

# REO Owned Property Disposition Program

Presented By: Tom Caldwell, Great Lakes Capital Fund



Presented at the 2010 Michigan Conference on Affordable Housing

# National Community Stabilization Trust

Great Lakes Capital Fund has partnered with the National Community Stabilization Trust . Through the Trust we receive listings of REO properties before they are placed on the open real estate market.

Listings come from a variety of national lenders.

The goals of the program :

- a. Return these properties to homeownership.
- b. Stabilizing these neighborhoods through homeownership.

# Neighborhood Stabilization Funds

Developers use NSP funds to acquire, rehabilitate, and provide down payment assistance for home buyers.

Developer may also use other funds such as HOME to acquire and rehabilitate properties in areas not eligible for NSP.

Other purchasers are Land Banks.

# Acquisition Process

- a. GLCF receives property listings every business day.
- b. Within 12 hours those listings are sent to potential purchasers.
- c. Potential buyers respond if they have interest.
- d. Contact the local realtor for inspection of the property.
- e. Developer expresses interest to purchase the property.
- f. GLCF contacts Trust pricing desk to request a price.
- g. Trust delivers pricing via e-mail.
- h. Developer accepts/declines. Have 24 hours.
- i. If developer accepts the price-execute buy/sell agreement.
- j. Close within 25-30 days.

# Key Points

- a. Timely communication is essential.
- b. Acquirer must meet deadlines. From listing to acceptance of pricing usually takes 4-5 days.
- c. If you counteroffer, you must have an appraisal to back up your counter.
- d. If you pass, then you can still try to get the property on the open market.
- e. If you want to use NSP/HOME funds you need to get a timely commitment from the funder.

# Loan Program in Grand Rapids

- a. Properties in Grand Rapids can receive loans from Capital Fund Services to acquire properties to be rehabilitated with City of Grand Rapids funds.
- b. Loans are at 4% interest.
- c. Usually require an appraisal.

# Contact Information

GREAT LAKES  
Capital  Fund

*Great Lakes Capital Fund*

Tom Caldwell

Phone: 517-364-8912

E-mail: [tcaldwell@capfund.net](mailto:tcaldwell@capfund.net)



## HOMEOWNERSHIP CHALLENGES

- ⊗ PROPERTY MAINTENANCE
- ⊗ UTILITY COSTS
- ⊗ DECLINE IN PROPERTY VALUES
- ⊗ INCREASE IN VACANCY

---

---

---

---

---

---

---

---

## THE GOAL

Reinforce the stability of the Greater Boston-Edison Neighborhood by acquiring foreclosed properties, returning them to homeownership, and addressing blight.



---

---

---

---

---

---

---

---

## ACQUISITION STRATEGY

- ⊗ Acquire 50 Properties per year
- ⊗ Target Properties
  - Foreclosed
  - Abandoned
  - Contiguous Area
- ⊗ Property Identification
  - Realcomp Online
  - Boston-Edison Association
  - Nuisance & Abatement
  - DVPC Assessment

---

---

---

---

---

---

---

---

## REHAB STRATEGY

### COMPLETE REHAB

- Energy Efficient
- Historic Commission Guidelines
- Homebuyer Ed
- Homebuyer Assistance
- Deed Restriction

### PARTIAL REHAB

- Beautification
- Preserve Structure
- Sale Property AS-IS
- Owner Occupant
- Proof of Funding
- 12 to 18 Months

---

---

---

---

---

---

---

---

## PROJECT



## FUNDING

- Local Initiative Support Corp (LISC)
- Wayne County Development Corp
- Home Dollars
- JPMorgan Chase
- MSHDA
- ShoreBank
- Private Donations
- Home Depot
- 203 K
- Tax Credits
- NSP

---

---

---

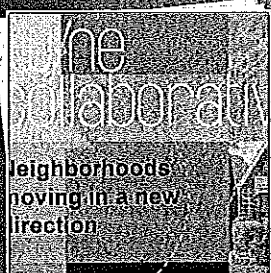
---

---

---

---

---



## WHAT'S

## WORKING?

- Collaborating Partners
- Acquisition Strategy
- Non-Traditional Approach
- Targeted Community
- Stakeholder driven Committee

---

---

---

---

---

---

---

---

## CHALLENGES

- ⊗ Competing w/Investors
- ⊗ Funding
- ⊗ Qualifying Buyers
- ⊗ Budget
- ⊗ Current Market Values

---

---

---

---

---

---

---

---



## OUTCOMES

- Visible & Sustainable Improvements
- Beautification/Maintenance
- Reduce vacancy by 10%
- Community of Choice

---

---

---

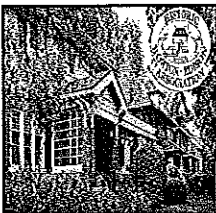
---

---

---

---

---



THANK YOU!

Antoinette N. Gray  
Central Detroit Christian CDC  
Housing Director  
(313) 873-0064 ext. 18

---

---

---

---

---

---

---

---