

## **Current Lender Workout / REO Issues For-Sale Housing**

- Cash Flow to Secure, Complete and Rent/Sell Projects
- Selection of Receiver
- Lack of Project Construction / Development Documentation
- Expiring Public Agency Approvals and Tentative Tract Maps
- Completing / Revising HOA Budgets, Bylaws and CC&R's
- Incomplete or Expired DRE Approvals
- Expiring Building Permits
- Defective Easements
- Substandard Construction – Borrowers In Trouble Cut Corners
- Financial Assurances for Contractors Completing Construction
- Need for WRAP / Construction Defects Insurance to Complete Construction
- HOA Dues Triggered By Sale of 1<sup>st</sup> Unit
- Eviction of Squatters from Vacant Homes
- Claims By Early Purchasers of Units in Distressed Projects
  - Defects Claims
  - Impaired Sales Value Due to Inability to Obtain Retail Financing
- Ellis Act Issues
  - Rental Properties Converted to For Sale Projects Returning to Rentals Must Be Reoffered to Original Tenants
- Need For Cost to Complete Construction & Project to Facilitate Sale
- Need for Loans to Facilitate for Note and REO Buyers
- Need for In-House Loan Program to Facilitate Retail Unit Sales
- REO Hold Period Restrictions for Regulated Lenders