

ROC USA™ is Launched!



“My wife and I had owned the park for 22 years, and we were happy to see the tenants become owners. We knew these people well. In some cases, they had become our friends. We were happy for them that this happened.”

Dennis Dunker, former community owner of Sunrise Villa, Minnesota’s first resident-owned community

“When I moved in, I was going to live here for five to seven years. Twenty years later I am still here because it went from being a place to live to being a community. When we became resident-owned, we became a community,” remarked Lynn Booth, a director and member of Lilac Drive Cooperative, Raymond, New Hampshire in a speech she gave to the 125 people gathered for the ROC USA™ launch.

ROC USA™ emerged from New Hampshire and a well-known statewide system of resident ownership where homeowners own over 20 percent of the manufactured home communities in the state.

“We are pleased to launch ROC USA™ so that more homeowners like Lynn Booth can reap the benefits of resident ownership; more stable communities

and homeownership, higher quality of life, and lower costs over time,” said Juliana Eades, President, NH Community Loan Fund.

In addition, ROC USA™ was launched as a social enterprise with investment and leadership from national non-profit organizations, including CFED, NCB Capital Impact, and NeighborWorks® America. These organizations and several others, including the Ford Foundation and Fannie Mae, are aligned with ROC USA™ to fulfill this critical mission in a big way.

“ROC USA™ is an innovative non-profit social enterprise designed to achieve its mission at scale,” notes Andrea Levere, President of CFED. ♦



Geoff Forester Photos

.....

“Resident ownership is a good investment – stable fees, a beautiful park, and people getting involved.”

Dorothy Hillock, South Parrish Road Cooperative, Winchester, NH

ROC USA™ Board of Directors

Andrea Levere, President, CFED

Annie Donovan, Chief Operating Officer, NCB Capital Impact

John Wiltse, Senior Operations Director, Rural Opportunities, Inc.

Juliana Eades, President, NH Community Loan Fund

Lois Parris, Director, Lakes Region Cooperative, Belmont, NH

Michael Forster, Chief Financial Officer, NeighborWorks® America

Michael Torrens, Director of Innovation and Applied Research, CFED

Michael Swack, Professor, University of New Hampshire & The Carsey Institute

Paul Bradley, President, ROC USA™, LLC

Terry Simonette, President & CEO, NCB Capital Impact

Warren Kramer, Director of Housing Development, Northcountry Cooperative Foundation

President's Report

This inaugural newsletter answers the important questions of “What is ROC USA™?”, “Who is behind ROC USA™?”, and “How does ROC USA™ work?” But, let's start with “why we do this”.

“Why” was obvious to me in 1988 when Julie Eades hired me as a project director at the Loan Fund. Of course, security of community ownership made sense for people who already owned a home there.

Not long after, a more subtle reason became clear to me. I had grown up in a town that real estate agents actually advised buyers to avoid. I'd always seen my town as full of hardworking and respectable people. But our place lacked respect.

When working with homeowners in communities, I came to see a similar struggle for respect based on place which was compounded by a need for basic economic security. I found purpose through my connection with communities like the New Beginnings Cooperative where homeowners were choosing a new direction, the pride of ownership and place.

Most people like helping people who help themselves. Helping homeowners gain community ownership is just that. We arrive with positive intent and a few of the necessary ingredients, and provide homeowners the choice of resident ownership. We are responsible, reliable and accountable. We believe in ownership, opportunity and fairness.



Everyone at ROC USA™ is here based on a sense of purpose and hold a dedication to mission.

Cheryl Sessions, my long-time colleague and a leader in our organization and the sector, was a private lawyer in her own practice before she found us. In her interview process for a job she wasn't looking for, she visited a community meeting. She was struck by a little girl whose father was the meeting's chairman. “That little girl will grow up knowing leadership and democracy because she watched her parents and neighbors practicing it,” Cheryl enthusiastically declared as she “surprised” herself by accepting the job. Now other lawyers ask her, “How'd you get such a great job?”

As you deepen your involvement with resident ownership, similar experiences will grab you. It happens that way time and again, and it is why so many people are helping making resident ownership possible in more places.

A handwritten signature in black ink that reads "Paul Bradley". The signature is fluid and cursive.

Paul Bradley, President
pbradley@rocusa.org

What is ROC USA™?

ROC USA™ is a non-profit organization recognized as a tax-exempt charitable organization by the IRS because we serve low- and moderate-income families and individuals who own a home in a “mobile home park”.

ROC USA™ was formed as a limited liability company for two basic reasons: we needed to raise capital (each of the three non-profit members provided equity) and because we wanted a deep level of engagement with these much larger organizations believing they could help us serve our mission in a bigger way than we could on our own. ROC USA™ was launched by its three LLC members – **CFED**, **NCB Capital Impact**, and the **NH Community Loan Fund** in May of 2008.

ROC USA™ is mission-focused; we are driven by giving homeowners the choice of community ownership and by supporting those who choose it so they are successful.

ROC USA™ solves problems. When a community is ‘for sale’, homeowners need timely technical help and financing. To meet these two basic needs, ROC USA™ parented two wholly-owned subsidiaries: ROC USA™ Network and ROC USA™ Capital. (We named them that way so we could spot them in a cluttered world.)

ROC USA™ Network is a group of dedicated non-profit organizations that has been carefully selected, certified and trained to provide homeowners with the quality technical assistance they need both before and after their purchase. Read more about these organizations on pages 5 and 6.

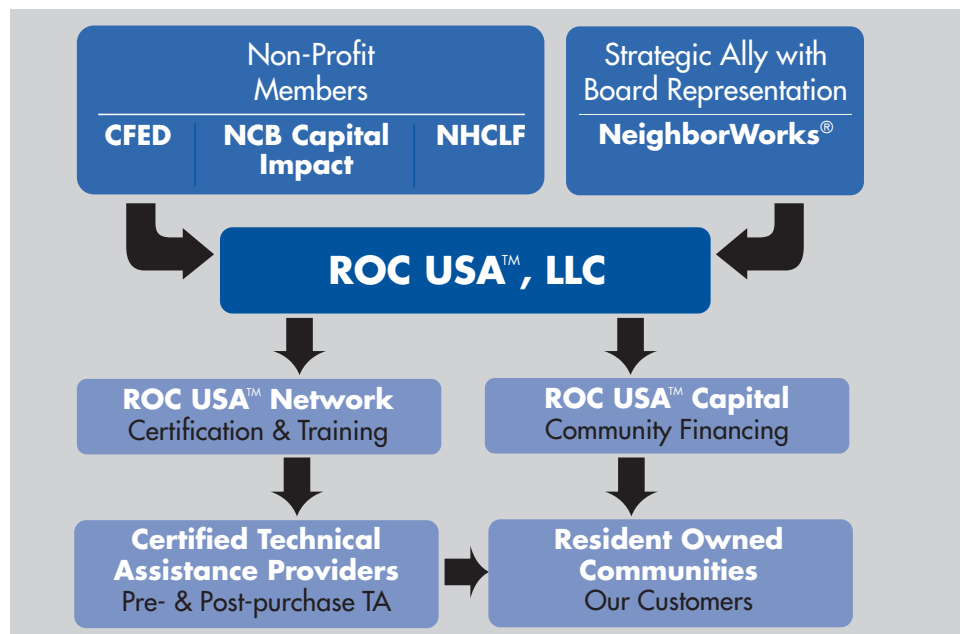
ROC USA™ Capital is a national financing facility which provides specialized purchase financing for resident corporations. Its financing packages hold one element paramount: it makes membership in the resident corporation affordable so all homeowners in a community can join and be a part of the democratic process. Share prices are kept low so engagement will be high. Read more about ROC USA™ Capital on page 8.

ROC USA™ is also highly aligned with others. We are aligned with our core customers – homeowners – through homeowner associations whose members see resident ownership as the ultimate homeowner protection. We are aligned with affordable housing supporters who, either directly or indirectly, are participating in revitalizing communities through rehab funding, home financing, and by other means.

We have also benefited from the support of leading affordable housing and community development organizations, including **NeighborWorks® America**, the **Ford Foundation**, **Fannie Mae**, and **Opportunity Finance Network**. ♦

“You never really know how practitioners with local expertise will perform on the national stage but, I can say now, the New Hampshire staff is world class and is clearly performing exceedingly well as national players.”

George McCarthy
Senior Program Officer
Ford Foundation



With Help from our Friends

Three organizations formed ROC USA™, LLC and continue to contribute to its growth at every turn.



expanding economic opportunity

The Corporation for Enterprise Development (CFED) began its work in the sector with the Loan Fund. In 2005 CFED expanded its role through the creation of I'M HOME (Innovations in Manufactured Homes), a national demonstration program aimed at making the ownership of manufactured housing the equivalent of site-built housing. CFED as an organization is focused asset-building at scale.



NCB Capital Impact was one of the earliest lenders in the MHC co-op market. It sees ROC USA™ as a mission-related investment in this niche co-op market. NCB Capital Impact brings financial sophistication that will help ROC USA™ Capital fulfill its substantial role as national lender.



The New Hampshire Community Loan Fund is based in Concord, NH. The Loan Fund's 25-years of innovative work in supporting resident-owned communities provide an inspiring track record of success that is being taken to the nation. The Loan Fund is the principal architect, lender, and technical assistance provider for the 90 resident-owned communities in NH.



NeighborWorks® America, while not a member, has provided equity and will help govern ROC USA™. NeighborWorks® is a national non-profit organization created by Congress to provide financial support, technical assistance and training to community-based revitalization efforts. It includes a network of 230 non-profit organizations working in 50 states.

Other Supporters

We are deeply appreciative of the support and encouragement we have received from the Ford Foundation, Fannie Mae, Merrill Lynch Community Development Company, LLC, and Southern NH University's School of Community Economic Development.

We are fortunate to also enjoy strong support from the Manufactured Home Owners Association of America, Inc. and Opportunity Finance Network. ♦

“The need is great – homeowners are facing rising lot rents and there are weekly reports of community closures. Homeowners want security and resident ownership delivers it. Our goal is to make the opportunity a possibility in as many communities as we can.”

Paul Bradley, President
ROC USA™, LLC

“Non-profits are innovating on old models and trying to reach scale; what's exciting about ROC USA™ is that they're innovating on a new model to achieve scale.”

Lisa Hall, Chief Lending Officer
Calvert Foundation

Making Things Happen on the Ground: ROC USA™ Network

ROC USA™ Network is both a wholly-owned subsidiary of ROC USA™ and a network of locally-based organizations that provide pre- and post-purchase technical assistance (TA) to homeowners seeking to buy their communities. Nine community development non-profits, representing decades of experience in real estate development and homeowner training, were certified as ROC USA™ TA Providers on May 6, 2008:



CASA of Oregon's 2007 MHC (Manufactured Home Community) study found that, "homeowners in Oregon's MHCs express overwhelming interest in preserving their communities" and "one of the most effective ways to preserve 'their mobile home park' is to purchase it". As a developer of over 1,000 units of affordable housing, and trainer and TA provider to dozens of community-based groups, CASA is uniquely qualified to assist those Oregon homeowners realize that dream. CASA is currently working with three MHCs. CASA has a \$1.6 mm loan fund and, like all ROC USA™ TA Providers, access to ROC USA™ Capital.



COMMUNITY RESOURCE GROUP

Community Resource Group's (CRG) expertise is in the improvement and maintenance of rural community water and waste water systems, exactly the kind of infrastructure manufactured

home communities often depend on. CRG is currently executing the "turn-around" of a MH community in Hugo, OK which will be purchased by the residents once it is fully occupied.



New Hampshire Community Loan Fund (NHCLF) is the 25-year market innovator of ROC USA's brand of resident ownership. Ninety (90) "mobile-home parks" in NH are now resident-owned. The Loan Fund has lent \$33mm in first and second mortgages to homeowner corporations without a single default; sales transactions typically close within 120 days. Homeowners in five MHCs are currently in the process of purchasing their communities with the Loan Fund's assistance.



Northcountry Cooperative Foundation

Northcountry Cooperative Foundation (NCF) comes to resident ownership with 30 years of cooperative experience, developing, training, and financing cooperative enterprises of all types. It was a natural fit for NCF to join ROC USA™ and contribute their expertise to the Network. NCF has facilitated the purchase and financing of four resident purchases and is currently working with interested sellers and homeowners on another seven.

(continued on page 6)

CERTIFIED TECHNICAL ASSISTANCE PROVIDERS

CASA of Oregon

www.casaoforegon.org
Market Area: OR
Contact: Peter Hainley, Executive Director
503.537.0319 Ext. 311
phainley@casaoforegon.org

Community Resources Group

www.crg.org
Market Areas: AR, TX, TN, MS, LA, OK
Contact: John Squires, Executive Director
479.443.2700 • jsquires@crg.org

Crossroads Urban Center

www.crossroads-u-c.org
Market Area: UT
Contact: Mark Lundgren,
Project Director, UROC
801.864.8331 • mhlundgren@comcast.net

Montana Homeownership Network

www.nwgreatfalls.org
Market Area: MT
Contact: Sheila Rice, Executive Director
406.761.5061 • srice@nhsgf.org

New Hampshire Community Loan Fund

www.theloanfund.org
Market Area: NH
Contact: David Stack, Director
603.224.6669 • dstack@theloanfund.org

Northcountry Cooperative Foundation

www.ncdf.coop
Market Areas: MN, ND, SD, WI & IA
Contact: Warren Kramer,
Director of Housing
612.767.2116 • warren@ncdf.coop

Real Estate Advisory and Development Services, Inc. (READS)

www.readsnj.com
Market Areas: NJ, DE
Contact: Brian Keenan, President
732.635.1000 • bkeenan@readsnj.com

Rural Community Assistance Corporation

www.rcac.org
3120 Freeboard Dr, Suite 201
West Sacramento, CA 95691
Market Areas: AK, AZ, CA, CO, ID, MT,
NM, NV, OR, UT, WA, WY
Contact: Bruce Newman, Northwest
Regional Manager-Housing
541.332.0703 • bnewman@rcac.org

Rural Opportunities, Inc. (ROI)

www.ruralinc.org
400 East Avenue
Rochester, NY 14607
Market Areas: NY, OH & PA
Contact: John Wiltse, Director of Housing
585.340.3346 • jwiltse@ruralinc.org

ROC USA™ Network (continued from page 5)



NeighborWorks® Montana (NWMT) has helped 3,683 families become homeowners in the past ten years. Now, NWMT is also helping homeowners become community owners. Relied upon by realtors and mortgage lenders throughout the vast state of Montana, NWMT delivers training and technical assistance to homeowners through a collaborative of locally-based organizations. NWMT is currently managing infrastructure improvement and in-fill at a MHC in Red Lodge, MT and facilitating two other resident purchases.



Real Estate Advisory and Development Services, Inc. (READS) is the ROC USA™ Certified TA Provider for NJ and DE. READS is a professional real estate services company which specializes in assisting non-profit clients through the single most important real estate transaction they will ever need to do, including homeowners seeking to purchase the community they live in.



Rural Community Assistance Corporation (RCAC) is the largest member of the ROC USA™ Network, with 35 field locations, a \$66mm loan fund, and a 13-state market to serve. In the western United States, RCAC is the recognized leader in self-help single-family home development, rural community infrastructure, and training

and technical assistance. RCAC has facilitated the sale of four MHCs to resident ownership, and is currently working on ten communities.



Rural Opportunities, Inc. (ROI), a NeighborWorks® organization as well as a ROC USA™ Certified TA Provider, has been serving the working families, seniors, and Spanish-speaking citizens of NY, OH, and PA for 39 years. ROI's real estate expertise includes MHC, single-family development, and property management. ROI's people expertise spans childcare, homeowner-ship training, job training, and health and safety services. NY is home to 14 resident-owned communities, ranging in size from 15 to 203 homes; ROI is currently facilitating five new resident purchases.



Utah Resident Owned Communities, Inc. (UROC) is the youngest member of the ROC USA™ Network, having just incorporated in July, 2008. UROC's focus is exclusively MHC and resident ownership. UROC's staff has 25-years of real estate development experience and the investment and professional support of Crossroads Urban Center, a non-profit, faith-based community leader with a 40-year track record of service and innovation in Utah. UROC has two resident purchases in process. ♦

Homeowners

If your community is for sale, please contact the ROC USA Network Certified TA Provider in your area. If there is no CTAP listing for your state, please contact ROC USA directly by sending an email to: info@rocusa.org.

Community Owners

If you are considering selling your community, please contact the ROC USA Network CTAP in your area. If there is no CTAP listing for your state, please contact ROC USA's president, Paul Bradley, directly by emailing: paul@rocusa.org or calling 603.856.0709.

“Go do it. Push into it. Get help so that you know you’re not alone. You’ll have a better neighborhood on a lot of levels. It will look better, and the relationships will be better.”

Becky Ruddy, Sunrise Villa Cooperative, Cannon Falls, MN

“NCB Capital Impact was eager to help move the ROC USA™ plan to action. We’ve participated in this market and know of the need and opportunity. Combining TA with financing is key.”

Terry Simonette, President & CEO NCB Capital Impact

Timely and Appropriate Financing Really Matters

We know from over two decades of experience that it takes opportunity, perseverance, and know-how to achieve resident ownership. It also takes money, and that is where ROC USA™ Capital comes in. This wholly-owned subsidiary of ROC USA™ provides financing for some of the community purchases which ROC USA™ Network Certified Technical Assistance Providers support.

“Lack of access to capital has been one of the major obstacles to resident ownership,” said Michael Sloss, Managing Director, ROC USA™ Capital. “Banks are reluctant to loan money to new borrower groups and require down payments of 20 to 30 percent of the purchase price. Those are nearly impossible for working and retiree community groups to come up with,” he said.

ROC USA™ is built out of the 25 year experience of combining expert technical assistance with low down payment community purchase loans. We have attracted foundation and bank capital because of this combination.

“Lenders to ROC USA™ Capital understand the importance of on-going training and network support to borrower success,” notes Sloss. “We are very much focused on leveraging other lenders who see the benefit of a qualified technical assistance component over the life of the loan, as well.”

ROC USA™ Capital is capitalized with equity of \$5mm and is able to finance up to \$20mm in purchase financing starting off. Within two years, ROC USA™ Capital will be capitalized with \$25mm and able to finance in excess of \$100mm in total lending.

“The loan capital available through ROC USA™ Capital really changes the equation for us,” said Brian Keenan of READS, a Technical Assistance Provider and member of ROC USA™ Network. “This will help us leverage support from local foundations, banks and CDFIs in a way that was not previously possible. ROC USA™ gives us tremendous credibility, as well as access to new sources of financing for community purchases.” ♦

Financial institutions with an interest in funding or leveraging funds for community purchase should contact Michael Sloss, Managing Director, ROC USA™ Capital, LLC, at msloss@rocusa.org or 603-724-8370.



“Better Together” in Belmont, NH

Long-standing resident-owned community thrives under prudent management.

The ROC USA™ slogan “*Better Together*” couldn’t be a more apt description of the good that comes out of resident ownership, according to Lois Parris, a homeowner in the Lakes Region Cooperative in Belmont, NH, since 1983. Lois has served on the Cooperative’s Board of Directors since it was founded in 1990, ten years prior to the community becoming resident-owned in 2000. “Through resident ownership, you improve your quality of life,” she says.

The first and perhaps most important element of the cooperative’s success has been its Board. “We have a diverse and well-intentioned Board,” says Lois, “which is a source of continuity and strength. We run the community by the book, like a business.” The other element of success was the cooperative’s decision early on to place the day-to-day management of the community in the hands of professionals. With 111 homes in the community, there is a lot of administrative work, and situations that are best handled by an outside management firm. For example, the company assumes responsibility for addressing rule violations, collecting monthly fees and following up with homeowners who pay rent late. “There is no favoritism,” says Lois, “everyone is treated fairly and equally.”



Geoff Forester Photo

Lakes Region Cooperative has improved its infrastructure in the past eight years: upgrading electrical services, replacing old septic systems, adding a new well house, and repaving the streets. “Our monthly fee has only gone up by \$20.00,” says Lois. “The Board and the accounting services oversee the management company, and we have a clean audit year after year.”

“Lois has the ability to calm situations that occur. It’s in her personality. She sees the bigger picture. Our co-op is very proud to have her”, stated Jay Mathena, Treasurer of the Lakes Region Co-op.

When asked for a word of advice to homeowners sitting on the fence about resident-ownership, Lois had this to say: “You are going to pay rent, one way or another. Who would you rather pay it to, yourself, or someone else?” ♦

“In recognition of her contributions to resident ownership and her ever increasing capacity to lead, Lois Parris was appointed to the ROC USA™ Board of Directors in June. We are grateful for her continued personal efforts to provide opportunity for others.”

Paul Bradley, President
ROC USA™, LLC



“The Lakes Region Cooperative was really lucky to have Lois living in the park when it went up for sale. Lois was involved in MOTA-NH, and had the connections, and knew where to go for help. If that hadn’t happened, we wouldn’t be a community today.”

Jay Mathena, Treasurer, Lakes Region Co-op



Community Owners Help Serve Our Mission

“ I have since talked with people who own parks, asked them if they knew about this. It’s pretty much an unknown quantity to them. There has not been a lot of public information about this process.”

Dennis Ducker,
community owner/seller

For resident ownership to be possible, homeowner groups must be presented the opportunity to purchase. A willing seller and an economically-viable transaction are essential starting points.

Our two-stage process helps. First, the Network seeks appropriate ‘for sale’ communities where the economics and community look viable. Through this stage, a relationship is built with the community owner and information on resident ownership, the non-profit Technical Assistance Provider and ROC USA™ are shared. Second, if it looks viable, homeowners are engaged and presented the opportunity to purchase by a ROC USA™ Network provider.

The track record of over 100 successful conversions by ROC USA™ Network providers helps win confidence.

“I’d have a hard time finding something wrong with how things were handled and the quality of [Northcountry Cooperative Foundation’s*] process,” noted Dennis Dunker, seller of Sunrise Villa, Minnesota’s first resident-owned community.

When it comes together, the feeling can be great. “My wife and I had owned the park for 22 years, and we were happy to see tenants become owners. We knew these people well. In some cases, they had become our friends. We were happy for them that this happened,” remarked Dunker.

In the end, we look for “win-win” situations where there is respect for each participant’s legitimate needs and wants. In so doing, we believe our homeowner-centered mission will be effectively and efficiently delivered in the marketplace. ♦

* Northcountry Cooperative Foundation is a ROC USA™ Network Certified Technical Assistance Provider based in Minnesota.



The ROC USA™ TEAM

ROC USA™

Paul Bradley, President. During his 16 years with the New Hampshire Community Loan Fund, including serving as vice president, Paul worked, managed and grew every aspect of the Manufactured Housing Park Program, including expanding its cooperative development program and initiating single-family lending, new production, leadership development and national training.

Cheryl Sessions, Esquire, In-house Counsel and Director of Policy. Cheryl is an attorney with 22 years experience in real estate and corporate law. Cheryl previously served as In-house Counsel for the NH Community Loan Fund where she co-authored the Management Guide for Cooperative Manufactured Housing Parks, developed policies and procedures for co-op conversions and management, and trained cooperative leaders.

Frank Wilary, Interim CFO (consultant). Frank is Senior Vice President and co-founder of Wilary Winn, LLC. He has more than fifteen years of diversified experience in the financial services industry. Areas of expertise include asset-backed securitization, asset-liability management, secondary marketing, interest rate risk management, and software implementation.

Debra Wyman, Executive Assistant and Data Manager. She has 25 years experience in the Information Technology field as a Database Manager and Data Analyst and was previously a middle school math teacher and adjunct college instructor.



Geoff Forester Photo

ROC USA™ Network

Mary O'Hara, Interim Director of Training (consultant). Mary is a principal in Burlington Associates in Community Development, LLC, a national consulting cooperative. Mary has 20 years of experience in the field of community development lending and community reinvestment.

Peter Rhoads, Transaction Coach (consultant). Peter served as Program Manager for the NH Community Loan Fund's Cooperative Assistance Team for nine years, growing the number of served communities from 40 to 89. He previously retired from public education and coaching at the middle and high school levels.

ROC USA™ Capital

Michael Sloss, Managing Director. Michael brings 24 years of direct experience financing and developing affordable housing at the national, state and local levels, have previously worked for Enterprise Community Loan Fund. He developed and structured credit enhanced acquisition loan funds in Los Angeles, Atlanta and Washington DC totaling over \$170mm, raising capital from the private, public and foundation sectors.

Row 1: Paul Bradley, President; Cheryl Sessions, In-house Counsel and Director of Policy **Row 2:** Michael Sloss, Managing Director of ROC USA™ Capital; Mary O'Hara, Interim Training Director of ROC USA™ Network (Consultant) **Row 3:** Peter Rhoads, Transaction Coach (Consultant); Deb Wyman, Executive Assistant and Data Manager; **Missing:** Frank Willary, Interim CFO (Consultant)

The ROC USA™ Community Reporter is published by ROC USA™ LLC.

7 Wall Street, Concord, NH 03301
603.856.0246, info@rocusa.org
www.rocusa.org

Publisher: Paul Bradley, President, ROC USA
Design & Production: Visual Communications Associates

Copyright © 2008 by ROC USA™ LLC. All rights reserved.

Printed in the United States of America



This newsletter was printed on FSC Certified paper, promoting responsible use of the world's forests. Printing: RAM Printing, Inc.



Resident-owned community leaders join at a recent training event.

“You are going to pay rent, one way or another. Who would you rather pay it to, yourself, or someone else?”

Lois Parris, Lakes Region Cooperative, Belmont NH



7 Wall Street
Concord, NH 03301



Community Reporter

ROC USA™.
Making Resident Ownership
a Reality Nationwide

