



Capital for Communities—
Opportunities for People™

Community Reinvestment Fund, USA
SERVICING

Success Story: Sustainable Home Ownership Program

Twin Cities Tackle Foreclosure Crisis

CRF Supports New Initiative to Keep Low-Income Residents in their Homes

Months before the federal government rolled out the national Neighborhood Stabilization Program, the Twin Cities of Minneapolis and St. Paul, Minnesota, realized the home foreclosure crisis was impacting their communities. In 2008, two local nonprofit organizations established the Sustainable Home Ownership Program (SHOP) to aid area homeowners, and selected Community Reinvestment Fund, USA (CRF) to provide loan servicing.

Under SHOP, the Greater Metropolitan Housing Corporation and Dayton's Bluff Neighborhood Housing Services target, acquire, and rehabilitate foreclosed properties in low-income sections of Minneapolis and St. Paul. Homeowners receive debt counseling, new contract for deed financing, and most importantly, the ability to retain their homes. Organizers anticipate originating 45 loans during the program's pilot phase, and are actively seeking additional funding.

CRF handles all loan servicing activities for SHOP, including collecting payments and escrow funds, generating reports, and delivering one-on-one customer service to borrowers. In particular, SHOP organizers looked to CRF to develop collaborative loss mitigation practices to help families stay in their homes, while minimizing costs for investors.

For additional information,
please contact one of our
Market Managers:

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Contract Loan Servicing:

CRF provides contract loan servicing for lenders around the country, and currently services more than 5,600 loans with a total value of approximately \$605 million. CRF is an active Fannie Mae servicer and is the only nonprofit servicer in the country rated "Select" by Standard and Poor's. CRF also received a "AA" CARS Impact Performance Rating.

As an experienced, mission-driven organization, CRF specializes in customized projects for non-traditional portfolios and organizations.

SHOP Facts:

<p>Type of Loans:</p>	<p>SHOP includes:</p> <ul style="list-style-type: none"> • Contracts for deed • Conventional mortgages • FHA mortgages <p>New SHOP participants receive contract for deed financing (also known as land contracts or agreements for deed), in which Greater Metropolitan Housing Corporation or Dayton’s Bluff Neighborhood Housing Services own the properties.</p> <p>As borrowers complete the payments specified in the contract, they become eligible to convert their financing to conventional or FHA mortgages</p>
<p>Servicing Details:</p>	<p>CRF provides servicing for all SHOP contract for deed financing, and will also service conventional and FHA mortgages under the program.</p> <p>Key components:</p> <ul style="list-style-type: none"> • Set up new loans using Interliq MortgageWare software • Issue “Welcome” letter to borrower • Process loan payments • Collect escrow funds and disburse when due • Ensure adequate property insurance is in force • Issue detailed activity reports • Perform customer service activities • Mitigate losses to achieve program goals
<p>Program Duration:</p>	<p>2008-present</p>
<p>Participating Organizations:</p>	<p>Greater Metropolitan Housing Corporation Dayton’s Bluff Neighborhood Housing Services</p>

ABOUT CRF

Community Reinvestment Fund, USA, a Minneapolis-based nonprofit organization, is the nation’s leader in bringing capital to public and private nonprofit community development lenders through the secondary market for loans. Formed in 1988, CRF has injected more than \$1 billion into low-income and economically disadvantaged communities around the country to help stimulate job creation and economic development, provide affordable housing and support community facilities.

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