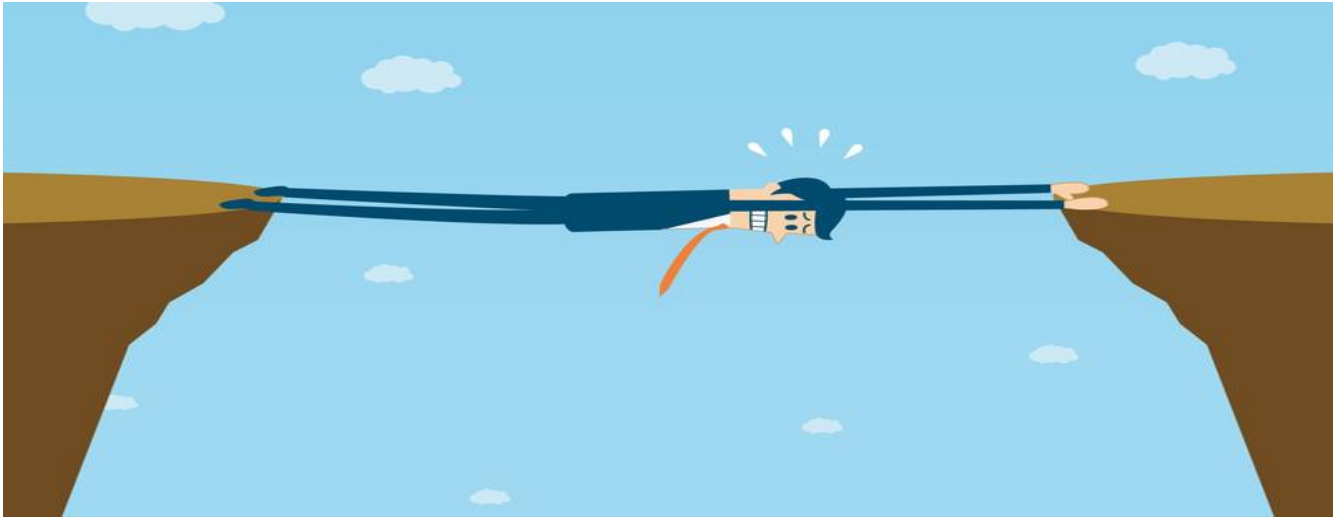


Value Gaps



What is a Value Gap as it relates to distressed communities and revitalization efforts?

The gap is the difference between the cost to build or extensively renovate a home and the appraised market value of the home, the lesser of which dictates the amount a mortgage lender will approve.

- Presents significant risk to lenders and homebuyers.*
- Stifles possibilities of improvement and investment.*
- Causes older communities to decline and diminish, plummeting housing values.*
- Depresses revenue to taxing bodies.*





NEW CONSTRUCTION ACTUAL EXAMPLE

Here is a good example of where a **present-day** traditional grant of **\$185,000** was needed to cover the value gap. Cost to build \$315,000

RESULT:

- Sales price/value **pulled DOWN** to **\$130,000**
- Results in depressing area home values for future development
- One-time grant dissipated resulting in **ZERO** scalability

BUT . . .

By using the Value Gap Insurance Approach, here's what you'll see:

RESULT:

- ANIC covers \$175,000 of the gap
- The grant amount now needed for the remaining gap is down to \$10,000
- Sales price/value **rises UP** to **\$305,000**
- **REGENERATIVE** capital & continual levels of **SCALABILITY**
- **Borrowers would be of mixed economic incomes**



How are these gaps currently addressed?

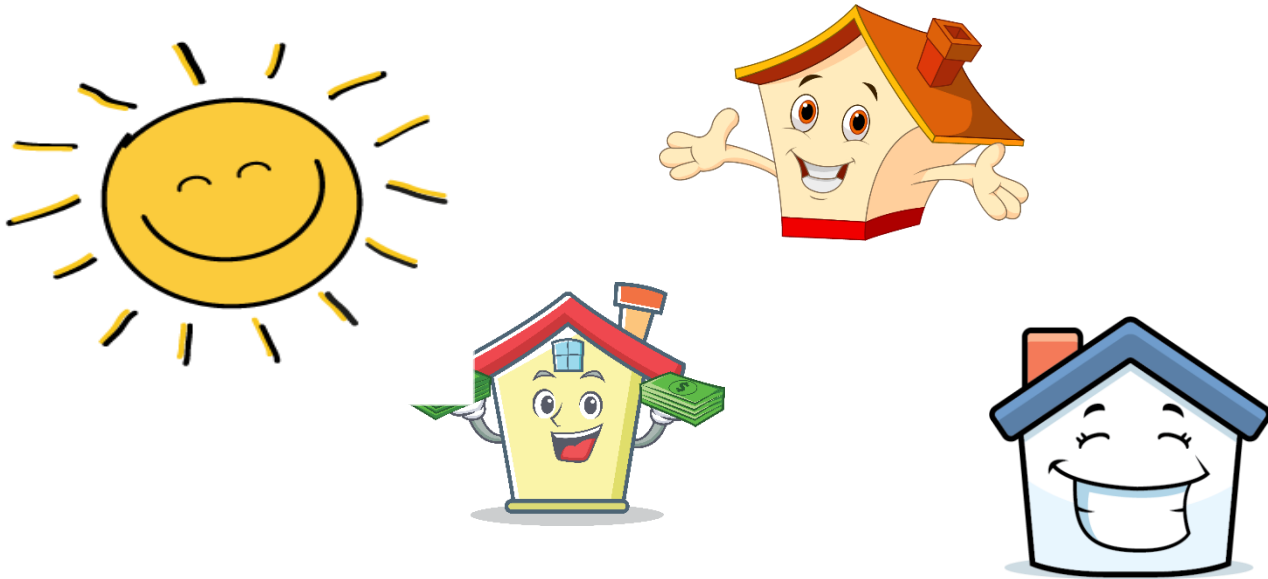
- No homeowner or lender can assume the risk and obligation of value gap financing.
- Currently value gaps are dealt with grants.
- Grants lower the sales price into what becomes current value of the property.



Locks in depressed values...

These adjusted sales prices lower values of all surrounding residences. Depressed values are locked in, hindering revitalization opportunities or investments. The total amount of each grant and the total number of grants needed to revitalize a distressed community become astronomical.

How Will America's Neighborhood Insurance Company Address These Gaps?



- Insures value gap amounts on owner-occupied, single-family homes in target neighborhoods.
- Assumes the value gap risk.
- Relieves the homeowner and lender of value gap financing obligation.
- Regenerative capital that can be redeployed to build scale.
- Leverages market players enabling large scale change.
- Revitalizes our target neighborhoods.
- Boosts home values and expands tax-based revenues.
- Leads to neighborhood empowerment.
- Leads to improved quality of life.
- Records the actual value of investment at real cost.

