

# ORE Sales Process



# Functions & Physical Locations of the ORE Group

- Management & Disposition of Real & Personal Property
- Oversight of all valuation & environmental work of the Division
- We are located in:
  - Jacksonville, FL
  - Dallas, TX



# ORE Business Model

- Engage full service Asset Management Contractors (ORE Contractors) that can manage and dispose real property from cradle to grave anywhere in the USA.
- These ORE Contractors hire subcontractors or engage in partnerships arrangements to manage and dispose the ORE.
- Like all prudent sellers, the FDIC guidelines requires that we obtain title work, an appraisal, environmental assessments, and surveys prior to marketing. It takes 45-60 days to place a property on the market. During this period we may market without a list price.
- Properties are secured and maintenance initiated. Our goal is to maintain our properties clean and presentable at all times.

# What Happens with ORE Acquired from a Failed Financial Institution?

- Existing Contracts are analyzed to ensure the transactions are:
  - Arms length
  - Makes business sense
- Existing listing/property management agreements are either:
  - kept in place
  - re-negotiated by the ORE Contractor
  - repudiated if considered onerous to the receiver



# How is ORE sold?

- We are a willing seller seeking to maximize value
  - We have to market before we can sell a property
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- Upon acquisition, the asset is listed with a broker. It may not have a list price as we will be in the process of obtaining current information on the asset (title, value,...).
  - The list price is based on third party valuations under the following parameters:
    - SFR1-4 / SFR Lots - “as-is” value, pursuing disposition within 6 months with adequate marketing.
    - All other properties - “as-is” value, pursuing disposition within 12 months with adequate marketing.



# How is ORE Sold? (Cont.)

- List price is revised and adjusted in line with market response to ensure we are competitive.



- Generally ORE is moved into sealed bids or auctions (outcry or on-line) when these have not sold through listing.
- Prior to an auction or sealed bid sale, we obtain new valuations.

# ORE Overview

- Real property (ORE) - Our Portfolio (August 31)

No. Assets  
729

Appraised Value  
\$231 M

Book Value  
\$446 M

## Historical Sales Since 2008

No. ORE Sales	Sales Price	% Appraised Value
8,961	\$2.3 B	92%

# ORE Overview

## Real property (ORE) - Our Portfolio (August 31)

Asset Type	No. Assets	Appraised Value
SFR 1-4	246	\$22 M
Land	264	\$101 M
Commercial	209	\$98 M
Multi-family	10	\$10 M
<b>Total</b>	<b>729</b>	<b>\$231 M</b>

# Bulk ORE Sale



- We shy away from the bulk sale of ORE as the returns are not acceptable
- Bidders have the option of reviewing the ORE portfolio and make offers on multiple properties.
- Bidders can also participate in Seal Bids/Auctions where multiple assets are offered; the investor can bid on multiple properties or one property.
- The FDIC will accept the offer or combination of offers that represent the highest return.

# Identifying Available Properties

Disposition events such as Auctions, Sealed bids, retail sales are highly publicized in print and internet media. You can also find information on our web page.

## Web Sites Hosting FDIC ORE Properties

fdic.gov web site:

<http://www2.fdic.gov/drrore>

- AND -

Prescient – Frisco, TX & Coral Gables, FL

<http://www.fdiclistings.com>

Quantum – Houston, TX

<http://www.resolutionxpress.com>

