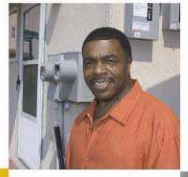
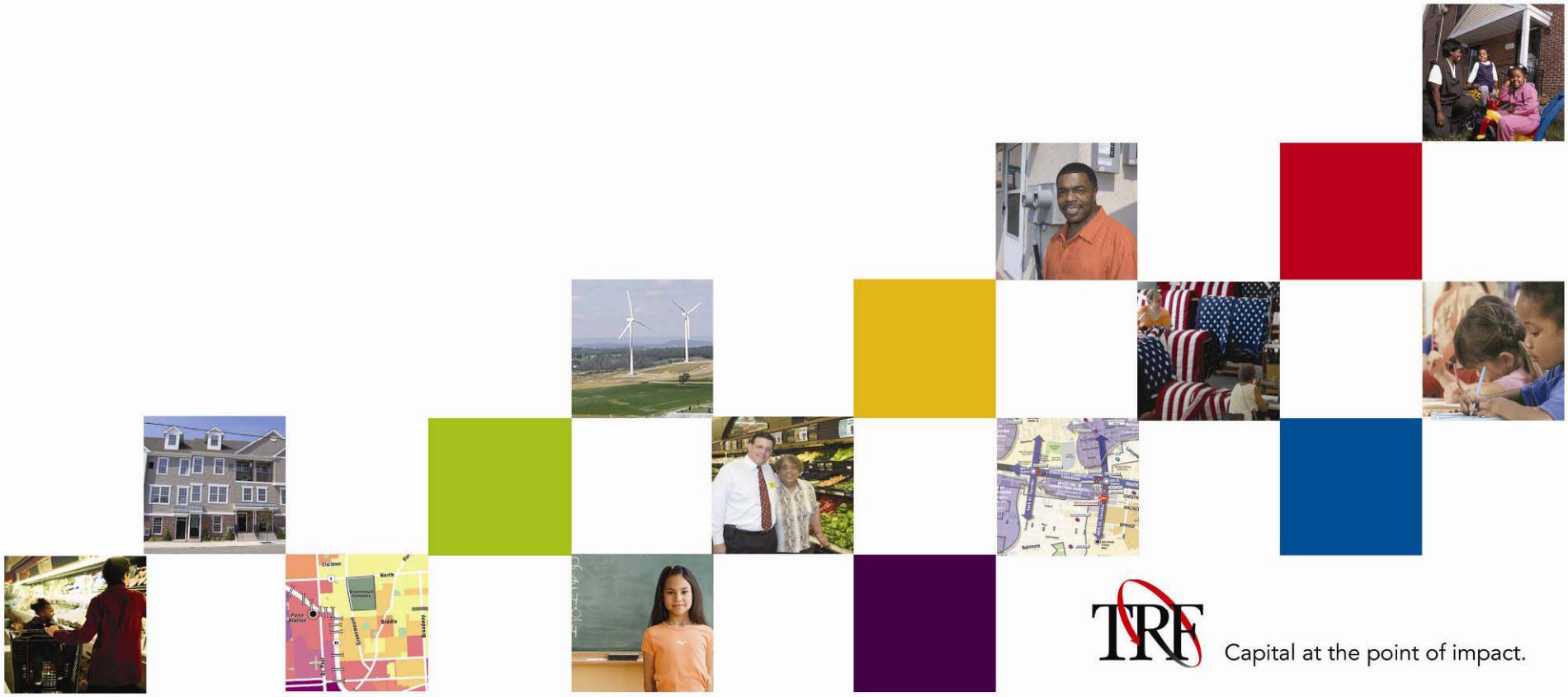
The Power of Data Sharing and Usage; making use of multiple resources

2011 NAAG Presidential Initiative
America's Financial Recovery: Protecting Consumers While We Rebuild
April 10-12, 2011
Charlotte, North Carolina



TRF Capital at the point of impact.

The (New) Current Condition

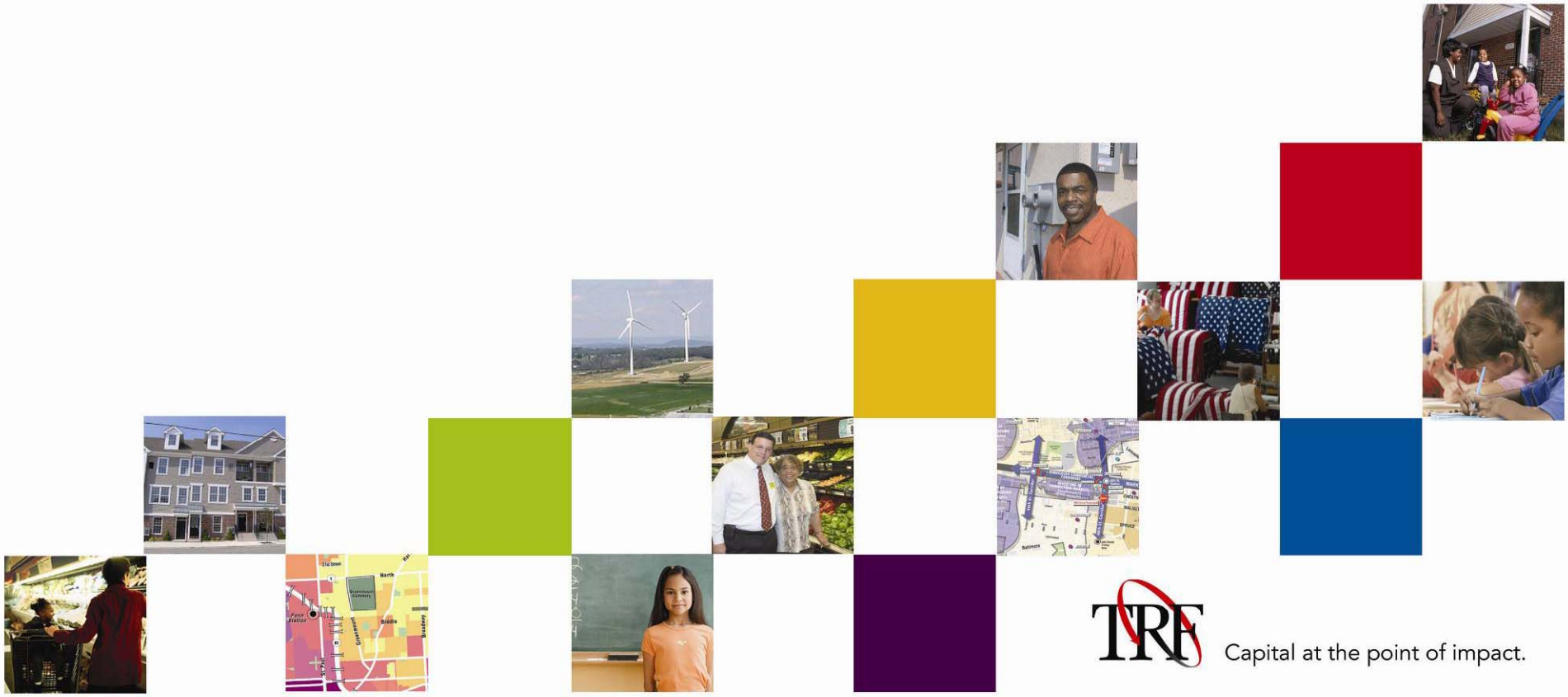


TRF Capital at the point of impact.

In general, Attorneys General …

(1) are closer to the problem than are federal officials;
(2) under financial reform will have greater authority and responsibility for enforcing consumer protection;
(3) can likely dedicate more resources to fighting the problems than sorting through jurisdictional questions as they had in the past
(4) can access more information, including that which is their own (or within related) agencies, in an effort to identify "problems" before they become "issues" (borrowing these terms as used by the American Sociologist C. Wright Mills);
(5) can accomplish much without a great dedication of resources – much can be done by researchers, interns, law students, and other non-lawyer staff.

Data Sources



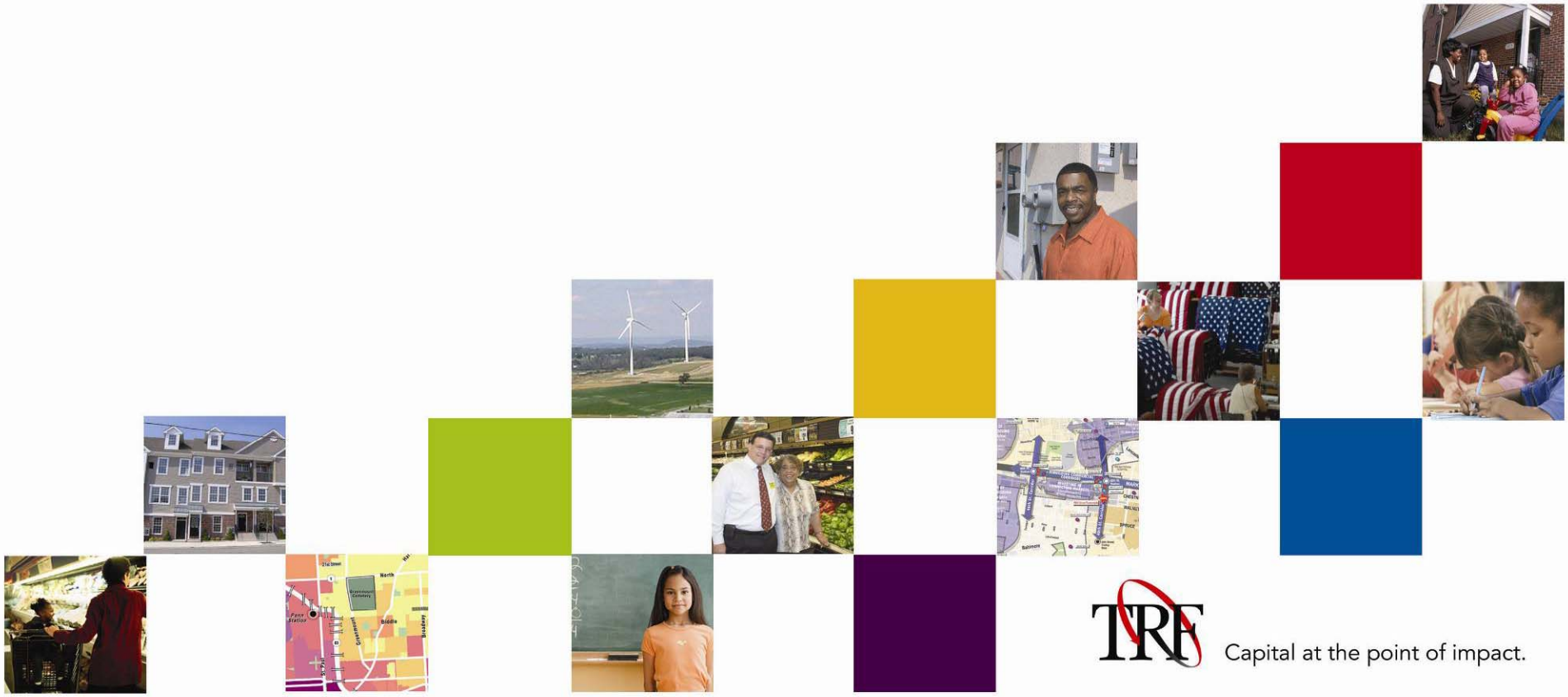
Capital at the point of impact.

Useful Sources of Information

- Home Mortgage Disclosure Act
- Local Recorder of Deeds / Clerk of Court
- Local foreclosure data provider / Realty Trac
- State Banking Regulators
- Financial regulatory agencies (e.g., CFPB)
- Census Bureau (identify area racial / ethnic composition and other social, demographic and economic characteristics)
- HUD's Neighborhood Watch, approved appraisal list
- Internet (e.g., Mortgage Lender Implode-O-Meter)
- Referrals from local organizations (e.g., consumer credit / housing counselors, agencies enforcing state or local civil rights laws)
- Community Reinvestment Act Evaluations

An Unusual but Useful Data Source

Putting the Data Together – An Example



TRF Capital at the point of impact.

One Suggested Process

1. Identify areas where victims are most likely – establish a set of areas in which, historically, problems have been clustered;
2. Gather data on properties in financial distress / facing foreclosure;
3. Map those properties;
4. Obtain HMDA data;
5. Gather data on property history for properties in area;

One Suggested Process (continued)

6. Search complaints in target areas within the given AG's inventory;
7. Using data and complaints, identify problematic actors;
8. Calculate mortgage "death rates" for problematic lenders – percent of loans made in each year that subsequently went to foreclosure or pre-foreclosure – overall and in target markets;
9. Reach out directly or through intermediaries to households;
   "You won't wear out your shoe leather finding problems." – US Attorney in Philadelphia
10. Pursue targeted investigation.

Identifying Areas Were Problems are Likely

Custom PolicyMap Analytic

Data Layer 1

Combined Index Score (higher score of Foreclosure Risk Score and Vacancy and Foreclosure Risk Score), as of 2009.

15 | 18

Shaded by: Census Tract
Source: HUD

Data Layer 2

Estimated typical (median) income of a household between 2005-2009.

$25,000 | $50,000

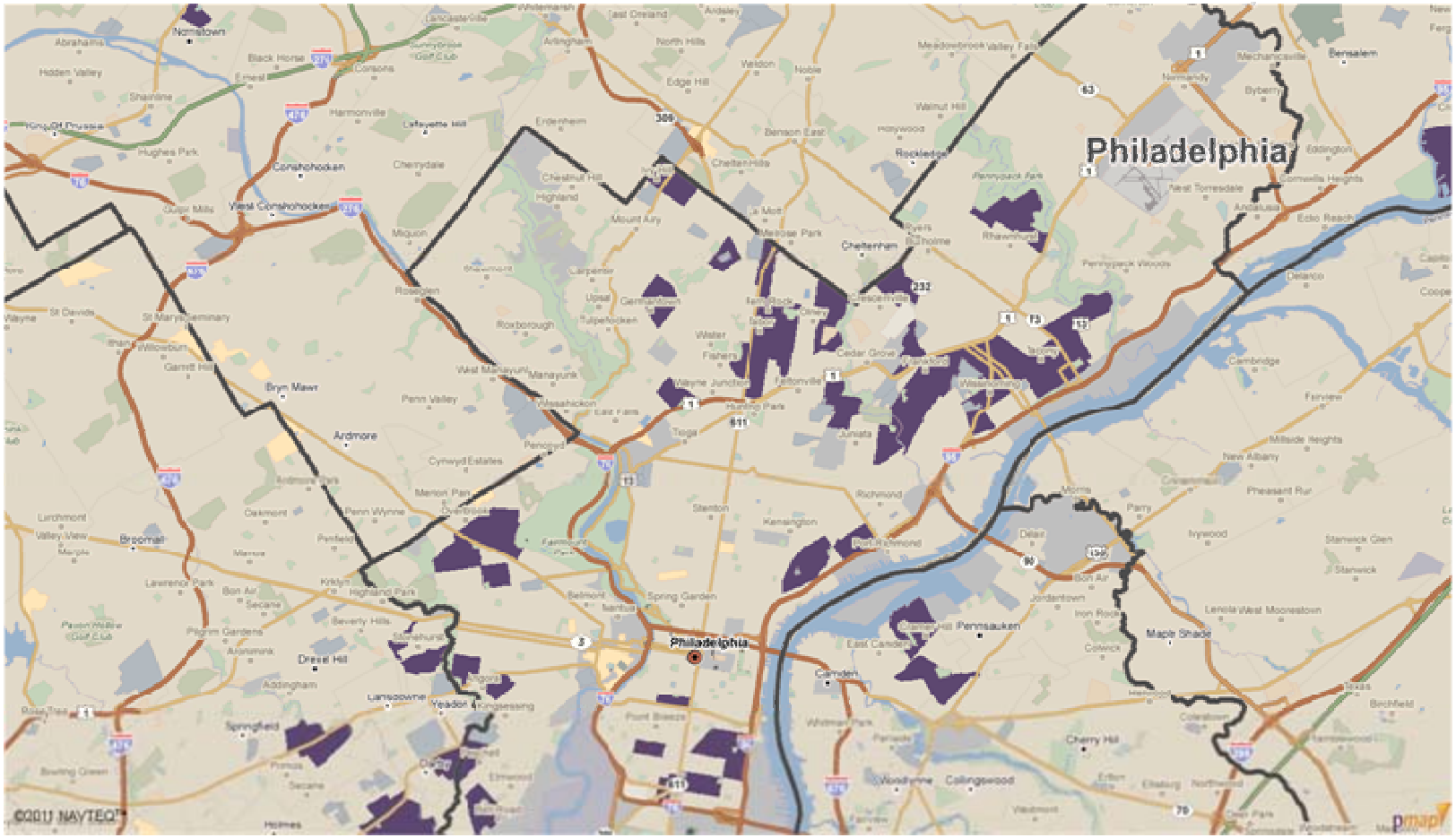
Shaded by: Census Tract
Source: Census

Data Layer 3

Percent change of the median sale price of a residential home from 2006 to 2009.

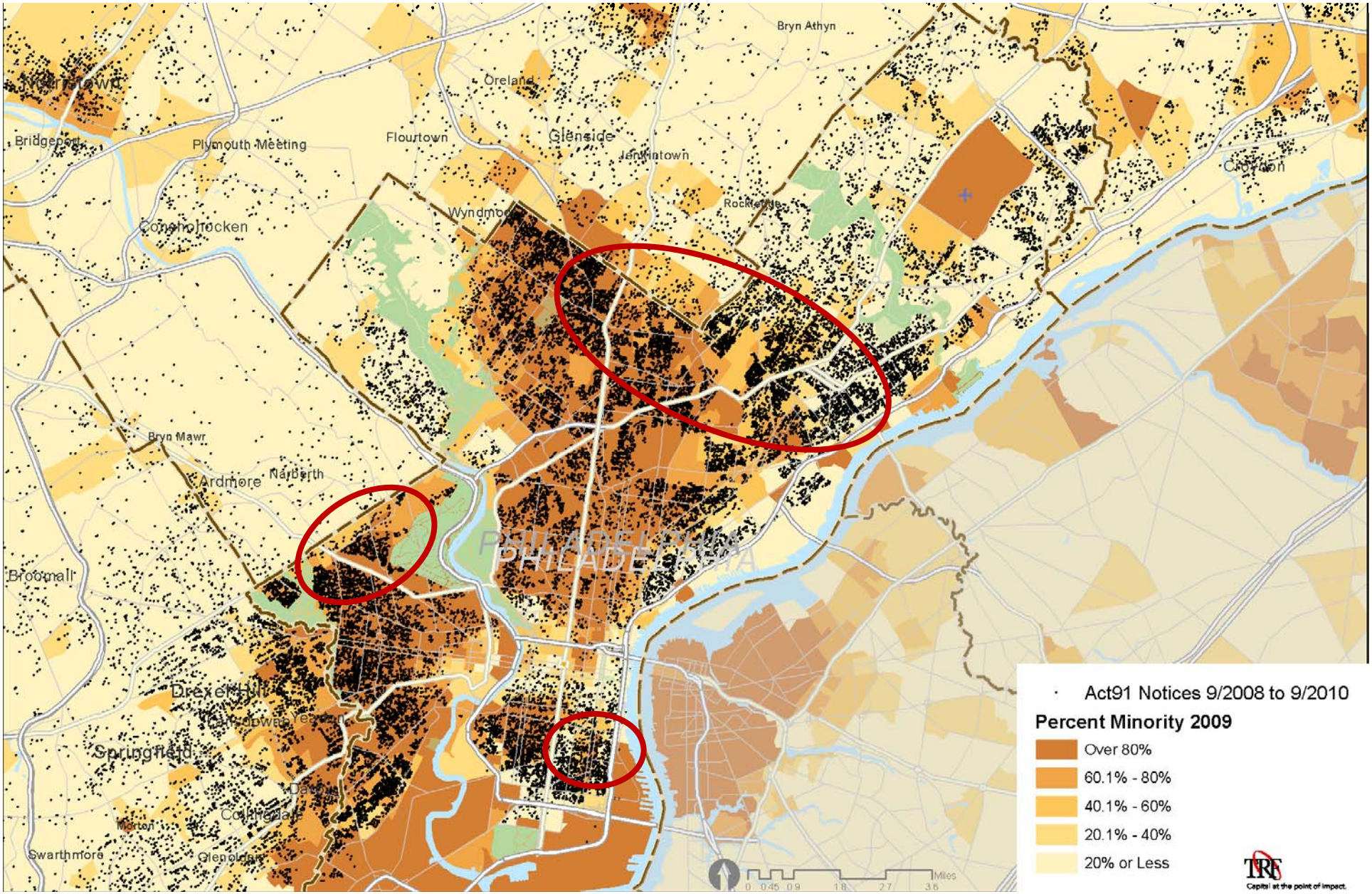
-25% | 10%

Shaded by: Census Tract
Source: Barwood Means



Purple areas on the map meet all criteria below:
Data Layer 1: Combined Index Score (higher score of Foreclosure Risk Score and Vacancy and Foreclosure Risk Score), as of 2009. Range: 15 - 18.
Data Layer 2: Estimated typical (median) income of a household between 2005-2009. Range: $25,000 - $50,000.
Data Layer 3: Percent change of the median sale price of a residential home from 2006 to 2009. Range: -25% - 10%.

Pennsylvania Act 91 Notices and Neighborhood Demographics



Property History; a useful data source

Property Detail Report

For Property Located At

RealQuest Professional™

[redacted] CAMAC ST, PHILADELPHIA PA 19141-3321

Owner Information:

Owner Name:	[redacted]		
Mailing Address:	[redacted] CAMAC ST, PHILADELPHIA PA 19141-3321 C030		
Phone Number:		Vesting Codes:	HW / /

Location Information:

Legal Description:	[redacted]		
County:	PHILADELPHIA, PA	APN:	[redacted]
Census Tract / Block:	268.00 / 4	Alternate APN:	
Township-Range-Sect:		Subdivision:	
Legal Book/Page:		Map Reference:	[redacted]
Legal Lot:	135	Tract #:	
Legal Block:	129N5	School District:	4218990
Market Area:	17-K8	Munic/Township:	PHILADELPHIA
Neighbor Code:			

Owner Transfer Information:

Recording/Sale Date:	/	Deed Type:	
Sale Price:		1st Mtg Document #:	
Document #:			

Last Market Sale Information:

Recording/Sale Date:	04/03/1985 / 03/29/1985	1st Mtg Amount/Type:	$46,500 / FHA
Sale Price:	$47,000	1st Mtg Int. Rate/Type:	13.00 /
Sale Type:		1st Mtg Document #:	130-465
Document #:	112-420	2nd Mtg Amount/Type:	/
Deed Type:	DEED (REG)	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	$27.74
New Construction:		Multi/Split Sale:	
Title Company:			
Lender:	JERSEY MTG		
Seller Name:			

Prior Sale Information:

Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			

Property Characteristics:

Gross Area:		Parking Type:	DETACHED GARAGE	Construction:	
Living Area:	1,694	Garage Area:		Heat Type:	
Tot Adj Area:		Garage Capacity:	2	Exterior wall:	BRICK
Above Grade:		Parking Spaces:		Porch Type:	
Total Rooms:	7	Basement Area:		Patio Type:	
Bedrooms:	4	Finish Bsmnt Area:		Pool:	
Bath(F/H):	1 /	Basement Type:		Air Cond:	
Year Built / Eff:	1925 /	Roof Type:		Style:	
Fireplace:	/	Foundation:		Quality:	
# of Stories:	2.00	Roof Material:		Condition:	AVERAGE
Other Improvements:					

Site Information:

Zoning:	R4	Acres:	0.07	County Use:	RES-SEMI-DETACHED W/DETACH GRG (J30)
Flood Zone:	X	Lot Area:	3,100	State Use:	
Flood Panel:	4207570095F	Lot Width/Depth:	37 x 84	Site Influence:	
Flood Panel Date:	08/02/1996	Res/Comm Units:	1 /	Sewer Type:	
Land Use:	SFR			Water Type:	

Tax Information:

Total Value:	$20,352	Assessed Year:	2010	Property Tax:	$1,681.89
Land Value:	$3,421	Improved %:	83%	Tax Area:	
Improvement Value:	$16,931	Tax Year:	2010	Tax Exemption:	
Total Taxable Value:					

Transaction History Report

For Property Located At

RealQuest Professional™

[redacted] CAMAC ST, PHILADELPHIA PA 19141-3321

TRANSACTION HISTORY

History Record #: 1

Finance:

Mtg Recording Date:	08/10/2006	Mtg Loan Type:	CONV
Mtg Document #:	51506471	Mtg Rate Type:	
Document Type:	MORTGAGE		
Lender:	HOUSEHOLD RLTY	Mtg Term:	
Loan Amount:	$15,000	Mtg Rate:	
Borrower 1:	[redacted]	Borrower Vesting:	HW / / TY
Borrower 2:			
Borrower 3:			
Borrower 4:			

History Record #: 2

Finance:

Mtg Recording Date:	03/02/2006	Mtg Loan Type:	CONV
Mtg Document #:	51389860	Mtg Rate Type:	
Document Type:	MORTGAGE		
Lender:	HOUSEHOLD FIN CONSUMER DISC	Mtg Term:	25 YEARS
Loan Amount:	$176,614	Mtg Rate:	
Borrower 1:	[redacted]	Borrower Vesting:	HW / / TY
Borrower 2:			
Borrower 3:			
Borrower 4:			

History Record #: 3

Finance:

Mtg Recording Date:	11/28/2001	Mtg Loan Type:	CONV
Mtg Document #:	50365425	Mtg Rate Type:	FIXED
Document Type:	MORTGAGE		
Lender:	HOUSEHOLD RLTY	Mtg Term:	
Loan Amount:	$15,450	Mtg Rate:	
Borrower 1:	[redacted]	Borrower Vesting:	HW / /
Borrower 2:			
Borrower 3:			
Borrower 4:			

History Record #: 4

Finance:

Mtg Recording Date:	11/28/2001	Mtg Loan Type:	CONV
Mtg Document #:	50365424	Mtg Rate Type:	FIXED
Document Type:	MORTGAGE		
Lender:	HOUSEHOLD FIN CONSUMER DISC	Mtg Term:	30 YEARS
Loan Amount:	$125,898	Mtg Rate:	
Borrower 1:	[redacted]	Borrower Vesting:	HW / /
Borrower 2:			
Borrower 3:			
Borrower 4:			

History Record #: 5

Finance:

Mtg Recording Date:	02/10/1999	Mtg Loan Type:	CONV
Mtg Document #:	1789-169	Mtg Rate Type:	ADJ
Document Type:	MORTGAGE		
Lender:	HOUSEHOLD RLTY	Mtg Term:	
Loan Amount:	$10,000	Mtg Rate:	
Borrower 1:	[redacted]	Borrower Vesting:	HW / /
Borrower 2:			
Borrower 3:			
Borrower 4:			

Combining Risk and Property History

Custom PolicyMap Analytic with AG

Data Layer 1

Combined Index Score (higher score of Foreclosure Risk Score and Vacancy and Foreclosure Risk Score), as of 2009.

15 | 18

Shaded by: Census Tract
Source: HUD

Data Layer 2

Estimated typical (median) income of a household between 2005-2009.

$25,000 | $50,000

Shaded by: Census Tract
Source: Census

Data Layer 3

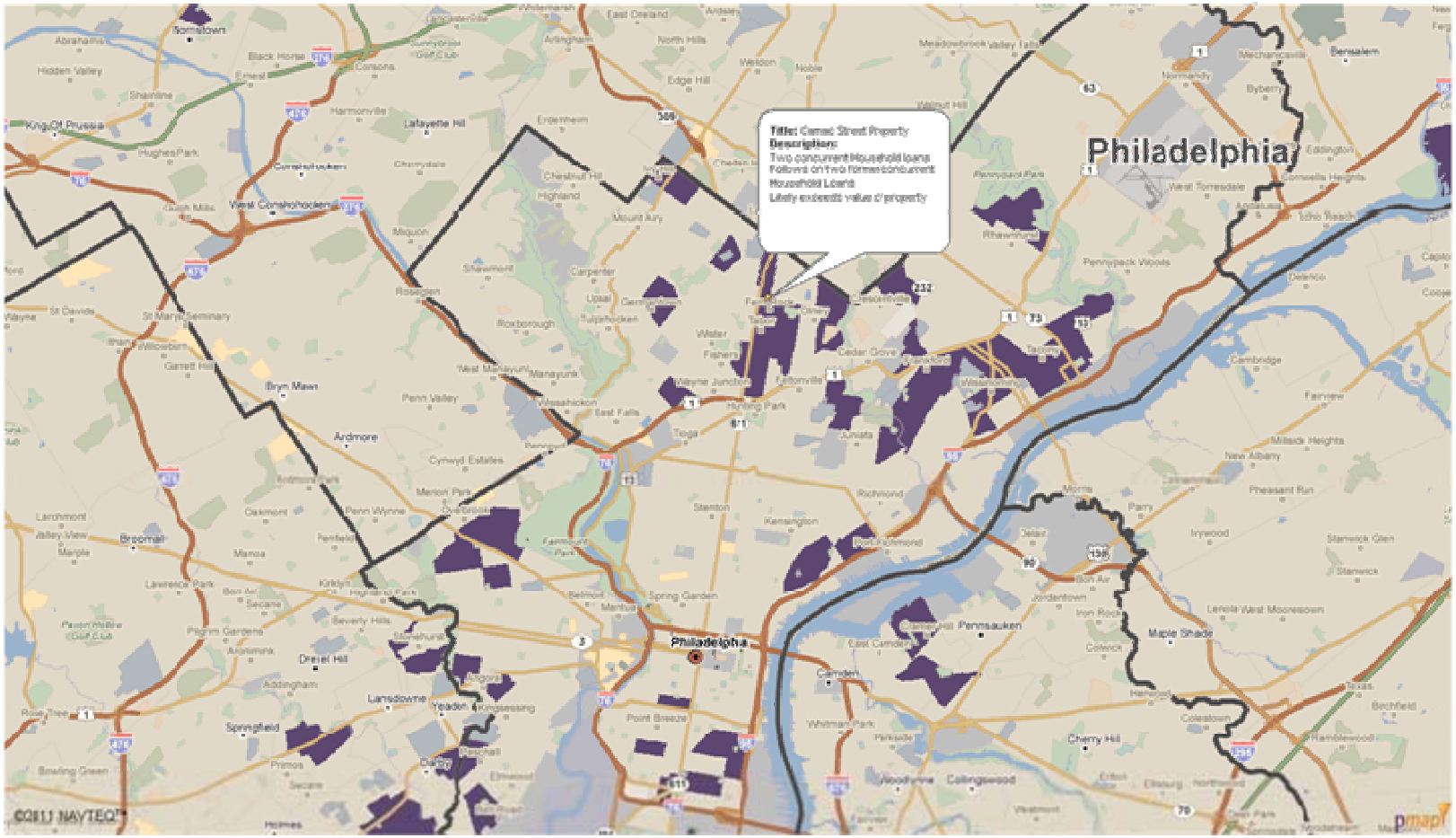
Percent change of the median sale price of a residential home from 2006 to 2009.

-25% | 10%

Shaded by: Census Tract
Source: BoxwoodMeans

Sites

AG



Purge areas on the map meet all criteria below:
Data Layer 1: Combined Index Score (higher score of Foreclosure Risk Score and Vacancy and Foreclosure Risk Score), as of 2009. Range: 15 - 18.
Data Layer 2: Estimated typical (median) income of a household between 2005-2009. Range: $25,000 - $50,000.
Data Layer 3: Percent change of the median sale price of a residential home from 2006 to 2009. Range: -25% - 10%.

In general, Attorneys General …

(1) are closer to the problem than are federal officials;
(2) under financial reform will have greater authority and responsibility for enforcing consumer protection;
(3) can possibly dedicate more resources to fighting the problems than sorting through jurisdictional questions as they had in the past
(4) can access more information, including that which is their own (or related) agencies, in an effort to identify "problems" before they become "issues" (borrowing these terms as used by the American Sociologist C. Wright Mills).
(5) can accomplish much without a great dedication of resources – much can be done by researchers, interns, law students, paralegals, and other non-professional staff.

Ira Goldstein
Ira.Goldstein@trfund.com

The Reinvestment Fund
Policy Solutions