

LEARNING CURVE FOR IMPLEMENTATION OF NSP 1

COBB COUNTY, GEORGIA

COBB COUNTY NSP1 OVERVIEW

Financial Data – NSP1

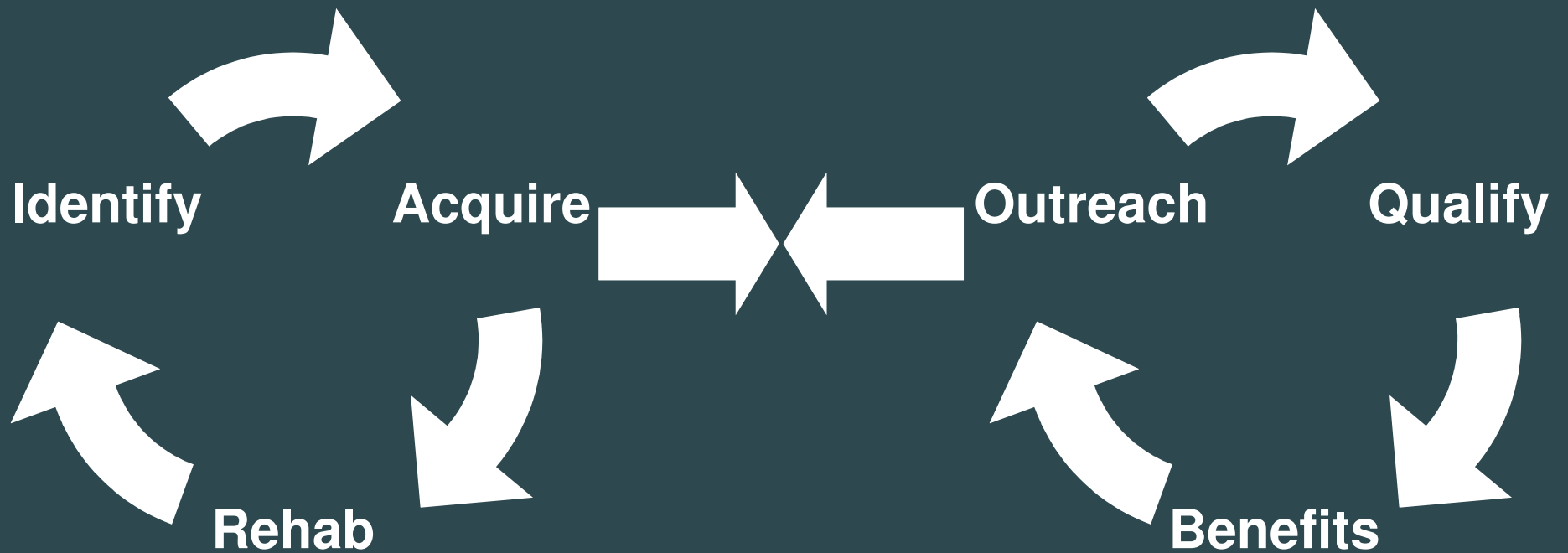
HUD – Approx. \$6.9 Million

DCA – Approx. \$1.7 Million
(State of Georgia Allocation)

Synergy Partners

- Asset Management Firm (AMF)
- Certified Appraiser
 - Home Inspector
 - Attorney
- Realtors & Lenders
- Cobb County - Economic Development Department

RESIDENTIAL REAL ESTATE MODEL



EDUCATING COMMUNITY ABOUT NSP

Scenario: Ensuring the local community understands NSP and erasing community doubt and concern on the use of taxpayer's money.

Solution: We answer all inquiries with supporting facts and data and offer complete transparency about our program. Buyers, agents, lenders and inquisitive buyers constantly contact our office. We encourage questions and feedback and have made numerous presentations to key stakeholders in the local community.

HUD REPORTING REQUIREMENTS

Scenario: DRGR is the reporting system for NSP which is new protocol from other traditional HUD program reporting requirements (IDIS) utilized by our office.

Solution: Our staff accountant has aggressively learned and implemented the DRGR system. Additionally, our office has initiated a “train the trainer” approach by sharing the new DRGR protocols with other staff personnel, as well as other jurisdictions who have been referred to us by the Atlanta HUD Regional Office.

FHA 90-DAY ANTI-FLIPPING RULE

Scenario: FHA regulations state you cannot buy a house and sell it in less than 90 days utilizing FHA financing.

The majority of our pre-qualified buyers have FHA-approved financing and the 90-day “anti-flipping” rule is a major concern. We do not want to hold inventory for 90 days.

Solution: We have sent correspondence directly to the Regional Director of the HUD Atlanta Home Ownership Center and have inquired if an exception will be granted for NSP type activities. We continue to communicate with HUD and understand that relevant parties are aware of the current situation and it is in fact a “national concern”, but an exception may be possible.

BANK NEGOTIATION DELAYS

Scenario: Bids are submitted on potential properties, but banks have been slow to respond and bind the contract.

Solution: Multiple bids are submitted weekly to compensate for the delays in turnaround time. This approach ensures that enough potential properties are identified and we can capture a certain percentage of properties to meet monthly goals for implementation.

COMPETITION FROM PRIVATE SECTOR

Scenario: Encountering competition from private sector investors.

Solution: Multiple bids are submitted weekly to compensate for the competition from the private sector. When bidding on properties, NSP staff are using the minimum allowable discount rate under NSP and this economic model creates challenges. Despite our multiple bids, in the end we don't get every property we bid on.

EDUCATING REALTORS ABOUT NSP

Scenario: Ensuring local real estate agents participation in the program is critical for successful implementation.

Solution: Presentations are given to local real estate agencies to educate prospective agents on the benefits of our program. Our goal is to motivate them to think of NSP when they have a buyer in their car. Agents that attend our presentations become a member of our “Preferred Realtor Program” which is a database for all future communications and updates about the Cobb NSP.

FHA APPRAISER

Scenario: RFP for appraiser did not require FHA certification. The majority of Cobb's buyers will be utilizing FHA financing so we've determined it's best to get an FHA appraisal on every foreclosed home.

Solution: Appraiser selected through RFP process will become FHA certified by July 2009.

EDUCATING BUYERS ABOUT NSP

Scenario: Buyers are the foundation of our program. Our mission is to help workforce individuals and families realize the dream of homeownership.

Solution: We have created interest in the program by directly marketing to local jurisdictions within Cobb County, as well as public safety personnel, school teachers, health care professionals and faith based organizations. All incoming inquiries are tracked through a sophisticated database that allows streamlined data processing and good customer service.

BUYER APPLICATION PROCESS

Scenario: Based on prescribed HUD guidelines and Cobb County's NSP local Policies and Procedures Manual, we have clearly identified what the necessary steps for eligibility are to participate in our program.

Solution: Streamlined efficiency, starting with a questionnaire, followed by mortgage pre-qualification, then a more in-depth buyer profile and ending with the NSP Application and U.S. residency verification. This simplistic approach “walks” a buyer through the process and allows us to gather all information needed for eligibility during each critical phase of intake.

COORDINATING THE HOME BUYING PROCESS

Scenario: Being able to locate a marketable house at a considerable discount in the right high priority area; factor in rehab and real estate costs; and then being able to match the house to a buyer. The buyer will expect the house to be a good value.

Solution: We have created processes that give us an accurate snapshot of each house. GIS, comparison analysis and economic models that inputs purchase data and the approximate list price.

For more information about Cobb County's
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