NSP WEBINAR

FHA First Look Sales Method
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Lucy Cook: Good afternoon. My name is Lucy Cook. I will be the moderator today for our webinar. This is the NSP and First Look Sales Method webinar presented by TDA and HUD and FHA. This morning I just wanted to take a moment to welcome you and to go over some housekeeping rules as we move forward today. Number one is please keep your phones muted. Number two, we will stop for questions during the presentation and the moderator, I, will call on you in order. To ask a question, simply go up to the upper left corner of your screen, there is a Q&A drop down. If you use that, you will see that there is a hand icon. Please raise your hand and you will be called upon in order at the time we have questions. When you go to ask the question you will need to unmute your phone with star six (*6) and when you’re finished, please remember to remute the phone. So we’ll get started now with Dave Cramer who is going to be our host today.

David Cramer: I am. Thank you Lucy and welcome everyone again to yet another tool in the NSP arsenal to deal with stabilizing neighborhoods. This is FHA's First Look Program, which will be presented today by a panel of experts including Doug Lynott who is the single-family asset manager for FHA and Elaine Roberts and Laverne Jacobsen, both of whom are at the home ownership center in Denver referred to as HOC, which we’ll be hearing about more in the presentation. And finally, John Laswick with the HUD NSP team who is the person often on webinars like this to answer many of our questions about NSP. And John Laswick will start us out with an introduction to FHA’s First Look Program. John Laswick you want to take it from here on slide number four.

John Laswick: Yes, thanks Dave. Thanks everyone for dialing in today. We’re pretty excited about this First Look Program. We’ve been working on it for a while and this will allow NSP grantees to have exclusive access to new real estate property from any FHA inventory in your designated target areas. So, that sounds like a bit of a mouthful but I think that’s really kind of the whole program and I think you’ll find as we go through it that it’s actually going to be very simple because once you sign up it becomes a relatively automatic kind of process to get information on new listings and so forth. Before I get too much further, let me point out that this First Look Program is like the National Community Stabilization Trust and other lender programs in the sense that its designed to make life easier for NSP grantees and make it easier to access these properties through what can be, under the normal circumstances, somewhat longer and more frustrating process than people feel like they have time for. As everyone knows, the NSP Program has expenditure and obligation and deadlines so people want to get in and out as fast as possible and get these properties taken care of. So, we are pleased to join the Trust and others in a similar program. We’re not going to spend too much time making comparisons primarily because we don’t know their programs as well as we know our own. But I think that you can find of fit them into the same general category of programs that make your life easier as an NSP grantee.

I’d also like to give credit to Diane Lobasso and Yolanda Chavez, our Deputy Assistant Secretary for really pushing this through. I know Yolanda had a lot to do with making sure that this happened and Diane and Doug Lynott really did the heavy lifting. Diane had a conflict today that she couldn’t get out of but she really was great on this and Doug Lynott was too. So, we’re pretty psyched about it. This program means that you’ll have an opportunity to make a purchase to own a property prior to its being made available to other entities. So, there is no higher priority than the NSP grantee in this program. So you can’t be edged out of a property if it’s in the First Look Program and if you respond in a timely manner. And that’s going to be pretty quick as you’ll see. But, there aren’t any other priority categories of applicants that can get into this program. It’s limited exclusively to NSP
and it’s really your program. So, the other thing that it does is to set a standardized 10% discount from the appraised value after commissions and so forth so that there really isn’t a lot of negotiating that has to be done. It’s our sense that this is not a price driven program so much as an availability driven program. So if you can get the property and you know you’re going to get it for a discount that should be enough to let you know that it’s going to work for you. There will be some steps that you have to go through and some decisions that you have to make, but you know this kind of takes the pricing out of the problem.

So, when we say you have the first look, we’re talking about a roughly 14 day, 14 business day process in which you will have 12 days to review the property at which point the appraisal will be completed, it might be completed a little bit sooner than that. Then you’ll have two days, once the appraisal is in to submit a purchase offer. So if you find a property on the first day and we’ll tell you how that’s going to happen, but it’ll pop up on your computer and it’ll be a new property that’s on 1295 Sycamore Street and you’ll know right away, well, this is something I’m potentially interested in. You’ll have some time to go take a look at it. If you’re definitely interested in you can register right away. And you have some time to do your sort of initial due diligence and then come back when the appraisal comes in and decide yes, we want to go after this one. And then after the First Look period, these properties will go on to the standard FHA listing. So, it won’t disappear for you but you won’t have preference after this period. Now, before you get worried about the 14 days, there are additional 30 days to complete due diligence such as environmental reviews and other kinds of requirements. So you don’t have to do everything in the 14 days and the 30 day contingency period wouldn’t start until after this. So you really have about six weeks. So, who’s eligible to participate? Well NSP direct grantees including government entities and non-profits and some of those could be developers as direct recipients of the funds, sub-recipients or sub-awardees of direct NSP grantees such as a City that’s receiving money from the State. Under NSP2 consortium members may also be included. So, if you’re a sub-recipient, another sub-recipient arrangement would be if you’re a non-profit that’s receiving funds from a direct grantee. So, virtually any non-profit that’s involved and any governmental entity that’s involved directly or indirectly in NSP is going to be able to become a First Look eligible purchaser. The only real category of purchasers that cannot get into the program are any for-profit entities. So you may have some for-profit partners, developer partners, and there’s nothing wrong with that, but, for this program they will not have the direct access to these properties. So, it’s possible that you could deliver them at a later time if part of your program, but they can’t come in directly. So this will be a public and non-profit program only and helps the FHA folks to keep things straight and to make sure that we’re not just getting confused with a lot of for-profits coming into the picture because some of them are good and some of them are less good. So at this point, you have really a good chance to get into this and we’re going to go through this very slowly for you, it’s not that hard, it’s not that complicated. There are really only two things you have to do. You have to provide us with a detailed description of the battery of your NSP target area or your designated area and most, about 99.8% of the NSP1 grantees and all of the NSP2 grantees are already listed so you don’t have to do anything more if we have your target geography there. There are a handful of States with very complicated target geography’s that we haven’t gotten into the system yet and we’re working on that. But, don’t send any information on your mapping unless we ask you for it. Then the second is to apply for a name and address identifier and it’s called the NAID and that’s really your first step and what you need to do first before you can get into this program.

I’m going to turn it over to Doug Lynott and he’s going to start on slide eight talking first about what if I already have a NAID and then he will take you through the process of applying.
Doug Lynott: Yeah, hi, good afternoon or good morning as the case may be and thank you John. It’s a pleasure to be here participating in today’s webinar. FHA is always happy to employ new ways to sell our area properties and in this case we’re especially excited to be working in partnership with our friends in CPD and the NSP grantees across the country. So again, I’m happy to have this opportunity to speak to everybody about how this sales method works and what you need to do in order to participate. As John has indicated, the first step in your participation under First Look is to apply for the NAID number. And before I get into the steps describing that process, this slide asks the question – what happens if I already have a NAID? And the answer to that question is that your organization or your jurisdiction is still required to follow the standard procedures described under the notice to submit a NAID application including your NAID number and basically what you’re telling the staff that will be processing this application is that the NAID number that you already have needs to have a new payee type designation which is neighborhood stabilization. And so you don’t get a new NAID, with the one exception being if the application you submit for First Look contains identifier information that is different from what is already on file here at FHA. In order to avoid confusion, we would then issue a new NAID, but otherwise if you have an existing NAID, what we really want to do is just simply be able to “tag” that existing number for eligibility under First Look. So, with that distinction, let’s move ahead to the next slide. The primary piece of documentation that you’ll start the application process with is called the SAMS 1111 Form. That form can be downloaded from the internet and the link is indicated here on the slide and it’s also indicated within the notice. In addition to the completed SAMS Form there are other documents that for due diligence purposes we are asking NSP First Look applicants to also submit. So let’s just go down to five here, it says for State and local grantees and sub-recipients what we are asking for is a letter from either the chief elected official of the jurisdiction or the Director of the local government agency with management and oversight responsibilities for the NSP funds basically, designating itself as the jurisdiction with NSP funds and responsibility for such. If the applicant is a non-profit grantee or sub-recipient, we are asking for a letter from the chief official of the non-profit, the Executive Director, President, Chair or equivalent. So, the next slide identifies what it is that the letter must accomplish which is verification that the entity is a direct NSP recipient or a sub-recipient. Identify those persons or the person who has signatory authority to purchase FHA REO properties with NSP funds. And if your entity is a direct grant recipient under NSP, what the letter must also provide are the grant agreement number and a list of any and all organizations and entities that are sub-recipients of your entity including contact information, names, titles, addresses, telephone, fax and email. If your organization is a sub-recipient, what the letter must do in that case is identify the grant agreement number or the grant number of the direct NSP grantee partner under which the entity is a sub-recipient and include the appropriate contact information. If your entity is associated with more than one NSP grant or NSP grantee, the letter needs to basically provide all that information for each individual association including the grant from which the entity received funds directly or indirectly. In addition to all of this information for non-profit applicants, what we’re also asking for in the NAID application packet are the by-laws or an equivalent legal document which indicates which non-profit officials or staff have the authority to purchase property with the non-profits resources including NSP funds. They may not specify NSP funds, but obviously that would need to be included. There is a list of the kinds of information, the next slide that the SAMS form requires for non-profits. Applicants including letter or other such documentation from the IRS showing the entities name, tax ID number as well as the IRS ruling demonstrating that you have achieved and currently have non-profit status, tax exempt status. Once all of those various pieces of documentation have been assembled, the application form is completed they need to be transmitted either by mail or email to
the FHA Home Ownership center or HOC that has jurisdiction over the State in which you’re located. So if you send it either by mail or email the way that you send it needs to indicate to those staff receiving this information in the HOC that this is an NSP NAID application packet. And so you see that the slide indicates that either the envelope or the subject line of the email that you send must state Attention: NSP NAID Processing. This will alert the HOC staff that that information is a top priority and needs to be processed immediately so that you as the NSP applicant can receive your NAID as quickly as possible and begin participating under First Look. Please notice that the directions for mailing the application packet and emailing the application packet can be found within the First Look notice that is available from HUD’s website. And please also take note of the fact that documents transmitted to the HOC’s by email need to first be converted to PDF for submission. Okay, Lucy, I’ll turn it back over to you.

Lucy Cook: Okay, we thought this would be a good place to take a break for a moment and do some questions. So the first question that we have is from Cher or Sherry. I’ll be happy to read it for you. The typical timeframe to receive a NAID is six weeks, how long will it take to get the NSP tag added to a current NAID? Is the SAMS form still sent to the current HUD Marketing and Management contractor of directly to HUD?

Doug Lynott: Well, I am going to ask our HOC staff to answer from their perspective in terms of processing application packages that are received at the HOC. So Elaine, Laverne, would you mind speaking to that.

Laverne Jacobson: Yeah, so if all the documentation is submitted properly it should only take about six or seven days business days, you indicated in your screen because most of that is done right here in each HOC and it’s submitted to headquarters and they usually act on that within a day or two. So I would think that seven business days is all its going to take to add that tag so to speak to an existing NAID. Now one thing too, when you download that SAMS 1111 attached to it is the instructions to fill it out. However, I note on the First Look paperwork there that you have a separate set of instructions. So when you’re filling out the 1111 form use those that come from the First Look because they’re more directed towards the NSP process. It gives you some extra information there that you wouldn’t normally get on the instruction sheet that’s attached to the form.

Lucy Cook: Okay, the second part of that same question is, is the SAMS 1111 form still sent to the HUD Marketing and Management contractor or sent directly to HUD?

Laverne Jacobson: It should be sent directly to HUD, we’re bypassing the M&M contractor on this so they can send it to the email address that’s listed in the First Look or to the address of the HOC. In our case, and I am a little leery about just sending it to Attention: NSP NAID Processing because I’m sure our mailroom probably wouldn’t know who the heck that is so they might want to put attention REO or something like that. I don’t mean to be changing your instruction but I know if it came to our mailroom, it might float around for a couple of days until they figured out where it was going.

Lucy Cook: Okay.

Laverne Jacobson: Email would be much faster, really.
Lucy Cook: All right. An important thing several people are asking is if material will be available as a print out. All the webinars are always available as a printout, the materials and additional materials can be found at the HUD NSP help site and we’ll share that link with you at the end. I have Lois, star six (*6) she’d like to ask a question. Lois.

Lois: Is there a way to look at what properties or just see how many, maybe not even which properties there are, how many are in our tracks, our NSP geographic areas before we go through the process of the application.

Doug Lynott: Yeah, there is and we’ll be getting into those details as we move further along into the presentation. But to give you a quick overview of how that works, once your NAID application has been transmitted and processed and a NAID number is issued, you will be instructed how to use your NAID number to log into a website that has been established for NSP grantees by HUD NSP contractor.

Lois: Okay, if we don’t, is there a way to find out at least how many are even out there before we go through application? Because I don’t know if it’s worth us looking into it if there’s only three or four.

Doug Lynott: Well if there’s only three today that is not to say there won’t be three more tomorrow and three more the day after that. I mean the updates are going to be provided constantly on a daily basis. And so each day that FHA receives REO properties that are located within NSP service areas that information will be provided by way of email to each NSP grantee that has signed up.

Lois: Right and this is similar I think you said earlier to the National Communities Stabilization Trust Program. But the difference is that these are FHA mortgages correct?

Doug Lynott: These are homes that had FHA insured mortgages that have gone into foreclosures, which is correct.

Lois: So it won’t be the same properties as the NCST.

Doug Lynott: No, no these are specifically and solely FHA foreclosed homes.

Lois: Okay. I’m just not convinced that we have a whole lot, but I don’t know so okay. There’s no way to do it other than applying is what it sounds like.

Doug Lynott: That’s right and you know to kind of reinforce the comments that have been made about the NAID application process it is not particularly lengthy, there isn’t a lot of different documentation that you need to provide in order for the application to be processed. First Look is going to be on the books for at least a few years and over that span of time it’s possible that your designated area could see you know some growth in the number of possible properties to acquire.

Lois: Possibly. We have four in New Orleans so we don’t have a huge foreclosure issue that’s why it’s kind of valuable to know ahead of time. And we also have 12 consortium members. I think if I read correctly the instructions we have to get the packet filled out for 12 different members.
Doug Lynott: That’s not correct.

Lois: No, okay.

Doug Lynott: I think that each consortium member would need to submit their own application if I’m not mistaken.

Lois: Twelve different.

Doug Lynott: Sub-recipients have to submit their own NAID application and they are the ones that you know submit offers to purchase on their own behalf.

Lois: Right. Okay.

Doug Lynott: Okay. I personally think that it is worth the time it takes to submit your NAID in order just to simply have this other tool at your disposal should you find the need to use it.

Lucy Cook: Okay, let’s move on to the next question. Tonya, if you want to press star six (*6) to unmute and ask your question.

Tonya: Okay. Hi, this is Tonya, and I apologize you may have already answered this one earlier because I did come in a little bit late. But if we already have a NAID number assigned do we still need to fill out the SAMS 1111?

Doug Lynott: Yes.

Tonya: Okay.

Doug Lynott: Yes, you do.

Tonya: Okay, I thought I had read that but I wasn’t sure.

Doug Lynott: Yeah, the notice kind of spells that out and at the end of this presentation Lucy Cook will provide everybody with information about where you can download instructions for NSP grantees and it also discusses the steps necessary for organizations and jurisdictions that currently have a NAID.

Tonya: Okay.

Doug Lynott: But the short answer to your question is yes.

Tonya: Okay, all right, thank you.

Lucy Cook: Thank you. Let’s move on then. Mike. HUD makes the distinction between sub-recipients and grantees when considering how non-profits interact with NSP. You mentioned that this applies to sub-recipients that are non-profit. Does your use of a recipient include non-profits, both developer and sub-recipient status or only sub-recipient status? And Mike if you want to join us please press star six (*6).
John Laswick: Let me start out by saying that a non-profit sub-recipient or non-profit develop could participate in this program. The only group that’s prevented is a for-profit developer. So, as far as First Look is concerned, we don’t distinguish between developer and sub-recipient non-profits.

Mike: Thank you that answered my question.

John Laswick: Okay.

Lucy Cook: Okay. Next question - If there’s a consortium, does the request for property have to come from the lead agency or can any of the partners request properties?

Doug Lynott: Well John I’ll chime in with my two cents but ask you to follow up too if you could please. I would think that that kind of an arrangement works the same as direct recipient versus sub-recipient whereas in that scenario the sub-recipient can submit offers on its own behalf and I would think that in a consortium individual member have their own slice of NSP resources and can submit offers on their own perspective behalf’s as well.

John Laswick: Yeah, I agree. I think it really is up to the community to the grantee to decide how that’s going to work. I mean it’s conceivable that you’d have that for example a City that would prefer to make the purchases and then distribute the properties. But it’s equally valid for that City to say hey we’ve got six non-profits that we’re working with and we’re going to sign all of them up and they each have the ability to operate independently, you know, to go after these properties, which could be a little competition at the local level, so, you know hopefully that’s going to be a good thing.

Doug Lynott: The thing about the competition at the local level, this may come up later and I think it might even be in the slides, but I would like to just state here that in those cases where NSP designated areas have overlapping boundaries, it’s possible that more than one jurisdiction or organization could submit an offer to purchase a given property in an area of overlap. And the tiebreaker in an instance like that will simply have to do with timing. It’s the first one in the door with the offer will be award of the property. The decision, this isn’t a bidding process where the property goes to the highest bidder, the instructions are for NSP grantees to submit and offer to purchase at 100% of the appraised value and the FHA management and marketing contractor will determine the discounts from that point. So, there will be no use of the submitted offers to kind of distinguish among which offer is better or worse. It’s just simply going to be a matter of timing in the case of multiple offers for areas of overlap.

John Laswick: Right and you can have that, I mean you might have one target area and two or three different organizations working in the same area so there wouldn’t even necessarily need to be overlap for there to be a little bit of competition on this. We’ll explain this, but everybody who is registered in this program will get the notices at the same time and they can either work out among themselves how they’re going to go after things or just kind of go after it first come, first served.

Lucy Cook: Okay, there’s a second part of Lisa’s question and it’s – does the appraisal have to be obtained during the first 14 day period?
Doug Lynott: Well, yeah, the 14 days is kind of a standard average figure and really the average part of that is the 12 days between when the property is first conveyed to FHA and when it is appraised. So the amount of time for that to happen - for the appraisal to happen - may be more or less than 12 days as John Laswick indicated earlier, but we’re using that as kind of the average. What is not an average figure is the two days after it is appraised and that is to say if I was an NSP grantee and I’m participating under First Look if I was notified today that one of the conveyed properties in my designated area had been appraised, I would have two full business days after today during which I needed to submit an offer to purchase in order to qualify for the First Look preference. So by 11:59 p.m. on Thursday evening, that is the deadline for me to submit an offer on that appraised property.

John Laswick: But FHA will be doing the appraisals, right Doug Lynott?

Doug Lynott: That is correct.

John Laswick: So this is not something that the individual non-profit or City or County needs to worry about, that’s already going to be handled.

Doug Lynott: That is correct.

David Cramer: Before you move on Lucy, the principle here is that the two day period starts to run as soon as the appraisal is available and the appraisal can be available any time within the time that the property is announced and they go from anywhere from one to 12 days.

Doug Lynott: Right, so NSP participants will receive an initial notification to say that a property has been conveyed and is located in your designated NSP area. The second notification you will receive about that property will be to tell you that it has been appraised and here is the deadline by which you must submit your offer if you want to purchase it under First Look.

Lucy Cook: Okay. Melissa would you like to ask your question, star six (*6) to unmute. Melissa.

Melissa: I guess what I’m asking is I thought I understood that if the lead grantee purchases a property whether in this situation the First Look Program or any other, and then transfers it or sells it to a consortium member, wouldn’t it lose its foreclosed status?

John Laswick: No.

Melissa: It doesn’t.

John Laswick: No.

Melissa: We’ve seen it in the second transfer.

John Laswick: Yes, yes.

Melissa: Okay.
John Laswick: Think about once the program has purchased eligibly and is transferred subject to an agreement that you would have, which you already have with the consortium members, those properties can go back and forth as necessary to get things done. So you might have to tear down a building and then transfer it to a different non-profit to build a new house on, once it’s in the program, and as long as you’ve got these agreements in place, it’s good. It doesn’t have to stay foreclosed.

Melissa: Well it would if we’re using an ineligible NSP right? I mean I don’t want it to lose its

John Laswick: No. It’s got a little halo around it that when it gets into your program as an eligible property and unless you make a mistake, it doesn’t lose that little halo it stays an NSP eligible property. It doesn’t have to stay foreclosed because nothing can stay foreclosed forever. It just has to be purchased eligibly and remain in your program in an eligible way.

Melissa: Okay, when you say remain in my program in an eligible way; it has to be purchased with the intent to use an NSP. Is that how it keeps its?

John Laswick: Yeah, right. I mean you purchase it with NSP or somebody else purchases with NSP or you use another source of funds and you intend to rehab it for NSP or whatever it is, but the eligibility is when you first purchase it, it doesn’t, it can’t stay in that condition forever because it won’t be foreclosed after you buy it.

Doug Lynott: Right, that’s an excellent point John, these properties under FHA First Look need to be purchased at least in part with NSP assistance so the eligibility has to do with the fact that you are purchasing a foreclosed property with NSP funds.

John Laswick: Yeah, but once you’ve done that, you’re good.

Doug Lynott: Right.

Melissa: Or with any funds as long as later the NSP is used to redevelop it too right?

John Laswick: Well, like I said the purchase, the initial purchase of the FHA property needs to be assisted at least in part with NSP funds.

Doug Lynott: So you’ll have to use some NSP money.

Melissa: For the actual purchase price we have to use NSP money. Okay.

John Laswick: Yeah.

John Laswick: But in general and other people have struggled with this too. There’s this sort of fear that the property somehow stops being eligible at some point. In most programs as long as your well organized it doesn’t stop being eligible, it moves through your program in a way that it changes the property and improves it and gets it back into productive use, but once you’ve got it, you don’t have to worry about that anymore.
Melissa: Okay.

Lucy Cook: Okay, thank you. Next question we have from Pam Howlett. Pam.

Pam: Hi, you know I’m wondering if you think there are going to be many multi-family properties available through the First Look Program.

John Laswick: No, this is all single family. This is all FHA single family foreclosures.

Pam: Okay, thank you.

John Laswick: We do want to have some conversations with the multi-family people there and I’ve already had one but that’s a different process.

Doug Lynott: Right.

Lucy Cook: Okay and the last question we have for right now is from Mike. Mike would you like to ask your question.

Mike: Yes please. The HUD rules for NSP required use of and NSP approved appraiser and I understand it from our principle jurisdictions of and funding that they have selected their appraisers that are qualified to work for the NSP, how does FHA appraisal interact with that requirement?

John Laswick: Well we’re accepting FHA appraisal. In fact, they’re doing it so basically this takes that headache away from you and FHA orders the appraisal as soon as they get the property so that by the time you make an offer, the appraisal’s done, you know what the value is and that part of it is behind you.

Mike: Thank you.

Lucy Cook: Okay, this seems to be the questions for now. John Laswick would you like to continue?

John Laswick: Thanks Lucy. I know some of your questions were maybe predicated on not knowing these things. So once you’ve gone through this process to get yourself registered with a NAID number, you will get a notification, the process here will be the headquarters will notify our contractor and they will notify you that you’ve been approved for purchase of the FHA properties and they’ll give you your NAID number; they’ll give you a description of what information you’ll get from HUD so every time a property comes up in your area, it gives you an idea we’re trying to get some simple information like number of bedrooms, square footage, a few things like that so that right at your desk you can say well, this is a one bedroom cottage and I need family housing or something like that. You won’t even bother with it so, but it won’t be a huge amount of information, just helpful information. Then they’ll tell you what is going to happen when you get the appraisal information so that you can then go into the system, log in, and use the First Look website. So what will happen is that you’ll get this email and it will have a secret code that you will use to get into the First Look website initially. You’ll then use your NAID to log in and then you’ll change your password to make it what you want and then in some cases if you have multiple target areas it will ask you which target area you want to go in to. So, then a map will come up and you’ll see dots on
there of the properties that are already listed in this. Now let me say here that we are not going backwards in time with these properties. There are a couple of hundred properties across the country that are already listed as FHA foreclosed properties, which are in that category, usually there’s some problem with the property. We’re not going to load up them, we’re only going from July 1st of this year and then every day, literally, we will download a feed from HUD to our contractor to you to say, this property is now available for the first time and you’re getting the First Look at it. You will get a notice that says you will get email when there are new properties listed so you don’t even have to go into the system if you don’t want to. You’ll also get an email when the appraisal is completed for any of these properties so that if you are interested in one of them you’ll know that you then have two days to submit an offer. And then Community Connections which is our contractor will have a website and a help desk to help you with the sort of mechanical parts of this. So it’s going to be, I mean I think it’s going to be an incredibly easy system to use because think about it, you fill out your NAID forms and you do all that sort of stuff and you get your password and you have access to the map and any time you want to go in there you can look at the map, but if you’re busy, we’ll send you emails to say hey there’s a new house, take a look. Or we’ll say, hey, there’s a new appraisal, are you interested in this property. So it’s going to be very undemanding in terms of the amount of effort you’re going to have to put into it to know when a property might be coming available in your area. Keep in mind that each eligible purchaser should only really have one or two people who have signatory authority and can make offers on a property. You might have a whole bunch of staff people that have access to the system, but we advise you to keep the number of people who can actually make offers to a minimum. Let’s see here, I think this go back to Doug Lynott on slide number 18.

Doug Lynott: Yeah, thanks John. As I was indicating earlier, the amount of time it’ll take for the FHA contractor to get an appraisal may vary but the amount of time available under the offer period does not vary. That is going to be two full business days after the notifications are sent to you that a given property has been appraised. So, again, the daily notification that each NSP participant will receive will include information about newly conveyed properties and it will also include information about those conveyed properties that have been appraised and so it is going to definitely be in your interest as a First Look participant to keep a close eye on each daily email report that you receive to see if any of the properties have been appraised and are ready for you to submit an offer on.

John Laswick: Doug, can you take more than one offer on these things? Can you accept more than one, but it’s just the first one that’s going to win out basically?

Doug Lynott: Well right, it’s possible that there might be more than one NSP First Look participant that could be submitting an offer a given property depending on where it’s located, but the tiebreaker will be on the timing. When was the first one in the door, that’s the one that gets the property?

John Laswick: Good.

Doug Lynott: As John was indicating, it’s really those staff persons or officials that have signatory authority to purchase property should be the ones actually submitting the offer. So that will keep the process clean and it is a useful tool for FHA and its contractors to kind of verify that each offer that’s being submitted is being done so under the appropriate authority. Okay, so at the end of the two business day purchase period, if an offer has not been submitted for an appraised property, that
property will expire out of First Look basically and from that point forward FHA’s contractors are instructed to simply sell that property through FHA standard disposition processes. Now, it is certainly possible that any NSP First Look participant could purchase the property under these standard processes but that would be done without the preferences that are being made available to you under First Look, and it is also important to note that depending on what the sales program is, your organization may need additional approvals from HUD in order to participate and purchase the properties under that program. So, if a property is something that you’re interested in, there’s really no benefit at all to waiting for the First Look purchase period to expire before contacting FHA about buying it. You may still buy it that way, but the preferences that are built in under First Look are simply greater than anything else that are made available under our standard processes. Submission of the purchase offer is basically like submitting your NAID application package. Only instead of a hard copy by mail, you can fax it in or you can email it in. As I indicated, you’ve got two full business days and the deadline for submission is 11:59 p.m. Eastern Standard Time of the second and last business day of the purchase period for a given property. Once the management and marketing contractor for FHA receives your purchase offer, the property will be removed from the First Look website and it is incumbent upon you as the First Look participant to directly contact the M&M contractor by phone or email and ask for confirmation that your offer has been received in a timely manner. Please note the URL at the bottom of this slide for the contact information for FHA’s current management and marketing contractors. So this information is listed by State, so it’s very easy to determine which contractor is working within your jurisdiction and it’s just simply broken up by State. Before an offer is submitted, it is incumbent upon the NSP First Look participants to confirm that the property is within the boundaries of your designated service area. In order to submit an offer, you can, apparently there’s going to be a button built in to the website that’s being established for participants. It says „make an offer”. I’m sorry could somebody put their mute button on, there’s some background chatter. I don’t know that it’s necessary I guess I’ll ask John Laswick to speak of that, if it’s necessary to go through that step or if you want to you can just fax or email your offer directly to the M&M contractor. I will point out that for email submissions, again, any documents that you submit by email need to be converted to a PDF. So if your offer, when and if the offer is accepted, you’ll be notified and you’ll be working with the M&M contractor to schedule a closing date and to work out a contract and you will need to provide an original signed copy of the contract to the M&M contractor. You might want to overnight mail that just for timeliness purposes. Now previously in today’s discussion it was indicated that there’s a 30 day deadline from acceptance of the offer to settlement and what I will point out is that is a basic standard that we’ll be applying under a new round of contracts for M&M that FHA is shooting to activate in August. But it is also possible for NSP grantees just as it is possible for anyone else purchasing an FHA property to request an extension to that deadline for extenuating circumstances. So, in this case because of the various requirements that pertain to the use of NSP funds such as the environmental review, it’s possible that you might not be able to go to settlement within 30 days after the offer is accepted in which case you would then contact the M&M contractor and ask for an extension on that basis. There may be an extension fee, but you can certainly plead the case that it is out of your hands if a State agency or some other outside party is still conducting a review and you don’t have control over that outcome. But at any rate, 30 days is kind of the average standard, but please know that that can be extended if needed. Please pay particular attention to the next slide which is the information that must be part of the offer that is submitted including the name of the entity organization submitting the offer; a print out of the email notification that you received from HUD with your HUD issued NAID number; the entities NSP grant award number or if you’re a sub-recipient, your partners grant award number; a printout of the web listing of the property, the FHA property that you are making an offer on and a completed sales contract for the M&M

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contractor to review. And again that’s just for purposes of expediting process. Next slide, as I’ve indicated, if you submit your offer by email, the document needs to be converted to PDF. And again in the event of multiple eligible offers received for the same property within a given NSP designated area, the tiebreaker in all cases will be the time of the submission of the first offer. The first offer will win that race, I guess you could say. Contingent contracts will be accepted. The M&M contractors have been instructed to accept contracts with contingency clauses. Again this has to do primarily with the environmental review and you’ll note at the bottom of this slide that there is a link to a file with information about how to prepare contingency contract language, specifically for NSP acquisition. So in all cases under First Look, you are instructed to use this information in preparing the contract contingencies. So how long does the First Look period last? Again the average will be up to 14 days total on average. So that’s 12 business days from conveyance to appraisal and then two additional business days which is that specific time period is the purchase offer period. Please again note the link at the bottom of this slide to contact information for all of FHA’s current management and marketing contractors. These will be your direct partners in terms of facilitating the sales process under First Look.

John Laswick: Okay, Lucy I’d like to turn it back to you.

Lucy Cook: Okay, thank you. As you can see from this slide, there are a variety of links that you can go to in addition to the NSP help site. I’ll put that first slide back up while we go through the questions that we have next.

John Laswick: One thing really quick Lucy before we field questions, I wanted to point out to all of today’s participants the second bullet to the resource exchange I don’t know if this is the link itself, to the document, but at the resources exchange there is a document that can be downloaded, it is about three pages and provides detailed instructions for NSP grantees leading you from steps A to Z for the entire First Look process; how to sign up; how to review properties; how to submit offers and contracts.

David Cramer: That is up on the site Doug, I just checked it, it’s listed under What’s New and you can go right to that, so that’s kind of an expanded version of this PowerPoint presentation really.

Lucy Cook: And how about the next link there, the REO Home, that’s another good site for information.

John Laswick: That is a good spot and what I would say about going here is that if you are interested to see it as an NSP participant this is where FHA has posted instructions for the M&M contractors in terms of how they will be facilitating the sales process. So if you just want to see a better understanding of what we’re asking of the M&M contractors, this is where you can see that information. It’s community planning and development websites that will have information that is specifically directed to you as the NSP grantee.

Lucy Cook: Okay, great. Again this will be in all your materials when you download the presentation and such on the NSP help site, you’ll have a copy of all of these links. Let’s start with some questions. We have Sherry again, star six (*6) if you’d like to ask your questions. Sherry.

Sherry: Yes, hello, this is Sherri. My question is do we assume the FHA provided the former owner and/or occupant with a proper relocation certification or do we need to get that signed by them?
Doug Lynott: there isn’t anything triggered under URA by an FHA foreclosure. We are not relocating an occupant. What is happening is that a mortgage that is insured by FHA has gone into foreclosure and the result of that transaction is that FHA receives the property back. We pay an insurance claim to the lender and in return FHA becomes the owner of the property.

John Laswick: You have a vacant property it’s not occupied so.

Doug Lynott: Right.

Sherri: Okay so we don’t need to kind of go back to that original lender or former occupant and anything of that sort to ensure that that lender provided the previous occupant via FHA renter or owner with proper relocation certification. You’re assuming that’s been done.

Doug Lynott: It isn’t an assumption it’s been done, but the fact is it is not required.

Sherri: Okay. And then my second part is there an earnest money requirement when you make your offer?

Doug Lynott: When you submit the offer, no I don’t believe so.

Sherri: No, okay.

Doug Lynott: No, that’s something earnest money and details like that would be negotiated once an offer is accepted.

Sherri: Okay, thank you.

Lucy Cook: Thank you. Roger, you have your hand raised.

Roger: Hi. I was wondering if we are required to respond with a yes or a no to each property we are offered or only if it’s a yes.

Doug Lynott: Please only respond if it’s a yes and please respond yes as often as possible.

Roger: Okay.

Doug Lynott: If a grantee or sub-recipient remains silent and the purchase period expires, FHA will just proceed to sell the property under its standard program.

Roger: Great, thank you.

Lucy Cook: Thank you. Next we have Don; you have your hand raised. Would you like to ask your question?

Don: Yes good afternoon. My question is regarding the required tenant certification form regarding whether or not there’s a bona fide tenant in the unit at the time that the foreclosure was consummated. I’m wondering if that issue has been addressed. It’s my understanding that FHA that
has said that they cannot provide that information since they’re not aware of whether or not there’s a bona fide tenant in the unit.

Doug Lynott: Right. FHA will not be certifying for purposes of protecting Tenants of Foreclosure Act. But what our contractor will be instructed to do is to provide NSP First Look purchasers with information about the data foreclosure and if a property was vacant at that time. And it’ll be incumbent upon the NSP purchaser to make the official certification as to compliance with PTFA.

John Laswick: Yeah, let me just add that, that’s a good answer Doug and you know that to date from all across America we’ve had a grand total of zero claims under Tenant Protection so, just fill out the forms and keep moving.

Doug Lynott: Yeah the thing to keep in mind about an FHA foreclosure is that mainly these properties are going to be conveyed back to FHA vacant. There are very certain conditions under which FHA will agree to receive a foreclosed property with an occupant in it. But in most cases, they are going to be a vacant property.

Lucy Cook: Okay. Our next question comes from Joe. Joe would you like to press star six (*6) and ask your question?

Joe: How do we get a list of the current FHA properties in our area that are not necessarily First Look eligible but still may be in our catchment area?

Doug Lynott: Your catchment area, is that the same as your NSP designated area?

Joe: Yes same thing, yeah.

Doug Lynott: If it’s in your NSP designated area then it will be part of the daily property status report that you receive once you sign up.

Joe: Okay, but currently are there NSP, I’m sorry, currently are there properties that are not necessarily in the First Look program yet that we can take a look at?

Doug Lynott: If you’re not signed up under NSP First Look or FHA First Look, then no, because these properties will not be listed for sale for the public to view them for sale that is until the expiration of First Look.

John Laswick: But the current inventory is available generally on the websites of the M&M contractors I think.

Joe: That’s my question.

Doug Lynott: It’s not organized by target area obviously, but

Joe: Okay.

Doug Lynott: You can get a feel for what’s in your City, you can download it or you sort it by zip code and things like that.
Joe: And where is that current listing?

Doug Lynott: You know that link I was referring to on the previous slide to the M&M contractor contact info?

Joe: Yeah.

Doug Lynott: Each one of those contractors should have its own website and that site includes a database of a property where bids can be submitted and that’s where you can see what’s available for purchase.

Joe: Okay.

Doug Lynott: And go to the main website and see where the listing is located there.

Joe: And this PowerPoint presentation will be available because that slide is not on the screen anymore.

John Laswick: Yes it’ll be available.

Joe: Okay, terrific.

Doug Lynott: It’ll be available at the NSP help site, is that right John Laswick?

John Laswick: Yes, on the resource exchange. So

Lucy Cook: I think we should back up for a minute so some people can grab that if they need to. Okay we have Jim Smith from Community Connections, are you still with us Jim?

Jim: Oh yeah, sure I just wanted to point out we made a change on the phone in instructions. It’s the same on slide 17 the 800 number is correct, but we’re using option two instead of option four of the FHA First Look Program.

Lucy Cook: Oh great. So everybody be sure to make a note of that and we will try to make sure we get the change on the slide before it’s reposted on the help site.

John Laswick: I wanted to follow up on that earlier point who was asking about properties that are already available and I know Lois is wondering in New Orleans whether there was enough inventory for them to pursue this. I mean you can go to these sites and see what’s there today. If you’re a consortium and you’re not sure it’s worth having everybody sign up you don’t have to have everybody sign up. You can have one agency sign up or the lead member and let them filter and if it starts to get to the point where there’s actually a lot of activity you can always add somebody later on but, it’s not necessary to register your whole cohort at this point, just for taking a look at what’s available.

Lucy Cook: Okay, please don’t forget to remute your phone after you ask a question and next you have Hermant Reyes. If you could join us and star six (*6) you can ask your question.
Hermant: I’m actually sitting in a room with several individuals so we have a few questions if that’s okay.

Lucy Cook: Sure.

Hermant: Tom do you want to ask the first question.

Tom: Is there a requirement for non-profit, do they have a minimum of two years experience in housing development, production, etcetera.

Doug Lynott: I don’t know about for NSP, for participation under First look, no. For participation under other FHA sales programs that provide specific benefits for non-profit purchasers, yes. But not First Look.

Tom: Okay, the second question, and I read somewhere that if a profit agency is owned by FHA that we would not have to go through an environmental review process.

Doug Lynott: No.

John Laswick: That’s not true.

Doug Lynott: I don’t know about that at all

John Laswick: No. Any property that you purchase with NSP funds is subject to an environmental review and that would include an FHA property. I mean the issue is what sort of change you’re making in a neighborhood on a piece of property and just because its FHA doesn’t change the underlying issue there, so.

Hermant: Okay and I think I heard you also confirm a question we had and that was that as the lead agency of a coalition, a consortium, we can have access into property availability across the country where our members exist, but we can kind of take a look at what’s out there. Is that a true statement?

John Laswick: Yeah, I think so, you know it’s up to you to designate what your target areas are and I know you’re working in a number of States Hermant so I don’t think there’s any preference on HUD’s part of FHA’s part where we have one organization looking at six areas or six organizations looking at six different areas. I don’t know Doug?

Doug Lynott: I guess in the end we at FHA have been happy to kind of let NSP and CPD kind of advise us of what passes a smell test in terms of who purchases what. Under a standard FHA acquisition, we would have our own rules that might apply to the property once it’s purchased, but in this case, it becomes a CPD property upon acquisition and if that works from the CPD side of things, FHA has no objections.

John Laswick: Yeah, I mean you’d have to have some sort of an arrangement, but it seems to me that you could agree among yourselves that one agency would do the purchasing and then transfer
the property to the appropriate partner agency or something like that. You’re all eligible to purchase, I think it’s just kind of what works best for you.

Hermant: John let me throw a different curve on this one. If we were using an aggregator model to acquire property could we use the aggregator to purchase property from FHA, the FHA properties for the entire consortium?

John Laswick: Well you know probably, but I’m not sure why you would need an aggregator in this scenario. I mean if you have access to them directly why do you need one?

Hermant: Typically for us and again we’re not sure yet, but you know it’s the environmental procedure were it could take us more than 30 days and more than the 60 days for whatever reason and obviously it’s because we want to make sure we comply with certain contractual obligations to take on the property within a reasonable amount of time.

John Laswick: Right, but an aggregator isn’t going to get you out of the environmental review requirement. If you’re intending to use this property for the NSP program, you need to do an environmental review so that doesn’t help you.

Lucy Cook: Okay are you finished with your questions?

Hermant: Do you have another one Tom?

Tom: No, I think the aggregator being in there to help us band that kind of gap that’s there because you’re looking at a close in 30 days and in order to get the environmental clearance sometimes it will push beyond the 30 day period.

John Laswick: Well a couple of comments I’d make in response to that is that you can initiate the environmental review previous to the offer even being submitted and accepted. Because that’s what the First Look is and the First Look sales method is that you are aware that the property will be available for purchase when its first conveyed and even before its appraised. I just remind you about the comment I made earlier about the ability to request an extension for the titlement deadline.

Hermant: Yeah.

Doug Lynott: Please don’t think about using aggregators as a shortcut to the environmental review process. It won’t work.

Lucy Cook: Okay, we can move on and if you come up with some other questions you can raise your hand again. I have Monica. Monica star six (*6) to ask your question.

Monica: Hi, Monica, Monica here. My question is do you see the NAID number when you register with Fannie Mae, like when you initially do that registering.

Doug Lynott: You may receive some kind of number from Fannie Mae but you won’t receive anything for FHA First Look purposes. You need to submit the FHA specific package.
Monica: I mean because my question is kind of that we’ve been purchasing properties from HUD and we received a NAID number for that process, is that the same number?

Doug Lynott: If you have a HUD issued NAID it sounds like it would be the same number, but please review the notice because you as a NAID holder will still need to resubmit that information in order for your current NAID number to be designated for participation under First Look in FHA.

Monica: All right, thank you.

Lucy Cook: We have a question from Zelia, star six (*6) would you like to ask your question.

Zelia: Okay, actually I have a few questions perhaps for John Laswick. Are all foreclosed properties in America now listed under this First Look process?

John Laswick: No, this is just for FHA insured homes.

Zelia: Okay.

John Laswick: Those tend to be concentrated in a number of States, more likely in upper Midwest, maybe Florida, East Coast a little bit, less in the Sunbelt.

Zelia: Okay and my second question is are all grantees and sub-grantees now required to obtain an NAID number or is this only for those

John Laswick: No this is voluntary

Zelia: Okay.

John Laswick: This is a voluntary program. I mean you may not have a lot of FHA insured properties in your area so it might not make sense, but for somebody that’s interested in accessing FHA this is going to greatly simplify the process.

Zelia: Okay and there’s no way that this particular property can be on this First Look list and on another list that perhaps a SEP recipient is presently in the process of dealing with?

John Laswick: No.

Zelia: Okay.

John Laswick: These are brand new listings.

Zelia: Okay, all right. Well thank you so much for answering that.

Lucy Cook: Thank you. Next, Philip, would you like to ask your question, star six (*6).

Philip: Great. My question is, if we as a grantee purchase a property through the First Look program can we transfer ownership to a for-profit that is within the NSP consortium, as a partner and they would have the express purpose of just rehabbing it and selling it through the program.
John Laswick: Yes.

Philip: You could.

John Laswick: They can’t purchase it themselves.

Philip: Right.

John Laswick: But subject to an agreement with you, they could work on the house and do other things to it, but we had to look Doug probably has a better idea of why the limitations are on for-profits, but I think probably it’s just, there’s just too many of them out there to try to really manage.

Doug Lynott: yeah, but it’s also sending a signal to the public at large that this First Look sales method was developed to purely and solely for the benefit of the American public. Now, a for-profit may in fact be doing something with the property that is also to the benefit of the public, but that isn’t self-evident if you advertise the program as being something that a for-profit eventually can participate in. So, this is something that we want at least at the gateway for public partners to have the first crack at.

Philip: Okay.

Doug Lynott: And there’s a sensitivity about investors whether it’s valid or not, but I think we’re just trying to stay away from that.

Philip: Okay, one other, just one quick question off of that. Instead of us as a grantee purchasing it we could have one of our non-profit developers purchase it and get transferred to the for-profit.

Doug Lynott: You have to designate them and they have to submit evidence that they’re part of your program.

Philip: Right, right, one that’s already in our consortium.

Doug Lynott: Right, but they can get their own NAID number and purchase it.

Philip: Okay, thank you.

Lucy Cook: Okay, thank you. Graham, do you have a question?

Graham: Hi, my question just was to make sure that I understood that voluntary acquisition notices would still need to be provided to the seller as part of Federal funds being used for the acquisition.

Doug Lynott: Well the seller is FHA and I don’t believe that you’ll need an arm’s length transaction notice in that case. Do you know anything different from that John?

John Laswick: No but I tend to think that you’re right. We’ll need to check with Joan on that but I mean this is a house that’s already been foreclosed upon and returned to the insuring entity so we’re pretty far from worrying about a voluntary sale in terms of somebody being taken advantage of.
Monica:  Thank you.

Lucy Cook:  Okay and we have a question from Ashley. I’ll read it. If you are a non-profit grantee, that already receives a 10% discount and purchasing HUD homes will we receive the First Look 10% discount in addition for a total discount of 20% or will we just receive one 10% discount?

Doug Lynott:  You will receive one 10% discount. So the 10% discount that is being referred to in this question applies to FHA REO properties that are acquired by non-profits under special sales programs that we have for non-profit organizations. So, if you’re a non-profit that purchases your properties that way, that works, but if you want to purchase a property under First Look, you’ll get the discount provided under First Look, but you won’t get both simultaneously for a combined discount of 20%.

John Laswick:  And unless you sign up for First Look you won’t even see that property until somebody else has passed on it so they’re not going to apply it. So you can get the same 10% discount, but by getting into First Look you’ll have exclusive access to it which I think is definitely worth something.

Doug Lynott:  See the kind of grantees we have, they’re always going for that extra 10% discount.

John Laswick:  Well this is America, I mean, we’re up on our discounts and I don’t blame anybody for asking that question, but the fact is no, it’s just one discount per program.

Lucy Cook:  That ends our questions for today. John, Doug, Dave does anyone have any kind of wrap up or final words before we wrap up.

John Laswick:  No I think the fact that we finished a little ahead of schedule is a sign that this program really is pretty simple to operate. So, I’m really pleased that its turned out that well and I thank Doug Lynott, if anybody in the room wants the credit for that, this is something that really slices through almost all of the usual paperwork and really delivers something inside of a couple of weeks, I think that’s a really great thing for a Federal program to do.

Doug Lynott:  John is being very generous. The fact is that CPD staff has been great to work with and John Laswick is certainly correct to point out that what this program offers is very unique from the perspective of any government program in terms of its simplicity and the expeditious manner in which we can affect a purchase. So we both of us are very excited to see total number of attendees on today’s call. I guess the other comment I would simply make is please do make use of the information that’s posted to the NSP resource page that John Laswick and others have worked very hard to populate with useful information including the information that’s posted under the What’s New section for First Look. That has been designed specifically with you as the NSP purchaser in mind to help make First Look a successful initiative for you.

Lucy Cook:  Okay and we have managed to accumulate a couple of more questions and since we do have a few more minutes, I guess we can take them if that’s okay with you all.

Doug Lynott:  Okay.
Lucy Cook: We have Adam, star six (*6) would you like to ask your question.

Adam: Yes, the other HUD discount programs that are available for non-profits in cities have onerous reporting requirements. Does this process of obtaining properties through the NSP First Look have those same reporting requirements?

Doug Lynott: No. Once the property is acquired under First Look with NSP funds, it is for all intents and purposes an NSP property. The notice that was published for First Look indicates that FHA is requiring that NSP purchasers follow the NSP record keeping requirements and keep documentation on hand in the event that HOC staff or other FHA staff would like to review those. But otherwise there’s nothing that you as the NSP purchaser is required to submit to FHA about your NSP First Look purchase.

John Laswick: Another advantage of the program.

Adam: Great, thanks.

Lucy Cook: Okay and Homaro would you like to ask your question?

Homaro: I apologize; I was a few minutes late. I have a few questions. The environmental review can take up to 30 days; we have 30 days to close this transaction with the possible extension. If we can’t get the environmental review within 30 days how difficult would it be to get an extension?

Doug Lynott: It should not be difficult. Our contractors have been informed that this is a priority. Sales methods that we need their assistance in facilitating and they are aware of the fact that environmental reviews may delay settlement on any given sale. So, a request for an extension for that purpose should be approved without delay.

John Laswick: As Doug said earlier too you might want to start, I mean if it’s a property that you know you want, and you might start your environmental review process before you even make the offer.

Homaro: Right immediately.

John Laswick: Yeah.

Homaro: And my other question, with the September 3rd deadline approaching quickly if we have some funds that become available and we utilize the FHA First Look, and the house needs some rehab we can’t do estimations on a rehab, you have to actually procure for those services to determine an appropriate amount.

Doug Lynott: Well, it depends on your situation. If you’re a grantee or sub-recipient, then yes, you need to have a contract. If you’re a developer relationship you would only need detailed cost estimates. What I would say though if you know you’re going to have program income from the sale of rehabbed properties after the obligation deadline then take a look at that income stream and how much you’ll be able to generate, you may have enough money coming in later but you could just purchase property now and use the program income to do the renovations. But just make sure
you won’t run out of money. That’s another way to obligate the funds and keep your program going.

Homaro: Okay, thank you.

Lucy Cook: Okay thank you. I think that wraps us up. The final slide again gives you the HUD NSP help site. Doug Lynott mentioned it’s a wealth of information. John Laswick I know that there’s going to be some more webinars coming in the months ahead and they will be posted on this site also correct.

John Laswick: Yeah that’s a good point. We’re going through a once a week schedule through the end of August. I think we’re sort of in the home stretch with obligations, but we’re going to try to focus on those I think once a week, hopefully that’ll be enough time for people. I should mention here in case you haven’t heard the Dodd/Frank Financial Reform Bill includes an additional billion dollars for NSP3 program and so that will be getting word out on that. The President’s expected to sign it tomorrow. But one thing that it changes and this affects NSP1 and NSP2 grantees is that the legislation addresses the eligibility of vacant properties to qualify for the 25% low income set aside and in effect it says that if you’ve got funds that you haven’t obligated or expended to this point, going forward from the time the President signs the Bill you could qualify a property that’s just vacant, if it’s going to be available for people under 50% of area median incomes. It’s been a longstanding source of frustration for at least some communities and so, we’ll be getting the word out on that as well, but it does enable those of you who are rushing to meet the deadline and also to make sure that you’re media 25% set aside that gives you a little bit of extra room to work on vacant properties whereas previously they had to be foreclosed or abandoned residential properties.

Lucy Cook: Okay, great. Please also use the links to give us your feedback. The information that you provide us on today’s webinar and ideas for others. It does indeed to back to HUD to help come up with topics for future webinars. So we really appreciate your feedback and again the HUD NSP site is a great spot to go. So with that if no one else has any final remarks, thank you to our presenters. Thank you all.