



**National Community  
Stabilization Trust**

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**HUD SECRETARY ANNOUNCES NATIONAL *FIRST LOOK PROGRAM* TO HELP  
COMMUNITIES STABILIZE NEIGHBORHOODS HARD-HIT BY FORECLOSURE**

*Nation's top lenders agree to give NSP grantees first crack at buying foreclosed homes*

WASHINGTON – U.S. Housing and Urban Development (HUD) Secretary Shaun Donovan today announced an unprecedented agreement with the nation's top mortgage lenders to offer selected state and local governments, and nonprofit organizations a "first look" or right of first refusal to purchase foreclosed homes before making these properties available to private investors.

The *National First Look Program* is a first-ever public-private partnership agreement between HUD and the National Community Stabilization Trust (Stabilization Trust). In collaboration with national servicers, Fannie Mae, and Freddie Mac, the *First Look* program is intended to give communities participating in HUD's *Neighborhood Stabilization Program (NSP)* a brief exclusive opportunity to purchase bank-owned properties in certain neighborhoods so these homes can either be rehabilitated, rented, resold or demolished.

"This groundbreaking agreement will help rebuild neighborhoods that have been struggling with blight and declining home values due to foreclosures," said HUD Secretary Shaun Donovan. "Local communities will now get an exclusive option to buy foreclosed properties in targeted neighborhoods so they can turn the homes into affordable housing or, in some cases, tear them down. This agreement helps us level the playing field to give communities a better chance to stabilize these neighborhoods."

"The Stabilization Trust is delighted to be working with HUD Secretary Donovan on the National First Look Program," said Craig Nickerson, President of the NCST. "By serving as the operations 'engine' behind the First Look Program, the Stabilization Trust can facilitate the transfer of more foreclosed property for participating financial institutions to local community buyers, thereby accelerating the road to neighborhood recovery."

HUD's NSP grantees, which include state and local governments and non-profit organizations, often find themselves competing with private investors for real estate-owned (REO) properties, which can hinder their efforts to stabilize neighborhoods with high foreclosure activity. With today's announcement, HUD and the Stabilization Trust, working with national servicers, Fannie Mae, and Freddie Mac, will standardize the acquisition process for NSP grantees, giving them an exclusive option to purchase foreclosed upon homes in certain targeted neighborhoods.

The Stabilization Trust pioneered the 'First Look' model to create a transparent and streamlined process to facilitate the transfer of foreclosed and abandoned properties from key financial institutions to local government housing providers. First piloted in 2008, the model has gained recognition as a critical tool for positively tipping the scale in neighborhoods hard hit by foreclosures. NSP grantees will also be aided by REOMatch™, a web-based mapping and acquisition management tool developed by the Stabilization Trust. REOMatch will assist NSP grantees easily identify REO properties and make more strategic decisions about which properties to acquire, based on real-time data on an interactive mapping platform.

The nation's leading financial institutions are participating in the *National First Look Program*, representing approximately 75 percent of the REO marketplace. Participating institutions include: Bank of America, Chase, Citi, Deutsche Bank, GMAC, Nationstar Mortgage, Ocwen Financial Corporation, Saxon Mortgage Services, U.S. Bank, Wells Fargo, Fannie Mae, Freddie Mac, and the Federal Housing Administration (FHA).

The *National First Look Program* will allow NSP grantees the exclusive opportunity to purchase available REO properties located within the defined boundaries of NSP target areas. NSP grantees will be immediately notified when a property becomes available and will have 24-48 hours to express interest in pursuing a specific property. Furthermore, these institutions will provide NSP purchasers with the opportunity to purchase REO properties at a discount their appraised value, reflecting the cost savings of a quick sale. NSP grantees may acquire these properties with the assistance of NSP funds for any eligible use.

After expressing interest in a property, the *First Look Period* will last approximately five to 12 business days during which the NSP Grantee will conduct inspections and establish costs to repair in anticipation of the financial institution's price offer. In the event that no NSP grantee exercises its preference to purchase an REO property during the First Look period, the financial institution will follow its normal process to sell the home on the open market.

Currently, the Federal Housing Administration (FHA) offers a complementary pilot program in which NSP grantees receive an exclusive option to purchase so-called 'HUD Homes' at a discount prior to those homes being made available to the investor community. The FHA pilot, alongside today's agreement expands the opportunity for NSP grantees to gain access to REO properties through a national first-look standard option.

HUD's [\*Neighborhood Stabilization Program\*](#) was created to address the housing crisis, create jobs, and grow local economies by providing communities with the resources to purchase and rehabilitate vacant homes. NSP grants are helping state and local governments, as well as non-profit developers, acquire land and property; demolish or rehabilitate abandoned properties; and/or offer downpayment and closing cost assistance to low- to middle-income homebuyers. Grantees can also stabilize neighborhoods by creating "land banks" to assemble, temporarily manage, and dispose of foreclosed homes. To date, HUD has allocated nearly \$6 billion in funding to state and local governments and non-profit housing developments. In the coming weeks, HUD will allocate an additional \$1 billion in NSP funding, which was provided through the *Dodd-Frank Wall Street Reform and Consumer Protection Act*.

*HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes: utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business. More information about HUD and its programs is available on the Internet at [www.hud.gov](http://www.hud.gov) and [espanol.hud.gov](http://espanol.hud.gov).*

*National Community Stabilization Trust is a nonprofit organization that was created to revitalize neighborhoods affected by the foreclosure crisis. The Stabilization Trust facilitates the transfer of foreclosed and abandoned properties from financial institutions nationwide to local housing organizations, and provides access to financing in order to promote productive property reuse and neighborhood stability. Formed in 2008 through an unprecedented collaboration Enterprise Community Partners, the Housing Partnership Network, the Local Initiatives Support Corporation (LISC), National Council of La Raza (NCLR), National Urban League, and NeighborWorks America, the Stabilization Trust works with state and local governments and community based housing organizations to build capacity to effectively acquire, manage, rehab and sell foreclosed property to expand homeownership and rental housing available to low- and moderate-income families. Visit [www.stabilizationtrust.com](http://www.stabilizationtrust.com) to learn more.*