD, 2434 TULIP ST, 5721 SOLDIERS CIRCLE UNIT 205.
- Inspecting**: N SIDE OF 17TH ST E OF N LOCKWOOD RIDGE, 5713 MURDOCK AVE, 6233 FREEMONT ST, 2693 PARASOL LN.
- Awaiting Price**: 1666 BOCA CHICA AVE, 1995 MID OCEAN CR.
- Offers**: 1731 OAKLAND RD, 2704 24TH ST.
- Pending Closing**: You have no properties for this status.
- Closing**: 3738 LALANI BLVD, 3945 CHAUCER LN, 4088 FERNWAY DR, 5137 BIRCH AVE, 4420 ARLEY ROAD.
- Purchased**: You have no properties for this status.
- On-Hold**: You have no properties for this status.
- Reverse Look**: You have no properties for this status.
- Properties By Your Preferred ZIP Codes**
- Properties By Your Interest Areas**
- Bookmarked Property List**

The main map area shows an aerial view of Sarasota County. A large orange-shaded area is defined on the map, labeled "North Target Area" in a pop-up window. The pop-up window has a "Title" field with "North Target Area", "Fill Color" and "Stroke Color" dropdowns, and "Delete", "Hide", "Save", and "Cancel" buttons. The map includes various street names, landmarks like the Sarasota-Bradenton International Airport, and highway markers (41, 301, 75, 93, 780, 789). A "Statistics" bar at the bottom shows: IP: [blank], Last Login Date: [blank], Total Property: 18, Total Polygon: 4, Total ZIP: 15, Closing Properties: 5, New: 5, Inspecting Properties: 4.

# REOMatch™ : Plot Properties

National Community Stabilization Trust

Welcome Broward Alliance for Neighborhood Development [Sign Out](#)

Zoom Map Types Stake Out Interest Area Edit Your Interest Areas Search Markers Overlays

Go to address  [GO](#) [My Profile](#)

Your Map All active properties All inactive properties

Map showing various plot properties outlined in red and blue. The map includes street names, landmarks like Orange Brook Golf Course and Desoto Lakes, and utility markers like 'WF' and 'FDIC'. A search bar and navigation controls are visible at the top of the map interface.

# REO Sales Data

Zip Codes:

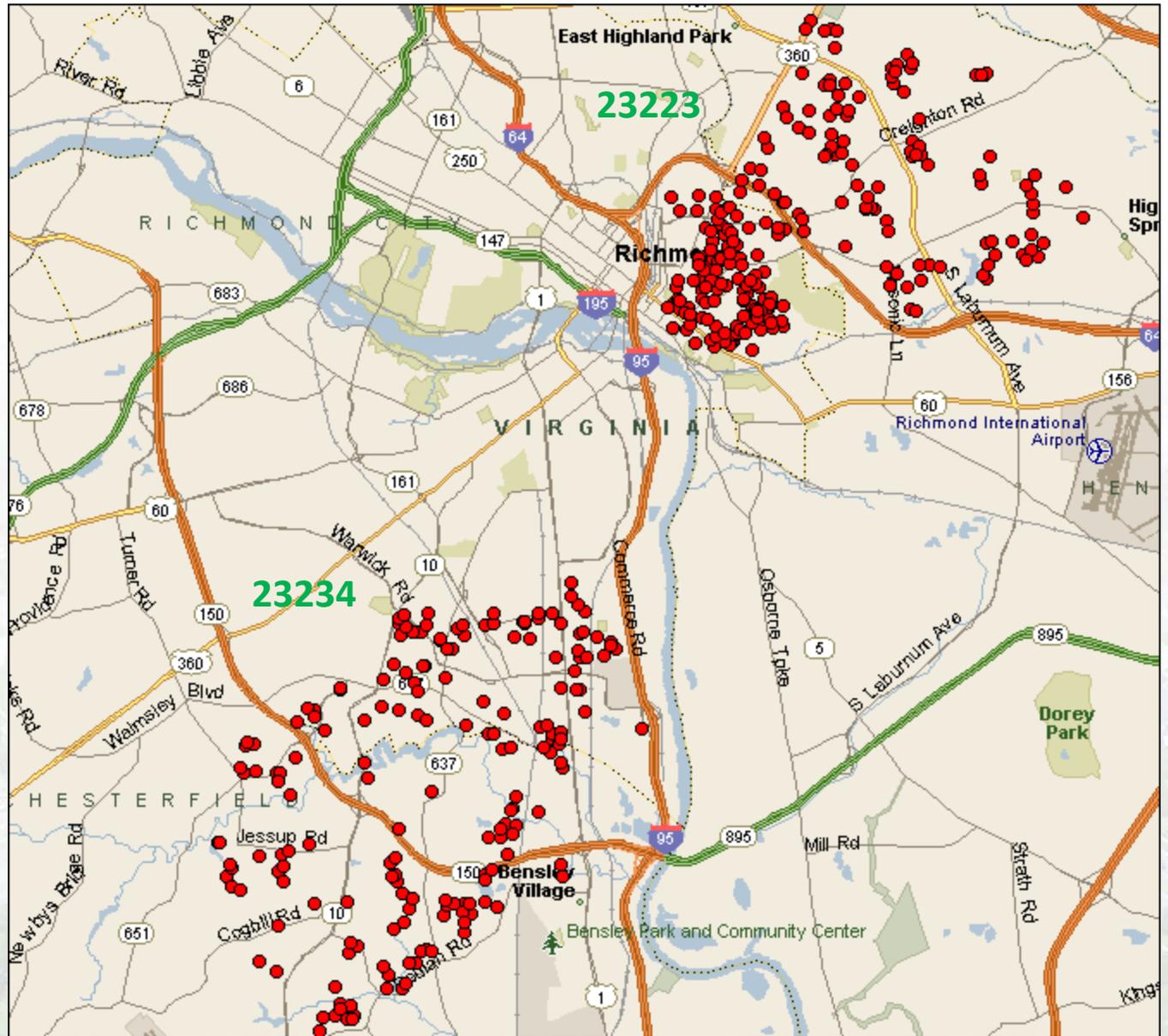
23223

23234

Sept 2009

to

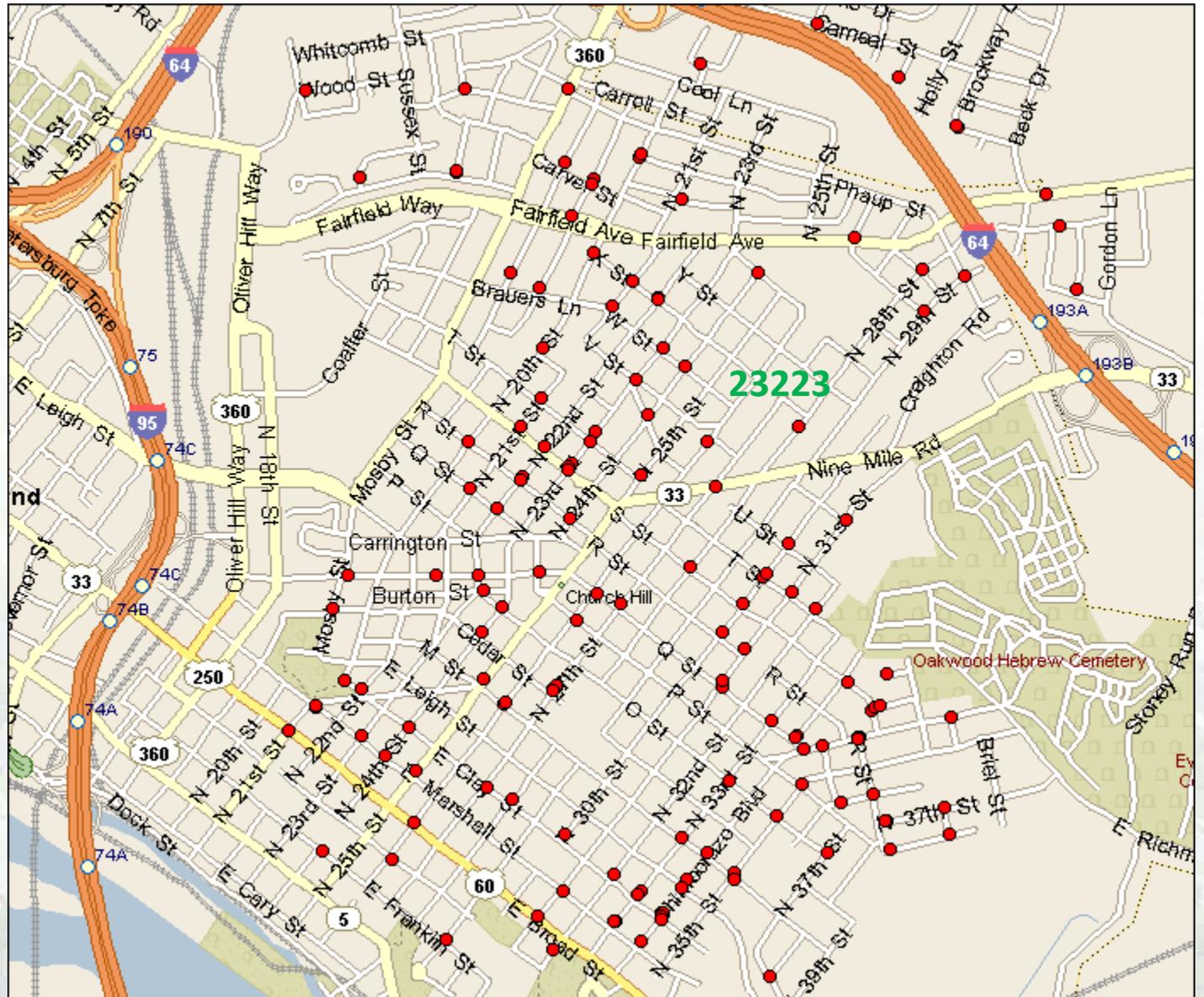
July 2010



Source: WestLaw

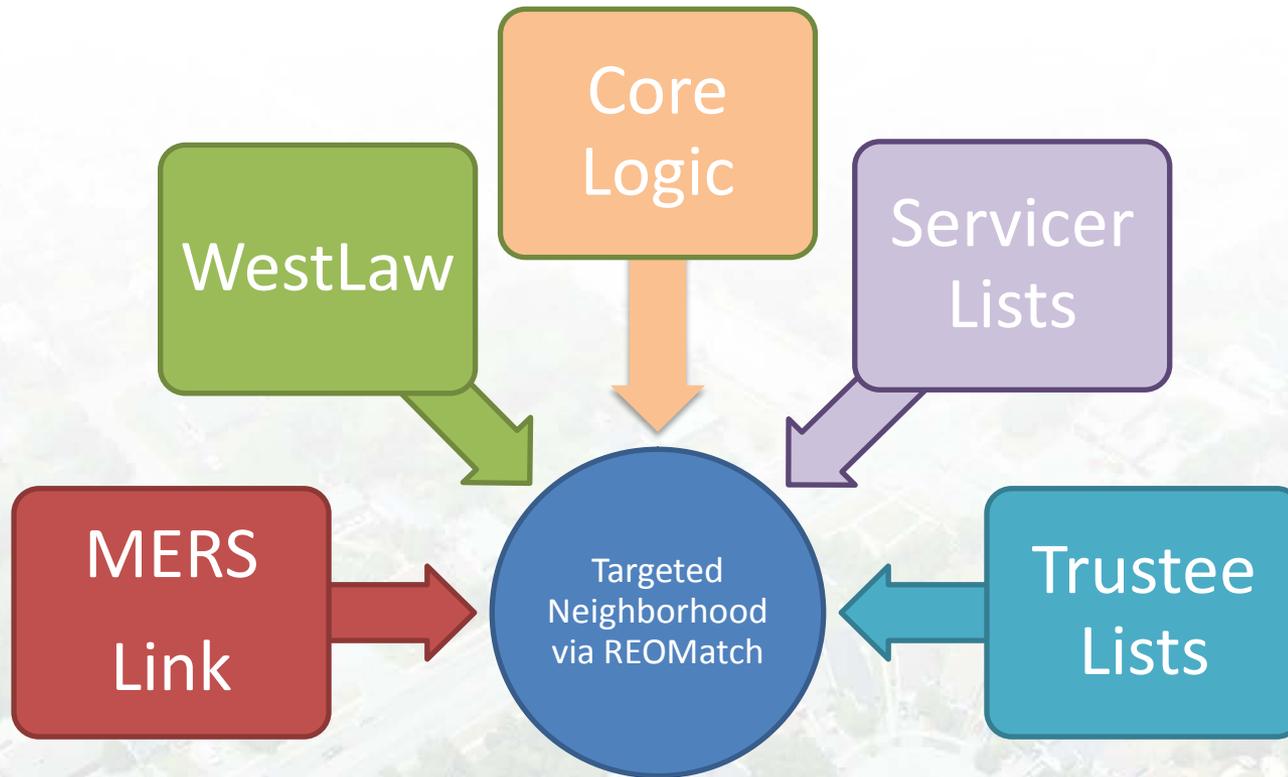
**Richmond  
REO Sales  
Zip Code:  
23223**

**Sept 2009  
to  
July 2010**



Source: WestLaw

# Targeting Info for Neighborhood Stability



***Once a Locality has identified its specific targeted neighborhoods via REOMatch, we use a host of data sources to identify properties in various stages of default, foreclosure and REO. We can then determine which Servicers and/or property acquisition options will have the greatest impact locally/nationally.***

# Reverse Look

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- With **‘Reverse Look’**, Buyers will have the ability to identify for the Stabilization Trust the exact distressed properties in which they have an interest, creating a ‘shopping list’ of houses within their target areas whose rehabilitation does the most to further their stabilization efforts.
- From these ‘shopping lists’, the Stabilization Trust will launch a process to:
  - Identify the servicer/investor/lien holder of the distressed property
  - Determine mortgage status (performing, delinquent, foreclosure, REO, charge-off)
  - Negotiate with lien holder for the transfer of the distressed property to inquiring Stabilization Trust Buyer
- NSP participating localities can identify and obtain access to the most strategically important properties in their target areas.
- *Reverse Look* increases the capability of the Stabilization Trust to facilitate access for buyers to properties from a broader universe of servicers and investors

# REOMatch™ : Reverse Look

The screenshot displays the REOMatch web application interface. At the top, the header includes the logo for National Community Stabilization Trust, the text "Welcome Sarasota County", and a "Sign Out" button. Below the header, a navigation bar contains various menu items: "Zoom", "Map Types", "Stake Out Interest Area", "Edit Your Interest Areas", "Search", "Markers", "Overlays", and "Reverse Look". A red arrow points to the "Reverse Look" button. To the right of the navigation bar is a search input field labeled "Go to address" with a "GO" button and a "My Profile" link.

The main content area features a satellite map of a residential neighborhood. A red circular marker with the letters "WF" is placed on the map. A "Statistics" window is overlaid on the map, containing a form for requesting more information. The form is divided into three sections:

- Address Info:** Street: 5703 Murdock Ave, City: Sarasota, Zip: 34231, State: FL.
- Property Info:** Tax Parcel ID: (empty), Seller Name: (dropdown menu), Vacant: , Comments/Notes/Instructions: Please include all supporting documentation you have for this property, i.e. sheriff sale records, MLS links etc.
- Foreclosure Info:** Foreclosure: , Please include any supporting evidence: Select a file (file upload button), Foreclosure Date: (date picker).

At the bottom of the form are "Submit Request" and "Cancel" buttons. A red arrow points to the "Please include any supporting evidence" field. The bottom of the screen shows the Google logo, "POWERED BY Google", and a copyright notice: "Imagery ©2010 GeoEye, Inc., Geological Survey, Map data ©2010 Google, Terms of Use".

# REOMatch™ : Reverse Look

The screenshot displays the REOMatch web application interface. At the top, it says "National Community Stabilization Trust" and "Welcome Sarasota County". A navigation bar includes "Zoom", "Map Types", "Stake Out Interest Area", "Edit Your Interest Areas", "Search", "Markers", "Overlays", and "Reverse Look". A search bar with "Go to address" and a "GO" button is present, along with a "My Profile" link.

The left sidebar contains a "REOMatch Toolbox" with several categories of properties:

- New Properties Pending Response (24hrs)**
  - 4454 APPLETON TERRACE
  - 433 REDWOOD RD
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- Closing**
  - 3738 LALANI BLVD
  - 3945 CHAUCER LN
  - 4088 FERNWAY DR
  - 5137 BIRCH AVE
  - 4420 ARLEY ROAD
- Purchased**
- On-Hold**
- Reverse Look** (highlighted with a red circle)
  - 5703 Murdock Ave
  - 5703 Murdock Ave
- Properties By Your Preferred ZIP Codes**
- Properties By Your Interest Areas**
- Bookmarked Property List**

The main map area shows an aerial view of a residential neighborhood. A red arrow points to a property at the intersection of Osage Terrace and Murdock Ave. The property is marked with a red circle containing a white question mark. Other streets visible include Granada Pl, Stockwood Ridge Rd, and Sunnyside Ln. A "WF" icon is also visible on the map.

At the bottom of the browser window, the taskbar shows "Done", "Internet", and "100%" zoom level.

# Distressed Property Continuum

## Distressed Property Sources/Resources



**REOMATCH™ – Filters Property Lists to Targeted Neighborhoods**

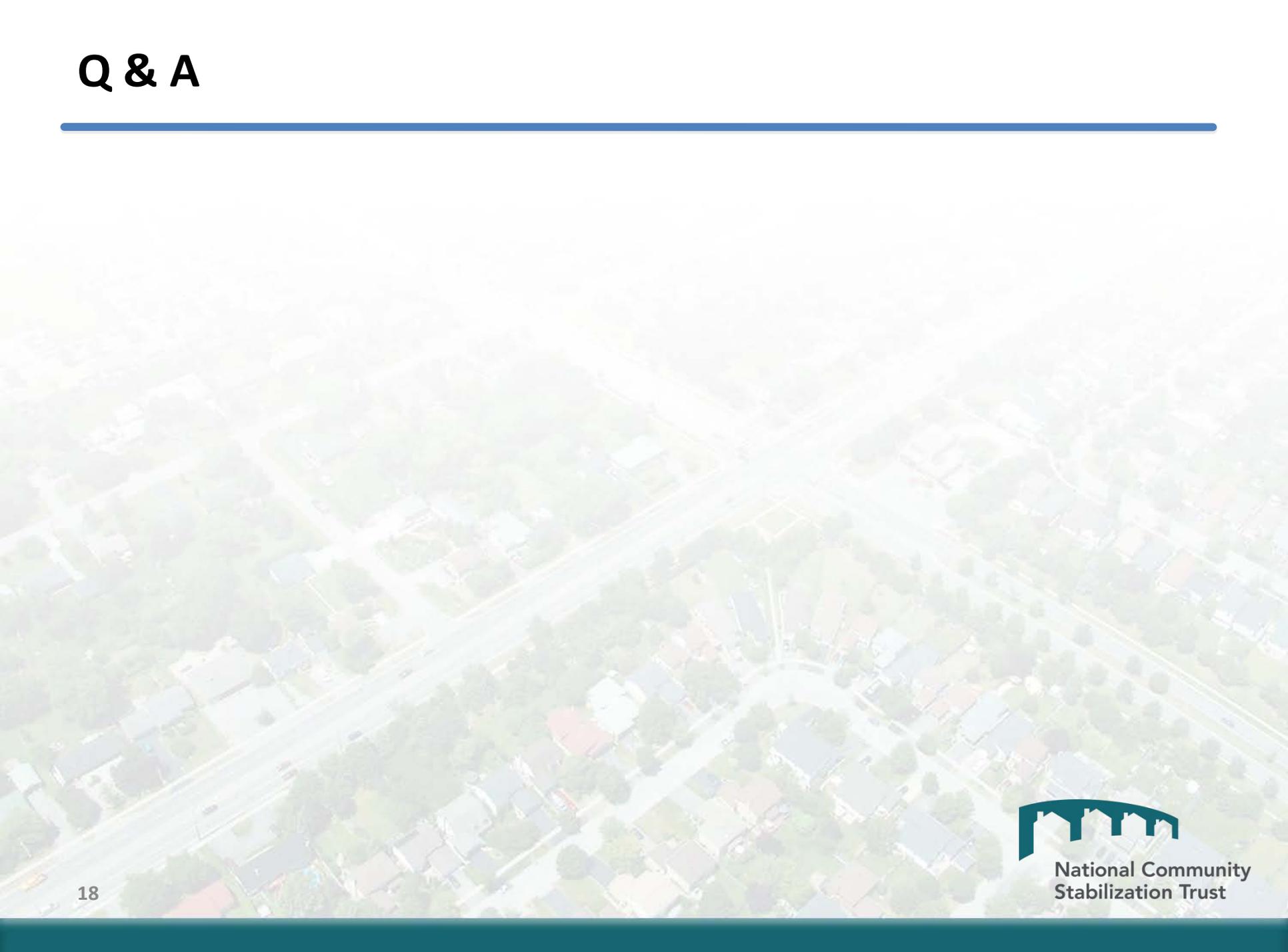


<p><b>Pre- REO</b></p>	<p><b>REO – First Look</b></p>	<p><b>REO – O/O Priority</b></p>	<p><b>Open Market</b></p>
<p><i>Activities to keep families in their homes or provide them with alternatives to foreclosure.</i></p> <ul style="list-style-type: none"> <li>• FCL Counseling</li> <li>• Modifications (HAMP)</li> <li>• Distressed Note Sales</li> <li>• Short-Sales (HAFA)</li> <li>• Foreclosure Auctions</li> </ul>	<p><i>Opportunities to maximize impact through strategic property acquisition.</i></p> <ul style="list-style-type: none"> <li>• Vacant REO</li> <li>• Tenant-Occupied REO</li> <li>• Bulk Purchases</li> <li>• Consumer First Look</li> <li>• NSP Auctions</li> <li>• REO Cap Fund</li> </ul>	<p><i>Opportunities to refer properties to trusted sources for referral to owner-occupants.</i></p> <ul style="list-style-type: none"> <li>• Consumer Direct</li> <li>• HO Counseling</li> <li>• Realtors</li> <li>• Developers</li> <li>• CDCs</li> <li>• Neighborhood Brand</li> </ul>	<p><i>Stays “on the radar” even though available to all potential buyers.</i></p> <ul style="list-style-type: none"> <li>• Aged/Listed</li> <li>• “Second Look”</li> <li>• Pricing Changes</li> <li>• Property Donations</li> </ul>

**Comprehensive Neighborhood Stabilization Strategy**

# Q & A

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# Contact Information

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- Additional information about the National Community Stabilization Trust can be found on our website:

[www.stabilizationtrust.com](http://www.stabilizationtrust.com)

- Additional questions can be directed to:

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