

June 16, 2009

**REALTORS ARE CRITICAL TO SUCCESS OF FEDERALLY FUNDED
NEIGHBORHOOD STABILIZATION EFFORTS**

“Ensuring local real estate agents participation in the program is critical for the successful implementation” of the federal Neighborhood Stabilization Program (NSP), according to Nick Autorina, Managing Director of the Cobb County, Georgia, CDBG Program Office, who presented his local NSP program as a model during the July 11, 2009 HUD webcast addressing NSP2 program requirements. Mr. Autorina stressed the importance of multiple community partnerships as the “bread and butter” of their NSP program and specifically that the Realtors® and lenders are the “heartbeat of our program”.

NAR has identified the federal Neighborhood Stabilization Program (NSP) as an important federal resource in local strategic planning by the REALTOR® community to address neighborhood deterioration and declining property values linked to foreclosure, vacancy and abandonment in the hardest hit areas across the country. The NSP program allows for the purchase and rehab of foreclosed homes including the vital resale of REO properties back to homeownership for, moderate and low income families and individuals. Realtor® expertise in analyzing housing markets, neighborhood conditions, and connection to buyers/sellers needs are all important factors in strategic planning to address, and to target, foreclosure response initiatives such as the resale of foreclosed homes.

The NAR Foreclosure Prevention and Response Program (FPR) recommends that Realtors immediately identify their state, local and nonprofit NSP grantees and offer your expertise in local problem-solving and local capacity-building tied to foreclosure prevention and neighborhood stabilization efforts. NSP 1, the initial program was created in July 2008, provided \$4 billion in funding to state and local governments and those funds are now in the hands of most grantees. NSP 2 program funding of \$2 billion, provided through the Recovery Act, is a nationwide competition open to states, local government agencies as well as nonprofits or consortia of nonprofit entities and those applications are due July 17, 2009.

The following was developed for use in the FPR program and can be found on the NAR FPR "Developing Community Strategies" web page along with other helpful advice.

REALTORS® Important Impact with Local Communities and Neighborhood Stabilization Efforts

- REALTORS® know neighborhoods and have the first-hand experience of prospective purchasers. Partnerships with local officials, including code enforcement, to jointly address problem neighborhoods will increase purchaser confidence in the community.
- REALTORS® role in educating all parties on the complicated foreclosure closing process will streamline outstanding foreclosures and minimize the loss in property value and tax revenue to local governments.
- REALTORS® role in coordinating prevention and local foreclosure counseling will reduce the number of foreclosed properties and benefit the wider community.
- REALTORS® role in understanding local market data provides valuable expertise to local community working groups/task forces focused on strategic actions that improve the communities and stabilize property values. Participation could include accessing federal Neighborhood Stabilization Program funding; negotiating complicated property transactions; establishing price points; creating financing mechanisms; or, participating in other market oriented solutions.
- REALTORS® role in building partnerships through the foreclosure process including lenders, servicers, local government agencies, counseling programs, non-profits, neighborhood associations and other affected organizations will create new coalitions that can leverage additional community responses to the foreclosure fallout.

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