

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 hnd -

on mkt prob .5
San Joaquin Valley

all hit pretty hard

Riverside / San Bern.

August 18, 2010

def opinions
subprime

4

it was pretty dev. & it'll
ent 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 live 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%

"paradejm 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"

hbs

very upset

wd live there short time
hsg vacated - yard brown
default

in 2007 "no one was
listening to me"

Bakersfield Calif today white
state wide

latino mkt 40%

almost 60%

home purchases 60% hisp.

58% latinas

' 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 - ^{to} "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 & I don'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 Puntlo m.v.

"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

Wendy
Edelman

using occupancy waivers -

fin, 80-20

- deed of trust -

"hping 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 community as a whole
'numerous neighborhood moved to high
price sign forced
brown yards blighted''

neighborhoods declined to point
Grand Island
Brighton

"boarded-up homes"

agents don't

"They suffered greatly"

"median price dropped 61%"
brought along the bottom

51-52% of peak price

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

unfinished subdivision

where land avail. for expansion
planners kept approving bldg permits
"commny has suffered as a whole"

no meaningful
driven by petroleum + agriculture
"commny has been left dying on
the ~~boom~~ "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 ind bot homes new +
values up → ran out + ref'd

" as crisis has devd + got worse
seems " h

" see more aggression out there "

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

thats my half house

" homeowner so distraught "

took all appliances

" / see vitrio hated for the
lenders becz ten dno led down this

primrose path."

can't negot.

loan 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