

My name is Randy Jones, and I am a Leader with Common Ground. Three years ago was one of the best moments in my life. I purchased a Milwaukee Rising house in the Sherman Park area. I feel it is one of the best homes in the city, but I do have problem: there is a vacant property one door over from me, which is controlled by Nationstar. I worry every day as I leave for work wondering if someone's going to break in my home. Vacant properties bring prowlers in my neighborhood because of the vacant property there's no one looking out for the homes.. I do snow removal for the property so it looks live in.

The first foreclosure crisis was caused by the major banks. Common Ground was at the forefront. Common Ground was able to stand up to the banks and force them to invest in a plan to rehabilitate foreclosed houses in Sherman Park.

Milwaukee is now facing the second wave of foreclosures. This new crisis will be caused by unregulated servicing companies such as Nationstar and Ocwen. Common Ground is on the front end of this crisis. We want to be proactive NOT wait for these properties to become zombies or be dumped on the city.

Through our research and information we have received from Nationstar and Ocwen, city attorney's office, and city records we are aware these two servicing companies are the biggest in Milwaukee and Nationally.

- Please refer to the materials in your packet for a map illustrating this problem and the hard numbers. Common Ground brought Nationstar and Ocwen to Milwaukee and the research we have for you today was provided by Nationstar and Ocwen.
- Nationstar controls nearly 2000 properties in our City that are delinquent, underwater, in foreclosure and in their REO portfolio. And Ocwen controls over 2940.
- Nationstar just bought \$9.8 Billion of Ocwen's portfolio.
- These properties hurt the City's tax base because they are vacant for so long. They're also in danger of becoming Zombie properties and ending up as city owned tax foreclosures because they are dumped on the city or "charged off" as the servicers would say.
- A Sherman Park property at 3412 N. 47th St was controlled by Ocwen in December, and the City took it for tax foreclosure in January.

The same way the banks were held accountable, we need to hold Nationstar and Ocwen accountable to get IN FRONT of this next wave of foreclosures instead of REACTING after it happens.

We must hold them both accountable but we have to hold Nationstar accountable first because of Mr. Wesley Edens Interest in our city and potential interest in city money, our tax dollars, to build a new Bucks arena. Mr. Edens is the Chair of Nationstar Mortgage and his company Fortress Investment Group owns 76% of Nationstar.

It's hard to understand how billionaires can come to our city asking for a handout at the same time knowing they have made millions of dollars from our city in real estate properties that are dragging down our property values. Nationstar is tearing at the fabric of our neighborhood by increasing break ins, drug trafficking, prostitution and other crimes. To neighbors who live around them, foreclosed homes are a safety threat, a nuisance and an eyesore.

Our creative solution is this:

Before any public money goes to the building of a new arena we ask that Wesley Edens and Nationstar make right with the city of Milwaukee.

- 1) Nationstar give the City of Milwaukee 300 foreclosed and REO properties plus \$75,000 per property for rehab work and/or principal reduction - \$23 million
- 2) Give the City \$1 million per year for each of five years for 5 - 10 housing counselors to go door-to-door to work with the 1,624 families on the delinquent and underwater list to restructure their mortgage and keep them in their homes
- 3) Assign a full-time person on the Nationstar staff to work with Milwaukee Housing Counselors to restructure mortgages

We urge the City of Milwaukee and Common council a strong stance on this issue now. We have prepared a resolution to introduce to the city council and Common Ground has made a commitment to fight for our neighborhoods.