

Some community groups in the Dayton region will be able to review and buy foreclosed properties owned by housing finance giants Fannie Mae and Freddie Mac before they hit the public market.

The foreclosed homes are expected to be offered at a discounted price, and the program could result in quicker sales and will give community and nonprofit groups opportunities to put desirable properties in local control.

The program could prevent absentee landlords and investors from scooping up properties that are important to stabilizing neighborhoods, officials said.

However, local use of the program likely will hinge on whether the sale prices reflect the market, said Mike Grauwelman, executive director of the Montgomery County Land Bank, which will be part of the program.

"We need to make sure we are buying them at a price that is sufficiently discounted for the time it takes us to acquire it and put it on the market and have it absorbed," he said.

On Tuesday, the Federal Housing Finance Agency announced it is expanding its Enhanced First Look program to 18 metropolitan statistical areas, including Dayton and five other Ohio communities.

The pilot program originally served the Detroit, Mich., market and later was expanded to the Chicago area.

The 18 "hard-hit communities" have at least 100 properties owned by the housing finance giants that are valued at \$75,000 or less. Later on, Fannie and Freddie properties valued up to \$175,000 will be eligible for the program.

According to the auditor's office, Fannie and Freddie appear to own about 142 residential properties in Montgomery County alone.

The Dayton metro area consists of Greene, Miami and Montgomery counties.

Starting next month, qualified nonprofit groups and community organizations in the Dayton metro area will be able to buy foreclosed, single-family structures before they are publicly available for sale.

The properties, which will include condos and town homes, are expected to be offered at discounted prices, based on the money Fannie and Freddie will save related to upkeep, utilities, marketing and taxes.

Qualified groups — including the Land Bank and County Corp — will have a limited opportunity to

express interest in a property and then can decide whether to accept a sales offer from Fannie or Freddie.

The program could shorten the time it takes for empty and abandoned properties to be returned to productive use, Grauwelman said.

Empty, foreclosed properties drag down property values and can result in the spread of housing abandonment. Housing can deteriorate fast and can attract vandals and metal thieves.

Also, the program will give local community groups **first crack** at homes that are important to neighborhood stabilization efforts.

The initiative could prevent homes from falling into the hands of negligent, out-of-town investors who have no plans for reinvestment and would likely rent out or sit on the properties, Grauwelman said.

He said the program's success will depend on the quantity and quality of the properties offered.

About 30 properties per month are expected to be available through this program, and the foremost goal is to find homebuyers, said Robert Grossinger, president of the National Community Stabilization Trust, which is working with Fannie and Freddie on the initiative. Hundreds of thousands of properties auctioned across the United States have been bought by institutional investors who rent out the homes, which results in the loss of some community control, he said.

"There is just a benefit to the community to have some of these assets available to them," he said.

The program allows nonprofit groups to rehab, rent, sell or demolish the properties.

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