



NEW JERSEY COMMUNITY CAPITAL

Bringing Healthy Borrowers Home
Meeting Mortgage Demand for Underserved Communities

Patrick Clark, Mortgage Finance Fellow, NJCC
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ABOUT NJCC

We are a 26-year old community development financial institution (CDFI) that transforms at-risk communities through strategic investments of capital and knowledge.

OUR COMPREHENSIVE TOOLKIT

COMMUNITY LENDING

REAL ESTATE DEVELOPMENT

THIRD PARTY SERVICING

NEW MARKETS TAX CREDITS

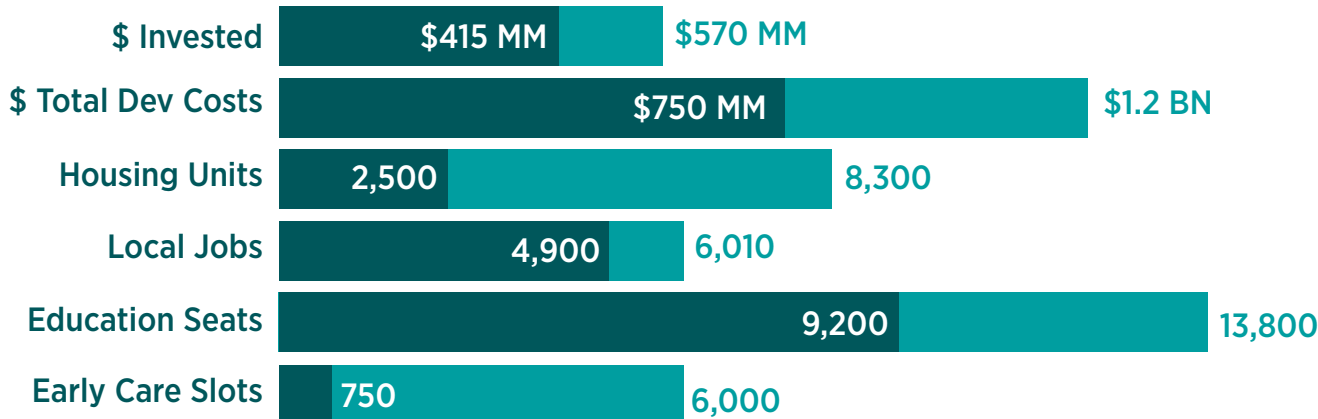
MORTGAGE PURCHASE
(*& LOSS MITIGATION*)

POLICY & TECHNICAL ASSISTANCE

MORTGAGE PLATFORM

OUR IMPACT

■ Last 5 Yrs ■ Since Inception



BUILDING STABLE COMMUNITIES

BACK-END AND FRONT-END NEIGHBORHOOD STABILIZATION STRATEGIES

NPF

NEIGHBORHOOD PROSPERITY FUND

- \$15 million fund for affordable housing
- Targets small multi-family rentals
- 750 units over 5 years

CAPC

COMMUNITY ASSET PRESERVATION CORPORATION

- Real estate subsidiary
- 318 housing units redeveloped
- \$60 million total investment across NJ

ReStart

HOME PRESERVATION PROGRAM

- 751 mortgages purchased
- \$193 million UPB
- 233 mods to date
- \$20 million in principle forgiven

Mortgage Platform

MEETING LMI DEMAND

- Minority ownership in GSE-approved mortgage fulfillment & servicing platform
- Sustainable support of nonprofit counseling orgs.
- Exclusive focus on LMI families
- Flexible participation & investment opportunities

MY JOB

To assist NJCC's Housing Finance Department in various capacities

- To contribute to the implementation of New Jersey Community Capital's affordable housing mortgage platform named Address Yourself.
- To supported various financial investments activities including the sale of a pool of performing residential family mortgages secured through NJCC's ReStart program.



ADDRESS YOURSELF

Purpose

To prepare underserved families for homeownership and assist them in accessing affordable mortgage products

Why

Low income communities continue to lack access to basic financial services.

Access to mortgage financing has been proven to be a critical component of a household's ability to produce generational wealth

Who is Involved

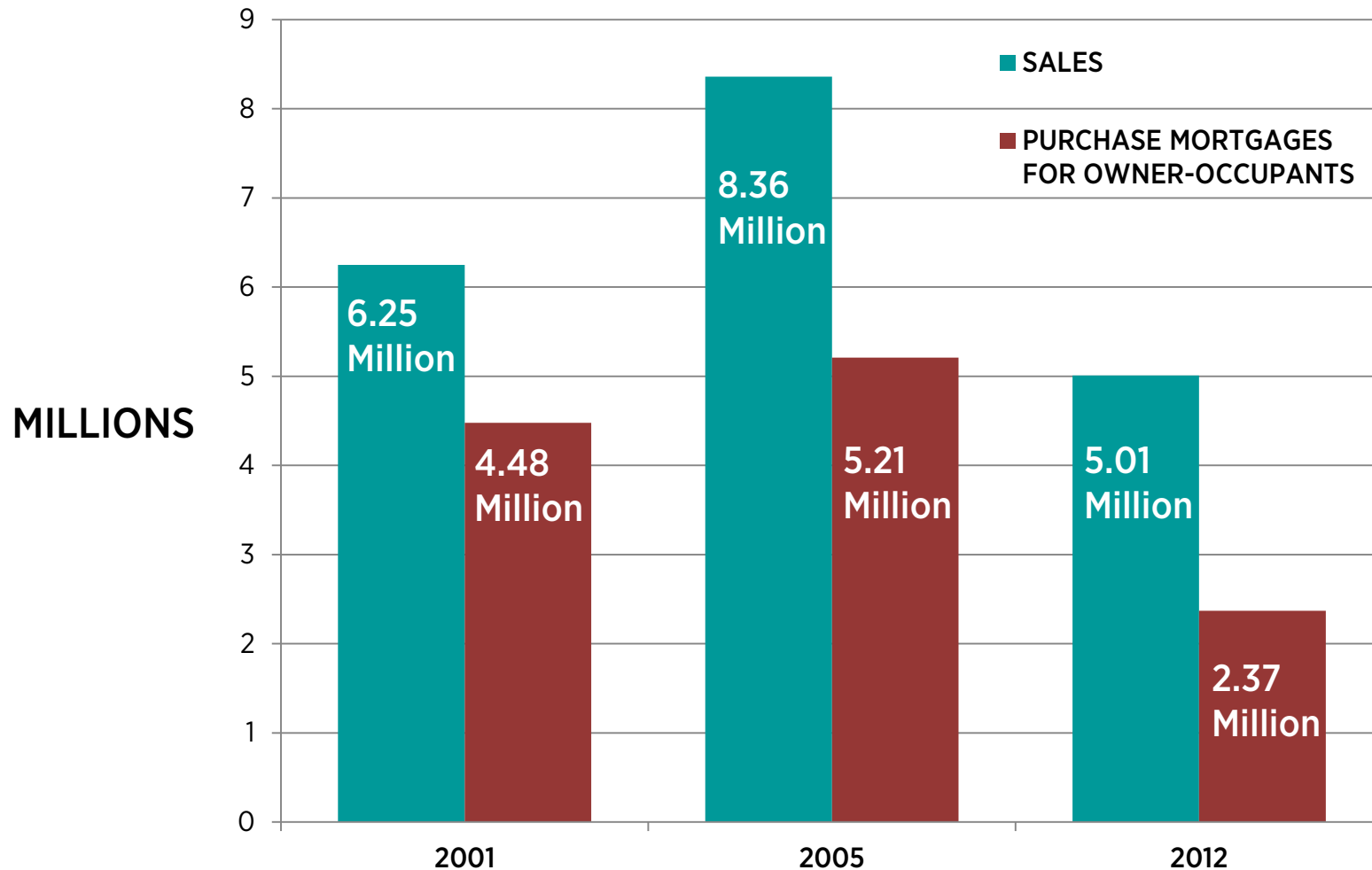
New Jersey Community Capital (Homeownership Preparation)

Credit Unions (Loan Origination)

CUMAnet LLC (Mortgage Servicing)

WHY?

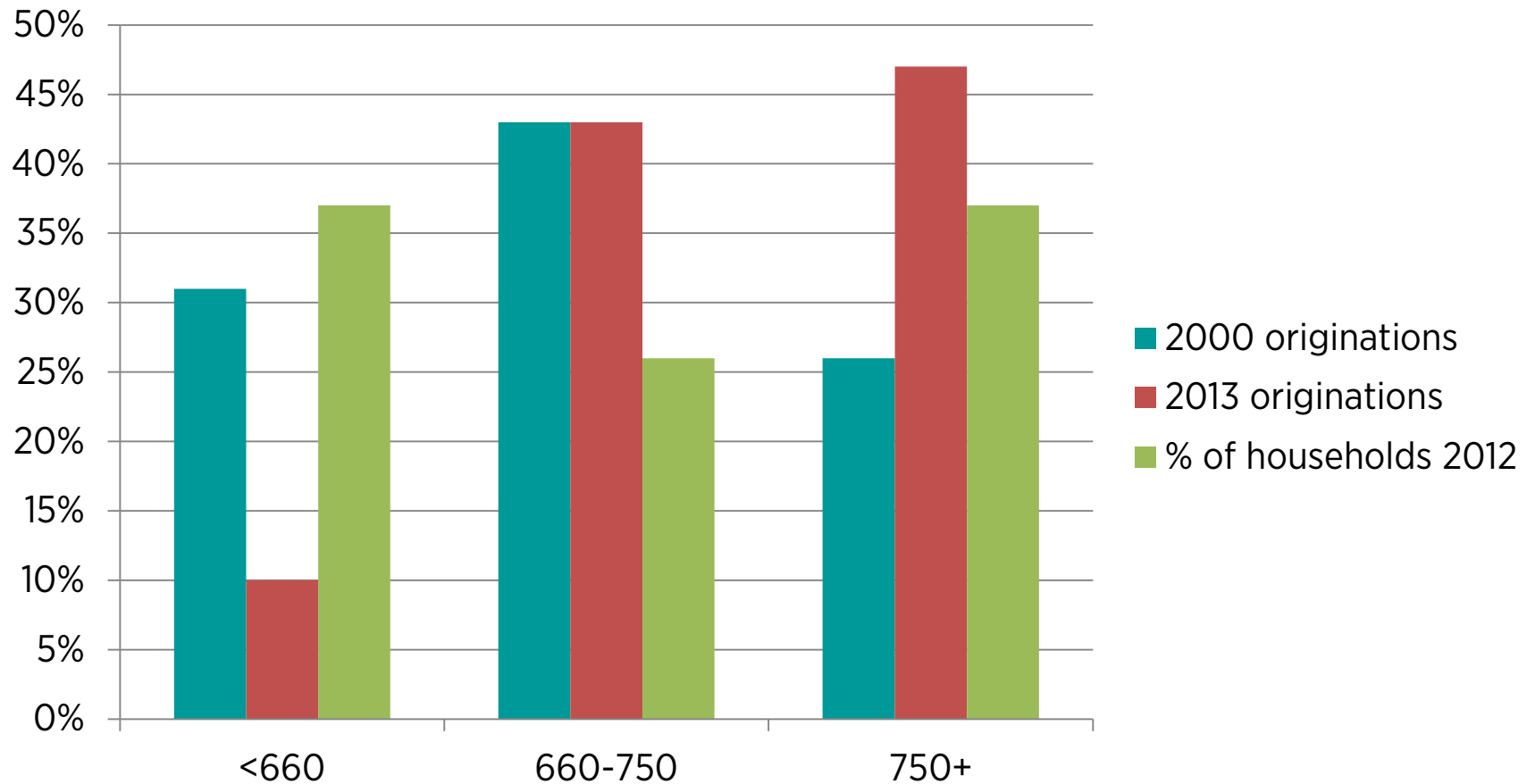
SINCE THE RECESSION,
MORTGAGE LENDING HAS DROPPED SIGNIFICANTLY



Mallach, Alan. "The Mortgage Credit Crunch And Its Effects." Center for Community Progress. 25 Feb 2015. Bringing Healthy Borrowers Home Symposium

THE NEED

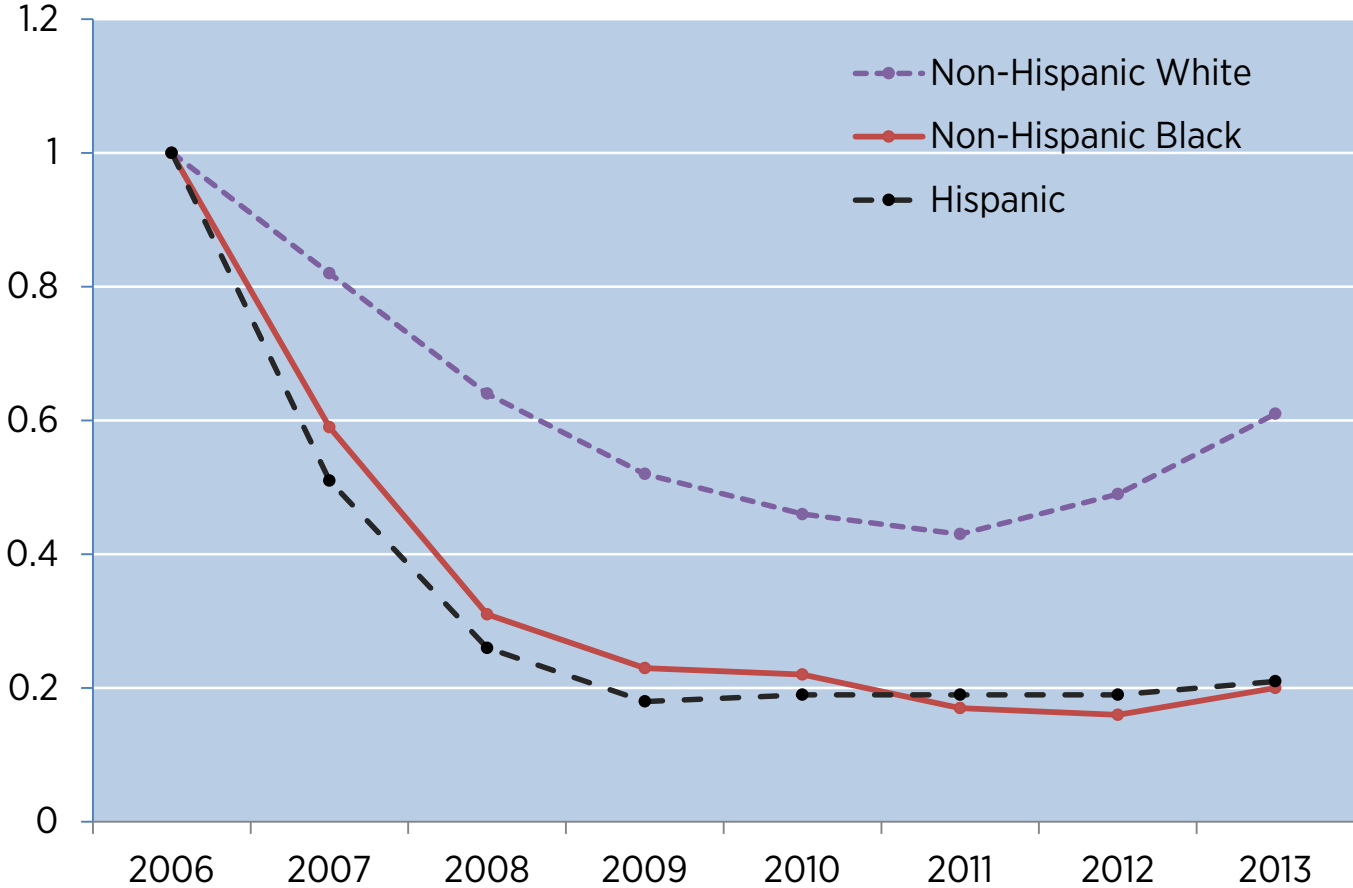
BORROWERS WITH FICO SCORES
<660 ARE SEVERELY UNDERREPRESENTED
IN MORTGAGE ORIGINATIONS



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RACIAL IMPACTS

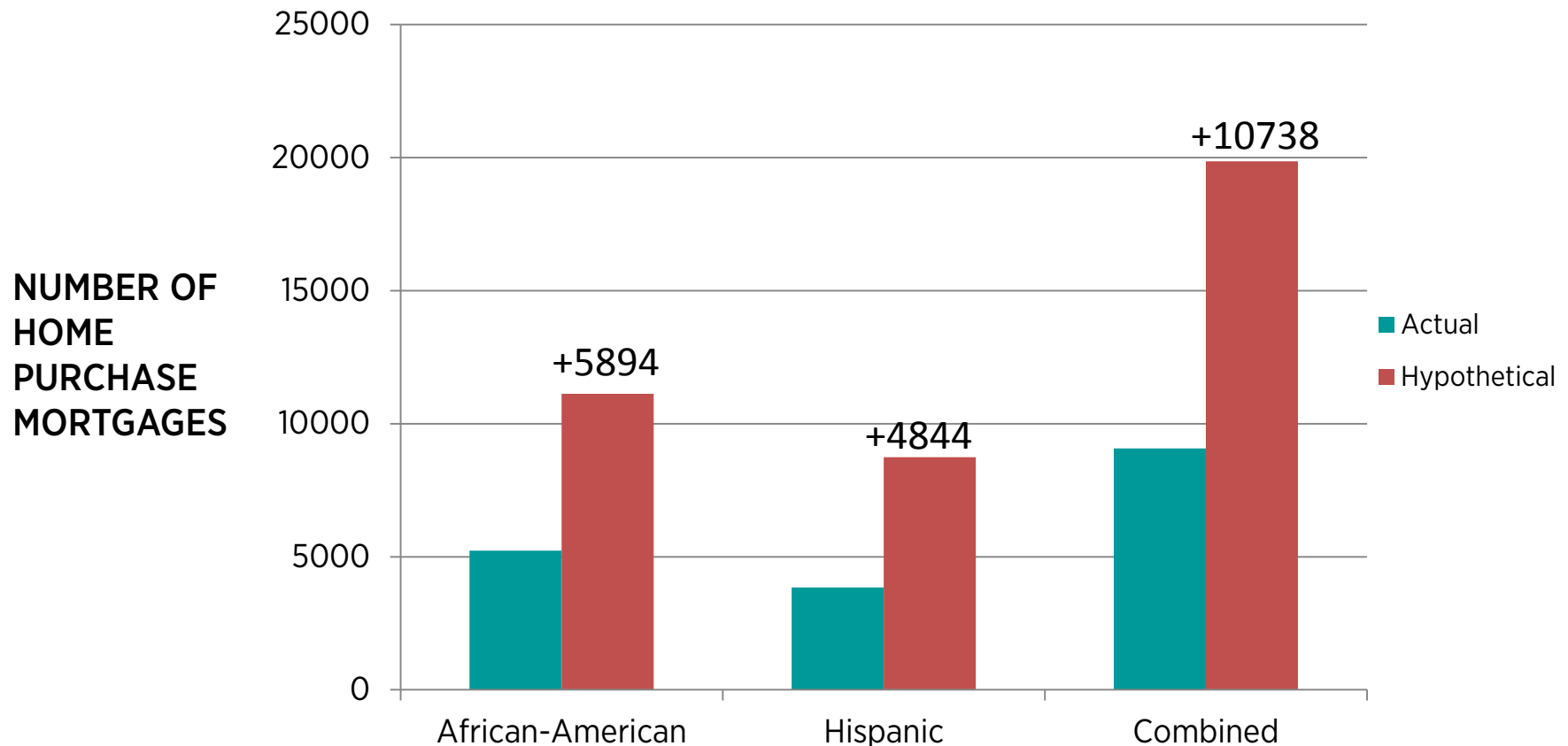
CHANGE IN PURCHASE MORTGAGES IN ESSEX COUNTY BY ETHNICITY 2006-2013



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A THOUGHT EXPERIMENT

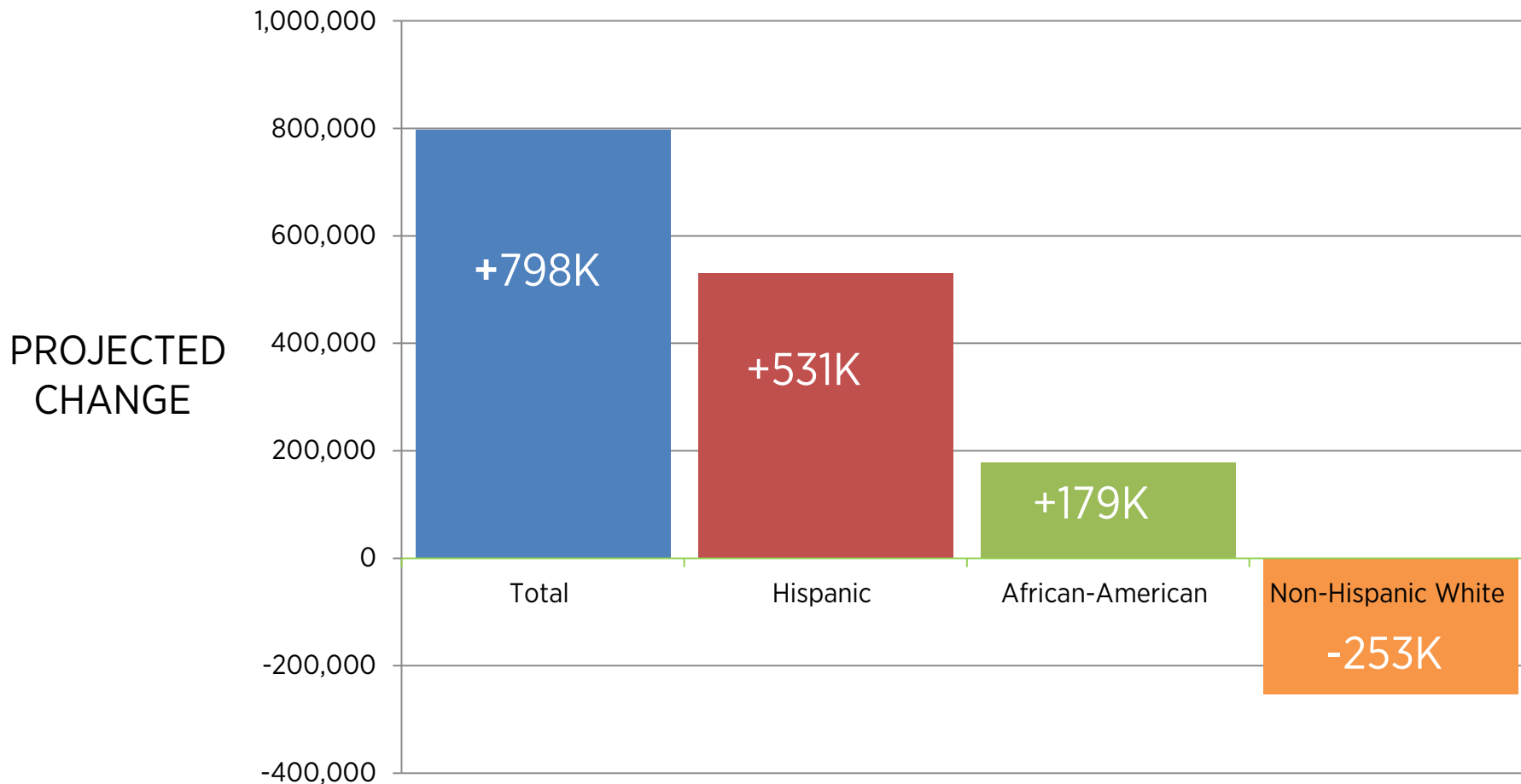
HOW MANY MORE MORTGAGES WOULD HAVE BEEN MADE IN ESSEX COUNTY IF THE DECLINE IN ORIGINATIONS FOR AFRICAN-AMERICAN AND HISPANIC BORROWERS HAD BEEN THE SAME AS FOR WHITE BORROWERS?



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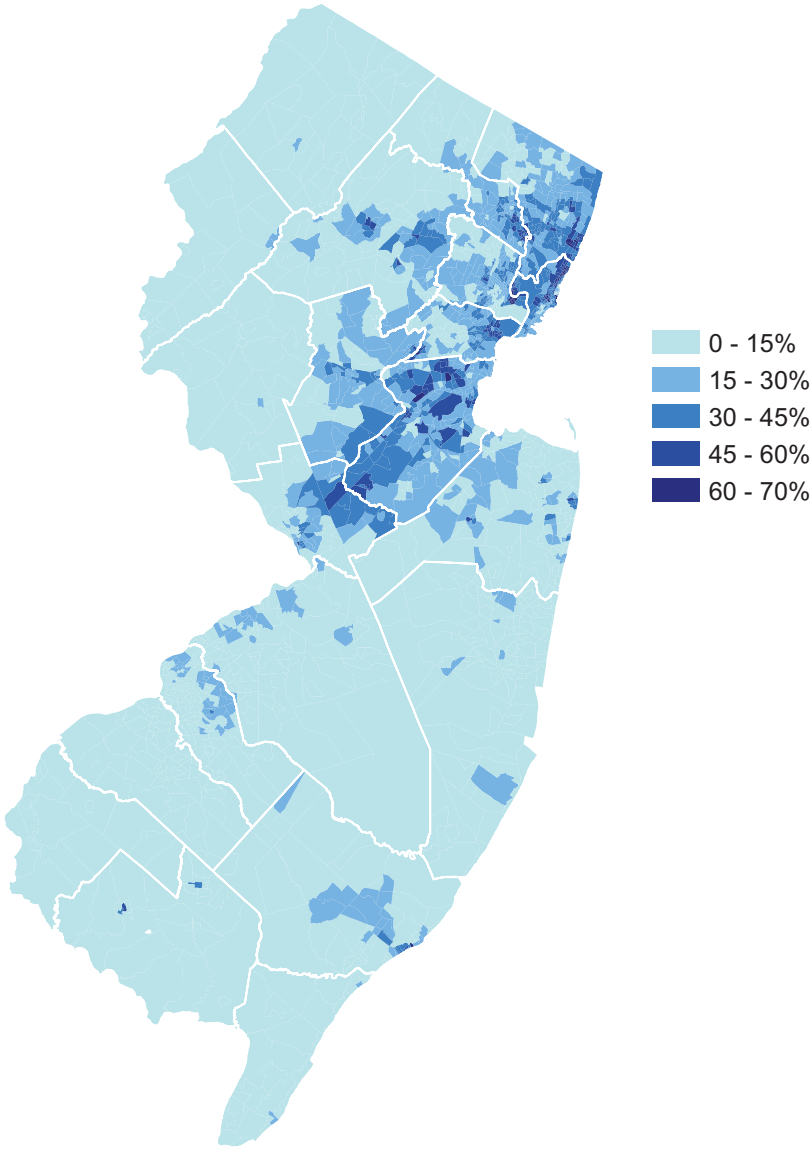
CHANGING DEMOGRAPHICS

Projected Population Change In New Jersey 2012-2032



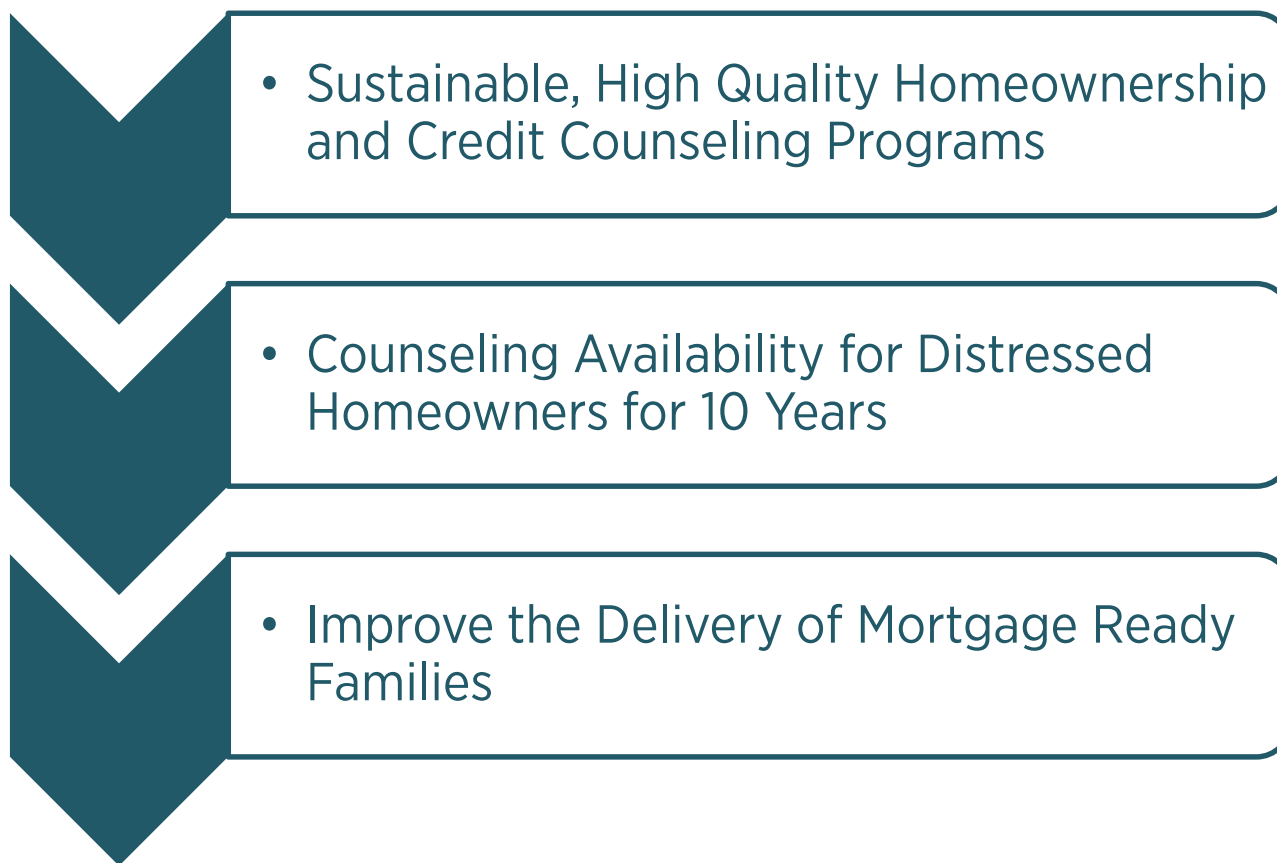
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Percent of Census Tract Population Foreign Born



KEY PROGRAM GOALS

SUSTAINABLE COUNSELING ORGANIZATIONS



WHAT I LEARNED

CONNECTION TO PREVIOUS COURSEWORK



INFLUENCE ON FUTURE COURSEWORK
& PROFESSIONAL GOALS



SPECIAL THANK YOU TO
HOWIE BANKER

&



NEW JERSEY
COMMUNITY
CAPITAL