

FCIC

Gary Crabtree

owns appraisal firm  
Bakersfield

Bill Thomas

How

ind appraiser 48 years

produce Crabtree Report  
monthly Bak Conds.

tracked it quarterly since  
1990s.

started lkg at 2004 -

has crashed "bouncing  
along the bottom"

lenders active  
what happened -

on mkt prob .5  
San Joaquin Valley

all hit pretty hard

Riverside / San Bern.

August 18, 2010?

def opinions  
subprime

" it was pretty dev. & it'll  
cont to be devastating "

little did we know  
th

' relaxation of lending stds &  
highly spec mkt's "

so naive to believe  
2004

surrounding

that aff prices so peep wd  
be attracted

1 that aff. The hsg

Bakersfield " finally being disc  
as an aff mkt to tune in "

110 miles north of LA

peep being priced out of CA  
mkt

did mkt study for Bd of Trade

peep carpooling to Balensfield

cost 50% of what to pay

2005 - started seeing roundup

'things weren't making sense'

subprime loans

mod income buyers why not  
FHA?

"long been a std" for "

FHA limits hit

' wd have been subjected to  
stricter underwriting "

a  
FHA bureaucracy - Andrew Cuomo

appraisal guidelines - to certify

standards tightened

12 items  $\Rightarrow$  44 item checklist  
Ha 45 48?

app seemed to be a  
"not just an appraiser  
but a home inspector"

"discouraging to home buyer +  
home seller"

"then along beaut little product"  
80-20

why go thro hassle / can  
get it 100%

"paradigm shift" came

normal mkt to subprime

individuals not the typical  
home buyer

saw - 'hoods pop by Hispanic  
individuals we knew cd afford  
that price & kind of hsg"

hbars

very upset

wd live there short time  
hsg vacated - yard brown  
default

in 2007 "no one was  
listening to me"

Bakersfield Calif today article

state wide

Latino mkt 40%

almost 60%

home purchases 60% Hisp.

58% Latinos

'usual cast of characters'  
who mky loans

\* Suntrust Mtg.  
(Suntrust out of Reston, Va.)

mtg fraud

"Suntrust keep cmy up again  
he called to warn - <sup>to</sup> "again" ~~old~~ "thank u goodbye"

\* Long Beach Mtg -  
sam

\* Countrywide

\* New Century

\* Option One

"I was screaming at top of  
my lungs mtg fraud was  
taking place & can't get  
anyone to listen"

4 years

1st took case

selected 3 props.

(have more)

could document - interviewed  
participants

performing app - need to verify

listed for 550 → 605,000  
105% financing

1 principle bd of dir of  
local assoc of Realtors

met w/ prez of bd

sent info to RE Bd  
Office of RE Ap  
FBI

also local DA

PRE did.

Joe Punello cur.

" office of RE. aps essent did @ "

" He read case & said I don't see any victims "

straw buyers?

" 1 indiv u alleged is a personal friend of mine "

Oct 21, 2006

local field agent FBI

case been open since Dec. 2006 -

lender - SunTrust -

Fremont

" this is none of

" some properties never occupied "



straws

or occupied by tenants

houses overpriced

pulled deeds of trust  
using occupancy waivers -

Wendy  
Edelman

fin, 80-20  
- deed of trust -

"hoping all over"

"entry level to higher end"

essent n'hoods. new const.

Bakersfield

Lennar MacMillan

ag land rezoned

16,000 - 18,000 / acre

Williamson Act - tent maps filed

\$180,000 / acre

"obv. not a sustainable"

later entrants-

~~Becker~~  
McPalty (?)

cpl subd - entered at peak -  
sales in those subdivisions →  
straw buyers

~~Homecrete~~ (?)  
N. Bakersfield mkt.

not local - compl. diff unique  
concrete

not wood frame & stuccos.

Same names

agents subject of FBI  
investigation

effect on commy as a whole  
' numerous nhood mod to high  
price sign frecl.  
brown yards blighted "

n'hoods declined to point

Grand Island  
Brighton

" boarded-up homes "

agents cut

" They suffered greatly "

" median price dropped 61% "  
bncg along the bottom

51-52% of peak price

what's been so devast is  
major push to this economy  
was home const

unfinished subdivision

where land avail. for expansion

planners kept approving bldg permits

community has suffered as a whole"

no meaningful  
driven by petroleum + agriculture

"community has been left dying on  
the ~~room~~ "vine"

"this whole thing did not make  
sense"

to n  
when I start exp. the mtg.  
fraud

many if not all the leaders  
stopped hiring me"

biz dropped 35%

no leader work

spec. in divorces or family law  
estate tax work

\* pictures of neighborhoods  
straw buyers / ~~straw~~

graphically show

before & after pictures -

30% of mid bot homes new →  
values up → ran out + refid

" as crisis has devd + got worse  
seems " h

" see more aggression out there "

now see more props vandalized  
damaged peep shop before.  
they leave holes in wall

thats my half house

" homeowner so distraught "

took all appliances

" / see vitrio hated for the  
lenders becaz ten dies led down this

prunrose path."

can't negot.

to an mod "a dismal failure"

now lenders demanding cash &  
"these are peop who have lost  
their jobs".

made demand 12,500 for short sale/  
didn't have/ foreclosed

"now what's going is beyond  
comprehension"

lender in Vegas