NSP Webinar Transcript:
Buying NSP Properties in Competitive Markets
Tuesday, May 14th, 2013
2:00 PM EDT

Allie: Good afternoon. My name is Allie and I will be your Conference Operator. At this time I would like to welcome everyone to the Buying NSP Properties in Competitive Markets Conference Call. All lines have been placed on a "listen only" mode. Later we will conduct an interactive question and answer session. If you would like to ask a question during that time, press "*" then the number "1" on your telephone keypad. You will hear a tone acknowledging your request and a prompt to record your name. If you would like to withdraw your question, please press "*" then the number "2". I would now like to turn the conference over to your host, Miss Kathy Kaminski. Thank you. You may begin your call.

Kathy Kaminski: Thanks Allie, and welcome everybody. I'm going to just go through our webinar instructions. We've got a few different interactive opportunities here today. So I will go through how to participate in those and how to ask questions as Allie said on the phone, but we can also ask them via WebEx online. And then I will hand it over to Dave to get us started. As a reminder, please turn off cell phones and close e-mail, and focus on what we're saying here. If you have technical problems, George Martin, can help to assist you. If you're hearing us now but unable to log in online, he can assist with that. As Allie mentioned, all participants will be muted. There are two ways to ask questions. You ask verbally via the conference call. To do that you will press "*1" on your telephone keypad, and then when we stop for questions we will take those in the order that they were received.

And if your question is answered before they get to you, you can press "*2" to be removed from the queue. If you'd like to ask a written question, you will see a Q&A tab on the right side of your screen. There are a few panels on the right side. There's a "Participant" panel, a "Chat" panel, a "Q&A" panel, and there will be "Polling" as well. The "Q&A" panel is used to ask your questions, and please choose all panelists. We'll also be conducting a couple of polls throughout the webinar today. And those you'll see on the right side of your screen as well. You can participate and make sure that you hit "submit" before the poll closes. We'll ask for your input via the "Chat" function. Again, you'll see that on the right side. If you don't see any of these features, there should be an arrow next to the name of that panel, click on that to expand the panel. That's all I have for instructions, so I am going to hand it over to David Cramer to get us started.

David Cramer: Thank you Kathy. Welcome everyone to our webinar on Buying NSP Properties in Competitive Markets. The subtitle for this is "Comprehensive Strategies for Accessing Properties." Kathy is your host. I'm the moderator for today. Both of us are with Training & Development Associates, or TDA. We have

several presenters, and of course, we have some folks from HUD as well participating online. The presenters will be covering a number of different points, beginning with Sergio Barajas from the National Community Stabilization Trust talking about what they do. And then we have some NSP Grantees, Kevin Zwick from the Housing Trust Silicon Valley, Wayne Meyer will the New Jersey Community Capital and their subsidiary that does NSP work, the Community Asset Preservation Corporation. With us from HUD are John Laswick and Hunter Kurtz. Has David joined the line yet?

Hunter Kurtz: Yeah, he's here with me.

David Cramer: Okay. Hi David. I didn't hear your voice. We have David here, Hunter, and John Laswick. All three are familiar voices for those that have participated in NSP webinars in the past. We have a number of participants today, and as Kathy mentioned, we have a couple of interactive opportunities during this webinar. We're going to start with a short poll just to give us an idea of who is participating, whether they're NSP1, 2, 3, and how you're participating in terms of the State Grantee. So we ask you to check the box that's relevant to you. The poll is on your right. And then once you've answered all three questions by checking the box, then press the "submit" button down in the lower right hand corner. We'll take a second or two to get people's responses. Are they coming in Kathy? How are we looking so far?

Kathy Kaminski: Yeah, about forty percent have finished the poll.

David Cramer: Okay. We would like to get an idea of who's participating and in what region of the country, because as you know, the market is very different depending on the region. And this will give us an idea of the audience today.

Kathy Kaminski: I'm going to go ahead and close the poll. It looks like most people have participated. There's just fifteen seconds left.

David Cramer: We'll be seeing the results of the poll in a few seconds. I hope everyone can see this, a good portion of the folks have both NSP1 and 3. There is a small portion of about seven percent who have NSP2, and we see that most are local grantees with a smattering of sub-grantees and subrecipients and developers. Most are local grantees. We see that we have a good portion from the Southeast, and then the rest are almost evenly distributed, with a little predominance to the West and Midwest. That gives us an idea of who's participating. We thank you for that response, and we'll check in with you later with some other features as well.

The objectives of today is to tune us all in to what's been happening in the last three to six months in terms of where the housing trends have gone, and how the market has turned around in general for the nation. But we know there are lots of differences locally, and we'll take a quick look at that. We'll then address some of the changing acquisition challenges, and review some of the acquisition methods that have worked in the past, including the First Look Program among

them. Then we'll talk about some new approaches, and that's where Kevin and Wayne are to talk about as panelists to highlight some of those, as well as to see what participants have in terms of acquisition approaches. This may cause us ultimately to conclude that we might need to change our program design, whether that's the target area or the approach that we take to homeownership, rental, or even lease-purchase. That will require in some cases, and we'll talk about this towards the end, a modification of our Action Plan and what's required to do with that. That's what we'll end the day with. I'm going to turn this over to Sergio to talk about a couple of the trends. So Sergio, can you pick up the discussion here?

Sergio Barajas: Thank you for the introduction. Once again this is Sergio Barajas with the Trust. I wanted to let you know what we're seeing in the market, and we wanted to share some data with you folks. The slide in front of you is a ten-month snapshot of inventory from July of 2012 forward to March 2013. What you see there is a rather steady, yet cyclical decline in inventory across the different sellers. And I don't think that this is anything that's groundbreaking or earth shattering. I think you've all seen this in your attempts to look for or identify inventory that may meet your NSP needs. It's just a quick snapshot that shows you a ten-month trend.

The next slide highlights some of the pressures that exist in some markets. They are clearly not in all markets. I know that some of these lines may be a little bit tougher to follow than others. But if you're looking from top to bottom here, we're looking at the median REO sales prices across eight states. It shows the trend as to how those values are bouncing up and down when we look at the beginning of the bubble in 2007 versus where we are currently as of October of 2013. I know the colors are a little bit tough to distinguish, but the top line would be San Francisco and followed by San Jose. San Diego would be the midline there that's orange, and Los Angeles would be the green line. Down at the bottom we've got Las Vegas and Phoenix and I think Camden, Jersey. I think what's interesting to note is that in some of these markets, clearly some of the more competitive markets we've got sales prices that have steadily risen over the past ten to twelve months going back to October. I wanted to provide you a visual metric on how the median REO sales price, though it bounces around from time to time, is trending up.

This slide is important when one starts to look at where are some of these markets going in the near future. This slide captures Arizona, California, Nevada, New Jersey, and New York. And in all of the markets, I think what you'll see is a steady decline in the negative equity home loan shares across these markets. Probably the only exception there is New York, which is the smallest blue line on the right hand side of each of these different colorful towers we have in front of you. Certainly Nevada, which is the green line, California, which is the red line, has shown a decline if you look from Q1 of 2010 going forward and across to Q1 of 2013. Maybe New Jersey has a slight bump up. But in some of our more competitive markets like Arizona, Nevada, California, we've certainly seen a decline in negative equity home loans.

David Cramer: Thank you Sergio. I think as Sergio illustrated, the shifts in the market are real. They're real nationally, but they also impact us locally and with lots of variation. We also wanted to see for those that are participating today what your experience is with the market. If Kathy you can bring that up, we're going to take a short poll. The procedure is to check the box if you think your market is showing a definite trend upward in terms of sale and value. Is it remaining flat with those small up's and down's over time, but generally about the same. Or, is still going down? Do we have some among us that have markets that are still trending downwards? So check a box as to how you see your market in general. I know that some of you cover a wide territory where there might be some variation, but at least in those where you have target markets or your most active participants, particularly those that are grantees NSP1 and 3. Give us an idea of what your market looks like. Take a moment to do that and then we can see the results.

We had most showing a definite trend upwards, and one percent, one out of a hundred and eleven, still going down. That tells us that truly there is lots of variation, and that there is still concern about the market going down. With the majority showing that it's going up, this certainly confirms the data that we just presented for the most part. It presents unique challenges to acquiring additional property for our NSP Programs. That is the core reason for today's discussion.

Before we get into some new approaches, we thought we would review some of the approaches that we have used in the past that some continue to do successfully, and others are starting to question. You see the list before you. We'd like to spend a couple of minutes talking about each. Sergio and I are going to go back and forth a little on this. The most common is the open market. This has been the most traditional source of acquiring property. That's properties that are listed on the multiple lists or that we are able to find out about after they've been foreclosed on. They're on the market and are available to anyone. This is the traditional way that many of us have acquired property. When properties were numerous, this started out being what most NSP Grantees used. Over time, competition emerged from investors and now that the market is starting to recover and people are starting to gain some confidence in the market, we're not only competing with investors, but we're now competing with homebuyers. So with all of that competition, we need to start looking at some other ways.

I want to talk about direct relationships with services or lenders. Relationships with those that have the property has always been a way to find out about properties that are going through the foreclosure process. Sometimes we're able to talk with or access properties where we have relationships often with local lenders, or with regional lenders. But as we know, a good portion of foreclosed properties tend to be with a major national lender. And talking to the right person with those national lenders has always been an important component if we were going to access property directly. Short sales were allowed as a legitimate foreclosed property. These are properties that the owner negotiates a sale with

the lender with a potential buyer, which could be just prior to foreclosure. It has its advantages. One of those is that the owner - if they still occupy it - means that we have an occupied property that doesn't get vandalized by being vacant. The experience has been that it's very labor intensive. And then after working with a potential owner for a long time, it may go in a different path so that the outcomes are uncertain. I'm going to come back to intermediaries, HUD, and SHA to talk a little bit about donations.

The National Mortgage Settlement spurred a lot of lender donation of properties and vacant lots. And lenders who are looking at their low-value distressed assets, which are more difficult to run through their normal foreclosure process, were open and continue to be open to donating property or offering property at a significant discount. I think Sergio will talk a little bit more about that when we go back to talking about the National Community Stabilization Trust properties. Then there are others, especially for multi-family tax foreclosures and simply failed developments that stalled as a result of the recession. We'll hear a little bit more about that in relationship to rental and multi-family properties from our panelists. I'd like to go back to the role that intermediaries play like with the National Community Stabilization Trust. Sergio, why don't you pick up there? Or, if you have any comments on any of the other approaches that I covered, we'll welcome your comments as well.

Sergio Barajas: I think that we can pick up on the next slide. I think the only comment I'll add on this slide is that each of these traditional approaches to boost in acquisitions has become increasingly competitive, whether it's by pressure from the buyers or pressure from the sellers looking at ways to expedite the sales of REO inventory for their own business, but more often than not for assets they're managing on behalf of others.

David Cramer: Okay. Let's go to your organization and First Look.

Sergio Barajas: First Look, as many of you know, continues to be our core execution. We continue to move the lion's share of all of our transactions to this process. There was a mention of the donation process that we're currently running for several banks. Again, we run that through a very similar timeline. The First Look process is finding a way to work with sellers in a manner in which we don't slow up their process. The entire process, at least for that first section of the First Look timing process, is that the total elapsed business time of five days where our buyers are able to express an interest in the property, inspect it, and then subsequently determine whether or not that they want to receive an offer from the bank or a value from the bank on which they can make a determination. And then the second part of that process is a closing window that is hopefully somewhere between thirty to forty-five days. This continues to be a very successful model. Our biggest constraint at this point in time in some markets isn't the model and the timing associated with the model. It's the number of entities that want to purchase and it's the volume of inventory. I think my closing comment on this slide would be that irrespective of how many buyers we have in

a particular market, the NSP buyer always has priority if they act within the predefined timeframes.

David Cramer: And before we switch to the next topic, I just want to make a quick comment. I came across recently an NSP sub-grantee that was able to take advantage of the First Look Program by in effect subbing to a group that had an existing relationship and an existing process that was well-oiled, and were able to draw property in partnership with them. So those that do not want to start this process or don't have the volume and staff to make all this happen, smaller groups might seek to do that. That was a comment about a group that I came across just in this last month.

Sergio Barajas: I know just to augment that a little bit, that in some markets we have what's called a Community Coordinator who actually does the day in, day out of tinkering with REO Match, which is in front of you on the current screen. They're responding on your behalf and understanding where your target areas are. So that certainly does facilitate the introduction of more buyers or sub-grantees into an area and allowing those folks to act in coordination and act together. But the bottom line is inventory. With respect to REO Match here, with those of you who have utilized it, you know that it's based on a group of maps interfaced. The great thing about this is that we can map or plot multiple target areas. They don't have to be connected to one another; you could have multiple shaped files. On the left hand side you'll see the different buckets that REO Match is able to drop your properties into that allows you to actually track the transaction and where it is. You can see who's making the property available to you. You can also export data from this for reporting purposes to other reporting systems. We found that a lot of our buyers really do utilize REO Match to administer the front-end of their program. I think that the one big note I want to point out is that probably our biggest pickup with respect to REO Match at this point in time is the number of buyers that are finally engaging us in trying to gain access into the FHA First Look Program. We've seen a substantial amount of pickup year over year in a lot of our markets where our buyers had been struggling to access FHA inventory. So we're real happy about that. I'd be more than happy to address any of the questions related to REO Match and its features as a part of this conversation going forward. But we find that it's a great tool and that most of our buyers enjoy using it.

David Cramer: Thank you Sergio. I'm glad to hear that about FHA access as well. What we've tried to do is to outline some of the approaches that have worked for many NSP Grantees in the past. We now want to shift a little and present two panelists who will talk about their approach, particularly with their struggle with the recent uptick in the real estate market and how they've adjusted to that. Then after that we'll talk about some other approaches that we've picked up from different grantees with some success, and then we're going to open up the "Chat" room to see what ideas we might hear from those that are participating. We're going to start out with Kevin Zwick. Kevin, introduce yourself and talk about your program, particularly what you're learning in the past three or four months about approaching acquisitions.

Kevin Zwick: Sure. Thank you very much for having me here to participate in the webinar. My name is Kevin Zwick, and I'm the CEO of Housing Trust Silicon Valley. The Housing Trust is a CDFI, and we are the head of the San Jose Consortium, which is an NSP2 Consortium, an NSP2 Awardee. We were awarded twenty-five million dollars in conjunction with the City of San Jose's Housing Department and Neighborhood Housing Services of Silicon Valley. The Housing Trust is a CDFI, so that means that we make loans and grants to increase the supply of affordable housing. We have services around helping homeless people get into homes, and we help to prevent people from falling into foreclosure. Our original goal with our NSP2 award was to have spent twenty-five million dollars and to have that help create two hundred and four new housing opportunities. Roughly three fourths of those would be homeownership, and a quarter would be multi-family rental. We imagined three programs, one of which is an Acquisition Rehab Resale Program. Our goal was to do sixty-four of these single family homes. In addition to that, we had down payment assistance programs available, what we called our Purchase Assistance Loan, or PAL. We budgeted to a hundred PAL loans. Those would be people who on their own were able to acquire distressed properties who are low and moderate income, and then we provided them with a fifty thousand dollar Soft Second Loan. And then finally, we had imagined doing one multi-family development of about forty units. Our actual result as we're getting close to the end of our grant is that we're going to exceed two hundred and fifty homes, of which forty-three will be Acquisition Rehab Resale, or what we call our Dream Home Program. About fifty are PAL loans, and then we've so far done three multi-family developments. One is an acquisition of a distressed apartment building for fifty-nine units, and then two redevelopments of vacant properties. So those would be new construction projects. One is a twenty unit permanent supportive housing development for people with special needs, and a seventy-five unit family housing development.

We've had these multiple strategies from the beginning, the Acquisition Rehab Resale of existing single family homes, the PAL Programs which are the do-it-yourselves, find your property and we'll just help you compete with all cash investors and people to get that home. And then there's the multi-family rental, both in new construction or in Acquisition Rehab Resale. I wanted to focus on our Acquisition Rehab Resale Program, our Dream Home Program. We made some very deliberate decisions early on from the program. First in our Consortium is the City of San Jose's Housing Department. The City of San Jose's Housing Department, and specifically their Rehab team, led the effort with this program. They're Rehab department was very experienced doing programs like this. They were awarded an NSP1 fund that they managed. The decision was made that this activity would run more like a Rehab program than an attritional housing development program. That was because the abundance of homes and the abundance of buyers that were there made it so that the real challenge would be containing costs at the single home level.

That's where we thought that we needed the most expertise, and the Rehab folks at the City of San Jose were experts in the field there. So we held a

Request for Qualification for Developers, and we got a lot of responses of who wanted to be our Dream Home developers. We selected two teams. These were small local teams of home contractors and realtors. We went that direction, as opposed to larger housing development firms. The main reason why is that we knew from the beginning, knowing our market, that while we were hopeful that some of the homes we would get would be through First Look Programs and NSP, we also knew that we would have to rely on just buying properties on the market on MLS. So we wanted our realtors to have that experience. The realtors have a lot of experienced relationships with the local asset managers, with the local realtors, and then the contractors had had experience doing Acquisition Rehab Resale's of single family homes. One of our teams, CRP, worked for the City of San Jose on NSP1. And the other developer, Cypress, had done this on a private development. A lot of people were talking to us at the time about looking into bulk sales of REO homes. Certainly that was our hope that an opportunity like that would present itself. But we found no evidence in our meetings with banks and servicers that these bulk purchases were going to be available in a specific census track that we had selected for NSP2.

Every single home that was purchased under the Dream Home Program was one by one. This led to certain advantages. One was that this allowed the City of San Jose to target homes to be purchased that overlapped and leveraged other programs that they were able to do. They were able to do their first NSP award, their Strong Neighborhoods Initiative, their Neighborhoods in Crisis Program, their other CEPG activities, and their Play Space Initiatives that were going on from philanthropic activities. It was more one by one, but it did allow us to have more impact with where those homes were selected. An example of one of those homes is the picture that you're seeing now, 199 Checkers. This was purchased by one of our developers, CRP, which stands for Community Rehab Partners. This was actually a home that we did get off of NCST. And to give an example of what it means to do work in a high cost area, this home had an initial value of three hundred and fifteen thousand dollars. The discounted price that our developer was able to get with NCSP was two hundred and ninety-two thousand. So this is what three hundred thousand dollars bought you eighteen months ago in San Jose as REO property. That is a good example of our Dream Home Program. They fixed it up. We did a lot of renovation rehab, and sold the home for three hundred and forty thousand dollars.

David Cramer: What happened as the market shifted?

Sergio Barajas: After purchasing thirty-three homes, we had to renegotiate developer contracts. We took advantage of new financing that came in. By the time we got back to the market, the market has changed. There was a lot more competition for a lot of fewer homes, and it became a lot more challenging. We could get asset managers to give us back access to the few homes. There were very few homes coming through NCST, which was close to what's going on in the market three years ago. In a typical year there would be five thousand homes on the market at any given time in Santa Clara County. Right now there's less than twelve hundred. So what we did was we expanded our multi-family rental

developments in response. On the next slide is an example of one of our multi-family developments. This is the Taylor Oaks project, and this apartment building met the definition of distressed. It was a fifty-nine unit rental development, and it came to us through a pocket listing from a realtor who knew the apartment building was distressed and knew it was in a neighborhood with a lot of concern from the City. The developer knew that it would fit for NSP2. So we held a NOFA and clearly the best project that came through to allow us to meet the biggest need was this fifty-nine unit development. This was a problem building. It had a lot of crime calls. It had a high visibility, so it had a lot of potential for neighborhood impact. And there was also a lot of severe overcrowding and dilapidated living conditions. The NSP2 funds allowed us to make a loan to the developer to purchase the home to bring in an experienced, affordable, housing property management company. They did about a three million dollar rehab. They built a playground and made an office for the police to have a light substation in the area with a community room and roof. And now it's a completely full fifty-nine unit project with affordable rents to very low income families. The next slide shows the façade after the improvements.

We used that model for two new multi-family developments, the Ford & Monterey development, which would get us ninety-five units as I mentioned before. And now where we're at is we're having our last bit of program income coming in from the last few Dream Homes that we sold. We're winding down our PAL program June 31st, just because there's lack of inventory and folks can't get into the homes. And we're going to reprogram some of these funds of about four million dollars and hold one last NOFA to get another multi-family development in and build on that success. Thank you.

David Cramer: Thank you Kevin. Kevin will be with us for the remainder of the webinar, especially for the Q&A portion. So if you have follow-up questions with Kevin, we would certainly invite you to ask them at that time. From the West Coast to the East Coast in New Jersey, I want to introduce Wayne Meyer with the New Jersey Community Capital with a very different approach in terms of accessing properties for rehab, including NSP. Wayne, will you introduce yourself and tell us about your group and how you approach NSP acquisition.

Wayne Meyer: Sure. Good afternoon everyone, and thank you for the opportunity to participate on this webinar today. I really do believe this is still such an important topic, this question of, "How do we acquire properties in neighborhoods that we all care about?" New Jersey Community Capital is also a twenty-five year old CDFI that is headquartered in New Jersey. We work primarily in all of the urban markets in Lincoln, New Jersey. We provide investment and financing for the preservation and development of affordable housing, primarily the one to four family houses, as well the small multi-family rentals. We're also involved in a number of other more comprehensive community activities, but housing clearly is a key component of our work. From an NSP perspective, we are probably the leading lender. The nonprofits we have any relationship with are over a hundred in the State of New Jersey through the acquisition and development of taking in abandoned and foreclosed properties. We've also been involved in a

Consortium of NSP2 with five nonprofits of four cities and one county where we have provided the financing to allow those to acquire and redevelop properties in targeted areas.

One of the challenges that we have seen is this question around acquisition, and we have established a subsidiary between the Asset Preservation Corporation, which is designed to help facilitate the bulk acquisition of both REO assets and non-performing mortgage loans. And then look to partner with our Community Development Partners to redevelop and repurpose those assets. So that's a little bit of a highlight of the environment where we work, especially in the Northern urban areas of New Jersey. This question of acquisition of properties is a challenge that we've seen even before the foreclosure or prices. It's something that's been a challenge for our nonprofit groups for at least ten years now about how do they acquire and redevelop properties, especially in areas where cities are no longer providing a lot of properties for nonprofit groups. We're in a really severe cost burden market where in a lot of the neighborhoods where we work there are more than fifty percent of the homeowners and tenants provide more than fifty percent of their income to housing. We also unfortunately lead the nation in a lot of indicators that suggest that the housing troubles that we have. For example, New Jersey is in the top five in the country for foreclosure rates. Our delinquency rates of severely delinquent loans still remain high. I think we're number three in the country. And I think also the fact that we're a judicial foreclosure state and it takes roughly eight hundred days to get to foreclosure also is a challenge of getting properties to acquire so we can redevelop and repurpose those assets.

We've been thinking long and hard about ways that we can begin to acquire properties. One of the things that have been relatively successful is that we have created more mortgage loan pools. We just were involved in a recent pool where we acquired four hundred non-performing mortgage loans in targeted markets. These were FHA loans. They were roughly about five hundred and ten residential units, because a lot of our properties are two and three family homes. Within those properties, two hundred and eighty-two of them were owner occupied, and a hundred and eighteen were vacant. It allowed us to in target neighborhoods to acquire properties with the goal of trying to keep people in their homes, though the average mortgage value in the North market where we are working the principal balance of the mortgage was three hundred and twenty thousand dollars. The fair market value of the house was a hundred and seventy-five thousand dollars. So we were able to buy it at a discount to the fair market value of the house. Our goal is to try to keep people in their homes through a principal modification. We are looking to write down the mortgages to an amount equal to the current market value, which also works with local counseling groups and also align to the borrower's income. That's our primary purpose and primary goal of what we're trying to do. But also because the judicial foreclosure statement takes so long to get through properties and time as we all know is the enemy, we believe that early intervention is important, even for those properties that are vacant. A hundred and eighteen of the occupied ones were really not owner occupied, but they were occupied by

tenants. It allows us an opportunity to develop a number of affordable housing opportunities, both rental and for sale.

We're working in very targeted neighborhoods where we're able to get a scale of property. And the fact that we're able to achieve a savings with regard to the acquisition price, it reduces our reliance in having to use government subsidies, although we do obviously use NSP to help with some of the vacant properties. But this question of being able to acquire at a discount allows us to achieve a certain scale with these properties, and also to develop affordable housing without heavy reliance on government subsidies. So we really think that this is an important model on a number of different levels. I should also say that these types of transactions happen around the country every week. And because we have now shown a track record for doing this type of work, we've had a number of larger private equity companies reach out to us who have also bought large pools of mortgages in areas where we work. They're asking if we will be the exit strategy for them in neighborhoods where they don't really have much of a footprint. Tomorrow, we're about to enter into a joint venture with a national equity fund that recently bought four hundred and fifty mortgages in New Jersey. They're going to look for us to work with fifty of the properties. Because we have a very strong footprint in those areas, we're able to bring to the table some NSP subsidies and some other subsidies, as well as our mortgage modification program. We see this as an opportunity to continue to not only create pools of mortgages ourselves, but also to look to partner with others as we move forward. So the Mortgage Loan Purchase Program really grew out of the work that we have done with our subsidiary, the Community Asset Preservation Corporation.

We established CAPC about three years ago. It was designed to try to go out and to purchase existing pools of non-performing mortgage notes and REO properties. In the time that we have done that, we have bought forty-seven mortgage loans from a financial institution were mostly investor owned. We've also bought small blocks of REO's in targeted neighborhoods, ten, fifteen, twenty REO properties at a time. Again, our goal is to buy to develop in neighborhoods. We're also involved in other comprehensive community stabilization activities. And from our standpoint the exit strategy drives transactions. So when we buy in particular neighborhoods we know the community partners that we have in neighborhoods, we try to identify ahead of time whether it's a property that can be developed by one of our development partners who we work with, or is it a market rate type transaction, or is it something that our entity can develop ourselves as a part of our affordable housing initiative. So in a couple of year's period, we've been able to purchase probably about two hundred and twenty-five properties. We have developed roughly about thirty million dollars of properties with only two million dollars of subsidy. I think that the way that we've been able to do that is primarily again to try to achieving some savings, to understanding the market, to achieving savings in times with a bulk acquisition, and also working with our partners to try to leverage and maximize the work that we do.

I just wanted to touch for a few minutes on again, because of the markets that we're in, I mentioned about some of the macroeconomic factors around foreclosures and also the negative equity and the judicial foreclosure statistics. But the other area from a macroeconomic standpoint is that we're in a really high demand housing area, where the demand for affordable housing is great. A lot of borrowers - even if they have an ability to own a home -have difficulty getting mortgages because it's difficult to access mortgage credit. So we have now repurposed a lot of our one to four family homes as rentals, and the demand has been great. We're able to rent the homes out in relatively quick periods of time. It's important to occupy these homes, and then it gives us an opportunity to move onto some other houses that are vacant in the area. I think it has also posed two additional challenges for us that we've been tackling. One is this question of having a high quality scattered site asset management/property management function, which we're working on and continue to build that capacity for. But then there's also this question of financing around rentals.

Our CDFI does rentals to nonprofit groups, but because our capital is not long term by virtue of the type of investments we get from banks and other insurance companies, we're kind of limited to providing maybe five year loans. A lot of the financial institutions are not providing rental financing for scattered sites. So it's a little bit of a challenge, but we continue to look to find different ways to access that type of financing. The good news is we've been able to get those properties occupied, to provide quality affordable housing. And we are starting to see the market pick up. In the last three months we've sold over two million dollars of properties of for sale housing, scattered site housing. But we realize the importance of developing a really important rental platform. I just would like to finally say that we work a lot with the National Community Stabilization Trust. I think they're doing an absolutely sensational job in finding access to properties in New Jersey. It's a privilege to work with them. Thank you.

David Cramer: Thank you Wayne, so that's different approaches in different markets. Before we get into opening up the chat room as Kathy sets that up, we'd like to invite you to suggest to us what you see as working for you, what's not working for you, what's worked in the past, and what's not working now. As you think about those questions and respond in our chat room, I just wanted to come back and talk about two different ideas that we've picked up. One is actually an old one which is code enforcement. We mentioned that before. It may become more important now. It's always been used as a tool to help motivate owners of non-performing or poorly performing assets to act sometimes which would result in them turning over the property to a more responsible owner or developer. Please note that any code enforcement has to be applied evenly for obvious reasons.

This is probably the opportunity to invest in a rental property. There has been one suggestion of not buying property of landlords, but actually offering subsidy to improve their deteriorated property much like a rental rehab program used to work in the past. We don't have an example of that yet, but we might get an example from any one of our over a hundred participants in this webinar. So

we'd like to open up the chat room, and I see we're starting to get in a couple of comments.

Mark Hamilton, thank you for jumping in. The question is, "Where does the ninety day vacancy rule come from? Is it still applicable?" We'll come back and address that under a Q&A. I also see from Mark that home values are increasing. Many of our bank owned foreclosed homes are on the market and have not been vacant for ninety days. I understand your ninety day issue now.

Another question from Joseph Moon is, "Are we allowed to purchase short sales with NSP funds?" That's been allowed since 2012, and our HUD folks can elaborate on that again when we come back to Q&A.

But stick around; we have one more segment before we get to Q&A. We want to talk about modifying programs and how that's done. So are there any other of those participating that have any ideas that have worked before? Maybe they're not working now, but others might benefit from that in the call that we haven't mentioned yet that might be a little unique to your circumstances. But one never knows when that can be applicable to others. Nobody wants to join in on the chat?

Let's answer these two questions that have come in then. I don't know whether John, David, or Hunter wants to take on this issue of ninety days for Mark, and reinforce the issue for Joseph around short sales.

David Noguera: Could you just clarify what the question is? We are sharing a phone.

David Cramer: Okay. If you look on "Chat," the first question is, "Where does the ninety day vacancy rule come from? Is it still applicable?" Mark Hamilton is struggling with properties that have to be vacant for ninety days and he has a question about that.

David Noguera: If you go back and look at the definitions that we revised for abandoned and foreclosed, you'll see that we used ninety days as the trigger to determine when a property could be considered abandoned or when it could be considered foreclosed. Initially, we were saying that the property had to have completed the foreclosure process. But realizing that a lot of the inventory on the market, in some cases called the "shadow inventory," that was available was further upstream. We decreased the amount of time that the home had to be in default to ninety days.

John Laswick: It doesn't have to be vacant. If you have a vacant home you could buy it tomorrow.

David Noguera: Right, that's specifically for the abandoned or the foreclosed definition.

David Cramer: Thank you, and hopefully Mark that answers your question. If not, when we get to Q&A you can ask a follow-up question. Joseph Moon had a

question about short sales, maybe a little surprised that it's allowed, and how did that come about David?

John Laswick: It's basically the same announcement.

David Noguera: Right. It's basically the same announcement. The change in definitions doesn't explicitly say "short sale." What they say is that you're eligible to buy a property that's been in default for ninety days - where the payments are at least ninety days behind. Any short sale that's going to be available to you is going to have a borrower who has not made a payment in at least ninety days or more. So those would be available to you. We have some of our grantees that are pursuing short sales. Some have chosen not to, because it's a crap shoot. When you place an offer on a short sale you don't know if the bank is going to accept it, and they could have you waiting for months at times. So it's really up to you as you're looking to see what is in your best interest to purchase. But if short sales are what's available, then you certainly have the regulatory support to pursue it.

David Cramer: Okay, thank you David. That's David Noguera in the HUD office responding to that question. Mara Bontempt asked for insights on managing relocation with multi-family properties. I'm going to turn that over to Kevin or Wayne. Have you had experience in your multi-family properties in dealing with relocation?

Kevin Zwick: Yeah. Sure. This is Kevin from the Housing Trust. We did have a relocation concern with our multi-family development, but we oversized the relocation budget. We assumed that there were definitely going to be people in there that were over income. We brought in a relocation consultant who worked on lots of localities and lots of affordable housing developments. They interviewed all the tenants and came up with a relocation plan and a relocation budget for anybody who was over income or otherwise didn't qualify. It was just a part of the development budget that we made sure our developers factored in to their development. So I would say for anyone looking at doing acquisition rehab of multi-family buildings to be conservative in that area and be conservative in that line item. For anybody that relocation benefits did trigger in our area, it was up to a forty or a fifty thousand dollar payment. For the most part, we didn't have very many people that wanted the benefit and wanted to move out. Mostly people wanted to stay within the property and just be in a more appropriately sized unit. As I mentioned before, there was a lot of overcrowding in the building with families in studios and two families in a one bedroom unit. So one of the benefits we were able to do were to give people affordable units with appropriate bedroom sizes on site.

David Cramer: Thank you Kevin. And Mara if you have any follow-up questions, both Wayne and Kevin will be available in the Q&A part. We're getting a really interesting question from Rena Johnson about acquiring "zombie foreclosures," where it's been abandoned and the lender is sitting on it. How do you actually

get to these properties? Would any of the panelists or any of the participants like to respond to this?

Sergio Barajas: This is Sergio Barajas with the National Community Stabilization Trust. I'll respond to that a little bit. It is going to depend on who is actually the holder of the property. If it's one of the groups that's participating with the National Community Stabilization Trust, we could certainly reach back out to Bank of America, Wells Fargo, Citi, Chase, etc., and try to ascertain what is going on with a particular property. In instances where we have some different types of servicers, some specialty servicers' folks like Nationstar; we could certainly inquire as well. But it's really going to be dependent on who's holding the asset and whether or not they're servicing it for themselves or for others.

David Cramer: Thank you Sergio. We'll take this last question under the "Chat" section. We'll be offering Q&A after we review this next segment on how to change your program design. Tanesha Lanier asked about HUD's shadow inventory. Sergio, you're probably the best to address that, unless one of our HUD folks wants to jump in.

Sergio Barajas: That was a recent question we had from an interested buyer who was tracking a property that was being serviced by Citibank. When we went to Citibank about the property, it was actually a HUD FHA inventory. So those properties that are being serviced for FHA by multiple servicers eventually will go from the servicer back to FHA and then FHA will make them available as First Look opportunities within the defined areas. I will say that if you go back and look at the First Look property shown by the top five servicers, there has been a decline over the past ten months on FHA inventory. It's most pronounced in April, but we expect that actually to remain a bit higher than it was in April. And certainly we expect it to see really the GSE's and FHA's making up a larger portion of the inventory that's available going forward.

David Cramer: Does anyone from HUD want to add anything to what Sergio just mentioned?

David Noguera: No, we're probably not the right people to comment on that.

David Cramer: Okay. Sometimes you pick these things up along the way. I know that several of you were at the workshop in Miami, so one never knows. I want to touch on one more segment. We'll take about another ten minutes or so talking about changing your program design when we've listed some of the standard acquisition approaches that have worked in the past and some continue to. We've talked about a couple of new approaches and ideas that you might to want to use in your acquisition strategy, but in some cases it might be just a matter of changing design. We've already heard the theme from both Kevin and Wayne of shifting from homeownership more to rental because of the shift in the market in their two areas. So that's one way of doing it. Certainly capacity is one thing to consider. If you're small, different strategies will work differently than the more sophisticated groups that may employ more complicated approaches. But

going to rental or even considering lease purchase is certainly a consideration to make. Not everything has to be sale in terms of the disposition or in acquisition with the type of building. Many of us try to use the top layer of the better properties. It might be time to consider some of the worst properties. That would reinforce neighborhood redevelopment strategies to sometimes go after the worst if you have the capacity and of course the resources to do that.

Many units in a building than one is something I might take away from Kevin's presentation. Their program was able to do far more units than they had targeted, simply because they shifted over to multi-family. Obviously that gets more bang for the buck. It may be the properties that might be more likely the ones that are available. Keep in mind that going from home ownership to rental depending on the type of rental, and take note of Wayne's comments about scattered site property management, is much more challenging than what we normally expect in property management, which is difficult to begin with, but scattered site is even more so. Some are even shifting to considering not going after buildings, but going after empty lots and considering new construction. This of course may require shifting our program design from uses A & B to E. That all has to be taken into consideration.

And then there's the issue of modifying our target area. We may have exhausted the units in our original target area. That may cause us to want to look at adjacent or even different target areas to expand into where there might be properties that are more readily available. In any of this of course the important thing is to consider the market, so even switching to another target area and checking on that market in terms of availability of properties and then ultimately, "Can they sell?" is also a consideration.

Depending on the type of change in your program design, whether it's shifting from uses, whether it's modifying the target area, it may require modifying your action plan. There is guidance on this, and you can see the website that has that guidance. It was issued in March of 2011, and there are different requirements for NSP1 and 3, and NSP2, the latter being of course a competitive award. And since most of the participants on the line today seem to be associated with NSP1 & 3, which makes it a little easier. So whether priorities are changing or there are different types of activities or scope, all of those things might trigger modifying the action plan. So changing census areas, the number of households in terms of beneficiaries, or an income group that is being targeted such as if you were targeting more than the twenty-five percent minimum requirement for fifty percent. If you're finding that hard to do and want to get down to the twenty-five percent again and to allow for a broader area of income to take advantage of your program, or open up the market for your program, that is considered a part of a beneficiaries change. Changing the priorities in terms of how you will be using different units.

The Notice has more details on all of that but take note that some changes do not require substantial amendments. It might be that you're changing your program, but shifting for example to vacant homes rather than abandoned and

foreclosed, or switching from “D” to “E.” Some of this may not require a substantial amendment, and the key thing is to work with your local HUD field office, particularly the person that is primarily responsible for NSP. The HUD folks that are with us on the webinar today can also at the national level offer advice on this.

I mentioned that there are clear differences between NSP1 & 3, and they are detailed in the Notice. You see some of the pieces of information that do mark a difference. And a special note for the few that had joined us that have NSP2, yours is very different obviously because of the original ranking. The requirement for the changes requiring reranking may inhibit wanting to move in different areas. I know Kevin struggled with this when you started to run dry with acquisition, maybe you could make a comment as to why you stuck with your target area and didn’t change? Can you describe some of the dynamics that caused you to not go down that route?

Kevin Zwick: Sure. This was almost a year ago now, maybe eight months ago or so. We wanted to revamp our single family programs, our Dream Home, and especially our PAL programs. What we were finding was that the thirty-five census tracks we selected in 2008, 2009 for the application, the market had changed. And the pockets of foreclosed homes were in other census tracks. So we attempted to find ten or eleven additional census tracks where there were currently foreclosed homes that weren’t a part of our NSP, to map and find those that never really got us any homes and make those changes. The challenge was that in our original application we had selected every census track that got us an eighteen, nineteen, or twenty of a score. So our average score was right at where it could be to meet the threshold for getting funding. So any new census track that we brought on, when you averaged it all up we were just under the minimum point threshold for that area. So we couldn’t get that new map approved. That’s been another reason why we’ve decided to refocus on multi-family. We do know that in some of our census tracks that there are some eligible apartment buildings, and there are some potential apartment buildings that are on an adjacent census track. So maybe if a project comes in and it has the right type of community impact and it’s just a block away from one of our census tracks, we think that it might be easier to talk about that with HUD about making that type of change to our plan as opposed to a wholesale take ten census tracks away and put ten new census tracks in.

David Cramer: Kevin did you start that conversation with your local HUD office, which is San Francisco, right?

Kevin Zwick: Correct. We worked with our San Francisco office on the plan eight or nine months ago to change a significant number of our census tracks. More recently we’ve had conversations with our SF HUD rep about if there’s a home or a project we want to do and it’s adjacent to our existing tracks, what’s the potential for looking at those projects? We’ve certainly gotten positive feedback, “Bring us something and we’ll talk about it, think about it, and consider it.”

David Cramer: So there's some flexibility there, but there are some requirements that might be two onerous. And speaking of changing the target area, the Trust has a tool for helping with that. I want to invite Sergio to come back in and talk a little bit about that tool, if in fact a grantee wants to modify their target area.

Sergio Barajas: We have a team in Minneapolis that does quite a bit of mapping for us. The slide in front of you right now is just some of the mapping capabilities and capacities that our staff has there. We worked with quite a few grantees to help them map the data that reflects not only where inventory has fallen to date in their areas, but where it's projected to fall based on foreclosure filings or notices of default, etc. And so anything that is needed from a mapping/data angle to help you support the move of your target areas is what the staff in Minneapolis is able to do.

David Cramer: Okay. Thank you Sergio. Again just to reiterate and summarize the discussion about program modification, there is a guidance on this. I would urge you to review that. Please consider talking with your local NSP HUD person first about this and explore the different possibilities, because not every change requires a substantial amendment. Some of you have probably already used the amendment process in the past already to make some adjustments, but do that with guidance from HUD.

Sergio Barajas: Dave?

David Cramer: Yes, do you want to jump in here?

John Laswick: Yes. I just want to say that we've been working with the Trust and with our policy development folks to update the demographic and market information that's in the various tools for selecting target areas. We're days away I'm hoping from being able to release that. The effect will be two things. One, it will be much newer market data. So hopefully it will reflect something more like current reality in your target areas. And secondly, it will all be set up for all three NSP1, 2, and 3 in a format that those of you who work with NSP3 used, which is this very simple mapping kind of tool that allows you to look at different areas down to the block group level to see what meets the criteria for the minimum score for your particular year. So it will be easier and it'll be newer. It won't be like last month's data or anything like that. But in terms of evaluating an amendment, I think it will facilitate that process and make it quicker for people to figure out what's going to work and what might not work.

David Noguera: The other thing that I should point out is that the updated tool is currently available for folks to play with on the HUD user site. You won't be able to amend your plan until we publish this Notice that John was describing. But if you'd like to play with it and see if the areas you're trying to access are eligible and if it's available now.

John Laswick: We realize that these hot spots have been moving and that we're open to looking at additional areas. We will continue to recognize existing target

areas, but if you want to add something, it will have to qualify using this new tool. And that should actually be easier and better for your decision making process.

David Cramer: Thank you John and thank you David. You were hearing the voices of John Laswick and David Noguera. They are NSP HUD headquarter persons. That concludes our presentation of different content. Before we conclude the webinar, we have some time for questions and answers. So for any of those that began their questions in the "chat room," we certainly can entertain follow-up questions. Or if there are new questions Kathy will you help me out here? There is a special way of attracting our attention.

Kathy Kaminski: Yeah, and I'm actually going to ask Allie if anyone has dialed in to remind folks how to queue up on the phone lines, and to ask if anyone is already on the line?

Allie: Ladies and gentlemen, if you would like to participate in the interactive question and answer session, please press "*," then the number "1" on your telephone keypad. You will hear a tone acknowledging your request and a prompt to record your name. If you would like to withdraw your question, please press "*," then the number "2" on your telephone keypad. We'll pause for just a moment to compile the audio Q&A roster.

John Laswick: Dave?

David Cramer: Yeah.

John Laswick: I want to follow-up on Kevin's comments about relocation. It sounds like they did it right. Obviously this is an eligible expense for an NSP Grantee, although it could be high as he pointed out. It sounds like what he did in Santa Clara in the Silicon Valley was to work around the tenants. And I think that's probably been the most frequently used way to deal with existing tenants on a property, many of whom don't want to leave. But you work around them by shifting somebody to a unit that has already been rehabbed and then maybe moving them back, or in his case actually upgrading their quarters to fit their family size. The other thing that he mentioned is if there are people who are over income and you have other sources of funds, you can prorate the tenancy so that those folks could stay as well. It does require that you have non NSP sources. A home isn't going to work if an NSP doesn't work. But that's an option for people as they look at these structures. I ran some quick numbers from our production reports, which are a little bit old. We're running almost a little bit over fifty percent in multi-family structures. Now I realize that there are some owners that single family and multi-family isn't necessarily a split perfectly for rental and owner, but it's a pretty good approximation. I think where we started out with NSP1 with most people thinking they were going to do mostly single family homes and ending up with a situation where we've got about 50/50 split between renter and owner is a pretty major shift.

David Cramer: Okay. Thank you John and thank you for that comment about the relocation as an eligible expense too just to make sure everyone is clear on that. Questions are starting to come in. We have a question from Gilbert Medina that came in shortly after we started. Did we answer enough of your question Gilbert, or do you have some follow-up questions? Can we unmute Gilbert to see if he wants to elaborate on his question, which is a good summary of the challenge that we were trying to address with this webinar?

Allie: Gilbert, press "*1" on your telephone keypad.

David Cramer: Gilbert, do we still have you with us?

Allie: Gilbert, your line should be open.

David Cramer: Gilbert, do you have a follow-up question? Okay. Allie, are there other people in the queue with questions that we can start to address?

Allie: Not at this time sir. Ladies and gentlemen to ask a question please press "*1."

David Cramer: Okay. We have a Melani Browd here. If you have a specific question, please feel free to jump in. Do you have any more specific questions Melani?

John Laswick: Dave, you might point out that these webinars are posted both in audio and in transcription formats on the NSP Resource Exchange. It takes a couple of days to get the audio, and maybe a couple of weeks to get the transcription. We try to provide answers in the right hand column as we can, but we generally will answer them all out loud.

David Cramer: Thank you for that clarification.

Allie: Excuse me sir, you do have a question from Mr. Hamilton.

David Cramer: Okay. Go ahead Mr. Hamilton.

Mr. Hamilton: My question was about the ninety-day rule. The property has been foreclosed upon and the owner is getting cash for keys, and they just now recently vacated the property. It's been less than ninety days ago that they left. The whole process has been finalized, but now they've vacated the property because of cash for keys. Will we then be able to buy the house?

David Cramer: David, do you want to address that?

David Noguera: Yes. I didn't catch all of it, but the foreclosure process has been completed and you still had the owners living in it. So the bank has bought them out, or offered them something to leave the property. So now you have a vacant house that's been foreclosed upon. That's a foreclosed property that you can buy from the lender if you can get to him.

Mr. Hamilton: They just vacated a month ago with the cash for keys program.

Hunter Kurtz: They left voluntarily?

Mr. Hamilton: Correct, but it was less than ninety days ago that they left. That was the question.

Hunter Kurtz: There is no ninety-day vacancy requirement.

David Noguera: Yeah, it's not based on when they leave. It's based when they went into default.

Mr. Hamilton: Okay.

Hunter Kurtz: So the ninety days only allows you to purchase a non-foreclosed property that's been in default for ninety days. If you're purchasing a vacant property, there never has been any minimum period of time for the property to be vacant. I think what you're thinking is that there's this rule that was put into place that requires you to certify that the building has been vacant, or that you know that the property owner was treated correctly. So that may have discouraged some people from doing this, but it's really the lender that should be telling you what the history of the property is. I recognize that they have not generally been too forthcoming with that, but we have not seen a lot of cases in which tenants were evicted by improper means. This requirement was put in because some people who have walked on their own properties were leasing it out to people who didn't realize the property was in foreclosure and then the bank kicked them out. And so this was created to prevent that from happening. I think at this point in time it's going to be a very rare case where that situation applies.

Mr. Hamilton: Thank you. You guys have been most helpful. There are some properties that have been vacant for say thirty days to sixty days right now. They're all vacant and they've all left. There are certain other programs where they have purchased another house for whatever reason.

Hunter Kurtz: This only applies to bona fide tenants. It doesn't apply to the previous owner either. In the case you've described, you don't have an issue.

Mr. Hamilton: Oh thank you.

Allie: And there are no further questions.

David Cramer: John, do you want us to conclude the webinar then, or wait for a couple of minutes to see if there's any other questions?

John Laswick: I think it's interesting that we've had some good perspectives on this. The New Jersey example is one that maybe is not available to everyone, because they're operating on a scale that requires a capacity and financial

stability. But it sounds like they're doing a great job of it, so we appreciate that. It's good to hear that the folks in the Silicon Valley are going over their goals, even though the cost per unit is so high there. That's also encouraging. I guess the takeaway for me is that despite the difficulty, people are still getting the job done. It is increasingly difficult to do and we recognize that. But we encourage you to stick with it. Particularly if you have a target area that's not working for you, don't be afraid to ask. We have not really turned down too many of those. We've modified or scaled back a couple of NSP2's, but we have in general been able to work out arrangements so that you can continue to operate in an area where you can actually acquire property. I know it's getting difficult. I just saw some figures about how the Phoenix market has gone up thirty percent in the last year or two. It's starting to sound like a bubble again. So maybe buying into that may not be the best thing. And getting an affordable rental or something like that is good for multiple reasons. But if you do get stuck let us know. We have technical assistance. We have folks like Dave to come out and work with you on these kinds of problems. We realize that they are highly market specific. We can give you advice, but there are all kinds of subtleties and so forth. Keep at it, and if there aren't any more questions, I think that we can go ahead and close Dave. Thank you.

David Cramer: Okay, I have just a couple of parting comments. We've mentioned different sources along the way. This last slide provides a summary. A lot of what we used to use with the NSP website has migrated over to OneCPD, which is the website that incorporates all the CPD programs, and NSP being one of those. That's where you can find the kind of information. And as John mentioned before, this as well as all NSP webinars are recorded, slides are available. The audio is available and eventually the transcript is available. So for those that want to go back and review some of the information or want to refer some of the information that we were able to outline today feel free to do that. David, did you have any other comments as well, or Hunter in terms of other ideas about acquisition or that we neglected or needed to expand on a little bit more while we are here and have our panelists?

David Noguera: There's nothing that I can think of off the top of my head.

David Cramer: Okay.

John Laswick: Can I just say that I think the places that have established relationships will real estate brokers have tended to get through it a little bit better. It was interesting that Silicon Valley had a combination of builders and realtors instead of developers. That was an interesting idea.

David Cramer: Good. David?

David Noguera: Yeah, I'd just say to folks out there that to the extent that you're having problems let us know. We may not have the answers, but we can certainly put you in touch with folks that have been making progress through these challenges.

John Laswick: Our clinics are coming up too.

David Noguera: Yeah, and we still have another ten clinics to go. We'll be in Los Angeles next week.

John Laswick: And Detroit the third week in June.

David Noguera: Yeah, it's a series of them coming up. I just want to thank the panelists for joining us and sharing your programs with us. It's really helpful just to hear how you're working through these challenges. And the fact that you're making so much progress in spite of all these challenges is really remarkable.

Hunter Kurtz: This is Hunter. I just want to add what the new two webinars are that we have coming up. On May 30th we're going to have a Q&A, and then on June 4th we're going to have a webinar about strategies to meet the twenty-five percent requirement.

David Cramer: Great. Thank you Hunter. Again, thank you Sergio Barajas from the National Community Stabilization Trust, and Kevin Zwick with the West Coast Silicon Valley Housing Trust, and Wayne Meyer with the New Jersey Community Capital and their subsidiary, the Community Asset Preservation Corporation. This is Dave Cramer with TDA. Thank you to our host, Kathy Kaminski. The other person that's helping us is Allie. I didn't catch your last name, but thank you as well. Kathy, do you want anything about any surveys or about any technical stuff?

Kathy Kaminski: Sure, when you exit the meeting you'll automatically be taken to a survey online. If you have a few moments, please fill that out. We look at those very closely to improve these sessions and to get ideas for future webinars as well. Thank you.

David Cramer: Okay. Goodbye all.