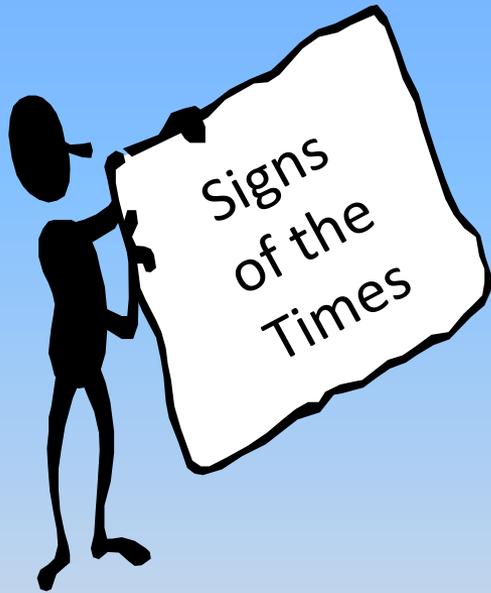


Signs of the Times

In Today's Housing Industry



- Foreclosure and REOs
- Delinquency and Eviction
- Rent or Buy?

- REO (real estate owned) by banks, FHA, Fannie Mae, Freddie Mac, etc. after foreclosure.



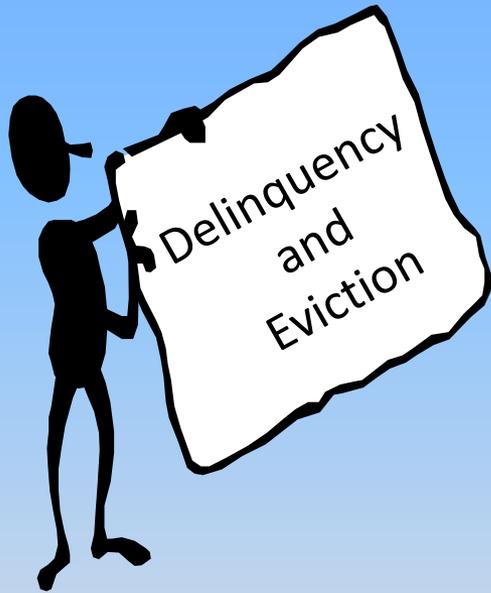
- 500,000 REO homes in US owned by banks, Fannie and Freddie.
- 1,142 REOs in South Carolina owned by Fannie, Freddie and FHA (does not include banks).



- “Big Money Gets Into Landlord Game” in the Wall Street Journal (8/23/11) features a family of 5 that could not afford their \$2,500 a month mortgage and now rent their home for \$1,800/month.
- Project: Reclaim from City of Lakes CLT in Minneapolis turns REOs into CLT homes through a 2 to 4 year lease-to-purchase.



- Today a “shadow inventory” of 2.8 million homes nationally that are delinquent and poised to enter the foreclosure process.
- 1.2 million non-performing loans with Fannie, Freddie, FHA – half have not made a payment in last 12 months.



- Ocwen Financial Corp program:
 - Principal reduced to 95% LTV
 - 25% of appreciation goes to Ocwen
- Mortgage Resolution Fund
 - Nonprofit Collaboration in Chicago
 - Purchase and modify delinquent mortgages
 - Uses federal “Hardest Hit Fund”

- It would take 3 years at current sales rate to sell all current REO + shadow inventory.



- In last 5 years: Single-family rental up 21%, ownership flat.
- Rents down 5.9% in 2009, and then up 4.2% in 2010.
- Biggest rental increase in US cities? Greenville, SC up 11.2%



- FHFA Request for Information
- National CLT Network response
- ICE/National Housing Trust response: Rent, Lease to Own, Ownership