Instructions for REO — Road to Economic Opportunity Outreach

This instruction brochure offers the following 10 steps on how to conduct a successful REO OUTREACH EVENT in your community :

1. Choose a Target Area and Develop a List of Attendees

Establish your area of concentration and determine who and what government agencies and private entities should be invited to the REO Outreach meeting.

2. Set a Date and Location

Choose a date that will be best attended; most of the invitees will prefer a week day meeting. Also, select a date that does not conflict with any holidays or other community events.

3. Gather Statistical Information

Be sure you have gathered information about the number of foreclosures and REO properties in your community including any information from local real estate agents about the REO listings on the multiple listing service databases.

4. Invite Attendees

A sample invitation letter is provided in the toolkit.

5. Complete Power Point Presentation and Hand Outs

A power point template is provided in the toolkit. You will need to complete the presentation with specifics for your community including the statistical information as well as local loan and assistance programs that may be available. Handouts are a must.

6. Conduct REO Outreach Event

Your meeting can begin with the REO presentation and followed by a round table discussion. It is the housing experts' discussion during the round table session that will draw out key information and make your event successful.

7. Complete any "Take Away's" or "to do's"

If you have a list of things that need to be addressed as a result of the discussion, be sure you have tasks assigned to someone to follow up and track the completion of each issue.

8. Send Out Follow Up Letters

A sample letter and list format is provided in the toolkit.

9. Track Results of Event

This is critical as you need to track the results to see if REO properties are actually selling to bonafide purchasers within your community.

10. Follow Up Meeting(s) if needed

This may not always be needed for all communities, but it may be a good idea to showcase the positive results of your collective efforts or follow up on any open issues.

REO - Road to Economic Opportunity

Department of Housing & Community Development (HCD)

www.HCD.ca.gov

California Housing Finance Agency (CalHFA)

www.CalHFA.ca.gov

Department of Financial Institutions (DFI)

www.DFI.ca.gov

Department of Corporations (DOC)

www.CORP.ca.gov

Department of Real Estate (DRE)

www.DRE.ca.gov

STATE OF CALIFORNIA RESOURCES

Step 1: CHOOSE A TARGET AREA AND DEVELOP A LIST OF ATTENDEES

Determining the target area you wish to reach with an REO Outreach event should drive your list of attendees and the event location. The target area is usually a city or a county, or it could be a select number of zip codes.

Once you have selected your target area, then you can also identify local governmental agencies that should be invited to your REO Outreach meeting.

YOU SHOULD INVITE:

CITY REPRESENTATIVES: Any and all city government staff working in the areas of residential housing, redevelopment or economic development. Check to see if your city has a "Housing Division" as this may be a valuable resource for representatives to attend your event.

COUNTY REPRESENTATIVES: Any and all county government staff working in the areas of residential housing, redevelopment or economic development. Check to see if your county has a "Housing Division" as this may be a valuable resource for representatives to attend your event. If you select the entire county and there are, for example, three major cities in your county, then you should try to have equal representation from each of those cities.

NON-PROFIT ORGANIZATIONS: Community Housing Development Organizations (CHDO) that are involved with home ownership.

REAL ESTATE AGENTS: Invite local real estate agents that are actively working with first time home buyers. There may be quite a few, so you may want to narrow the number down by looking for agents that have utilized local government down payment assistance programs for their clients in the past. Include those with experience in any assistance programs offered by CalHFA as these are the type of programs being promoted to purchase the REO properties.

- Try to call upon one or two agents, once you identify them, to assist you with gathering local MLS (Multiple Listing Service) data on REO properties that are currently listed for sale in your target area.
- You can have as many agents as you wish but do not out number the other attendees with agents. Real estate agents should represent approximately 20 - 25% of the overall attendees.

LENDERS: Determine the top lenders that own REO properties in your target area and invite someone from either their REO Division or their "Asset Manager" to be a part of this meeting. You can obtain this information from DataQuick or your local County Assessor.

STATE RESOURCES: It is important to have someone at the meeting who is familiar with CalHFA loan products and programs. Contact Leah Pears at CalHFA to determine if a CalHFA representative can attend. (916) 445-8180; LPears@calHFA.ca.gov)

STEP 2 SET A DATE AND LOCATION

Choose a date that will result in the best attendance; most of the invitees are going to prefer a week day meeting. Select a date that does not conflict with any holidays or other community events. Once you have selected the date, stick with it, recognizing that not everyone will be able to attend. Through organizing and planning, you should be able to have a successful meeting with enough participation.

Once you have a date, you need to choose a location, keeping in mind the needs and size of your identified target area. Selecting a venue for the event is very important and you should consider the following:

- Is it a central location in your target area?
- Is there easy access from all major thoroughfares?
- Is there ample parking and mass transit?
- Can it accommodate your maximum number of attendees?
- Will it support your presentation needs (podium, screen, computer connection, power)?
- Can it be set up in a "round table" arrangement rather than theater style so that everyone is engaged and can equally participate in the discussions?
- Can you have access to the facility prior to your start time for set up?

STEP 3 GATHER STATISTICAL INFORMATION

This step will require some research. The following information should be gathered in order to complete the REO – Road to Economic Opportunity power point presentation statistical charts. Compile statistics for your specific target area. Using the target area as the geographic boundary, you should look to any available resources that can provide you with the information you need. While some of these items provide background information, they will add value to your meeting in that this information will impart upon the audience a sense of the economic impact REO properties have in your target area. However, you can still have a successful event without some of the background information if it is just too difficult to gather or unavailable in your area. The items that are **bolded** can be skipped, if necessary:
(In order of slides provided in power point template)

- **Number of subprime loans in your target area (usually this statistic will include an "as of this date" qualifier).**
- **Number of sub-prime loans in your target area that are "Seriously Delinquent" (which is 90 + days delinquent).**
- Number of ALL loans in your target area that are "Seriously Delinquent". This reflects the total of the last two months of properties that have had a Notice of Default filed with the County Assessor.
- Recent Trustee Sales (TD Sales) records, by month, showing the total number of homes sold as TD Sales in your target area. (This is where you may be able to determine which lenders have the highest number of REOs in your area.)
- **Recent monthly records showing the total number of homes sold as TD Sales in surrounding areas.**

STEP 3 GATHER STATISTICAL INFORMATION (continued)

- **Breakdown of Recent TD Sales over the past three (or more) months by zip code within your target area.**
- The total number of "REO" or "Bank Owned" properties listed for sale from the local multiple listing service (MLS) as active on the market. This may be as of a date certain. You may also find there is a significantly higher number of REO properties when compared to the recent TD sales than the number that is currently listed for sale. This is fairly common, however, when discovered, it is worth questioning lenders in advance of your event to discover the reason these properties are not being listed for sale timely as this topic will likely come up in the event discussions.

Please note that this information may not be readily available and may require assistance from your County Assessor's Office, local real estate agents, or private service organizations that track this type of information, such as DataQuick or RealtyTrac. Compiling and validating statistics can take some time so be sure to begin the process early.

STEP 4 INVITE ATTENDEES

The toolkit provides a sample letter that you may customize for use as an invitation by inserting your own letterhead. Alternatively, you can create your own invitation or use an electronic format such as email. If time is a critical factor, the most efficient way to confirm that your attendees are going to be there is with direct telephone invitations.

STEP 5 COMPLETE POWER POINT PRESENTATION AND HAND OUTS

You should update the REO – Road to Economic Opportunity power point presentation with the statistical information you were able to compile and information concerning any local housing loan programs that you were able to gather. If you were unable to complete any of the bullets in Step 3, you should modify, delete or disable the associated slides .

Special Note: Be sure to contact the California Housing Finance Agency (CalHFA) to see if a representative from that agency can attend your meeting and present the slides that describe their loan programs. It would be helpful to have CalHFA or one of the existing CalHFA lenders available to talk about the different terms and conditions of their programs and products offered. You should go the to CalHFA website at www.calhfa.ca.gov to get a list of approved lenders and to download the handouts for their programs. Contact Leah Pears at CalHFA to request a representative.

Print out the presentation to be used as notes for attendees, as well as your handouts. Assemble the handouts in folders for easy distribution.

Now is also a good time in the process to provide reminders to your attendees and speakers. It is also recommended that you prepare badges or name tags for those confirmed attendees and speakers.

STEP 6 CONDUCT REO OUTREACH EVENT

The day of the event, plan to arrive early to the facility to ensure that the meeting room is set up for a round table type discussion. Plan on approximately 15-30 minutes of presentation, depending upon the speakers and content, and then progress right into the dialogue.

The discussion should focus on eliminating the issues that are hurdles to getting the REO properties sold. It is important to focus the discussion on how to facilitate getting the REOs on the market and for those that are already listed, getting the REOs into the hands of qualified buyers.

You may find that different communities or government agencies have different requirements and/or timelines necessary in order to get applications processed. Talk about these timeframes to be sure that multiple programs from different entities if paired together for a purchase can be simultaneously processed. Decide upon a reasonable amount of time that should be allocated for an escrow to close with a REO purchase — 45 days seems to be the minimum, but if the buyer has all his/her ducks are in a row, you might be able to get an escrow closed in 30 days.

Be sure to collect contact information for all attendees on the provided sign-in sheet.

STEP 7 COMPLETE ANY "TAKE-AWAY'S" OR "TO-DO's"

If there are issues that need to be addressed or followed up on as a result of the discussion, make assignments as appropriate and track each item to ensure each is addressed in a timely manner.

STEP 8 SEND OUT FOLLOW UP LETTERS

Send out a follow up letter to all participants along with a copy of the attendance sheet and contact information so that continued outreach can occur on an individual basis. Update participants on the status of follow up items.

STEP 9 TRACK RESULTS

Once your meeting has occurred, you should track your results by monitoring sales in your target area to see if any of the REO listed homes or REO inventory of homes you identified have been sold. Once sold, it counts as one of the REO's put back into the consuming public's hands, which contributes to the economic growth of your community.

STEP 10 FOLLOW UP MEETING(S) IF NEEDED

Keep in touch with your participants and arrange for any follow up meetings, as appropriate, as an outcome of your outreach efforts.