

Killian, Chris

From: Killian, Chris

Sent: 1 Mar 2013 15:39:53 +0000

To: Pollard, Alfred

Cc: Dorfman, Richard

Subject: eminent domain pitchbook, few items to highlight for your attention

Attachments: CARES Program.ppt

Alfred – Came across this today. It is a pitchbook that MRP is using. While its interesting overall (and contains a number of questionable if not outright false claims) I wanted to point out three things in it in particular:

-- On page 5, they quote FHFA, intended to provide support for what they are doing

-- on page 9, they claim that Federal Banking Regulators support the MRP program (which is not our sense)

-- There is also a list of cities where they are active (some of them are known and seem to have been resolved, e.g. San Bernardino, Chicago, Suffolk) but a few of them are new.

Note that they leave our Brockton, MA, which is active right now (city council meeting next Thursday on this) and appears to be somewhat of a challenge for us.

We'll be working on rooting out what is actually going on in these other places. We (and our coalition) will of course be reminding local officials of how mortgage markets will react to these sorts of plans, and continue to hope that/encourage all interested parties do likewise.

Let me know if we can do anything to help.

Regards

Chris

Chris Killian

Managing Director - Securitization

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From: Killian, Chris

Sent: Thursday, February 28, 2013 6:19 PM

To: 'Pollard, Alfred'

Subject: RE: Eminent Domain in CA, NV

Sure. Hasn't been a good day on this front.

Chris Killian

Managing Director - Securitization

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From: Pollard, Alfred [mailto:Alfred.Pollard@fhfa.gov]
Sent: Thursday, February 28, 2013 6:16 PM
To: Killian, Chris
Subject: RE: Eminent Domain in CA, NV

Thank you for the update.

From: Killian, Chris [mailto:(b)(6)@sifma.org]
Sent: Thursday, February 28, 2013 4:01 PM
To: Pollard, Alfred
Cc: Dorfman, Richard
Subject: Eminent Domain in CA, NV

Hi Alfred, hope things are well. I thought you should know about this. MRP seems to be currently active in 5 cities in CA and is making an effort in NV (I understand NV law to be generally unfriendly to ED transfers to private parties but we need to explore more).

CA: La Puente, El Monte, San Joaquin and Orange Cove
Richmond

NV: North Las Vegas

See the two articles below:

Re: NV and some CA cities: http://ralstonreports.com/blog/resolving-underwater-mortgages-through-eminant-domain-plan-comes-southern-nevada#.US_EHDD3DGZ

Re: Richmond, CA

Council hears plans from Marin Clean Energy, foreclosure solutions firm; runs short on time

Tweet

Sean Greene

The Marin Energy Authority presented to the city council Tuesday night a plan to educate Richmond residents about their choices in switching to a new renewable electricity source.

The nonprofit energy corporation plans to hold a series of meetings at neighborhood council meetings and houses of worship, Marin Clean Energy (MCE) community outreach representative Alex DiGiorgio told the council in his presentation.

“Community choice programs only work when people know they have a choice and can make an informed decision,” DiGiorgio said. The point, he said, is to “empower people to make a choice where there was none before.”

In July, residents will automatically be enrolled in the Marin Clean Energy service, unless they choose to opt out. Fifty percent of the program’s energy is derived from renewable sources, such as wind and solar generation. A “Deep Green” option offers 100 percent renewable energy.

Last June, the council voted to switch the city’s electric service from Pacific Gas & Electric to MCE, joining a number of other cities.

“This is about us as a community us as a state us as a country doing something as a collective to slow down global warming,” Councilwoman Jovanka Beckles said Tuesday.

Several councilmembers expressed concern about raising rates, but DiGiorgio assured them that competition will keep the company’s rates lower than PG&E. A city staff report shows MCE currently offers slightly lower rates than PG&E, but those numbers are likely to change as the electric company’s rates continue to fluctuate. Plus, Richmond can always abandon its MCE partnership and return to PG&E, DiGiorgio said.

“I welcome MCE,” said Richmond resident and business owner Dameion King during the public comment period. “We need more agencies like that to challenge the status quo so we can embrace innovation.”

The council also heard a presentation from representatives of Community Leaders Organizing Undocumented Dreamers (CLOUD) and discussed partnering with the youth-led group to develop city policies that will improve the lives of undocumented residents in Richmond.

The presenter, Joshua Tovar, an intern with the council and UC Berkeley student, spoke about the experience of undocumented young people on behalf of CLOUD and fielded a barrage of questions from Councilman Corky Booze.

Booze sought clarification on one of the definitions of “undocumented,” which Tovar defined as entering the country without showing a passport or going through Customs.

“When I go to Canada, I have to show mine when I come back. I go to Mexico, I have to show mine when I come back. When I go to China, I have to have it there,” Booze said. “Anytime you enter the United States or go into another country you have to go through Customs. I did that in China just recently. ... I’m just trying to figure out so we don’t lead young people astray ... are you saying there’s a new law that no one will have to do that anymore?”

The audience started rumbling. Tovar and Beckles, who agendized the talk, both said they didn’t understand Booze’s question.

Finally, another CLOUD member jumped in to explain. “You cross the border without the proper documents. That’s how you become undocumented, sir,” he said.

The council voted unanimously to become an “ally” of undocumented residents, meaning that it would support efforts to help them.

In an agenda filled with mainly with proclamations and presentations, the council’s most divisive decision of the night proved to be whether to extend the meeting an additional 30 minutes past 11 p.m. They spent 10 minutes debating that point.

“If you guys would stop talking so much we would get this meeting over with in a timely manner,” Councilman Nat Bates said.

Councilman Tom Butt agreed, noting this meeting’s particularly benign agenda.

“Here’s a meeting that’s made up of presentations, study sessions, nothing controversial and we just go on and on and on. We’ve fallen into this habit of no matter how small our agenda is ... we just go on and on and on. We won’t get out of here before midnight,” Butt said. “We have to learn how to get out of here at a reasonable hour. This is unhealthy ... it’s ineffective.”

Mayor Gayle McLaughlin moved to extend the meeting. Bates, Butt and Booze voted no, not enough to delay the rest of the agenda for a later date, so the meeting continued past midnight.

The last item the council had time for was a presentation from San Francisco-based Mortgage Resolution Partners, a community advisory firm that works with cities to stabilize local housing markets. Graham Williams, the group’s chief executive officer, asked the council to let his firm design a program to assist foreclosed homeowners who want to stay in Richmond. The partnership would not cost the city any money, he said, and the firm believes it can help 1,400 Richmond homeowners.

MRP currently works with four cities, using a plan that uses eminent domain to refinance underwater mortgages at current property values.

“Only you can prevent foreclosures in Richmond,” Williams said.

Booze was skeptical, saying he thought the group was coming in to take advantage of the city, but several Richmond residents at the meeting who waited hours just to speak on the item supported the idea.

The council unanimously voted to develop a foreclosure assistance plan with MRP.

Despite the extended meeting, one discussion fell through the cracks. The Public Works Department was scheduled to deliver a report on reopening Point Molate Beach Park after 10 years of closure, but the mayor had to push the item for next time.

Method of PLS Principal Reduction → Communities Take Action

Securitization agreements and tax laws prohibit the sale of PLS mortgages

Local government, using their constitutional power of eminent domain,
can purchase PLS mortgages when public purpose exists by paying fair value

Then local governments can _____ on the condemned PLS
mortgages, thereby reducing underwater PLS in their community

Governments Can Use Eminent Domain To Avoid Unnecessary Foreclosures