Public sources of funds used to acquire and rehab vacant and blighted homes have been a mainstay for NCST community buyers, particularly municipalities and non-profit housing developers. Federal housing programs such as the HOME Investment Partnership program, Community Development Block Grants, and of course the Neighborhood Stabilization Program have invested billions of dollars into affordable housing activities across the country.

However, sharp declines in federal spending and state/local budget cuts have led to severe reductions (and, in the case of NSP, complete elimination) in many federal affordable housing programs. The Federal HOME program budget, for example, fell by 62 percent between 2005 and 2015. Yet many NCST buyers still use public sources of funds – including Federal, State and local monies – to advance their mission of providing decent, affordable housing to low- to moderate-income families.

NCST strives to support buyers using these funds by giving them priority over buyers using non-government funding sources in purchasing properties through REOMatch, which helps them meet the strict spending timelines and other requirements such as housing type, geographic area, end-use disposition and income guidelines.

Below are two examples of community buyers who are successfully using these funds:

- **Housing Initiative Partnership (HIP)** works to help meet the needs of low- to moderate-income residents of Prince George’s County, Maryland. Rising rents in this county adjacent to the District of Columbia means many residents – more than 41% - meet the definition of “cost-burdened” by spending more than 30% of their monthly income on housing costs. In 2017, HIP received $720,000 in CDBG, HOME and NSP funds, which they used to acquire five homes through the *First Look* program. These homes were then rehabbed and sold to local families with incomes below 50% of area median income ($55,100/family of 4).
• **St. Joseph’s Carpenter Society** in Camden, New Jersey, has received over $585,000 in State Neighborhood Revitalization Tax Credits to support its work acquiring and rehabbing distressed homes in East Camden, where the median household income is $26,214. Pilar Hogan-Closkey, Executive Director of St. Joseph’s, said, “NCST’s programs allow us to acquire homes before cash investors, and that early access, combined with the tax credits, gave us the opportunity to purchase and rehab 10 homes into which we’ve placed families who earn between 60-80% of AMI.”

A number of cities also are channeling their limited Federal allocations to community partners that create affordable housing opportunities. Cincinnati recently allocated $4 million from city coffers to community organizations to encourage rehabilitation of the city’s most distressed neighborhoods. Increasingly, state and local municipalities are establishing **housing trust funds** to provide a dedicated source of funding for affordable housing.

As we celebrate National Homeownership Month, it’s important to acknowledge the role public financing plays in revitalizing and stabilizing low-to-moderate income neighborhoods. With increasing threats to public funding for affordable housing, it’s crucial that NCST buyers can leverage these sources, along with private capital, to create positive housing outcomes for their communities. I encourage you to support advocacy efforts at both the local and national level that raise awareness of the importance of public investment for affordable homeownership.

*Kathy Carter serves as a Community Development Manager (Northeast/Mid-Atlantic Region) for NCST.*

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**Pennsylvania Property Now Home to Grateful Family of Six After Extensive Renovation**

Twenty years ago, Omar came to the U.S. with $20 in his pocket. Seven years and lots of paperwork later, his wife joined him. They have since built a family with four boys, the youngest of whom has Downs Syndrome. Omar works at a local factory earning just enough to keep his family safe and well. However, they were renting a two-bedroom, basement apartment in a crowded complex with an expensive rent payment. There was very little opportunity to save, much less attempt to get ahead.

Omar and his wife applied to Habitat for Humanity of Bucks County—and learned they needed to take care of a credit issue before proceeding. They addressed the issue swiftly. They soon were helping with the interior demolition work for their new home, and later, helped to put up new walls. During this time, Omar learned calculus from free social media sites. His self-education landed him a promotion at work! The family falls under 80% of AMI, and to help ensure they’re successful homeowners they completed homebuyer counseling.

Habitat for Humanity of Bucks County spent $98,450 to renovate this home. The
Home was in poor condition and several issues were discovered when the interior walls were demolished, including faulty wiring, hidden junction boxes, and severe water damage which lead to mold on the studs, behind the bathtubs and around the windows. To maximize energy efficiency, a new, energy-efficient HVAC heat pump system was installed, along with spray-foam insulation in the walls. Also installed were a new roof with 30-year architectural roof shingles, new vinyl siding, and new windows. The kitchen was totally renovated and reconfigured to move the laundry area from the kitchen into a new, adjacent utility closet. The bathrooms were totally renovated, a rear patio was replaced, and the front yard was landscaped – all to ensure the new owners had a safe, affordable home to enjoy.

Thank you Habitat for Humanity of Bucks County for your commitment to serving your community’s families in their quest for safe, affordable housing!

Before

After

Home Team Advantage™ - FREE One Day Training Events

Get the Advantage on Designing and Financing First-Time Homebuyer Programs

Connect with lenders, real estate agents, housing counselors and housing agencies for their unique perspectives on how to gain success in affordable lending, product updates, and other solutions. You’ll also learn about local initiatives that expand homeownership opportunities for underserved households and homebuyers in distressed markets.

REGISTER TODAY
2018 Event Dates:
Aug. 9: Philadelphia, PA  
Aug. 28: Nashville, TN  
Oct. 2: Minneapolis-St. Paul, MN  
Oct. 18: Denver, CO  
Nov. 8: Raleigh-Durham, NC

Click here to visit website for event details.  
Event hosted by Freddie Mac and Nickerson Training.

Buyer Resources

Webinars:

Future Borrowers: Challenges and Opportunities
Date: Thu, Jul 26, 2018  
Time: 1:00 PM - 2:30 PM CDT
Today's housing market is still struggling to find balance. Inventory is low, prices are high, and interest rates are rising. There is a tug-of-war between the decision to rent and the decision to buy. How can housing professionals help their clients make informed decisions?  
> Discuss challenges potential homeowners face in the mortgage market  
> Identify opportunities to overcome impediments to homeownership  
Hosted by: The Counselor's Corner and Lariece Brown, Freddie Mac.

Zombie Homes - Challenges and Guidance
Date: June 21  
Time: 2 p.m. CT

Reports to Read:

“The Empty House Next Door”
The high cost of abandoned property, and how cities can push back  
Read the story: The vacant homes strewn across many U.S. cities create blighted gaps on the landscape. While empty reminders of past development may present community challenges, according to a new report, these properties can also be potential vehicles for change.  
“The Empty House Next Door,” a new report from the Lincoln Institute of Land Policy examining abandoned and unused properties, offers a deft accounting of the cost of these buildings on the surrounding areas. While they aren’t a new phenomenon, vacant buildings, especially in blocks or neighborhoods in legacy cities such as Detroit and Cleveland, have reached “epidemic level.” [Report compiled by urban scholar Alan Mallach]

“Click Here to View The Report”

“America’s Housing Crisis: Missing Millions of Homes”
A group of House Democrats, through the New Democrat Coalition, released a preliminary report on “America’s Housing Crisis: Missing Millions of Homes.”  
The report argues that “after years and years of
Tim Meyer, SVP of Field Services, Altisource will join a lineup of expert speakers for a free webinar on the property preservation challenges of abandoned “zombie homes.” From regulatory issues to property maintenance, join us as we explore how to combat "zombie" problems.

- Click Here to Register

June is National Homeownership Month: Find Your Place

June is National Homeownership Month, a time in which our industry marks the importance of owning a home and the impact it has on the lives of American families, local neighborhoods and the nation’s economic health. This year’s theme, established by HUD, is: Find Your Place.

NCST is proud to be part of an industry that helps create affordable homeownership opportunities. Over the last 10 years we’ve conveyed about 25,000 properties ($1.5 billion in real estate) to local housing providers across the U.S., who rehabilitate these homes to improve their communities.

Industry Conferences

June is a busy month for conferences in our nation’s capital. NCST will have team members in attendance and serving as panelists for selected industry conferences and events. We enjoy the opportunity to see and meet our partners on the road, as well as share our industry knowledge.

July:
- 7-10 - Unidos US National Conf., Washington, DC

August:
- 8-9 - Florida Assoc. of Realtors Conv., Orlando, Florida
- 20-24 - NeighborWorks America NTI, Louisville, KY
- 27-29 - Florida Housing Coalition’s Annual Conf., Orlando FL

September:
- 9-11 - NAHREP National Convention,
Community Buyers - Share Your Property Success Stories

Buyers - we’d like to share your accomplishments - please do brag a little! In REOTrack, when you submit your final reporting, click on the "Good Story Flag" box and we’ll take it from there. Or email Sally or call her (214-710-3411) and she’ll work with you on your story. > Download this flyer for all the scoop.

Industry News

Below are recent, notable headlines regarding our industry.

Live Free and Die - A new startup will buy seniors’ homes—and let them live there for life.

- [https://slate.me/2H1gp0K](https://slate.me/2H1gp0K)
- Is Grandma having trouble with her property taxes? A new Manhattan-based startup wants to buy her house and let her live there, for free, for the rest of her life. This makes sense as a business for a couple of reasons: For one, seniors have the nation’s highest homeownership rate. Close to 80 percent of Americans over age 65 own their homes. At the same time, older Americans are increasingly likely to retire without the savings to see them through their twilight years. In 2013, median retirement-account savings for families age 56–61 was just $17,000—and even the mean, $163,577, is considered far below the recommended rate of 10 times your salary.
- Put the two together, and you’ve got the idea behind the startup, Irene. The company will even take care of property taxes and maintenance, so your grandparents don’t have to clear out the gutters or risk falling into foreclosure. The trade-off: a sale price far below market value.
- “Millions of seniors who are homeowners have lots of savings in the house, but not outside,” founder and CEO Fabrizio Tiso explained to me. “They’re what’s called ‘asset-rich, cash-poor,’ and as they adjust to retirement, their income reduces, and they can’t afford the house.” Slammed by a steep decline in pension coverage, smaller Social Security benefits, longer life spans, and higher health care costs, older Americans don’t have enough dough. …
- Yet the cohort has lucked out in the housing market. The percent of all home equity held by Americans over age 60 has shot up from 24 percent in 2006 to 41 percent as of last year, thanks to a persistent housing shortage that has driven up home prices in and around most big cities. …
- A wave of post-crisis HECM foreclosures led the Department of Housing and Urban Development to tighten up the rules, though most retirement-finance experts say the product is one that should be more widely used, not less. …
- The model carries some risks, I was told by Julia Gordon, the executive vice president at
Getting Rich on Government-Backed Mortgages

- https://bloom.bg/2savRLw
- In his corner of American finance, where hard selling meets hard luck, Angelo Christian is a star, and he looks the part. He’s wearing black caiman shoes and a Bordeaux-red silk shirt, tight and open wide at the chest. His dark widow’s peak is slicked high with gel. He has 180,000 Facebook followers and a budding YouTube network, where he shares original videos such as “How to Master Your Mind” and “How to Manage a $50 Million Pipeline.” Each time Christian sells a home loan, the company he works for, American Financial Network Inc., takes as much as 5 percent—$12,500 on a $250,000 loan, to be distributed among his staff, corporate headquarters, and, of course, himself. As he and his team chase more than 250 leads a week, they’re on pace to close 50 a month. Christian says he has a Lamborghini on order to go with his Mercedes.
- On a recent afternoon in a suburban Houston office park, he leans back in his swivel chair, iPhone glued to his cheek. ... He calls back a customer who’s spent hours watching his sales videos: “Bad Credit, I Can Help,” “Fresh Start: Credit Boost,” and “Go For Your Dreams.” This would-be homeowner has a 596 credit score, putting him in the subprime range. His car has been repossessed, something that would likely disqualify him at the Bank of America branch next door. ...
- Many of Christian’s customers have no savings, poor credit, or low income—sometimes all three. ... This kind of lending echoes the subprime mortgage boom that preceded the credit crisis of 2008. Then, as now, independent mortgage companies, the so-called nonbanks, dominated the business of making loans to people with blemished credit and low incomes. ...
- No one is saying the system is close to another collapse. Yet nonbanks, more loosely regulated than the JP Morgan Chases of the world, are bigger players today than during the last mortgage bubble, according to a Brookings Institution report. They’re making almost half of new loans, compared with 19 percent in 2007. As before, many are companies you’ve never heard of, like American Financial Network, a closely held firm based in Brea, Calif. A few are better-known, such as LoanDepot, Freedom Mortgage, and the industry leader, Quicken Loans, with its ubiquitous Rocket Mortgage television commercials. ...
- One reason more borrowers may be stretching: Real estate prices are soaring again. Bidding wars are back in many cities. That’s only making it harder for first-time and lower-income borrowers. ... “The homeownership deck already is stacked in favor of the haves,” says Julia Gordon, executive vice president of National Community Stabilization Trust, a nonprofit in Washington. “But you still want to give people a chance to get their first foot on the ladder.” ...

The Latest HUD Proposal Would Exacerbate the Housing Insecurity Crisis

- https://ampr.gs/2xG9sTo
- In the months since giving $1.9 trillion in tax cuts to the richest Americans and wealthy corporations, the Trump administration and the congressional majority have continued to work in lockstep. Their aggressive agenda proposes financing these tax cuts by taking away health care; housing; and, most recently, food from tens of millions of U.S. residents. ... Yet in late April, the Trump administration doubled down on its efforts to roll back support for struggling households by proposing legislation, through the U.S. Department of Housing and Urban Development (HUD), that would severely weaken the nation’s main housing assistance programs. ...
- HUD’s proposed changes to housing policy will likely increase occurrences of evictions and homelessness for low-income households—including many that include seniors, children, veterans, and people with disabilities, who already struggle to afford basic necessities. Affordable housing is becoming harder and harder for U.S. families to find and keep. In 2016, for example, landlords filed an average of roughly four evictions per minute. Within the past year, more than one-quarter of U.S. residents had trouble covering their housing costs. Today, nearly 4.7 million households—which include almost 4 million children—rely on federal rental assistance programs. But even as the need for this assistance grows, only about 1 in 4 of the eligible lowest-income renters actually receives federal support.
- Instead of supporting families who struggle to afford shelter, HUD’s proposed legislation will: (1) Jeopardize the housing of unemployed and underemployed workers. (2) Require at least triple the minimum rent from those who can least afford it. (3) Raise rents—even for
The nation’s long-standing rental affordability crisis is getting worse. As of 2016, 47 percent of all U.S. renters—and 83 percent of renters with annual incomes below $15,000—had unaffordable rents, meaning that they spent more than 30 percent of their incomes on housing costs. ...

Untangling the Web of Foreclosure Complications

- In June, sweeping changes to the Washington Deed of Trust Act will go into effect—impacting everything from how and when servicers can secure and preserve abandoned property to the fees paid to conduct foreclosures in Washington to the definition of who may be a beneficiary entitled to foreclose.
- Perhaps most immediately relevant to loan servicers is a series of changes intended to address the impact of the Jordan v. Nationstar decision of 2016. Jordan severely limited the ability of a mortgage servicer to enforce those provisions of the deed of trust that require a borrower to preserve and maintain property pledged as security for a loan. Under the decision, loan servicers cannot safely enter onto property for the purpose of securing, preserving, or maintaining property absent consent of the borrower or a court order.
- Jordan put at risk any servicer completing certain preservation activities in a state that might have laws similar to Washington. Specifically, any state that explicitly restricts possession to a creditor until after final sale. Under such a law, a court could hold that actions such as the change of a lock or even entry into the property itself are tantamount to possession and thus trespass. The new law in Washington stops short of restoring the contractual rights of entry to a servicer but does introduce a third option for entry.
- Under the new law, a county, city, or town may notify a mortgage servicer that a property has been determined to be abandoned, in mid-foreclosure, and a nuisance. Upon receipt of this notice, a mortgage servicer or its designee may enter the property. Entry on to the property will be only for the purposes of abating the identified nuisance, preserving property, or preventing waste, but the servicer may take steps to secure the property. ...

How Many American Households Struggle to Meet Basic Needs?

- Unemployment is low, and economic headlines are mostly positive, but a substantial percentage of American households struggle to meet their basic needs, according to new data from the United Way. There are 16.1 million households living in poverty in the United States. More than twice that number earn “less than what it takes to survive in the modern economy,” according to the United Way ALICE Project.
- Dubbed ALICE—Asset Limited, Income Constrained, Employed—by the United Way, these households are “one emergency from poverty.” They are above the Federal Poverty Line but are unable to meet the basic needs of housing, food, healthcare, childcare, and transportation. There are 34.7 million ALICE families in the U.S. Together with those counted as living in poverty, that’s 50.8 million households who struggle to meet their basic needs. ...
- While the Federal Poverty Line relies on national averages, the ALICE Project reviews county-level data across the nation to determine the earnings necessary to meet the costs of basic living needs in that county. Households that fall below the “ALICE Threshold” account for 43 percent of American households. ALICE persists across all regions of the nation and among all ages, races, and ethnicities.
- The three most common jobs for individuals falling into the ALICE category are retail sales, cashiers, and food preparers. Median earnings for these three jobs are below $13.07 per hour. Other jobs common among ALICE earners are office clerks, nurses, customer service representatives, elementary school teachers, and maintenance and repair workers. More than two-thirds of U.S. jobs pay less than $20 per hour, according to ALICE Project data, and “the dominance of low-paying jobs shows no signs of slowing down.” More than 30 percent of households in each state fall below the ALICE-defined “basic survival budget.” ...

CoreLogic: Home values increase in all 50 states

- Home prices showed yet another surge in April as year over year values increased for all 50 states, according to the latest Home Price Index report from CoreLogic, a global property information, analytics and data-enabled solutions provider. Home prices increased 6.9% nationally from April 2017 to April 2018, and increased 1.2% from the prior month, according
“The best antidote for rising home prices is additional supply,” CoreLogic Chief Economist Frank Nothaft said. “New construction has failed to keep up with and meet new housing growth or replace existing inventory. More construction of for-sale and rental housing will alleviate housing cost pressures.”

- An analysis of home values in the country’s 100 largest metropolitan areas based on housing stock, indicates 40% of metropolitan areas had an overvalued housing market as of April 2018, CoreLogic reported. Another 28% of the top 100 metropolitan areas were undervalued while 32% were at value. When looking at only the top 50 markets, 52% were overvalued, 14% were undervalued and 34% were at-value.
- The national home-price index is projected to increase by 5.3% from April 2018 to April 2019, according to the CoreLogic HPI Forecast.

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Staff, Phone or Email Changes?

![Staff, Phone or Email Changes](image)

NCST Community Buyers: Had a recent staff change? Or updated your email address or phone number? Please alert our Buyer Team to any changes so they can update your records. To participate in our purchasing programs, it’s very important we have the correct contact information for you and your team.

Please email updates to: Buyer@StabilizationTrust.org.

NCST Email Addresses

Sending an email to an NCST team member? Please include the team email box. This ensures a timely response to your email in case your primary contact is out of the office.

- Desk@StabilizationTrust.org - property transaction questions and assistance
- ReoTrack@StabilizationTrust.org - post-closing questions and assistance
- Buyer@StabilizationTrust.org - questions about program guidelines, target areas, and additional programs
- NewBuyer@StabilizationTrust.org - for more information about becoming an NCST buyer

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About NCST: The National Community Stabilization Trust (NCST) is a non-profit organization that works to restore vacant and abandoned properties to productive use and protect neighborhoods from blight. Our programs facilitate the rehabilitation of vacant but structurally sound homes, enable safe, targeted demolition when necessary, and support creative and productive re-use of vacant land.