



# NEW JERSEY **COMMUNITY** CAPITAL

Federal Reserve Board of Governors

The Opportunities and Limits of Private Capital Flows in Communities

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# Who We Are

NJCC is a 25-year old community development financial institution (CDFI) that *transforms* disadvantaged communities through *strategic investments* of *capital and knowledge*.

# Track Record *as of 12/31/12*

New Markets Tax Credit Deployment: *\$50 million*

Third Party Managed Assets: *\$107 million*

Total Investment across New Jersey: *\$382 million*

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Total Impact: *9,000 housing units*  
*7,300 education slots*  
*4,800 early care spaces*  
*5,000 jobs*

# *Delinquent* Mortgage Purchases

NJCC leverages private capital to *stabilize* & *revitalize* communities through delinquent mortgage acquisition

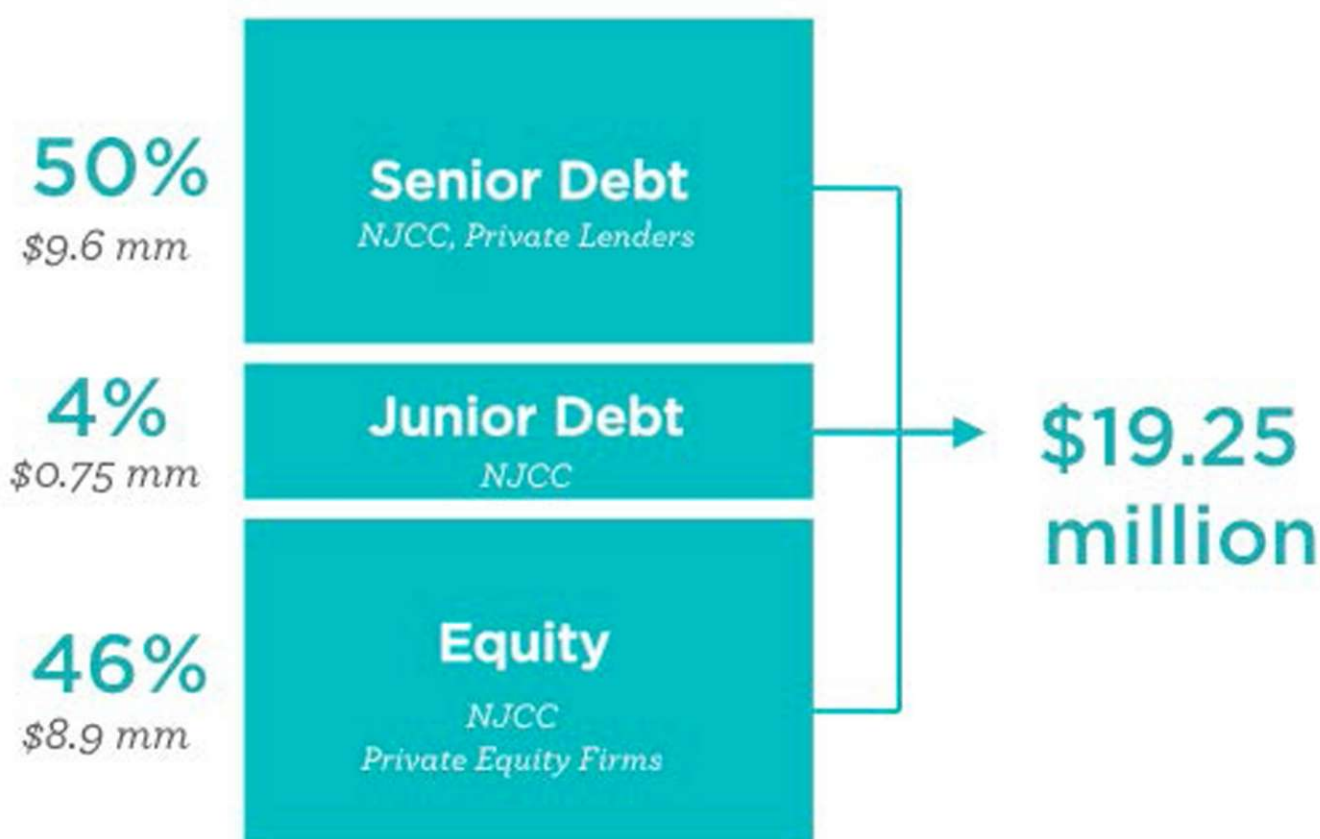
In 2008 - bulk purchase of **47** defaulted, investor-owned mortgages in Newark and Essex County, NJ

# 2012 **FHA Distressed Asset Stabilization Program**

*Winning bid for 399 notes/ 245 notes purchased to date*



# ReStart Capital Structure



# ReStart Strategy

**HIGH** *touch*

**HIGH** *trust*

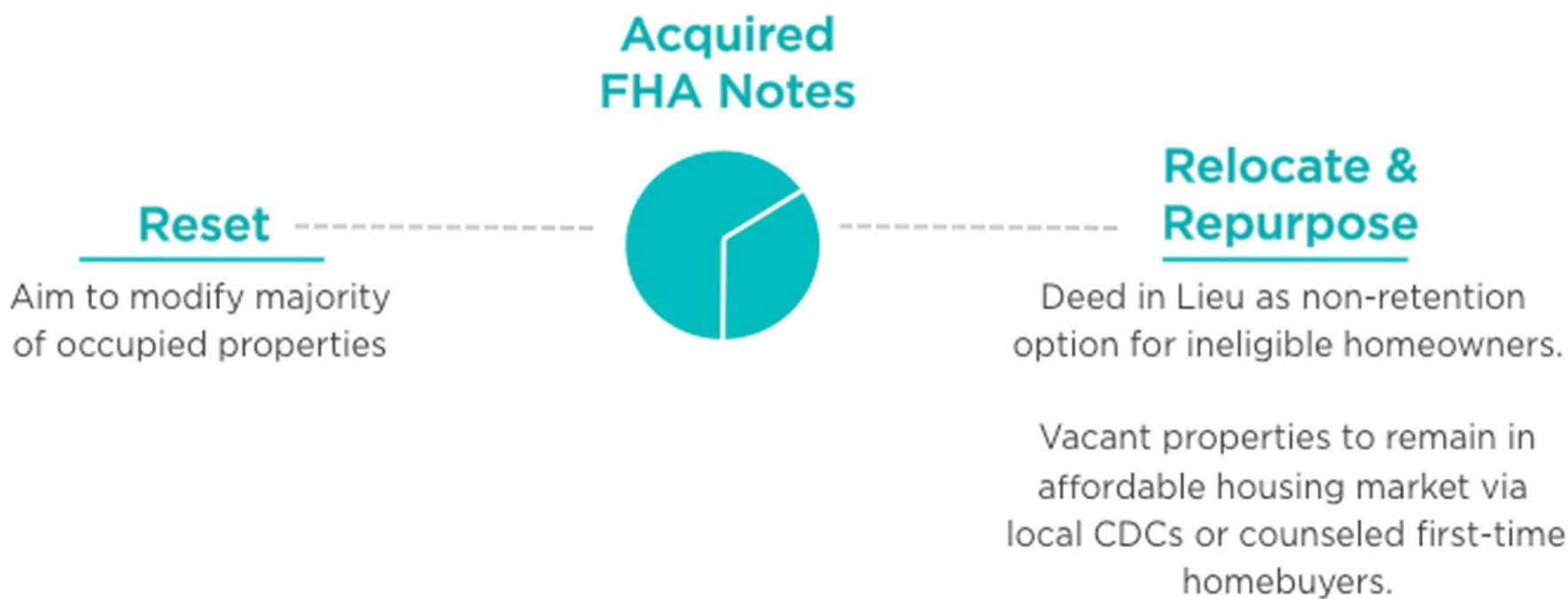
**HIGH** *impact*

- Homeowner contact made through local community organizations
- Incorporates one-on-one homeowner counseling & financial education
- Resets mortgage to align principle balance with property value & income



# ReStart Strategy

*A Comprehensive Approach*





# ReStart Underlying Principles

1. *Market* Knowledge and Disciplined Financial Modeling
2. *Community* Knowledge and Homeowner Behavior Focus
3. Operating *Control* Aligned to Community Mission
4. *Compensation* for CDFI risk and efforts

# Questions?