

Timeline and Process of 2903-05-N 48th by Stephanie A Holt

- April 1st, 2019
 - o Asked to meet with the DCD – RE office after viewing property to determine if \$107,000 listing price was a mistake.
 - The City of Milwaukee estimated scope of work to be \$34,550 for essential repairs
 - The City of Milwaukee estimated scope of work to be \$57,940 for total repairs
 - City of Milwaukee Assessor's office estimated value of property to be \$72,400

- April 2nd, 2019
 - o Met with Debra McCollum-Gathing
 - Told listing was not a mistake – she stood by the numbers
 - When asked to view the sales comparable used, I was told to do a formal open records request
 - o Contacted the office of Alderman Khalif Rainy to voice my displeasure of not being provided sales comparable of City owned properties without an open records request
 - Also provided a description of how I felt the property was listed over market price of its value.
 - See email addressed to Alderman Rainy dated April 2nd, 2019.

- April 11th, 2019
 - o I was able to pick up a copy of the sale comparable used by the City to value the property.
 - The City's sales comparables were based on newly renovated homes sold in the area and had a recommended value of \$117,333
 - 1st City comparable sale sold on 7/13/2018 for \$110,000
 - 2nd City comparable sale sold on 1/26/2018 for \$97,000
 - 3rd City comparable sale sold on 9/12/2018 for \$145,000

- April 12th 2019
 - o Thanked the office of Alderman Rainy for his assistance and stated that the comparable sales used by DCD were of newly renovated properties and the highest comparable was valued at \$145,000
 - o April 16th we scheduled a meeting for April 24th that was rescheduled to May 30th

- April 23rd
 - o Received an Accepted Offer from City of Milwaukee with purchase price at \$80,200

- April 28th
 - o Inspection completed and paid (\$500)

- May 1st
 - o Inspection Report Completed
 - (Issued for two contractors to inspect property)

- May 10th, 2019
 - o Two bids provided to Loan officer at time Waterstone Bank
 - Contacted Waterstone to order appraisal -
 - Lenders were concerned the property would not appraise
 - Advised me to seek reduction in purchase price.
 - Advised to have a third bid completed
 - o Ordered for FHA inspector to view property (\$275.00) paid on date of inspection

- May 12th
 - o Issued for third contractor to inspect property

- May 26th, 2019
 - o Brodie Swanson (real estate agent) provided a market analysis requesting for a reduction of initial purchase price to \$20,000.

- May 28th, 2019
 - o Provided Alderman Khalif Rainy the information I had acquired at that time via email for our August 30, 2019 meeting
 - Sales Comparable Analysis the city used to value the home
 - The City of Milwaukee's initial Scope of work (estimated essential repairs \$34,550/ estimated total repairs \$57,940)
 - The Comparative Market Analysis provided by my Real Estate Agent Brodie Swanson
 - The 2019 Inspection Report
 - Bid 1 (estimated work \$171,500)
 - Bid 2 (estimated work \$95,000)
 - Email Correspondence with myself and Debra McCollum-Gathing requesting review of property and supporting documents (Dated May 26th 2019)

- May 28th
 - o Third bid was completed (estimated cost \$113,000)

- May 28th, 2019
 - o I paid a (\$250.00) extension request fee, and submitted a "Request for Extension" letter including reason and supporting documents of why an extension was necessary
 - I was granted an extension on the offer to purchase until June 10th. 2019 to allow the City (DCD) to review property.

- May 30th, 2019
 - o I meet with Alderman Rainy in person and voice my concerns regarding this procedure thus far. The time, lack of property valuation basic knowledge, and hidden cost associated with the City property purchase attempt.
 - o Alderman asked what I would request of him to do, at the time I stated I just wanted him to be aware of the issues I was going through and believed it would work itself out within DCD.

- May 31st
 - o Deborah responded that she had viewed the property and was unable to justify the price reduction to the \$20,000 requested at the time.
- June 3, 2019
 - o Contacted lender to see where we were in regards to appraisal for Waterstone bank
 - Informed me she was waiting for FHA inspector write-up
- June 4th, 2019
 - o Attempted to speak with Commissioner Rocky Marcoux regarding issue
 - o Received a follow-up call back with Deputy Commissioner of which I spoke on the initial purchase price over the phone – was told she would look into the listing of the property because property listing seemed a little high to her as well but stated she did not know the history or any off hand information about the property.
- June 5th, 2019 10:30 am
 - o I contacted FHA inspector to see where he was in regards to the work write up
- June 5th, 2019 12:08 pm
 - o I was informed by lender Jackie Goodman that the work write up was received.
 - o Appraisal was ordered and paid (\$450.00)
- June 7, 2019
 - o An agreed reduction of the property to a \$64,000 purchase price was made.
- June 7, 2019
 - o I was informed by a City worker of a City program that I could use to acquire a \$20,000 forgivable loan but I would need to operate with a different lender than my current lender and work with the City of Development NIDC program
- June 10, 2019
 - o I met with Northshore Bank Lender Diana and received a preapproval letter
- June 10, 2019
 - o Completed and dropped off the required forms for the forgivable loan city program
- June 11th, 2019
 - o Called to verify my application was received
 - o Spoke with Ben Sanchez
 - o Met with Ben Sanchez in person that afternoon to better understand timeline and process
- June 11th, 2019

- Provided a follow-up email with additional documentation
 - Northshore bank pre-approval
 - Bid 1 (estimated work \$171,500)
 - Bid 2 (estimated work \$95,000)
 - The City of Milwaukee Initial Scope of work (estimated work \$34,550)
 - 2019 Inspection Report
 - FHA Work Write up
 - Bid 3 (estimated work \$113,000)
 - Scheduled and met with Ben Sanchez in person June 11, 2019
- June 13, 2019
 - Provided updated and signed accepted offer with amended purchase price to Ben Sanchez
- June 13, 2019
 - Ben Sanchez informed me to work with my real estate agent to extend the closing date.
 - Contacted my real estate agent to request another extension with the city of Milwaukee
- June 17th, 2019
 - Ben Sanchez informed me that I would need to complete my 2019 taxes that were at this time on extension, and have my certificate of completion updated as it had expired in March.
- June 19th, 2019
 - I informed Ben Sanchez I had completed and paid both my IRS and state taxes (which totaled \$1,300) and asked if he required evidence of payment/completion
 - Verified my certificate of completion was updated by Katrina Weinberg of Housing Resources and submitted to Ben as of June 17, 2019
 - I also informed him that I had not yet heard from the NIDC inspect and asked for a timeline
- June 20th, 2019
 - Informed no additional evidence of payment/ completion of taxes was needed at this time
 - Informed of the NIDC Rehab Specialist Sam Smith assigned to me and provided his phone and email address
 - Contacted inspector and scheduled property inspection June 25th
- June 25th, 2019
 - NIDC Inspection was completed
- June 27th, 2019
 - I emailed Sam Smith asking for documentation my contractor would need to complete to give him a head start
 - Attachments were sent and forwarded to my contractor

- July 1st, 2019
 - o Rough draft of NIDC work write up was provided (estimated work \$171,500)
 - o Received NIP approval
 - o Received Historic Preservation Commission approval
 - o Provided a blank copy to contractor to start on
 - o Provided scope of work to Lender Diana letting her know it was pending NIDC supervisor and Financial Officer review
 - o Asked for appraisal to be ordered (paid for appraisal \$400.00)

- July 5th, 2019
 - o Formally request another extension of closing date

- July 12th 2019
 - o Extension was approved until September 15th without Fee

- July 15, 2019
 - o Bid 3 was updated based on NIDC scope of work (\$127,475)
 - o Sent updated bid to my lender asked again to order appraisal
 - Was informed that she was waiting for a go from the city to order the appraisal

- July 22nd, 2019
 - o I contacted Sam Smith to know the status of the city approved finalized bid
 - o Was informed he was still reviewing the numbers

- July 24th, 2019
 - o Contacted Sam Smith to know the progress
 - o Was informed he sent the numbers to Diana
 - o Bid 3 was formally accepted by NIDC (estimated cost \$127,475 with a 20% contingency)

- (July 24th – August 9th, 2019)
 - o Have been in constant communication with Lender Diana to order appraisal and finalization of appraisal since July 24th
 - o Appraisals typically take 3 days to 2 weeks from date of order

- August 9, 2019
 - o Appraisal came in at \$151,000 after completion of anticipated work

- August 12, 2019
 - o Bank provided a reduction of loan eligibility of home purchase to 90% of anticipated value \$135,000 (from the initial \$235,000).

- August 12, 2019

- Had real estate agent contact Sonya Mays to set up a meeting with Debra McCollum-Gathing, Sonya Mays, Brodie Swanson, and myself regarding a reduction that reflected the confirmed market value of the property.
- No response
- August 14, 2019
 - I sent a follow-up email, including Sonya Mays, Brodie Swanson, Debra McCollum, and myself
 - In the email I informed them I had sent them a copy of the appraisal, loan reduction, the NIDC approved construction bid, and an article by the Journal Sentinel published 7/22/2019 of City properties in the Sherman Park area being sold to developers for \$1.00 with a \$10,000 grant per property.
 - Sonya responded two hours later to my real estate agent Brodie Swanson stating that they were currently unavailable in meeting but would follow up shortly.
- August 15, 2019
 - I contacted the office of Alderman Khalif Rainy letting him know I was still going through great difficulty while trying to acquire this home.
 - I provided the original timeline and procedure of my processes
 - In the email expressed my frustration of attempting to work with the DCD real estate department and their either lack of valuation knowledge and/or bare minimal assistance.
- August 15, 2019
 - Khalif immediately brought my issue to Amy Turim who stated in email to Khalif that she would have both real estate and NIDC staff review the information attached.
- August 21, 2019
 - Debra McCollum-Gathing provides an amended offer to purchase and a letter addressed to Sonya Mays.
 - Reducing the asking price to \$35,000.
 - Extending the closing date to September 30, 2019
 - Within the letter, Debra states they provided the offer not believing that this home may be financially feasible for me.
 - Note: I had an original loan offer of 235,000 the reason the home would have looked to be unfeasible is because the DCD is unreasonable requiring me to pay above market value for cost and renovation of the property when added with the 20% contingency.

(With an asking price of \$35,000 + \$128,000 + 20% contingency (\$25,000) the total price being requested for the property is \$188,000 of which the building is only appraised at \$151,000.)

- August 22nd 2019
 - Had a conference call with Ben Sanchez, Sam Smith, and Aaron Helt

- Within the meeting they confirmed they would be unable/uncomfortable/unwilling to reduce the cost to renovate based off the new city scope of work completed by Sam Smith that valued cost of renovation to be (171,500)
 - Would only be able to reduce the contingency from 20% to 10% as a last resort after attempting to work with WHEDA
 - Provided Lender updated and signed offer to purchase from the DCD
 - Provided Lender with updated information from Ben Sanchez
 - Lender inquired if NIDC would be willing to lower the contingency from 20% to 10% as that would allow the deal to work otherwise it would be to far over the value of the property.
 - Informed her that NIDC would only be willing to do so as a last resort.
- August 23 2019
 - Attempted to have appraisal re-examined as I had found a discrepancy in the number of garages listed by the appraiser.
 - Appraiser noted subject as a two-car garage when it should have been listed as a three-car garage.
 - Appraiser updated notes of appraisal and stated that the discrepancy did not change the value of the subject within the appraisal.
- August 24-29
 - Have been in constant communication with lender as to the status of my loan with WHEDA
 - August 29th
 - I sent lender Diana an email questioning the WHEDA loan, borrow amount, interest rate, etc. and reminded her of the deadline provided.
- September 9th
 - Met with lender in person
 - Diana informed me that they attempted to send the loan to WHEDA but continued to get error reports due to the percentage over the appraised value and the loan would have to be manually entered.
 - Informed from lender that to manually enter loan credit score had to be above 700. Was informed score was 698.
- September 12th
 - Ben Sanchez provided an email to all individuals involved in the process Northshore bank, Brodie Swanson, other members of DCD informing them the deadline would be September 30th with no extensions, and the deadline to provide a loan commitment to NIDC would be Tuesday 9/16/2019 at noon.
- September 12th
 - I contacted WHEDA to inquire about the requirements
 - My DTI is below 35% so credit score requirement would need to be 680 not 700
 - Contacted lender to provide this information

- Lender proceeded to manually enter loan to WHEDA