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*Joint Press Release*

**Idaho Bankers Association**

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**Partnership helps stimulus funds stabilize neighborhoods and create affordable housing and jobs**

**(BOISE)** A recent partnership between the Idaho Bankers Association (IBA) and Idaho Housing and Finance Association (IHFA) will help maximize the use of Neighborhood Stabilization Program funds (NSP) by creating a central clearinghouse where NSP partners can learn about all available foreclosed properties. Idaho received \$19.6 million in March 2009 through the Housing and Economic Recovery Act of 2008 to assist in the redevelopment of abandoned and foreclosed homes to stabilize neighborhoods and benefit the cause of affordable housing.

IHFA is administering the program through an executive order by the Governor and is overseen by an appointed steering committee of six. With the help of partners across the state, IHFA determined how these funds would best benefit Idaho, and in May 2009 allocated NSP dollars to be used in the areas of the state with the greatest need – determined by the greatest percentage of home foreclosures; the highest percentage of homes financed by a subprime mortgage; and the likelihood of facing significant rises in the rate of home foreclosures.

These funds were made available to 11 separate cities, counties and non-profits that serve as NSP partners. These partners have been working to identify and purchase abandoned and foreclosed properties with this funding, then rehabilitate and sell those properties to homebuyers that qualify under NSP criteria. This funding then comes back to IHFA and is used to purchase additional foreclosed properties. The benefit is two-fold – foreclosed homes no longer languish on the market, and qualified borrowers are able to purchase affordable homes. To date, 66 homes have been purchased and resold through the NSP.

In August 2009, Governor Otter held a business summit to address ways private and government sectors could work together to strengthen the economy and increase Idaho employment. Among the many ideas presented, Kelly Anderson, Zions Bank Region President, was invited to make suggestions on ways to help the construction industry – the sector suffering from the largest share of job losses. Anderson proposed a plan to convert excess housing and building lot inventories to low-income housing. The plan recognized the ongoing need for affordable housing, and combined with federal stimulus

funding, presented a way to help convert foreclosed properties into affordable housing for Idahoans.

The initial part of the plan will create a central clearinghouse where NSP partners can learn about all available foreclosed properties and be given 'first look' opportunities to purchase distressed properties at a discounted price, thus removing some hurdles in the current system. A second phase could entail a further leveraging of the NSP funds in which low-income housing could use traditional lending to leverage NSP dollars into as many units of affordable housing as possible.

Governor Otter could readily see the benefits to Idaho and asked Gavin Gee, Director of the Idaho Department of Finance, and a member of the Governor's cabinet, to work toward that end. Director Gee said *"This program is a Win, Win and Win. It helps the NSP partners connect with properties to improve neighborhoods, it helps provide affordable housing to those in need and helps the banks move abandoned and foreclosed properties off their books to a useful purpose that benefits the community."*

Dawn Justice, President and CEO of the IBA took the lead role in communicating the practical benefits of creating a clearinghouse and helped with the development of the program.

Gerald Hunter, President and Executive Director of IHFA, and chairman of the Governor's steering committee, spear-headed the development and implementation phase. The clearinghouse will be managed by IHFA who will work with the NSP partners and state and national banks to make sure that as many foreclosed homes as possible can be made available for low and moderate income families. "This system will be an effective tool to make the NSP partners aware of foreclosures in their areas and will speed up the process to get those homes to qualified homebuyers."

The "First Look" Program is based on a similar model in Utah and Michael Plaizier with Zions Bank in Utah was instrumental in helping create the original clearinghouse concept. The Idaho "First Look" program will be launched later this month.

Governor Otter is pleased with the creation of the new program and said *"This is a great example of community minded people coming together to do what makes sense for Idaho."*