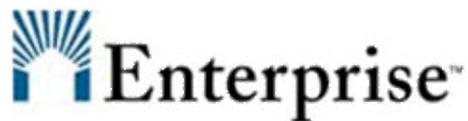


NATIONAL COMMUNITY STABILIZATION TRUST

Navigating Ownership & Control
of Vacant Properties
Federal Reserve Symposium
Confronting the Neighborhood Impacts of Foreclosure
October 21, 2008



What is the National Community Stabilization Trust?

A Joint Venture of Enterprise Community Partners, the Housing Partnership Network, the Local Initiatives Support Corporation and NeighborWorks America.

It will coordinate the transfer of real estate owned (REO) properties from Financial Institutions nationwide to Local Housing Organizations, in collaboration with State and Local Governments.

What Problems Triggered the Creation of the Trust?

For Neighborhoods

- ▶ # of vacant properties rapidly increasing
- ▶ Neighborhoods quickly becoming unstable
- ▶ Properties held by many owners
 - Hard to know who to call
 - Offer prices were unrealistic
- ▶ Little capital with which to buy properties
- ▶ Only other bidders are bad investor-owners
- ▶ Even with capital – unacceptable market risks

What Problems Could a National Focus Address?

- ▶ Provide a more efficient and cost-effective mechanism for transferring vacant properties
 - Platform for exchange
 - Standard offer mechanisms
 - Standard valuation/pricing approach
 - Standard sale procedures

- ▶ Aggregate capital to support local efforts
 - Support passage of Neighborhood Stabilization Program
 - Raise additional private capital
 - Build local capacity

How do you get the Trust started?

- ▶ Bringing Servicicers to the Table

Bringing Servicers to the Table

- ▶ Encouragement from OCC & Hope Now Alliance
- ▶ Understand their operations and constraints
- ▶ Get agreement on valuation and establishing offer prices
 - Net realizable value approach
- ▶ Memorandum of Understanding
 - Sets out expectations of buyers and sellers
 - Describes two sales approaches – “first look” and targeted bulk sales

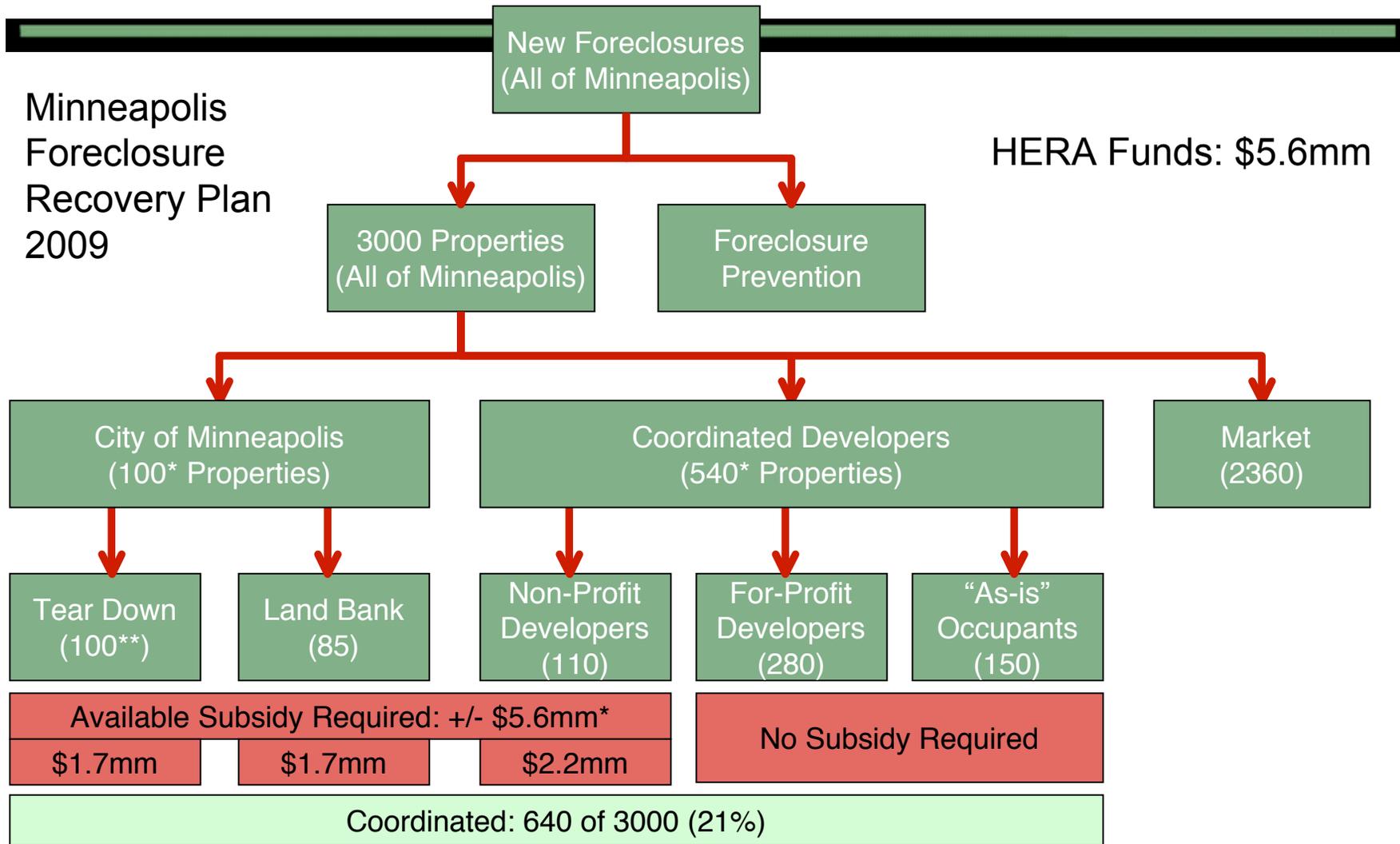
Fundamentals of the “First Look” Program

- ▶ Identified and qualified local buyers
- ▶ Identified target areas
 - Buyers get “first look” only in target areas
- ▶ Servicers show properties while preparing them for sale
 - No time added to process
 - Quick “no” or “maybe” from buyers
- ▶ Agreed-upon valuation and pricing method
 - Adjusted offer price reflects quick close
 - Mirrors net realizable value method
 - Transparency reduces length of negotiations

How do you get the Trust started?

- ▶ Bringing Servicers to the Table
- ▶ Identifying and Creating Good Buyers
 - Collaboration
 - Concentration
 - Comprehensive
 - Capacity
 - Capital

Buyers = Collaboration

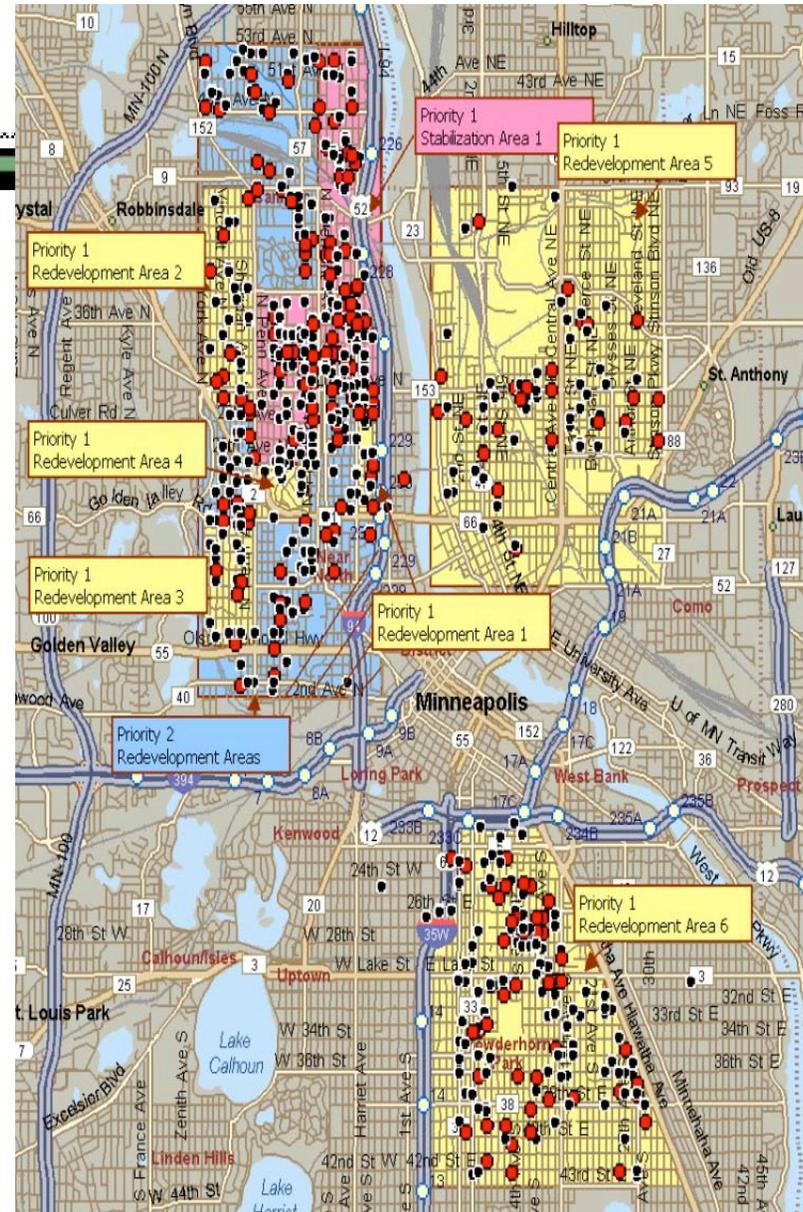


* Request a planning estimate detail for estimated subsidy requirements

** There will be 100 tear downs with HERA funds and an additional 50 tear downs from existing funds for both 2009 and 2010

Buyers - Concentration

Minneapolis
Target Areas for
Foreclosure
Recovery Plan



October 2008

Buyers - Comprehensive

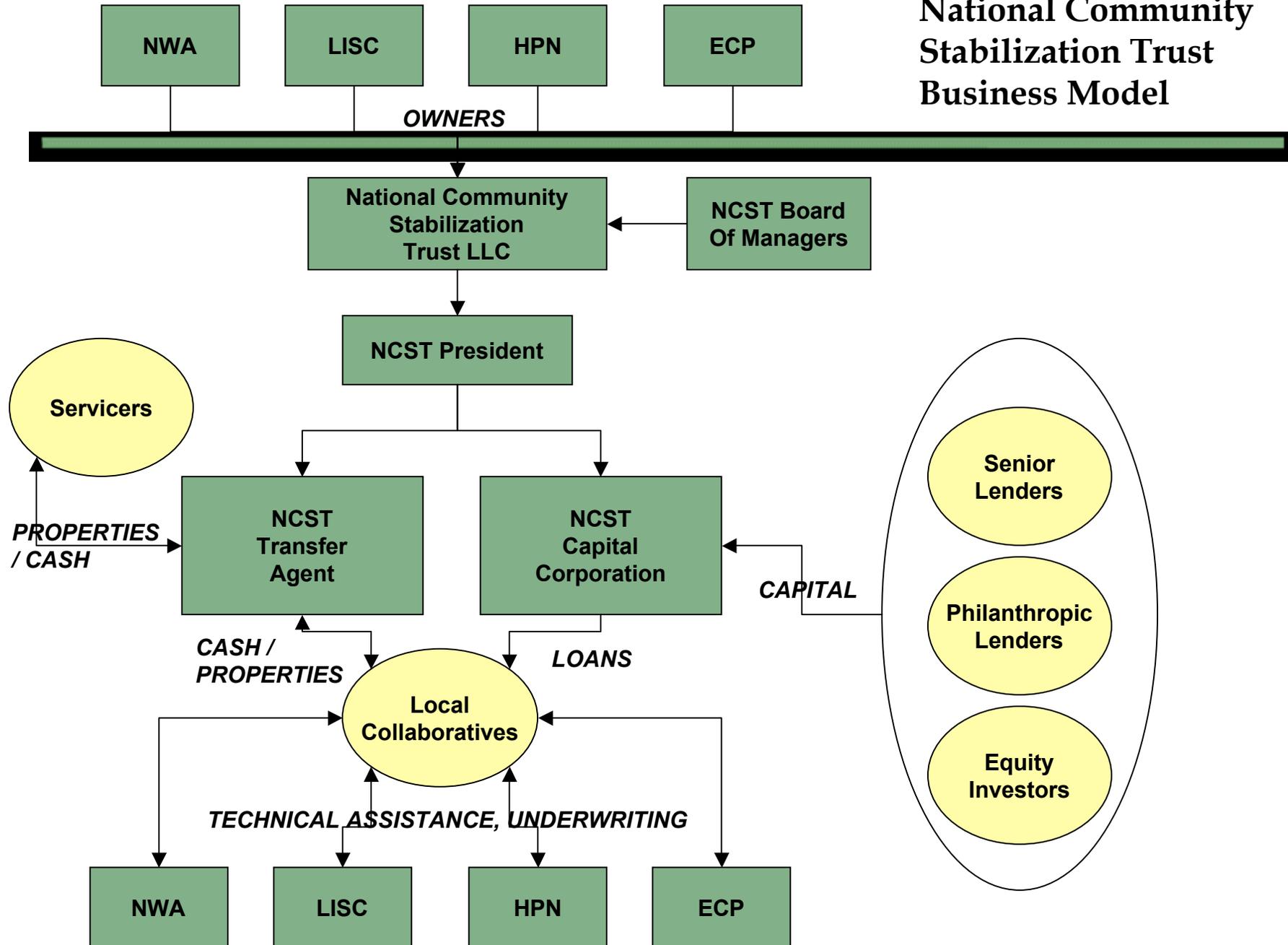
Pipeline of Foreclosures for Minneapolis Foreclosure Recovery Plan

Minneapolis Pilot 1 September 2008 - 31 December 2008

Servicer Name	Redemption Month				Grand Total
	9	10	11	12	
Pilot - Bank of America	5 8.93%	7 11.67%	13 22.03%	5 13.16%	30 14.08%
Pilot - Citigroup	5 8.93%	4 6.67%	6 10.17%	1 2.63%	16 7.51%
Pilot - Fannie Mae	26 46.43%	28 46.67%	27 45.76%	12 31.58%	93 43.66%
Pilot - JP Morgan Chase	9 16.07%	12 20.00%	6 10.17%	10 26.32%	37 17.37%
Pilot - Wells Fargo	11 19.64%	9 15.00%	7 11.86%	10 26.32%	37 17.37%
Total #	56	60	59	38	213
Non-Pilot Properties*	116	140	122	125	503
Pilot % of Total	33%	30%	33%	23%	30%

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National Community Stabilization Trust Business Model



When Will the Trust Begin Operations?

- ▶ Currently testing systems and processes in the Twin Cities with two major loan servicers – Fannie Mae and Wells Fargo
- ▶ Will add additional loan servicers as they are ready – hope to 6 major servicers using the Stabilization Trust by year end
- ▶ Will add additional local/state programs as they are ready to participate
- ▶ Trust will be fully operational early in 2009

How Can I Learn More About the Trust?

- ▶ For more information, please send specific questions and information to:

Info@stabilizationtrust.com