



National Community  
Stabilization Trust

# The ReClaim Project



*A customized  
solution for  
low-value,  
often vacant,  
distressed assets  
in left-behind markets.*

In many neighborhoods across the United States – especially communities of color, lower-income communities, and areas where economic activity remains depressed – housing market recovery is held back by low-value, often vacant properties that stagnate in pre-foreclosure status. Sometimes called “zombie foreclosures,” these properties blight neighborhoods, attract crime, and drain the local tax base.

Launched in 2015 by the National Community Stabilization Trust (NCST) and the Housing Partnership Network (HPN), **the ReClaim Project** aims to resolve distressed assets in ways that benefit rather than harm homeowners, neighbors, and communities. We develop a customized solution to address each property’s unique challenges and benefits, and then the ReClaim Project’s experienced team works to help homeowners remain in their homes wherever possible or prepare vacant properties for a community-positive disposition. Our work includes proactive asset management, knowledge of relevant legal and regulatory frameworks at the federal, state and local level, and a deep understanding of each market.

## How It Works:

NCST and HPN operate The ReClaim Project through the *Community Restoration Corporation (CRC)*, a tax-exempt holding entity that works with Servicers to accept low-value, non-performing notes as donations, with a financial contribution sized to pay the costs associated with resolution of the properties. The size of the contribution reflects the savings to the institutions for avoiding costs of completing foreclosure, holding, and marketing or demolition. The process through which we take full ownership of these notes and facilitate loan resolution is one we ensure is transparent to Servicers and community-stakeholders.

## The ReClaim Project Priorities:

- **Keep willing homeowners in their homes.** We work diligently to find the homeowner whether or not they still live in the home. If they are willing to engage with us our community team works with the homeowner to find a solution such as a principal-reduction loan modification that restores them to an equity position. For homeowners who can’t or don’t want to keep their home, we arrange for short sales or a deed-in-lieu-of-foreclosure.
- **Support neighborhood stability by quickly addressing vacant properties.** When left unattended, distressed, vacant assets quickly drain neighborhood vitality, present a danger to local residents, and negatively impact nearby home values. Our program facilitates the rehabilitation of vacant but structurally sound homes, enables safe, targeted demolition when necessary, and supports creative and productive re-use of vacant land.

## Resolution and Disposition Strategies:

We work through a three-step strategy for each asset to ensure the resolution is consistent with our mission, cost-effective for local housing providers, and aligned with community goals.

1. **Right-size payments.** Restructure monthly mortgage costs for owner-occupied properties to keep families in their homes.
2. **Foreclose and remediate.** When owners of record are unreachable or uncooperative, initiate and finish foreclosure proceedings to enable redevelopment or, if needed, demolition.
3. **Transfer to community developers.** Facilitate the conveyance of pre- or post-foreclosure assets to local affordable housing nonprofits or community development corporations for renovation and reuse.

*We thank the Ford Foundation and the Heron Foundation for their generous support of our pre-foreclosure solution programs.*

*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.*

StabilizationTrust.com

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