
From: Aaron Woods [mailto:woodsland1935@yahoo.com]
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To: LLPComments
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Subject: Additional asset categories for the LLP

REO properties (foreclosed assets owned by the bank) should be considered in the initial phase of the LLP program. Currently banks list these properties with real estate brokers who appraise & sell these assets for market value. This process is inefficient for two reasons:

- (1) The Overwhelming amount of foreclosed properties coupled with a lack of financing for buyers, has resulted in properties sitting vacant for extended periods of time.
- (2) There are no built in incentives for banks to sell these properties at reduced prices or buyers to purchase an hold these assets long term.

Housing values continue to decline while city governments lose millions because these properties are off the tax rolls. Collectively we can develop a system which utilizes the Legacy Loan program. Interdependency and Cooperation should be the principles that govern the recovery of the housing market. Here's how it could work; (A) Investors use LLP to bid & purchase REO's below market value, (B) Investor sells these properties to qualified buyers. The sales price will be based on(as is) current market value. (C) The Investor will give a 10% equity gift to the buyer & carry back a mortgage for the difference. This mortgage will Wrap Around the existing financing on the property(LLP Loan). (D) The Wrap Around mortgage will be structured as a 30yr fixed loan based on current interest rate, to establish the monthly payment. however the innovative aspect of the Wrap Around Mortgage is that all monthly payments for 36 months will directly reduce the principle balance of the mortgage debt; Thereby creating equity for the home buyer rapidly. The Investor will service the mortgage, collecting the payments. (E) Once the home buyer has acquired 20% -30% equity in the subject property they will refinance the Wrap Around loan/ LLP thru a conventional bank(preferably the bank who sold the REO originally). (F) Investors & home buyers must open an account with the bank who sold the REO, to facilitate servicing & mortgage payments. This Affordable housing program will benefit , the Investor ,home buyer, Bank, local city government and the real estate market. Banks will benefit by selling these REO , & obtaining new depositors (customers).

Details of additional benefits can be sent upon request.

If you have any questions feel free to contact me at Woodsland1935@yahoo.com.

Respectfully
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