

Meeting Date: March 24, 2015

Agenda Item 8

REQUESTED COMMISSION ACTION:

Consent Ordinance Resolution Consideration Workshop

SHORT TITLE OR MOTION: A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF POMPANO BEACH AND NATIONAL COMMUNITY STABILIZATION TRUST, LLC; PROVIDING AN EFFECTIVE DATE (No fiscal impact).

Summary of Purpose and Why:

The City of Pompano Beach Office of Housing and Urban Improvement has acquired some of its foreclosed NSP properties through the National Community Stabilization Trust (NCST) since the Program's inception. NCST recently updated its Property Acquisition Program Guide (attached) to require that all community buyers participate in the Acquisition Program pursuant to the attached Memorandum of Understanding in order to continue doing so. NCST will accept the signed Memorandum of Understanding notwithstanding its stated required acceptance date of January 16, 2015-the MOU was not mailed by NCST until January 29, 2015.

QUESTIONS TO BE ANSWERED BY ORIGINATING DEPARTMENT:

- (1) Origin of request for this action: Office of Housing and Urban Improvement
- (2) Primary staff contact: Mark Korman/Miriam Carrillo Ext. 4656
- (3) Expiration of contract, if applicable: N/A
- (4) Fiscal impact and source of funding: None

DEPARTMENTAL COORDINATION	DATE	DEPARTMENTAL RECOMMENDATION	DEPARTMENTAL HEAD SIGNATURE
OHUI	<u>3/11/15</u>	<u>Approval</u>	<u>M. Carrillo</u>
City Attorney	<u>3/11/15</u>	<u>Approval</u>	<u>M. B. ...</u>
Finance	<u>3/11/15</u>	<u>Approval</u>	<u>S. ...</u>

James W. Beard

<input checked="" type="checkbox"/> City Manager	<u>[Signature]</u>
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ACTION TAKEN BY COMMISSION:

<u>Ordinance</u>	<u>Resolution</u>	<u>Consideration</u>	<u>Workshop</u>
1st Reading _____	1st Reading _____	Results: _____	Results: _____
2nd Reading _____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____



City Attorney's Communication #2015-539
February 3, 2015

TO: Mark Korman, Program Compliance Manager
FROM: Gordon B. Linn, City Attorney
RE: Resolution – Memorandum of Understanding

As requested in your email of January 30, 2015, I have prepared and attached the following form of resolution:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF POMPANO BEACH AND NATIONAL COMMUNITY STABILIZATION TRUST, LLC; PROVIDING AN EFFECTIVE DATE.

Prior to submitting the resolution to the City Commission, please attach the appropriate city signature page to the memorandum.



GORDON B. LINN

GBL/jrm
L:cor/comdev/2015-539

Attachment

RESOLUTION NO. 2015-_____

CITY OF POMPANO BEACH
Broward County, Florida

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF POMPANO BEACH AND NATIONAL COMMUNITY STABILIZATION TRUST, LLC; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. That a Memorandum of Understanding between the City of Pompano Beach and National Community Stabilization Trust, LLC, a copy of which Memorandum is attached hereto and incorporated by reference as if set forth in full, is hereby approved.

SECTION 2. That the proper City officials are hereby authorized to execute said Memorandum between the City of Pompano Beach and National Community Stabilization Trust, LLC.

SECTION 3. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this _____ day of _____, 2015.

LAMAR FISHER, MAYOR

ATTEST:

ASCELETA HAMMOND, CITY CLERK



**National Community
Stabilization Trust**

919 12th Street, NW, Suite 1030 Washington, DC 20004 Phone: 202-462-8021 Fax: 202-462-2122

Memorandum of Understanding

01/29/2015

City of Pompano Beach
100 West Atlantic Blvd, Suite 220
Pompano Beach, FL 33060

Re: National Community Stabilization Trust, LLC (“Stabilization Trust”)
Memorandum of Understanding Relating to REO Property Acquisition Program
(“Acquisition Program”)

Dear City of Pompano Beach:

As a national 501(c)(3) nonprofit organization, the Stabilization Trust operates the Acquisition Program to help eligible community buyers access foreclosed and abandoned properties in order to stabilize communities hit hard by the foreclosure crisis. We are pleased to have worked with City of Pompano Beach (“Buyer”) in this larger effort. As we have indicated, the Stabilization Trust now requires that all community buyers participate in the Acquisition Program pursuant to this Memorandum of Understanding, which sets forth important terms and conditions. You must return an executed copy of this Memorandum of Understanding by January 16, 2015 to remain an active buyer in the Acquisition Program.

Buyer’s participation in the Acquisition Program has been and continues to be governed by the NCST Property Acquisition Program Guide, as it may be amended from time to time by the Stabilization Trust (“Program Guide”). The Stabilization Trust recently updated the Program Guide, and the most recent version is included with this Memorandum of Understanding. In addition, the most current version of the Program Guide will always be available on the Stabilization Trust’s website. Please carefully read the attached Program Guide, as it contains important guidelines, terms, and conditions concerning your participation in the Acquisition Program. Failure to comply with the Program Guide may result in temporary or permanent suspension from the Acquisition Program. [Please note that unless otherwise provided, once published, the Property Guide applies to both properties acquired on a prospective basis, as well as any properties then held as a result of prior participation in the Acquisition Program.]

By signing this Memorandum of Understanding, Buyer acknowledges to have read and to understand the content of the Program Guide, and agrees to abide by the guidelines, terms, and conditions set forth therein, as may be amended from time to time by the Stabilization Trust. Buyer further certifies that it will conduct activities in connection with the Acquisition Program in a manner consistent with its Acquisition Program



**National Community
Stabilization Trust**

210 17th Street, NW Suite 1050 • Washington, DC 20006 • Tel: (202) 218-1232 • Fax: (202) 218-1292

application, as submitted to the Stabilization Trust, and that it will immediately notify the Stabilization Trust in writing of any changes to such activities. Buyer understands that failure to comply with the guidelines, terms, and conditions contained in the Program Guide may result in temporary or permanent suspension from the Acquisition Program.

This Memorandum of Understanding contains the entire understanding of Buyer and the Stabilization Trust with respect to Buyer's participation in the Acquisition Program. This Memorandum supersedes and cancels all other agreements and understandings, both written and oral, between the Buyer and the Stabilization Trust related to the Acquisition Program.

Please indicate your agreement to the terms of this Memorandum of Understanding by signing the acceptance below and returning a copy to us. Delivery of an executed signature page of this agreement by facsimile or electronic transmission (e.g., "pdf" or "tif") shall be effective as delivery of an original executed agreement.

We look forward to our continued work together.

Very truly yours,

Craig Nickerson
President
National Community Stabilization Trust,
LLC, a Delaware limited liability company

ACCEPTANCE:

Date: _____

City of Pompano Beach, a(n) Municipal Corporation

By:
Its:

019089/280001/1043801_5

"CITY":

Witnesses:

CITY OF POMPANO BEACH

By: _____
LAMAR FISHER, MAYOR

By: _____
DENNIS W. BEACH, CITY MANAGER

Attest:

ASCELETA HAMMOND, CITY CLERK

(SEAL)

Approved As To Form:

GORDON B. LINN, CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF BROWARD

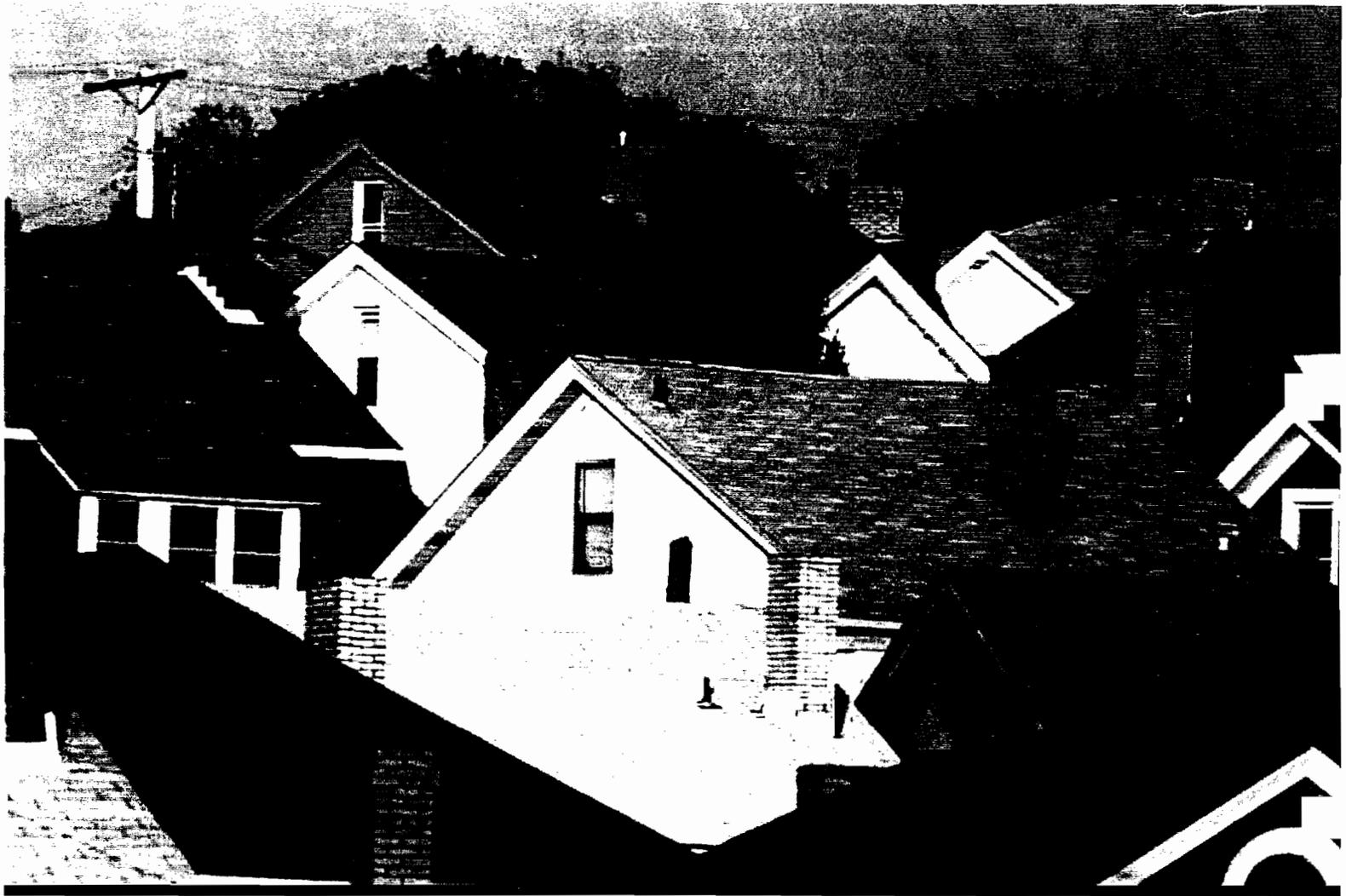
The foregoing instrument was acknowledged before me this _____ day of _____, 2015 by **LAMAR FISHER**, as Mayor, **DENNIS W. BEACH** as City Manager and **ASCELETA HAMMOND**, as City Clerk of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who are personally known to me.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number



National Community Stabilization Trust

Property Acquisition Program Guide



National Community
Stabilization Trust

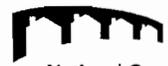


NCST Property Acquisition Program Guide

Overview of Community Buyer Eligibility Requirements & Guidelines for Program Participation

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National Community
Stabilization Trust

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Section 1: About the National Community Stabilization Trust

The National Community Stabilization Trust (NCST) is a non-profit 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.

NCST was created in 2008 by Enterprise Community Partners, Housing Partnership Network, Local Initiatives Support Corporation (LISC), National Council of La Raza (NCLR), National Urban League, and NeighborWorks America. NCST has maintained a partnership with the U.S. Department of Housing and Urban Development (HUD) since 2010 to administer the HUD National First Look Program to support state and local Neighborhood Stabilization Program (NSP) grantees.

1.1 Services Provided

NCST facilitates the transfer of properties between participating financial institutions (“REO Sellers”) and eligible local housing providers (“Community Buyers”), as well as supports the property transaction needs of Community Buyers. This support includes, but is not limited to:

- Establishing standard pre- and post-purchase procedures;
- Making REO listings available through REOMatch®, a web-based property mapping and acquisition tool;
- Coordinating price offers for the acquisition of REO properties;
- Facilitating communications during real estate transactions; and
- Providing assistance with coordinating transaction closings.

NCST does not engage in the following activities:

- Take title to properties during property transfers that it facilitates;
- Act as a retail broker for individual real estate transactions; and
- Become involved in resale transactions with subsequent end users/homeowner-occupants for properties.

1.2 Acquisition Programs

First Look: The First Look Program provides Community Buyers the opportunity to purchase newly available REO properties in target neighborhoods from select financial institutions before those properties are listed for sale on



the open market. First Look properties are offered to Community Buyers immediately after a financial institution completes the foreclosure process and the property enters their REO inventory.

There are two primary benefits of the First Look Program. First, Community Buyers have the opportunity to purchase the property for neighborhood stabilization purposes before the property is more broadly marketed. Second, a concession or “discount” price is typically offered by the seller because there will be a quick and certain sale.

Donation: Through the NCST Donation Program, participating financial institutions make available REO properties for donation to government and non-profit Community Buyers. Donation properties may be one- to four-unit single family properties or vacant land, are typically conveyed on a property-by-property basis, and will consist of very low- value to no-value properties, and, in some circumstances, properties with market value to accomplish specific community objectives.

Veterans Donations: The Veterans REO Donation Program is an extension of the NCST Donation Program. Financial institutions designate select REO properties as donations to increase homeownership opportunities for military families. Properties made available through the Veterans REO Donation Program are typically single-family houses. Property types and locations vary dependent on the inventory a financial institution elects to make available. Donation properties may not be available in all geographic markets. Additional program guidelines for the Veterans Program are detailed in the Veterans REO Donation Program Guide.

FHA First Look: The FHA First Look program provides government and non-profit Community Buyers utilizing Neighborhood Stabilization Funds the ability to purchase HUD homes at a discount prior to the properties being listed on the open market. To purchase homes through this program, buyers must utilize at least \$1 of Neighborhood Stabilization Funds toward the purchase of each home.

Section 2: About the NCST Property Acquisition Program Guide

The purpose of this Guide is to define the eligibility requirements and program participation standards for organizations that seek to obtain REO or donated property through NCST. NCST maintains requirements and standards to ensure that its Acquisition Programs meet the organization's mission to stabilize communities.

This Guide is organized into two sections that cover the following information:

- To be eligible to participate with NCST (be a "Community Buyer"), local housing providers must meet buyer eligibility guidelines detailed in Section 3.
- Once qualified, Community Buyers must adhere to the program requirements outlined in Sections 4-7 and the Post-closing Guidelines in Appendix I.

2.1 Types of Property Transactions Covered by Guide Requirements

All approved Community Buyers are required to meet eligibility and participation requirements outlined in the Property Acquisition Program Guide. Program requirements apply to all First Look and Donation properties acquired by both public and private organizations.

Transactions that are funded by public subsidies, such as NSP, CDBG or HOME funds, are exempt from most participation requirements, including rehab standards, end-user requirements, and disposition requirements.

When accepting a property through NCST Acquisition Programs, Community Buyers are asked to identify the source of funding used on acquisition and/or rehab of the property. If the Community Buyer identifies that they are using a public subsidy to acquire the property, they will be asked to provide funding verification and will be exempt from specific program requirements. Transactions that use public funds are still required to provide post-closing reporting in REOTrack, NCST's online reporting system. REOTrack reports for publicly funding transactions will require key data points such as disposition method, property secure verification and date, property sale/rental date, property sale/rental price, owner occupant verification, and verification of proof of funds used. Other data points, such as scope of rehab or 30-day updates will not be required.

If NCST receives a complaint for a property acquired with public funding, additional post-closing information may be requested from the Community Buyer.

If a Community Buyer is unable to provide verification that public funding was used, they are required to complete full REOTrack reporting and must follow all NCST program requirements.

Section 3: Buyer Eligibility Guidelines

To be eligible to participate as a Community Buyer in the NCST Property Acquisition program, a local housing provider must submit an application to NCST and meet Buyer Eligibility Guidelines contained in this section.

3.1 Eligible Community Partners

The following entities are eligible to become NCST Community Buyers:

- Government or quasi-government entities;
- Non-profit housing development organizations, as designated by IRS 501(c)(3) status currently in effect, that have an established community presence and demonstrated experience with property acquisition and rehabilitation. Additional conditions apply in Section 3.2.
- Non-501(c)(3) Organizations, including for-profit entities, that work in collaboration with a Neighborhood Stabilization Program (NSP) grantee or NCST-approved non-profit housing development organizations. Additional conditions apply in Section 3.3.

3.2 Additional Eligibility Requirements for Non-Profit Organizations

- **Housing-Related Mission:** Non-profit organizations must have a primary mission that directly relates to affordable housing or to community revitalization through housing-related activities. The applicant organization must also have established housing-related services or programs that will actively contribute to its proposed local stabilization activities.
- **Demonstrated Experience with Acquisition and Rehabilitation:** Non-profit organizations must be able to demonstrate at least two years of direct experience with real estate project development as an organizational entity. The experience of third party developers or parties related to the applying organization is not considered a substitute for the housing services or project development experience requirement.

3.3 Additional Eligibility Requirements for For-Profit Organizations

There are three partnership structures under which for-profit organizations may be eligible to acquire properties in NCST Property Acquisition Programs:

- 1) **Direct relationship with a local Neighborhood Stabilization Program (NSP) effort or other publicly funded effort.** This applies to for-profit housing developers that can document a sub-contractor relationship with state or local NSP grantees, other public agencies, or provide similar written confirmation of contracted services relating to acquiring distressed properties specifically for a local stabilization effort. In this structure, the applying organization will only be allowed to use public funds to acquire properties.
- 2) **Existing relationship with a community-based non-profit housing development organization.** NCST

permits the participation of for-profit organizations that acquire properties under the coordination of an approved non-profit Community Coordinator. This partnership structure must be defined in an executed Memorandum of Agreement or similar contractual document that identifies the division of roles and responsibilities between for-profit and non-profit partners in local efforts and outlines the services provided by the for-profit entity in the community at the behest of the non-profit organization. NCST will review the partnership structure between the for-profit and non-profit entity. In addition, the non-profit organization must meet the housing-related mission and community presence requirements as stated above.

- 3) **NCST Strategic Development Partner (SDP) Program.** In select markets, NCST has established Strategic Development Partnerships with specific Real Estate Developer/Investor entities that are highly experienced, well-capitalized, and have a proven track record of successful acquisition, rehabilitation, and disposition of residential properties at scale. Entities invited to participate in the NCST Strategic Development Partner Program will be subject to a vetting and approval process based on a number of factors, including historical presence and capabilities within a given market, number of Strategic Developer Program participants assigned in a particular market, and willingness and capacity of a local jurisdiction or non-profit program to accept SDP participants.

3.4 Community Presence

All Community Buyers must maintain an established physical office in reasonable geographic proximity to the communities in which it proposes to acquire properties. Community Buyers must also maintain good standing with the local Secretary of State or applicable governing office where they acquire properties.

In absence of a physical office, Community Buyers may qualify if they demonstrate a clear history of direct involvement in the geographic area, which may include prior experience providing services in collaboration with organizations physically located in targeted geographies.

3.5 Proof of Funds and Eligible Funding Sources

As part of the eligibility review process and in order to be approved as a Community Buyer, an applicant must demonstrate that they have access to sufficient sources of funding to acquire properties.

NCST permits a range of capital sources for financing the acquisition and development of properties. Community Buyers may use federal funding including Neighborhood Stabilization Program (NSP) funds, CDBG, or HOME funds; state, or local public funding or grants; disaster relief funds; program income from federal programs; philanthropic funding, or other appropriate public and private sources to purchase properties.

NCST reserves the right to review sources of capital used by Community Buyers to acquire properties. All Community Buyers will be asked for proof of funds and upon request, furnish background information on private

capital providers. Funding agreements with private capital providers cannot require that title to properties will be transferred to a capital provider(s) after closing. The terms of the financing should not prioritize profit over the purpose of neighborhood stabilization and the requirements contained in the Guide; and there should be no identity of interest between a capital provider and individual directors, trustees, officers, or employees of the Community Buyer. Profit sharing relationships may require a reasoned opinion of counsel that such an arrangement is consistent with a Community Buyer's 501(c)(3) status.

NCST does not typically view conventional or FHA mortgage financing as an acceptable form of acquisition financing for the purchase of properties through its Acquisition Programs. Long term financing that facilitates renovation as part of the conveyance of the property to a prospective occupant may be eligible. Examples of this may include lease-purchase programs or programs that leverage FHA 203(k) financing.

3.6 Application Process

In order to become approved as an eligible Community Buyer, NCST requires interested local housing providers to complete an application process. Following application approval, eligible Community Buyers complete onboarding and training requirements to begin active program participation. All applicants are expected to return all requested materials to NCST fully completed and in a timely manner. NCST determines a Community Buyer's eligibility based on the documentation and representations submitted during the application process. Community Buyers must inform NCST immediately of any material changes to their operations, funding sources, or tax or corporate status. Failure to report such changes may result in temporary or permanent suspension from NCST Acquisition Programs.

NCST reserves the right to decline the participation of an applicant that cannot demonstrate that all Buyer Eligibility Guidelines are met during the application process. If an application is declined, NCST will consider appeals through an internal Appeals Board. All determinations made by the Appeals Board are considered final.

Step 1: Community Buyer Pre-Qualification Questionnaire

NCST will provide interested applicants with a Pre-Qualification Questionnaire. Once an applicant completes the Questionnaire, NCST will determine if the applicant is eligible to submit a full application to participate in the NCST First Look Program and/or Donation Program.

Step 2: REO Acquisition Program Application

Once prospective Community Buyers are invited to move forward with an NCST First Look or Donation Program application, a subsequent, more in-depth REO Acquisition Program Application must be completed. This application requires applicants to submit a completed Application form with additional supporting materials on organizational structure, IRS status, programming, and experience. The full list of supporting materials will be included with the program application. NCST will review the completed application and formally approve or decline an applicant

Step 3: Community Buyer Overview/Introduction Meeting

Once approved, Community Buyers will be invited to attend a Buyer Overview/Introduction webinar. During this webinar, in-depth information about NCST programming, timelines, and pricing considerations will be provided, as well as a preview of REOMatch.

Step 4: Target Area Planning

After completing the Buyer Overview webinar, a Community Buyer will work with NCST to determine the target areas to include in REOMatch. NCST will then create an individualized REOMatch portal with a Community Buyer's service area.

Step 5: Purchase Agreement Template

Community Buyers will be sent the pre-approved NCST Purchase Agreement templates for review by the Community Buyer's preferred legal counsel. Written consent to use the pre-approved purchase agreements is required prior to a Community Buyer's participation in the NCST First Look Program. Purchase agreements cannot be amended and Community Buyers cannot include additional addenda.

Step 6: NCST Memorandum of Understanding Execution

All Community Buyers must execute the NCST Memorandum of Understanding (MOU) prior to moving forward with the Go Live call. The NCST MOU confirms a Community Buyer's acceptance of the participation requirements outlined in this Guide.

Step 6: Go Live Call

In the final step of the onboarding process, Community Buyers will be invited to a call with an NCST Senior Asset Manager and Closing Manager to confirm day-to-day transaction policies and procedures, review the closing process, and cover any last minute questions a Community Buyer may have prior to activation.

Section 4: Program Participation Standards and Requirements

4.1 Purchase Volume and Capacity Requirements

Community Buyers must demonstrate capacity to purchase properties on an ongoing basis and apply a high standard of rehab to properties acquired. Community Buyers can temporarily deactivate their participation with NCST during interim periods when acquisitions will not be actively considered, due to capital or capacity constraints.

All new Community Buyers will have a maximum property accept cap that is enforced after their activation. During the onboarding process, NCST will establish a property accept cap considering the Community Buyer's staff and financial capacity, as well as availability of properties in consultation with the Community Buyer. After the cap is met, the Community Buyer will be "paused" from receiving new properties to permit NCST time to review the Community Buyer's existing capacity and adherence to the Program Guidelines, and to develop a new acquisition goal. This meeting will occur after all properties acquired have closed and the Community Buyer has begun REOTrack reporting.

Active Community Buyers who are accepting a large volume of properties and/or have a large active portfolio of NCST properties as compared to other NCST Community Buyers, will periodically meet with NCST to review ongoing capacity and ensure all program requirements are being met. In certain cases, during this review, Community Buyers may be temporarily paused from receiving additional property opportunities. Community Buyers who are paused for taking a large volume of properties and exceeding their capacity may be reactivated with a property accept cap.

4.2 Geographic Acquisition Areas for Buyer Entities

Community Buyers must articulate a clear, geographically targeted acquisition strategy and focus stabilization efforts in markets with demonstrated need. Buyer entities will designate target areas, geographic acquisition areas in which properties are made available by NCST. These target areas must directly correspond with the Community Buyer's community presence.

Generally, First Look target areas must be geographies where foreclosures, property abandonment, and accelerated property value depreciation (as compared to other local market areas) have had a demonstrable negative impact, and/or be geographies that are considered to be blighted, as defined by state or local law, or governmental authority. This includes, but may not be limited to:

- **HUD NSP designated areas; or**
 - **Based on the HUD foreclosure risk scale*, other geographies that HUD has scored 14- 20 or meet the HUD-defined state minimum score for NSP funding, whichever is lower. *The HUD-calculated risk scale is used to predict whether or not a neighborhood has a high or low risk for foreclosed and**

abandoned homes. Local markets are assessed on a scale from 0-20, based on numbers of foreclosures, vacancy, abandonment, and other such factors.

Upon written request by a state or local government, NSP grantee, or approved state or local land bank, NCST at its discretion may allow for other distressed market areas to be designated as target areas. Such areas may be metro or non-metro low- and moderate- income (LMI) markets, designated disaster areas, or areas defined by the U.S. government as special community and economic development projects. In the event a Community Buyer is utilizing a specific funding source (e.g. public and philanthropic dollars) that limits activities to purposes that may not directly coincide with the above geographic restrictions, NCST will evaluate whether the public purpose of the Community Buyer's program reasonably correlates to the scope of NCST's stated mission and charitable purpose. Examples of this may include funding to provide housing for underserved segments (e.g. homeless, disabled, seniors) that is limited to a specific population or purpose but not restricted to a geographic boundary.

Donation target areas do not follow the above HUD foreclosure risk scale requirements, but must still coincide with the Community Buyer's community presence.

4.3 Community Buyer Prioritization in Shared Target Areas

NCST can accommodate the participation of multiple Community Buyers in the same geographic area. However, NCST reserves the right to limit the participation of new Community Buyers in target areas where there will be substantial overlap with existing active Community Buyers.

In markets where multiple buyer entities participate and target areas overlap, NCST will implement a priority system on a transactional basis for awarding properties. The following factors will be considered for each transaction:

- Funding type used
- Buyer's community presence: The Community Buyer's **primary** office location determines the Buyer's community presence. For example, if the Buyer's primary office is located in the same state as the property, the Buyer is considered local.
- Entity type
- Intended disposition
- Current compliance with REOTrack reporting: Compliance with REOTrack reporting is updated on a weekly basis.

Each factor will be scored and the property will be awarded to the organization with the highest score. Favor will be given to local organizations using public funds pursuing homeownership opportunities. The following are examples of the prioritization scoring:

- 1st priority: Government entity using public funds pursuing homeownership opportunities
- 2nd Priority: Non-profit entity using public funds pursuing homeownership opportunities
- 3rd Priority: Government or Non-profit entity using non-public funds pursuing homeownership

opportunities

In the case that more than one buyer is accepting a property and more than one buyer has the highest score, the property will be awarded on a first come, first served basis.

4.4 REOMatch and Acquisition Timelines

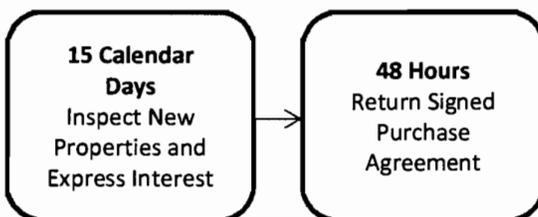
REOMatch is a web-based property mapping and acquisition tool used by NCST and its partners to show properties. Community Buyers have their own personalized REOMatch portal to view and transact on properties. All Community Buyers are expected to respond to property offerings in REOMatch within the established timelines.

Below are the timelines for each acquisition program:

First Look



Donation



FHA First Look



4.5 Inspecting Properties

Community Buyers must physically inspect properties during the inspection period, prior to requesting First Look pricing or accepting a Donation property, unless inspections are not possible based on the Acquisition Program's structure. Access information will be available in REOMatch for all properties. Community Buyers should contact the listed agent to schedule an inspection. Agents should be present during inspection. If a Community Buyer does not physically inspect a property prior to accepting and cancels the transaction at a later date, it may result in temporary or permanent removal from NCST Acquisition Programs.

During inspection, Community Buyers should estimate the current fair market value of the property and the needed rehabilitation work for end disposition to determine if the property is suitable for their acquisition program. Given historical discount percentages, Community Buyers should only request pricing on those properties where the fair market value less the discount would make it economically feasible to move forward with the property. Based on the physical inspection, in combination with review of the pricing received, Community Buyers should then accept or decline properties.

Section 5: Property Holding, Acquisition, and Disposition Methods

5.1 Property Selection

NCST requires that Community Buyers only pursue the acquisition of properties of accessible value. Accessible value can be defined as:

- When the fair market value of a property at acquisition is within the reasonable purchase range for a low-, moderate-, or middle income homebuyer using conventional financing products; and
- When the sales price of the property post-rehabilitation will be within the reasonable purchase range for a low-, moderate-, or middle income homebuyer (up to 120 % of Area Median Income (AMI)) using conventional mortgage financing products.

5.2 Chain of Title Disclosure

Community Buyers are required to provide full disclosure to NCST on the legal entity or entities that will be taking title to properties acquired through NCST Acquisition Programs.

NCST and its participating REO Sellers require that Community Buyers taking title on properties acquired through NCST Acquisition Programs remain on the title through the end-disposition of the properties.

If a Community Buyer wants to introduce a third-party entity to the chain of title, the Buyer must notify NCST and receive NCST approval prior to title transfer. Community Buyers will be required to submit an executed MOU or partnership agreement with the third party and complete a disclosure form so that NCST can understand the reason for title transfer. Community Buyers who introduce entities into the chain of title without notification or approval from NCST may be temporarily or permanently paused from participation.

If a Community Buyer participates in a resale transaction with a non-owner occupant third party, the following guidelines apply:

- Community Buyers should only participate in resale transactions with third party entities that have been established and are operated in accordance with applicable state and federal law. This includes including limited liability companies, corporations, trusts, and other real estate holding entities.
- The Community Buyer and third party entity should have a pre-established agreement on how properties will be utilized upon resale ensuring the reuse of properties by the third party entity are consistent with the stated goals of this program.
- There should be no collusion or inappropriate agreement, including profit sharing agreements, between a Community Buyer and third party entity.
- The Community Buyer or any of its directors, trustees, officers, or employees should not share an identity of interest with any third party entity to which properties are resold. Similarly, Community

Buyers should not participate in resale transactions to owner occupants with whom there is an identity of interest. Additionally, Directors, trustees, officers, employees, consultants, and their family members are not eligible to occupy, purchase, or lease properties.

NCST uses the HUD definition of “identity of interest” for the purposes of resale restrictions for its programs. Identity of interest means any relationship (generally based on family ties or financial interests) between (a) the seller and property purchaser (prospective owner), (b) the owner and/or general contractor and the subcontractor, material supplier or equipment lessor, or (c) the owner and the lender, which would reasonably give rise to a presumption that the parties to the transaction may operate in collusion in establishing the purchase price of the property, the cost of the rehabilitation work, or the terms of the financing.

Properties transferred to a third party entity must still meet holding, rehab, and disposition standards outlined in the Program Guide. Community Buyers who transfer properties to a third party entity will be responsible for reporting through the end-disposition of the property to a qualified end-user.

5.3 Property Holding and Maintenance

Community Buyers are responsible for the security and maintenance of properties upon closing, including vacant land. During holding periods, Community Buyers are expected to provide ongoing stewardship of properties such that properties will not impose additional blight or create health or safety hazards in the neighborhood. This may include, but not be limited to, securing structures, keeping property lot free of debris, regularly maintaining property lots including grass mowing, or leaf or snow clearance, etc.

Community Buyers are responsible for maintaining properties to a standard that will not violate local codes. Community Buyers are responsible for any code violations and fines assessed by local authorities for lack of property maintenance. In the event local authorities cite a property for ongoing deferred maintenance, Community Buyers are expected to promptly remediate any code deficiencies.

5.4 Rehabilitation Timeline

Community Buyers are expected to make best efforts to commence rehabilitation work on properties as soon as circumstances allow. In general, REO Sellers participating in NCST Acquisition Programs request that rehabilitation work on properties commence within 60 days of closing. NCST and its Seller Partners fully recognize that exceptions to this will exist, due to local permitting timelines, geographic seasonality, market feasibility, or capital requirements. Community Buyers who are unable to start rehab within 60 days of closing should notify NCST via REOTrack. Please see Property Holding and Maintenance and Post- Closing Reporting for additional guidance on managing and reporting on properties that will have longer redevelopment timelines.

5.5 Rehabilitation Standards

Community Buyers must apply a reasonable standard of repair to properties acquired through the NCST Acquisition Programs prior to the end disposition and re-occupancy of a property. The minimum standard considered reasonable in most cases will require the Community Buyer to rehabilitate the asset to FHA Housing Quality Lending standards or local building codes, whichever is more rigorous.

All Community Buyers must ensure renovation work on all property acquired through NCST Acquisition Programs is under warranty for a term of at least one-year or the minimum term requirements for the state, whichever is greater. To ensure the safety and soundness of renovation work for occupants of the properties post-rehab, Community Buyers must ensure that their contractors will remedy any defect due to faulty material or workmanship and pay for all damage to other work resulting therefrom, for a term consistent with requirements stated above. Contractors shall also furnish all manufacturers' and suppliers' written warranties to owner upon resale of property, as applicable based on the end-disposition of the property.

Third party contractors engaged by a Community Buyer to assist in rehabilitation should not have any identity of interest with the individual trustees, officers, or employees of the Community Buyer. Contracts should be at arm's length and provide no more than reasonable compensation for the services provided based on the prevailing market conditions and should not contain profit sharing or other provisions that could result in the priority of profit over the purposes of NCST Acquisition Programs and neighborhood stabilization.

5.6 Permissible Disposition Methods for Properties with Structures

Properties that Community Buyers acquire through the NCST Acquisition Programs must meet qualified end uses that are consistent with neighborhood stabilizations needs. The end use of properties must provide a clear benefit to the community and occupants upon reuse or repurposing. Properties with structures should be redeveloped in a manner that is consistent with neighborhood stabilization efforts, the charitable purpose of NCST, and the goals of this program. NCST prohibits Community Buyers from reselling properties acquired through its programming entities for the sole purpose of realizing a profit – “property flipping”. For more information on property flipping restrictions, please see Section 7.6.

Homeownership is the preferred disposition strategy for all properties acquired through NCST Acquisition Programs. If homeownership cannot be realized, Community Buyers may pursue the following alternative end disposition strategies with explicit approval from NCST: short-term affordable rental, long-term affordable rental, lease-purchase, transitional housing, or land banking.

Community Buyers who will not be pursuing homeownership must receive approval from NCST prior to pursuing non-homeownership strategies. To request a program exception, Community Buyers will complete a disposition exception form prior to the commencement of alternative disposition strategies. Disposition exceptions are given

at the property level or at the program level. Community Buyers whose primary strategy is rental or other alternative dispositions should seek program approval for their alternative strategy so they do not need to seek property specific exceptions.

Demolition

Community Buyers should pursue demolition of the property when the poor or deteriorated condition of a property renders redevelopment for occupancy economically infeasible or demolition is the Community Buyer's programmatic strategy. Community Buyers do not need to receive NCST approval to demolish a property. In the event a property is demolished, the Community Buyer is expected to facilitate an end-use for the vacant land that is consistent with neighborhood stabilization goals, as outlined in Section 5.7. Under select circumstances, the financial institution donating a property may include a monetary contribution to the Community Buyer to specifically fund the demolition of that property. In the event a monetary contribution from the financial institution is made available for a property, a Community Buyer may not resell the vacant land for program income after demolition is completed.

5.7 Permissible Disposition Methods for Properties without Structures

The Community Buyer should directly facilitate the reuse of vacant land for a purpose that meets the goals and requirements of this program and does not impose additional blight on the community. Allowed disposition strategies include the following:

Affordable Housing Construction: The preferred disposition strategy for vacant land is the redevelopment of the land with a newly constructed affordable home.

Community Green Space: Vacant land may be re-conveyed to non-profit or civic groups for reuse as community recreational or green space, including community gardens, playgrounds, or to promote green open space in urban neighborhoods. Vacant land may also be re-conveyed to owners of directly adjacent property.

Land Banking/Land Assembly/ Long Term Hold: If Community Buyers will defer the redevelopment of vacant land parcels for future construction or resale, the property or vacant lot must be secured and regularly maintained so that it will not become hazardous or impose blight on the surrounding neighborhood. Community Buyers will be expected to provide a description of how the land will be reused and the expected timeline upon which reuse will occur. Community Buyers will also be asked to re-certify the status of vacant land on a semi-annual basis until redevelopment commences or resale takes place.

Parcel Sale for Program Income: Vacant land parcels may be resold for the purpose of generating program income for a Community Buyer, if proceeds will fund other programmatic activity that is directly related to the acquisition and rehabilitation of foreclosed and abandoned housing, removal of blight in neighborhoods, or the provision of housing for income eligible families or special populations. Community Buyers who will be selling properties for program income cannot share an identity of interest with the purchaser of the vacant land parcel, as

detailed in Section 7.6.

In the event a monetary contribution from the donating financial institution is made available with the donation of vacant land parcels, a Community Buyer may not resell the vacant land parcel for program income.

5.8 Qualified End-Users

Community Buyers agree to source income-eligible end-users for properties acquired through the NCST Acquisition Programs. Income-eligible is defined as an individual or family within 120% of local Area Median Income (AMI). The primary purpose of NCST Acquisition Programs is to increase homeownership opportunities for low- to moderate-income individuals or families.

5.9 Marketing

Community Buyers are required to market properties to income-eligible homeowners for at least 60 days (“minimum marketing period”) after completing rehab. After 60 days, Community Buyers can request to pursue alternative disposition strategies if homeownership is not viable. If a Community Buyer would like to pursue an alternative strategy, they must list the property on the MLS for at least 30 days prior to requesting an alternative disposition strategy exception from NCST. As detailed in Section 5.6, all alternative disposition strategies must be approved by NCST prior to commencing the alternative strategy.

Community Buyers may utilize the MLS, housing-counseling network, or other community partners to market available properties to eligible homebuyers, including local housing counseling agencies or other outlets.

Section 6: Community Coordinators

If there is a strategic or programmatic opportunity to coordinate the distressed asset acquisition efforts of multiple entities within a given geographic-constrained housing market, NCST may approve a Community Coordinator structure to provide program efficiencies and effectiveness.

In these instances, one direct Community Buyer will act as the agreed upon Community Coordinator and will take on increased responsibilities including:

- Acting as principle point-of-contact to NCST to coordinate the distribution of properties to approved participating entities;
- Sourcing entities that will work within the coordinated effort;
- Ensuring all NCST Acquisition Program Guidelines are followed by all coordinated entities, including REOTrack reporting; and
- Managing the successful execution of the local neighborhood stabilization effort.

6.1 Sub-buyers

A Sub-buyer is defined as an organization that is working under the coordination and direction of an approved Community Coordinator. Sub-buyers need to meet the eligibility requirements in Section 3 of this Guide. If sub-buyers do not meet NCST eligibility requirement, NCST may consider requests from Community Coordinators for an exception with good reasons.

Sub-buyers must complete NCST's application process, including executing the NCST Memorandum of Understanding confirming their acceptance of the program requirements detailed in this Guide. NCST reserves the right to decline sub-buyers or discontinue their partnership in NCST Acquisition Programs at any time.

Sub-buyers must be willing and able to take direct title on properties and adhere to NCST's Chain of Title requirements detailed in Section 5.2.

6.2 Approved Partnership Structures

Community Coordinators will need to provide an executed partnership agreement with their approved Sub-Buyers to NCST as part of the Sub-Buyer approval process. This agreement should detail the following information:

- Purpose of the partnership
- Duration of the partnership including expiration
- Services offered by each party
- Fee structure, if applicable
- Confirmation Sub-Buyer and Coordinator have read, understand and will adhere to NCST Program Guidelines

Exclusivity Clauses

NCST does not allow Community Coordinators to restrict the access of Sub-Buyers to NCST Acquisition Programs. Eligible Sub-Buyers have the right to work directly with NCST at their discretion. NCST will not actively engage Sub-Buyers for direct partnerships, but will accept applications from existing Sub-Buyers for direct access to NCST Acquisition Programs.

6.3 Coordinator Roles and Responsibilities

By assuming the role of Community Coordinator, the Community Coordinator is agreeing to partner with NCST in providing quality controls and strategy guidance for all Sub-Buyers under its direction. The Community Coordinator should understand its role to be that of ensuring quality programming from front-end Sub-Buyer sourcing to back-end property disposition and working with NCST staff to explore new areas of opportunity, raise questions or concerns about Sub-Buyer performance, and ensure that program guidelines are upheld.

Communication

Community Coordinators act as the central point of contact between NCST and the Sub-Buyer.

Coordinators are responsible for communicating the following to Sub-Buyers:

- Changes to NCST Acquisition Program requirements;
- Property information (access information, offers, considerations, etc.);
- Documentation requirements and changes;
- Program management concerns; and
- Other opportunities and issues that relate to NCST programming.

Program Adherence

Community Coordinators and sub-buyers must follow all stated NCST participation requirements. Community Coordinators will be responsible for ensuring Sub-buyers are following program requirements and standards outlined in this Guide. NCST reserves the right to decline Community Coordinators and sub-buyers or discontinue their participation in NCST Acquisition Programs for non-adherence to guidelines at any time.

Post-Closing Reporting

Community Coordinators will be responsible for monitoring and reporting on the status of the sub-buyers' post-closing activities. Community Coordinators are responsible for collecting this information from their Sub-Buyers and providing it to NCST in REOTrack. Coordinators will be responsible for ensuring post-closing activities (e.g. securing properties, rehab, marketing, chain of title) meet NCST Program Guidelines. Coordinators who do not monitor these activities can discuss delegation of this responsibility to NCST for a monthly management fee.

Section 7: Program Reporting and Participation Monitoring

NCST monitors the adherence of Community Buyers to program goals and guidelines on behalf of the financial institutions that participate in NCST Property Acquisition Programs as REO Sellers or Donors.

7.1 Open Record Standards

As program administrator, NCST must comply with open record standards with the participating financial institutions. As a condition of participation, Community Buyers are expected to operate with the same open record standards. Community Buyers should be operationally prepared to make readily available information related to the acquisition and redevelopment of any property transferred through the Program, including cost of renovation work, hiring practices and labor costs, occupant sourcing and qualification, revenue and income, marketing information, etc. Community Buyers should also be prepared to produce recent photographs of properties upon request.

NCST does not make information collected from Community Buyers available apart from our established NCST Sponsors, Sellers and Partners (e.g. HUD). It is collected and analyzed for the sole purpose of monitoring participation and performance of individual organizations, and assessing the effectiveness and overall impact of NCST programming.

7.2 Post-Closing Reporting

After closing on a property, Community Buyers are expected to provide NCST with regular information on the status of properties. The requirement to provide post-closing reporting on a property begins 30 days after initial closing. Community Buyers are required to report on property status once every 30 days thereafter, until the property has been fully redeveloped and/or converted into an acceptable end-use.

To report post-closing information, Community Buyers are provided with free access to REOTrack, the online reporting system of record for all NCST Property Acquisition Programs. Every Community Buyer organization is assigned an individual REOTrack portal, which contains the cumulative record of all property acquired through NCST.

Community Buyers use REOTrack to report to NCST on the progression of work completed on all properties acquired, including where properties fall within various stages of redevelopment. This keeps NCST up-to-date on how redevelopment work is progressing on properties and the end-disposition or final results of properties when redevelopment work has been completed.

Community Buyers must log into REOTrack at least once every 30 days to report on the redevelopment stage of each property.

Please review Appendix I: Guide to REOTrack Post-Closing Reporting for more information on required data points.

7.3 Title Tracking

Using public databases and resources, NCST records information on the transfer of title for properties acquired through both the First Look and Donation Programs. For up to three transfers of title, NCST tracks the entity or person to whom title is transferred, resale date, and recorded resale price. The purpose of this title tracking is to perform an independent validation of the information self-reported by Community Buyers through REOTrack and to ensure that property reuse meets program guidelines and standards.

As a condition of participation, Community Buyers are required to provide NCST with up-to-date information on program partners that will be part of the redevelopment of properties and to which a transfer of title will occur. NCST reserves the right to require Community Buyers to provide information on any entity or person that is introduced into the chain of title for a property acquired through NCST Acquisition Programs. Please see Section 5.2 for more information on chain of title disclosure.

7.4 Site Visits

NCST may elect to make site visits to Community Buyers to inspect properties acquired through NCST Acquisition Programs. NCST will determine whether a site visit is necessary based on a combination of factors: at certain property acquisition thresholds (e.g. at 10 or more properties); based on post-closing reporting; upon recommendations or concerns from local stakeholders; at the request of participating financial institution partners; as part of an internal compliance review; or to generally discuss program strategy and accomplishments.

Community Buyers will receive pre-notification of a site visit. Onsite visits may include NCST staff or a designated representative of NCST, and are generally meant to validate the quality and scope of redevelopment work completed. As applicable, NCST may engage additional third parties in onsite property reviews, including representatives from local government housing and community development agencies, the U.S. Department of Housing and Urban Development (HUD), non-profit organizations affiliated with NCST's Sponsors, or locally based non-profit or private developers, property managers, or real estate professionals.

7.5 Guidelines Management Notices

NCST will determine whether a Community Buyer is adhering to the program standards detailed in this Guide based on Buyer-reported post-closing information, quality assurance reviews, title reviews, site visits, or any other means including complaints from community or financial institution partners.

Failure to meet program requirements and standards, including reporting requirements and post-closing

documentation, may result in NCST electing to temporarily suspend or permanently discontinue the access of a Community Buyer to new property listings.

In the event NCST temporarily suspends access for the Community Buyer to its programs, NCST will provide guidance to the Community Buyer in writing on the areas that require correction. If NCST determines that a Community Buyer's purpose or activities are inconsistent with NCST Acquisition Program goals, that the Acquisition Program is being used to benefit private interests, or if a Community Buyer is unable or unwilling to meet program requirements, NCST may elect to permanently discontinue access participation.

7.6 Ineligible Resale or Reassignment of Title (Property Flipping)

There is no generally accepted definition in the industry for property flipping. For the purposes of the NCST Acquisition Programs, "property flipping" refers to the practice by which a property is acquired through NCST and is quickly resold in to a third party for a substantial profit. Often, properties are sold in "as-is" condition after acquisition, or the property is resold with only minor cosmetic improvements. Additionally, transactions may not be open market sales, such that in advance of the initial acquisition of the property from NCST, the Community Buyer has pre-identified a known third party as an outlet for the property for the purpose of generating a profit.

For the purposes of NCST's programming, "property flipping" is not permitted. Properties that Community Buyers acquire through NCST are sold with a pricing concession (First Look) or sold at a nominal price (Donated) by participating financial institutions; therefore, Community Buyers must ensure that the resale of a property:

- Facilitates an end use that is consistent with neighborhood stabilization goals; and
- Is not in conflict with the charitable purposes of either NCST or the non-profit Community Buyer that is acting as seller on a resale transaction.

Resale Restrictions

NCST prohibits Community Buyers from reselling properties acquired through its programming entities for the sole purpose of realizing a profit. Community Buyers should not participate in resale transactions that are inconsistent with the goals of the program, wherein resale of a property acquired through NCST programming will not yield a tangible benefit to the community, or the availability to end-occupants of safe, affordable homeownership or rental housing.

As outlined in this guide, Community Buyers have a different range of permissible end uses and resale restrictions for properties acquired through NCST Acquisition Programs. To determine if property flipping has occurred, NCST will consider the following factors: a) the type of entity to which the property was resold; b) the level of renovation work completed on the property prior to resale; c) the relationship between parties in the resale transaction; and d) whether the end use of the property is consistent with program goals.

Generally, all resale transactions must be to owner occupant homebuyers. Unless program circumstances dictate

otherwise, properties should be marketed openly and fairly, through a multiple listing service (MLS) for a period of at least 60 days, to owner occupant homebuyers. This rule is applicable to all properties, except in cases where NCST has granted the Community Buyer program- level approval of an alternative disposition strategy where reassignment of title to a non-owner occupant entity is reasonable and appropriate.

If a property is resold within 60 days of initial acquisition and the Community Buyer realizes any substantial financial gain on the sale, and whereby the resale price of the property is greater than 20% above the Community Buyer's acquisition cost, the Community Buyer must also verify that there has been sufficient, legitimate renovation, repair, or rehabilitation work completed on the property to substantiate the increase in value.

If a Community Buyer participates in a resale transaction in furtherance of any of these goals with a non-owner occupant third party entity, the following guidelines apply:

- Community Buyers should only participate in resale transactions with third party entities that have been established and are operated in accordance with applicable state and federal law. This includes limited liability companies, corporations, trusts, and other real estate holding entities.
- The Community Buyer and third party entity should have a pre-established agreement on how properties will be utilized upon resale ensuring the reuse of properties by the third party entity are consistent with the stated goals of this program.
- There should be no collusion or inappropriate agreement, including profit sharing agreements, between a Community Buyer and third party entity.
- The Community Buyer or any of its directors, trustees, officers, or employees should not share an identity of interest with any third party entity to which properties are resold. Similarly, Community Buyers should not participate in resale transactions to owner occupants with whom there is an identity of interest. Additionally, Directors, trustees, officers, employees, consultants, and their family members are not eligible to occupy, purchase, or lease properties.

In the event NCST or any of its financial institution partners determine that a Community Buyer has been involved in reoccurring or premeditated "property flipping", NCST reserves the right to immediately discontinue the participation of that Community Buyer in all property acquisition programs. NCST may also suspend or terminate the participation of a Community Buyer at the explicit request of one or more of its financial institution partners for "property flipping" violations.

Appendix I: Guide to Post Closing Reporting

Collecting post-closing data helps NCST track the impact of neighborhood stabilization activities at the national level. Your progress is an important part of the national picture of how neighborhoods are being reclaimed from foreclosures and abandonment, new homeownership opportunities are being created, and evidence that renovated homes can renew communities.

Additionally, the financial institutions that partner with NCST require data on the end-disposition of properties acquired by Community Buyers through NCST Acquisition Programs. The participating financial institutions need data on the properties that have been transferred through NCST for internal tracking, compliance, and accounting purposes, including reporting related to the Community Reinvestment Act purposes, and going forward, the National Mortgage Settlement. In addition, the REO departments at the financial institutions use this information to maintain support for continuing participation, extending pricing concessions, and making available donation properties.

REOTrack Reporting

NCST requires Community Buyers to provide accurate and up-to-date progress reports on the status of now closed properties acquired through NCST. This includes keeping NCST up-to-date on the status of properties currently under rehab but more importantly, the outcome or end-disposition of properties in their final state of reuse.

All Community Buyers will have access to REOTrack. Each Buyer's REOTrack portal will contain the cumulative record of all properties acquired through the First Look and/or Donation programs since the start date of the Community Buyer's participation with NCST. Because REOTrack is updated with new records as soon as properties are acquired, Community Buyers can keep NCST informed on the current status of each property acquired. This means buyers can report on individual properties as rehab is completed or report on the status of several properties at the same time.

REOTrack captures information on the progress of properties acquired and where they fall within various stages of completion. This could include the following categories: rehab not started, rehab in process, rehab complete/for sale, rehab/resale completed, or other reuse completed. When properties have been recently acquired and rehab work may not have begun, it is still important to NCST that buyers note the current status of the property and the anticipated schedule for rehab work to commence.

After Buyers have submitted new REOTrack property updates, NCST will review responses and identify any additional data points that need completion or require additional detail.

Required Information

NCST requires the following information to be provided on each property acquired, as specified in the information fields included in REOTrack:

Resale/Reuse Information

- Disposition Method: Identify the intended end-use or, if completed, the final disposition for the acquisition (rehab/resale, rental, lease-purchase, land bank)
- Property Secure/Date: Verify that you have secured the property after acquisition from the bank, and provide the date the property is secured
- Scope of Rehab/Property Disposition: Provide a detailed scope of rehab completed on the property, including costs and timeline of the project
- Total Rehab Cost: Total amount spent on rehab
- Rehab Begin Date: Date rehab was started
- Rehab Completion Date: Date rehab was completed
- Property List Date: Date property was listed for sale/rental
- Property List Price: Price property was listed for
- Property Re-sale Date: Date property was sold
- Property Re-sale Price: Price at which property was sold to an end user
- Marketing Strategy: Identify how the property was marketed or listed for sale
- Reuse of Sale Proceeds: Identify how any sale proceeds will be used

Rental Information (When rental is intended disposition):

- Rental Lease Start Date: Start date of lease
- Rental Lease End Date: End date of lease
- Monthly Rental Lease Amount: Monthly lease/rental price

Occupancy Information

- Purchaser Family Size: Number of family members that purchased or rented property
- Head of Household Age: Age of the head of household of purchasing/renting family
- Occupant % AMI: Percent of area median income of purchasing family
- Marital Status: Marital status of purchasing/renting end user (Married, Single)
- Family Race/Ethnicity: Race or Ethnicity of end user
- Owner Occupant Verification: Verify the property was sold to an owner occupant
- Homebuyer Education Verification: Verify if homebuyer education/counseling was provided
- Name of Counseling Organization (if applicable): Name of the organization that provided counseling services
- Veteran Verification: Indicate if the occupant is a US Military Veteran
- Discount Provided to Veteran (Veterans Donation Program Only): Indicate the discount (percentage) provided to the Veteran

Homebuyer Information (if applicable)

- Mortgage Type: Type of mortgage used for purchase (FHA, Conventional, etc.)
- Mortgage Amount: Dollar amount of mortgage used by end user
- Mortgage Holder Gender: Gender of mortgage holder (Male, Female)

Uploaded Documentation: Documents should include before-and-after photos that demonstrate the condition of the property at acquisition and resale, if available, or information, press releases and/or event photos that commemorate with the completion of the property (ex. ribbon-cutting ceremony with new homeowner, community bus tours, etc.)

- Pre-rehab Photos: Date-stamped photos of property at the time of possession
- During-Rehab Photos: Date-stamped photos of property during rehab
- Post-rehab Photos: Date-stamped photos of completed rehab
- HUD-1: HUD-1 document from the reseller to the homeowner
- Rehab Scope: Scope of rehab document
- Marketing Information: Copy of MLS Listing or other marketing materials used
- Rental/Lease Agreement (if applicable): Copy of signed Rental/Lease agreement
- DD214 (Veterans Donation Program Only): Copy of Veteran form DD214 to confirm Veteran's status
- Status Update Photos: Upload date stamped photos every 60 days