



National Community
Stabilization Trust

Serve Communities, Stabilize Neighborhoods

FIVE-YEAR UPDATE: 2009–2013



About

NCST is a nonprofit organization that serves as the bridge between financial institutions and local housing providers to stabilize neighborhoods. We help community-based housing providers accomplish housing strategies that ensure low- and moderate-income families have access to affordable, safe homeownership and rental opportunities. Many of these housing opportunities are created through the productive reuse of foreclosed or abandoned properties, which housing providers acquire, rehabilitate and then sell or rent to qualified families. NCST supports neighborhood stabilization efforts by transferring distressed properties, providing development financing and supporting local collaborations.

17,000



5 YEARS IN BUSINESS

\$1B



THROUGH THE REO CAPITAL FUND, MORE THAN **\$40,000,000** IN LINES OF CREDIT HAVE BEEN EXTENDED TO NONPROFIT ORGANIZATIONS TO SUPPORT NEIGHBORHOOD STABILIZATION EFFORTS.

\$40 Million

2009

NCST began operations with a clear vision and purpose. With the fast-developing foreclosure crisis, there was a growing need for neighborhood-based solutions to ward off property abandonment. Our founding sponsors joined forces to establish NCST as a community-focused nonprofit to coordinate the transfer of real estate owned (REO) properties from financial institutions to housing providers and state and local governments.

2010

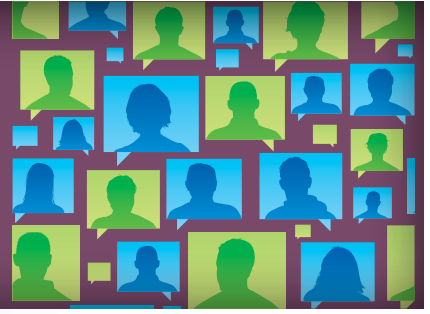
National First Look Program rolled out—the unique public-private partnership agreement between HUD and NCST to support the federal Neighborhood Stabilization Program (NSP). In collaboration with national mortgage servicers, Freddie Mac, Fannie Mae, and HUD, the program gives participating communities an exclusive opportunity to purchase foreclosed REO properties in certain neighborhoods so the homes can be rehabilitated and reused.



To-date, NCST has conveyed more than **17,000 properties** at a discount to local housing providers across the U.S., who rehabilitate and resell homes to an owner-occupant.



Our housing partners operate in **48** U.S. states and cover **3,000** different cities and nearly **4,000** zip codes.



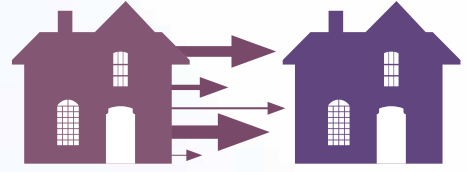
IN OUR FIRST FIVE YEARS OF OPERATION, NCST CONVEYED **\$1,082,983,815** IN REAL ESTATE BACK TO THE COMMUNITY THROUGH LOCAL HOUSING PROVIDERS.



Since early 2012, housing providers in 48 states have worked through NCST to obtain more than 6,000 properties donated by financial institutions.

976

Our programs serve **976** local housing providers.



10,000

In 2014, we transferred our 10,000th First Look property to a local housing provider.

\$134 Million

LOCAL HOUSING PROVIDERS SAVED MORE THAN **\$134 MILLION** BY BUYING THEIR PROPERTIES AT A DISCOUNT THROUGH NCST'S FIRST LOOK PROGRAM. LOCAL PROVIDERS UTILIZE THESE SAVINGS TO RUN OTHER COMMUNITY PROGRAMS AND PASS THE SAVINGS FORWARD TO THEIR HOME BUYERS.



1,260

The number of houses donated to local organizations through the Veteran Donation Program—future renovated homes that will benefit our country's military veterans.

2011

Neighborhood stabilization goes high tech! *REOMatch*, our web-based property transaction and mapping portal, revolutionized how NCST shows and transfers homes to local housing providers. Our award-winning technology assists providers in making streamlined purchasing decisions on the properties that will most impact their neighborhood revitalization efforts. *REOMatch* was named as a *Computerworld Honors Program 2013 Laureate*.

2012

NCST's existing programs were complemented with the new REO Donation Program. Donated properties supplement REO property purchases and are transferred through NCST to housing providers in neighborhoods of greatest need. Properties are rehabilitated and offered to owner occupants at affordable prices. These improved properties strengthen neighborhood home values. More than 6,000 donations have been transferred through NCST.

2013

5 years of success achieved! Despite national headlines that suggest the housing crisis has passed, NCST and housing providers continue the work to revitalize the hardest hit neighborhoods. We are also forming new partnerships with mortgage servicers and national nonprofits focused on pre-foreclosure interventions for difficult properties, and improving our technology offerings, including *REOTrack*, NCST's reporting system that tracks property outcomes.



Letter from the President

Dear Colleagues:

2014 marks the sixth year of operations for the National Community Stabilization Trust (NCST). When the housing crisis hit, there was no predictable path for community housing providers to follow in accessing foreclosed and abandoned properties, so we developed one. In our first year, our goal was to quickly create that clear path to move distressed assets from financial institutions to local housing providers. Ensuring the sustainability of the effort was important—more than just fulfilling a social purpose, this effort had to help reclaim hard-hit neighborhoods in a manner that made economic sense to all parties—servicers, investors, housing providers, and government agencies. We met that early goal, and by 2014, we had successfully conveyed more than 17,000 properties—helping housing providers fulfill their missions.

Restoring stability to neighborhoods is important work. But revitalizing neighborhoods is also difficult work. To be successful, we must approach all the needs—economic, housing, and social, as well as learn to work collaboratively within all segments of the housing industry.

Our partners are an essential component of our work—*community housing providers* who display passion for neighborhoods, *financial institutions* who try new approaches, *founders* who help lead our strategic direction and *supporters* who generously invest in affordable housing opportunities. Neighborhood stabilization is not simply a function of working on the bricks and mortar; collectively, it demands unprecedented and innovative working partnerships.

NCST was begun as a unique collaboration through the foresight of our founders, who continue to provide valuable strategic guidance. Their cooperative work has sharpened the needed focus on nation-wide neighborhood stabilization. The founding organizations are Enterprise Community Partners, Housing Partnership Network (HPN), Local Initiatives Support Corporation (LISC), NeighborWorks America, the National Urban League (NUL) and the National Council of La Raza (NCLR). Funding from these organizations and from philanthropic leaders, including the John D. and Catherine T. MacArthur Foundation and the Ford Foundation, helped capitalize our launch.

That financial and strategic support will need to continue as we recommit to our mission with an even greater focus on communities that have not yet recovered from the economic crisis. Our job is not done. Too many low- to moderate-income neighborhoods and communities of color are still being left behind. NCST is prepared for the challenges ahead of us, fueled by our successes to-date, our partnerships, and a thoughtful, strategic plan for the future.

Sincerely,



Craig Nickerson
President





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Over the last five years, NCST made great strides in helping local housing providers, local government, and financial institutions implement strategic, sustainable programs to stabilize neighborhoods. We support this work by transferring foreclosed properties to local housing providers, providing financing in support of local efforts, supporting local collaborations and serving as a national voice on behalf of neighborhood stabilization. We invite you to learn more about NCST.



Transform

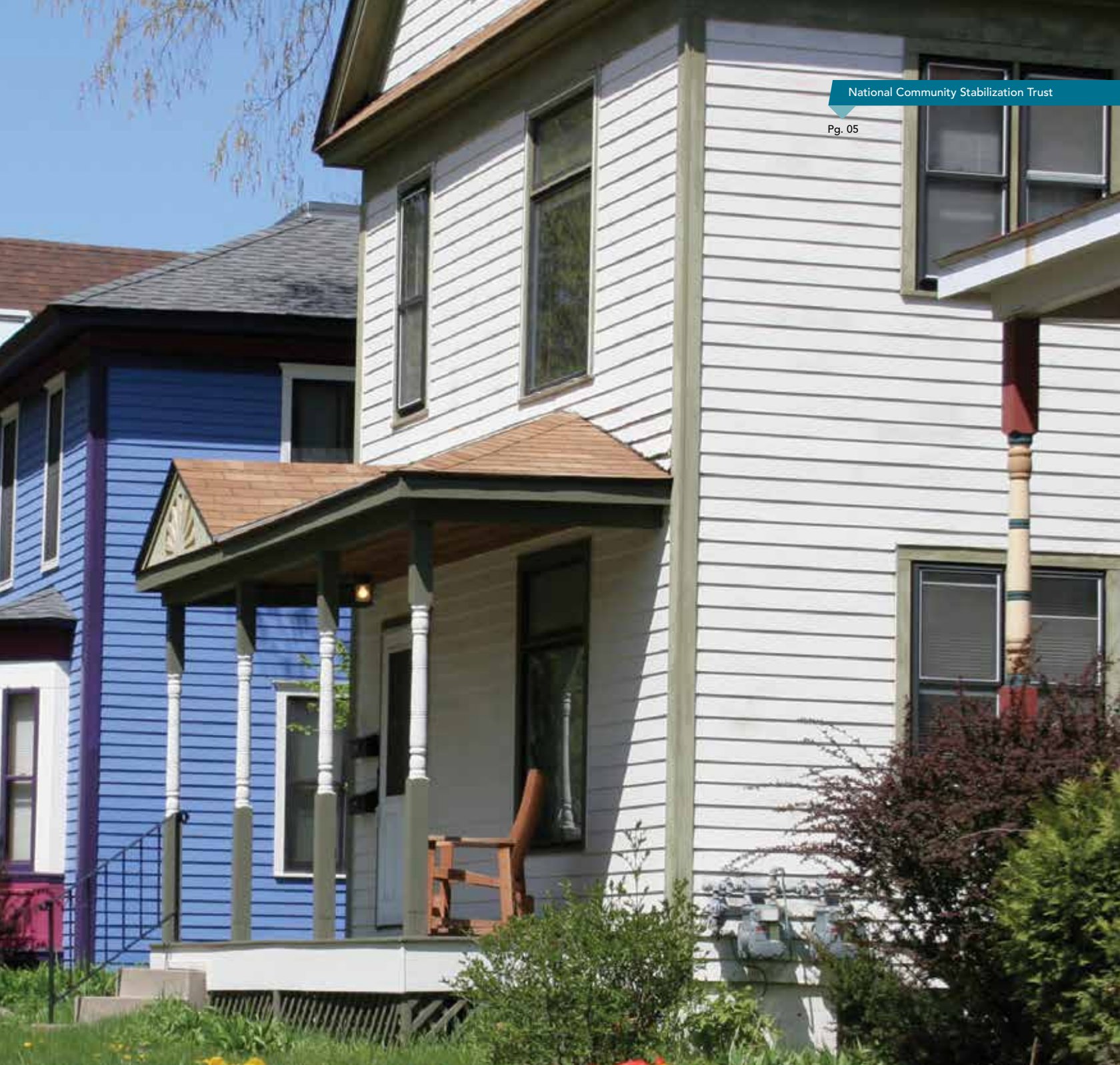
neighborhoods across the country.

NCST helps hundreds of communities by serving as the intermediary for property sales—more than *\$1 billion to-date*—that transform and stabilize neighborhoods. Every one of these dollars is a direct investment in the strength of a community. Neighborhoods once reeling from foreclosures are being reclaimed.

By collaborating with the nation's financial institutions, NCST creates unprecedented access to foreclosed homes for states, cities, and community housing providers. Over the last five years, this access led to more than 17,000 properties being transferred to local housing providers—once distressed properties transformed into affordable, safe homes.

Our work allows housing providers to preserve property values and bring owner occupants back into neighborhoods. Organizations also save money through NCST programs—discounted sales or donated properties conserve resources at the community level, and support everything from deeper rehabilitation work and green building to homebuyer assistance and counseling programs.





Our work helps restore neighborhoods by putting people back into homes. We have helped communities turn around foreclosed and abandoned properties in 48 states, and work with hundreds of local housing providers.

As we implement holistic solutions and deepen our impact in still-struggling markets like Detroit, Chicago, and Miami, we continue to work with the local housing providers. We will expand our reach and focus on those areas that remain in need of revitalization.

“Citi Community Development (CCD) was an original partner of NCST. We understood the importance of a single entity facilitating the responsible transfer of REOs to community groups and municipalities. NCST’s work makes it easier for housing organizations to acquire blighted properties and repurpose them for the good of the communities.” Hala Farid—SVP, Deputy Director, Office of Homeownership Preservation, Citi Community Development





The nation's leading financial institutions have participated in the **First Look Program**, representing about 75-percent of the REO market. Participants include: Bank of America, Chase, Citi, GMAC, Ocwen, U.S. Bank, Wells Fargo, Freddie Mac, Fannie Mae and HUD-FHA.



Lead

the nation's "First Look" program.

NCST is the nation's premier First Look provider. We created the only nationwide program that provides community housing providers with a single point of access to acquire foreclosed and abandoned properties from financial institutions.

First Look has been a key component of HUD's Neighborhood Stabilization Program (NSP), which was created to provide communities with the resources to purchase and rehabilitate vacant homes. HUD allocated nearly \$7 billion in NSP funding, and through this, NCST helped hundreds of housing providers with the purchase of more than 10,000 properties through the First Look program. The program created early access to real estate owned (REO) listings and provided discounts on sales to housing providers serving neighborhoods impacted by foreclosures or abandonment. Organizations benefited from these preferred REO buying opportunities that helped them meet funding deadlines and removed investor competition. Nearly 90-percent of properties acquired through NSP were renovated

and sold to owner-occupants; other properties were made available as low-to moderate-income rentals.

"NCST helps Freddie Mac manage its REO inventory in a way that benefits communities. Through NCST, Freddie Mac has conveyed hundreds of homes to housing providers to support community stabilization. At the onset of NSP, it would have been difficult for Freddie Mac to work directly with the hundreds of organizations that received federal funding. NCST allowed us to reach operational scale with their qualified providers, and their oversight helps ensure that homes conveyed through the program are used to benefit home buyers and renters." *Eric Will, Senior REO Sales Director, Freddie Mac*





Donate

homes to families and communities in need.

NCST's donation program helps non-profits access low-value REO properties from financial institutions for remediation. Many of these properties will be renovated to create new affordable homeownership and rental opportunities. Benefits from these properties flow to first time buyers, military veterans, first responders, and teachers. Donation properties are also utilized as relief housing for natural disaster victims.

NCST has worked with mortgage servicers including Bank of America, Citi, Wells Fargo, and others to establish a coordinated program to simplify the donation of REO properties to eligible nonprofits and local municipalities.

Since 2012, organizations in 48 states have worked through NCST to take on more than 6,000 donated properties. Beyond renovation and razing, nonprofits also provide stewardship for vacant lots, sometimes creating new urban community green space.





In support of Military Veteran housing, NCST facilitated the donation of 1,260 Bank of America properties to nonprofit housing organizations.

Retired Corporal E. Horton and his family received a home in McAllen, Texas. Horton served honorably in the U.S. Marine Corps, and is a decorated, disabled veteran. He performed several tours of duty in Iraq and received numerous awards including the Combat Action Ribbon. Bank of America generously donated the home.

"We began working with NCST after we launched our Affordable Communities of Texas land banking program. NCST's First Look program was crucial to the launch. We have since acquired more than 500 vacant properties and implemented a successful Veteran's Donation initiative. Our efforts revitalize neighborhoods and provide homeownership opportunities for low- and moderate-income families. Our partnership with NCST is critical to ongoing program success."
David Long, President, Texas State Affordable Housing Corporation



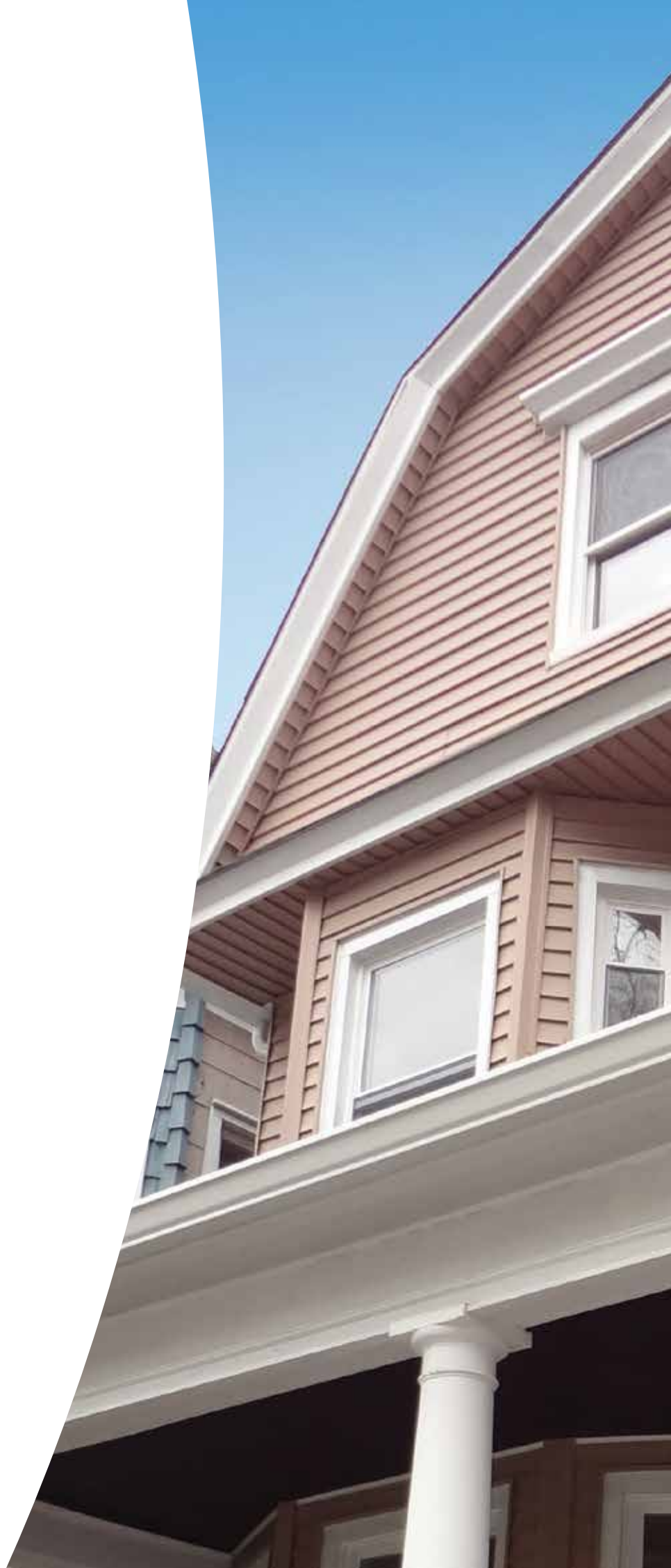
Finance

community revitalization efforts.

NCST provides trusted guidance to our local housing providers in their efforts to attract new sources of capital to activate neighborhood stabilization efforts.

In 2009, the Ford Foundation made it possible for NCST to launch the *REO Capital Fund*. As the financing arm of NCST, the Fund works with Community Development Financial Institutions (CDFIs)—Community Housing Capital, Housing Partnership Fund and Enterprise Community Loan Fund—to provide interim financing to local organizations.

The REO Capital Fund offers community housing providers with a source of affordable, flexible financing tailored to the challenges of acquiring and rehabilitating foreclosed properties. It has become increasingly important as federal community stabilization program funding has decreased. This private capital helps nonprofit borrowers leverage limited public resources to improve more properties to stabilize neighborhoods.





The REO Capital Fund has provided more than \$40 million in financing to nonprofit housing providers in 13 states and Washington, D.C. The Fund helped New Jersey Community Capital/ CAPC leverage NSP funding to transform dangerous vacant properties in Newark, Elizabeth, Irvington, and other New Jersey communities.

“The work of NCST, both through the First Look program and the REO Capital Fund, has been critical in preserving and revitalizing vulnerable urban neighborhoods devastated by the foreclosure and credit crisis. It is our strong belief that early intervention on vacant and abandoned properties is critical to building healthier neighborhoods. The flexible, accessible and cost-effective capital that we have received from the REO Capital Fund has allowed us to intervene more rapidly and at the greater scale necessary to assist in the transformation of neighborhoods in New Jersey.” *Wayne Meyer, President, New Jersey Community Capital*





Innovate

solutions for neighborhoods and the industry.

NCST continues to launch innovative programs and technology solutions in pursuit of helping restore our nation's communities. We began with First Look, REOMatch, and the Donation Program, and now lead again with fresh pre-foreclosure solutions, like the ReClaim Project.

NCST, in partnership with Housing Partnership Network (HPN), began the ReClaim Project to assist communities struggling with low-value distressed assets. The ReClaim Project can provide homeowners who have delinquent, underwater mortgages with aggressive options to avoid foreclosure, and for communities, introduces a new approach to combatting vacant and abandoned properties. NCST and HPN work with community-based teams, including HUD-certified counseling organizations, to extend assistance to borrowers and determine reuse options for troubled properties to eliminate blight and stabilize neighborhoods.

When NCST launched, we needed to manage very large datasets of REO listings. REOMatch, an innovative technology solution, was soon developed. This web-based mapping and property transaction management tool is now used by more than 600 communities. More than 17,000 REO properties have been conveyed through the system.



2013
**THE COMPUTERWORLD
 HONORS PROGRAM**
Honors Laureate

**REOMatch was recognized as a 2013 Laureate by Computerworld, which honors visionary applications of information technology promoting positive social, economic and educational change. The initial funding for the development of REOMatch was provided by the John D. and Catherine T. MacArthur Foundation.*

"As the scale of Ocwen's servicing operations has increased, it's become even more important to have a valued partner like NCST who can efficiently convey properties to community housing organizations across the U.S. NCST has established processes and technology that allow us to seamlessly participate in their programs, which is important to community revitalization." Jill Showell, Senior Vice President, Government & Community Relations, Ocwen Financial Corporation



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Supporters

NCST is supported by generous contributions from corporations and philanthropic organizations with a vision and commitment to preserving community and investing in the creation of affordable housing opportunity. We are grateful.

The Annie E. Casey Foundation

Bank of America

Capital One

Citibank

Citi Foundation

JPMorgan Chase Foundation

Fannie Mae

Ford Foundation

Freddie Mac

First American Homeownership Foundation

The F.B. Heron Foundation

The John D. and Catherine T. MacArthur
Foundation

Kresge Foundation

Ocwen

Open Society Institute

State Farm

Union Bank

Wells Fargo Housing Foundation

Founders

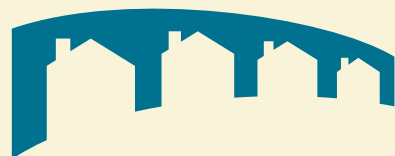
The National Community Stabilization Trust was started to help communities cope with an unprecedented housing crisis.

In 2008, six leading national nonprofit organizations came together in an unprecedented collaboration to launch NCST. These organizations are Enterprise Community Partners, Housing Partnership Network (HPN), Local Initiatives Support Corporation (LISC), NeighborWorks America, the National Urban League (NUL) and the National Council of La Raza (NCLR).

The organizations offer extensive reach to hundreds of local nonprofit organizations, and strong relationships with state and local governments.

Together, these nonprofits form the governance structure for NCST, provide leadership and collaborate with us on the strategic direction of the organization to ensure that NCST continues to meet the needs of local communities working to stabilize neighborhoods.





National Community Stabilization Trust

PHOTO CREDITS

Many photos in this report were provided by the mortgage servicers and our local housing providers, and depict real homes that are now a safe place for real individuals and families to make lasting memories.



**National Community
Stabilization Trust**

910 17th Street NW, Suite 1030
Washington, D.C. 20006
(202) 223-3237

www.StabilizationTrust.com