



Hogar Hispano inc





EXECUTIVE SUMMARY

Hogar Hispano Incorporated (HHI) is a 501(c)(3) District of Columbia not-for-profit corporation engaged in purchasing Non-Performing Loans (NPL) and distressed Real Estate Owned (REO) assets from GSE's and other direct vendors nationwide. HHI has acquired 1,300+ NPLs and 2,000+ REOs in the United States and in Puerto Rico.

Our unique model allows private investors to maximize returns while allowing HHI to deliver on its public purpose as a non-profit corporation. Since inception, we have invested more than \$350,000,000 in 31 states and the island of Puerto Rico. The returns paid to the investors have been favorable, thus our capital partners follow-up with additional investments and our programs continue to attract new capital.

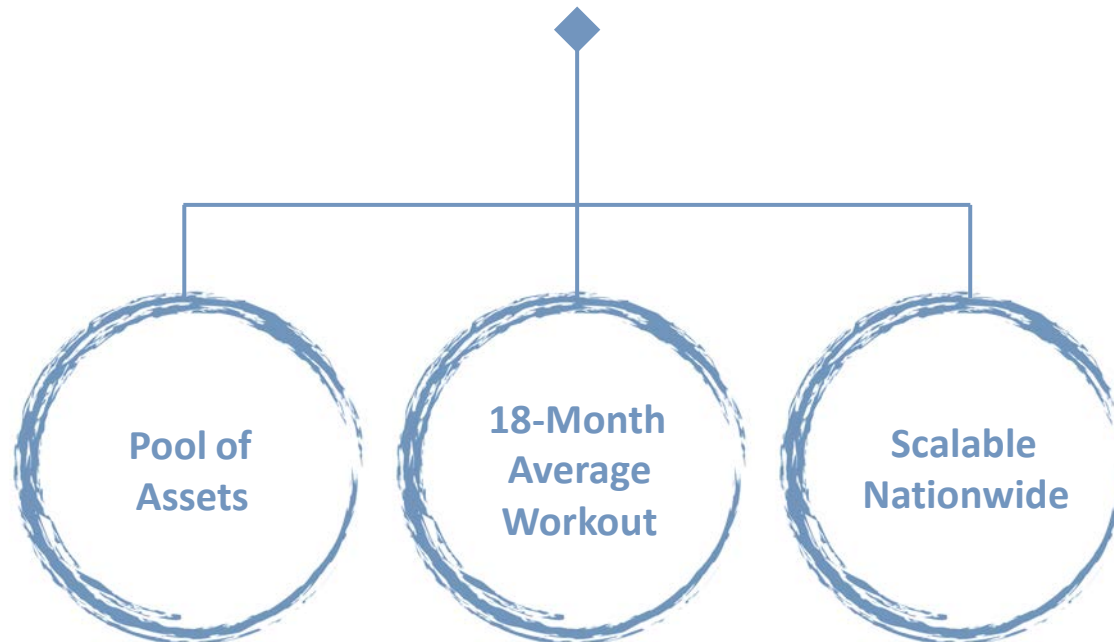
HHI has done all the hard work to establish relationships with FHA, FHFA, National Non-Profits like UnidosUS and other successful organizations that complement and support our activities. And we've taken it a step further -- not only did we work to create special programs for non-profits, we then proved that model. We acquired thousands of NPLs and thousands of REOS and we, with the help of our partners, have succeeded in delivering what we promised. We have created over 1,700 new homeowners nationwide, and we helped over 65% of all our distressed borrowers to avoid foreclosure. HHI's results are twice the performance level of most of the large servicers.

We care about our customers. We care about our relationships. We care about our Investors.
And we can and do deliver.



NPL PROGRAM

Non-Performing Loan Investment opportunities that impact families, preserve mortgagors investment while generating sustained investor returns.



KEY METRICS

Loans & Famlies
Impacted:
1,200+

Total Notional Transacted:
\$200M+

Average Capital
Partner Investment:
\$20M

Maximum Opportunity:
**\$100M+ & possible
fund structure**

Minimum Investment:
\$5M



The NPL market is extremely large with many different opportunities. The most recent HUD auction was \$2B notional, and Fannie and Freddie auction over \$500mm quarterly. These pools are auctioned off in sizes ranging from \$5mm to \$250mm. Here, our capital partners range from high net-worth individuals to the largest global financial institutions. Capital partners have the luxury of structuring their investment in the form of debt or equity with additional flexibility of preferential returns, front-end or back-end loaded. The full NPL workout will average 18 months, with incremental cash flows along the way from short sales, modifications, and cash for keys. Our annualized return numbers in the NPL portfolios have averaged over 20%, and we have not experienced a portfolio loss since inception. The fascinating aspect of distressed investing is the “recovery rate”, or in the case of these mortgages, it is the asset backing the loan – the home. As the borrower is delinquent, the note trades at a steeper discount, yet is still supported by the underlying value of the asset, thus the monies at risk actually decline. Lastly, the pool sellers have realized that nonprofits have experienced better neighborhood stabilization rates (less foreclosures), and they have altered auction processes to favor non-profits.

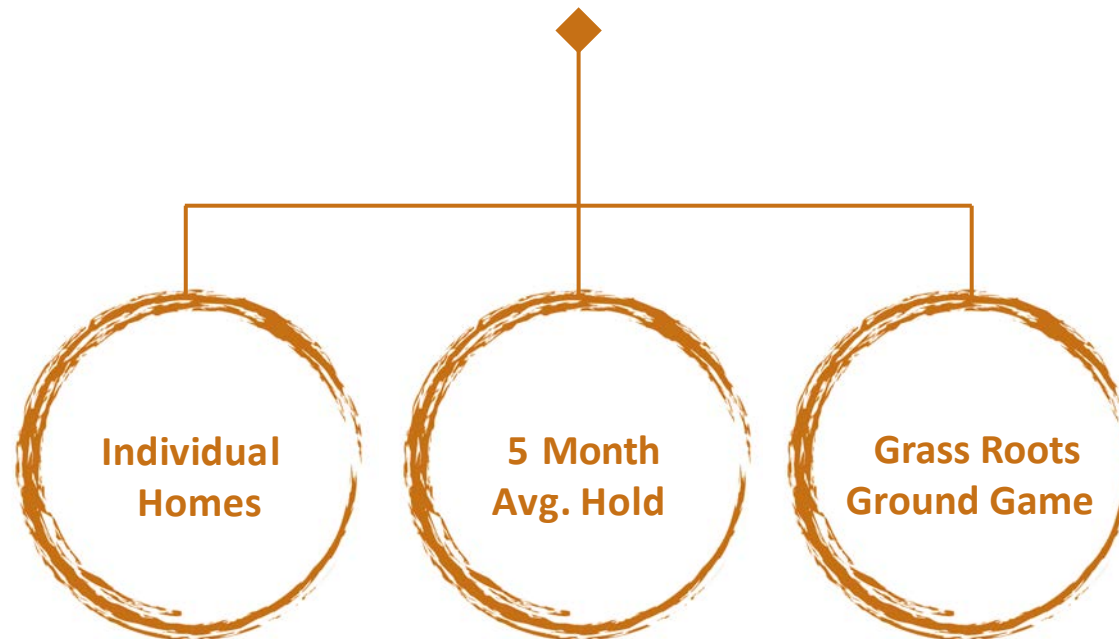
LAST 5 YEARS

SUMMARY OF SOA NPL PURCHASES				
Pool Count	Loan Count	Purchase Price	Unpaid Principal Balance	% of UPB
1	70	4,411,378.07	15,763,769.23	28%
2	89	5,110,544.02	23,384,211.30	22%
3	3	400,427.38	1,114,432.86	36%
4	114	9,743,517.00	23,083,976.42	42%
5	496	71,772,090.57	115,000,000.00	62%
6	465	7,212,813.00	35,179,118.81	21%
	1,237.00	\$ 98,650,770.04	\$ 213,525,508.62	35%



REO PROGRAM

Real Estate Owned Investment opportunities that create home-ownership, improve property values and generate favorable investor returns.



KEY METRICS

Homes & Families
Impacted:
2,000+

Total Notional Transacted:
\$200M+

Average Home Price:
Under \$100K

Average Capital
Partner Investment:
\$2M

Liquidity/Lockup:
Per property basis

Minimum Investment:
\$1M



HCR delivers favorable REO results. The REO space has experienced margin compression over the past several years, mainly due to two driving forces: a decline in interest rates and an increasingly competitive landscape. HCR and our capital partners have still achieved above average returns due to our experience, our large geographic coverage, and our multiple relationships with REO sources. Our REO capital partners have been high net worth individuals providing debt on a per property basis. Together, we have earned double digit annualized returns, which has allowed our capital partners to never experience a loss of capital, and we have been able to grow our business consistently over the years.

LAST 3 YEARS

	REO Count	Acq./rehab costs	ARV	% of Value
Georgia	150	11,181,096.78	13,635,483.88	18%
Maryland	188	23,186,943.64	26,651,659.36	13%
Michigan	81	2,272,739.11	2,470,368.60	13%
New Jersey	207	29,133,004.67	34,682,148.42	16%
Ohio	247	11,742,526.72	12,626,372.82	11%
Pennsylvania	70	9,151,861.10	10,282,990.00	11%
Texas	86	4,444,953.68	4,884,564.48	18%
Florida	308	16,552,537.00	19,942,815.66	17%
	1337	107,665,662.71	125,176,403.22	15%

NEIGHBORHOOD STABILIZATION



THE PROBLEM:

Affordable housing continues to elude millions.

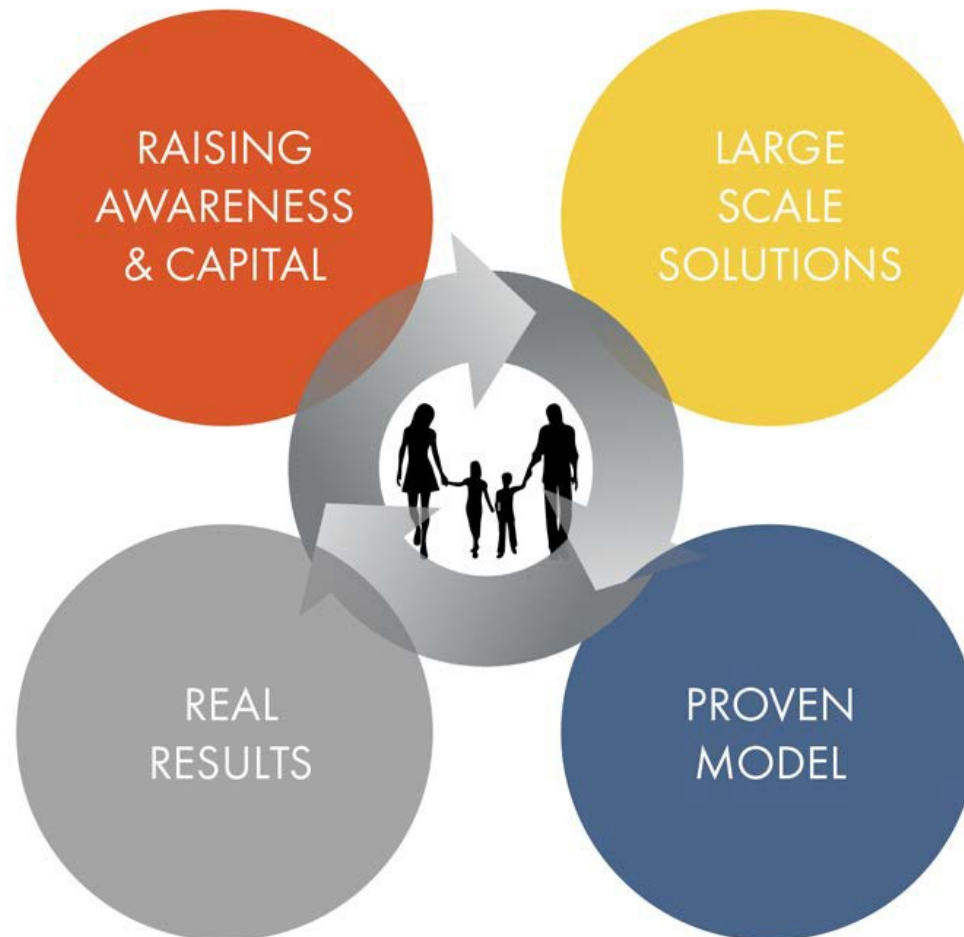
THE SOLUTION:

HHI foreclosure prevention rates are 2x industry averages.

THE EDGE:

Pool sellers realize our favorable outcomes and they are changing the auction process to favor non-profits.

VISION & VALUE PROPOSITION



REO

- Active in 17 states and Puerto Rico.
- Acquired & sold more than 2,000 homes in 6 years

TOTAL INVESTMENT:

±\$150M

TOTAL SALES:

±\$200M

NPL

- A national program including Puerto Rico.
- Acquired more than 1,200 loans

TOTAL PURCHASES:

\$96M+

TOTAL UPB:

\$210M+

PUERTO RICO

A DEEPER DIVE

THE FOCUS: Our mission centers around the Latino community.

THE CONNECTIONS: We have secured properties in Puerto Rico as a result of our proven model and relationships.

THE DISASTER: Hurricane Maria wiped out the island, costing Puerto Rico \$90B in damages (3rd largest in U.S. history), and now it's time to rebuild.

THE OPPORTUNITY: The opportunity in Puerto Rico will be similar to our REO and NPL programs in mainland US but should offer more favorable risk/reward profiles from both a monetary and impact standpoint. HHI has established a local presence in Puerto Rico along with retaining local employees and partnerships. In addition, Marcos Morales, HHI's Executive Director, has been elected to a five-person steering committee to help drive the effort to rebuild Puerto Rico. We have already purchased several properties in Puerto Rico, and we have received several bank donations. We expect continued REO and NPL opportunities on the island going forward.



PUERTO RICO IS AN OPPORTUNITY ZONE.

The U.S. Department of Housing and Urban Development (HUD) today has awarded more than \$8 billion to support long-term disaster recovery including Puerto Rico.

HUD establishes non-profit only pools. HHI is looked upon favorably by HUD.

FHA is the largest guarantor of mortgages on the island of Puerto Rico of which 25% are delinquent or in default.

THE OPPORTUNITY

U.S. & PUERTO RICO. SCALABLE & REPLICABLE.

**\$1M- \$250M
per transaction**

**PUERTO
RICO**



MULTIPLE OPPORTUNITIES

- Most recent HUD auction: \$2B notional
- Fannie/Freddie: more than \$500M quarterly
- Puerto Rico: allocated \$8B for disaster relief
- HHI recognized as an industry leader in both REO and NPL investments



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