Mary Lee Widener
President and CEO
Learning from the past

• Collaboration
• Affordability
• Borrower Support
“Redlining”

• A long outdated practice of drawing red lines on maps to guide loan officers to not lend in the redlined areas.

1960s and 1970s
Collaboration

- **Nonprofit Sector**
  - Pull via new public/private partnerships
- **Public Sector**
  - Push via Law and Regulation

From the Beginning to Present
Affordability

• A responsive mortgage insurance industry
• Responsive secondary markets
• And responsive rating agencies

Borrower Support

• Education
• A loan they could pay back
• Post-funding support
• A different approach to loss mitigation
  – Patient Capital

From the Beginning to Present
Median Household Income
NHSA NeighborWorks Loans
1983 to 2006

- United States
- NHSA Clients
CAB Works

Total Delinquency

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Foreclosure Starts

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NHSA Portfolio Financing

- NHSA Portfolio
- MBAA NonPrime
- MBAA FHA
Accessing the Capital Markets

- Standardization
- Automation
- More transparent process
- Growing acceptance
- Shift to capital markets financing

1999 to Present
Capital Markets Financing

Total Delinquency

Foreclosure Starts

NHSA MBS Sales Financing
Looking to the Future

• Challenges Remain
  – NIMBYism
    • Overlooks economic vibrancy of diverse communities
  – Sustainability
    • Ability of borrowers to pay over long term
    • Adequate return for investors
    • Appropriate compensation to nonprofit service providers
  – Subprime Lending
The new CAB is technology driven.