



**Robert Klein**  
**Founder and Chairman, Community Blight Solutions**

Robert Klein is Founder and Chairman of Community Blight Solutions. A successful Cleveland, Ohio entrepreneur, Robert has earned a reputation over the past 27 years as a pioneer and innovator in the property preservation industry and as a strong advocate for eliminating blight in communities across the country.

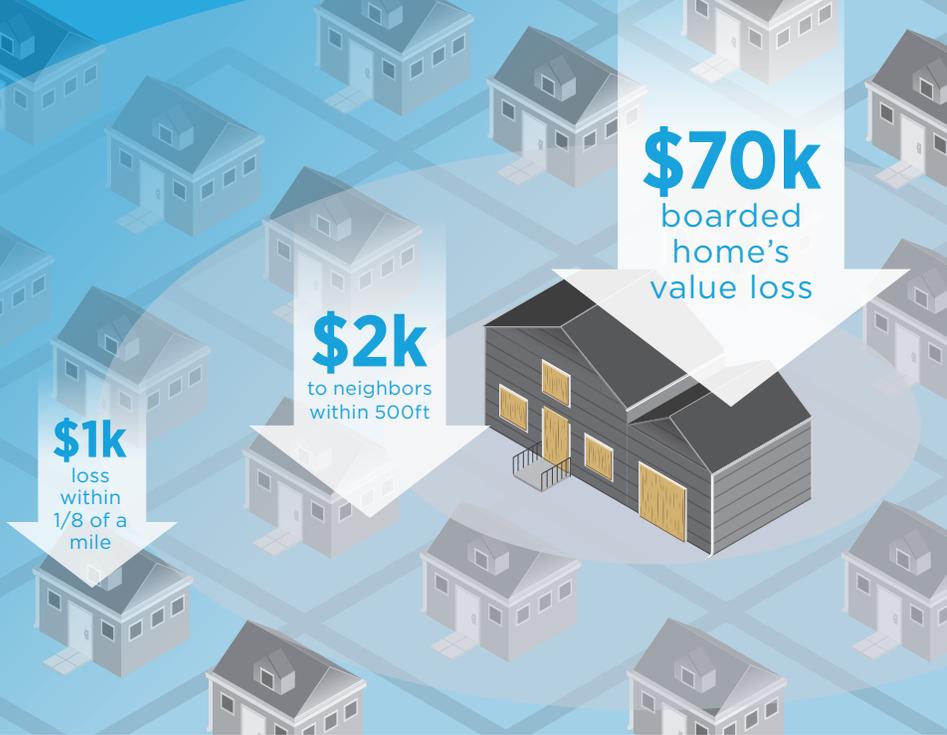
Robert is currently leveraging his deep experience and expertise while working closely with mortgage servicers, local government officials, legislators, federal and state policymakers, first responders, and other groups to advocate for policy and legislative updates to increase awareness of the issues contributing to community blight. Some of the important initiatives Robert has championed include a ban on plywood boarding in the State of Ohio, fast-track legislation, Fannie Mae's expansion of reimbursement criteria to include polycarbonate clearboarding, and the Slavic Village Recovery Project.

In 1990, Robert founded Safeguard Properties and under his leadership, Safeguard grew from a handful of employees to more than 1,500 today. Robert developed Safeguard around the motto "Customer Service = Resolution" with the mission of creating a company focused on client satisfaction and strong business relationships. Safeguard is acknowledged to be the leading mortgage field servicing company in the United States.

Since Safeguard's inception, Robert has focused his attention on initiatives affecting clients, providing current and relevant industry information, and offering creative solutions to meet their needs. Whenever Robert is presented with a problem or roadblock, he actively and passionately looks for ways to solve or eliminate those issues. Robert is a frequent speaker at field service industry conferences where he shares his rich background and deep experience to address the issues contributing to community blight.

# TRUE COST OF PLYWOOD

After boarding a property with plywood (property of median value), the entire community suffers economic loss. The property itself, neighboring properties, increased crime and fire all contribute to this loss.



**19% increase** in crime resulting in a \$14K impact on the community



**2x the likelihood** of fire



**\$1.4K** a year for fire and police

## THERE IS A BETTER WAY

While clearboarding has a greater up-front cost, its long-term cost savings more than make up the difference by more than 34:1.

Plywood = **\$738\***..... **+\$70k** home value loss

Clearboarding = **\$1,260\***



- +\$100k** loss to neighbors
- +\$14k** criminal impact costs
- +\$1.4k** police & fire patrol impact



\*Boarding cost basis (two doors and five windows)



## MYTH vs FACT: CLEARBOARDING COST SAVINGS

*Myth #1: Clearboarding is more expensive than plywood boarding.*

**FACT:** Upfront costs for clearboarding, including materials and labor, is approximately twice the cost of plywood. However, most plywood boarded properties require reboarding two or three times. Plywood can be easily removed, extending an open invitation to vandals who often cause irreparable damage, leaving a “zombie property” with little or no value. And, plywood does not fully protect the property from weather damage and warps over time, leading to property damage and repair costs.

*Myth #2: Homeowners will be forced to bear the additional cost for clearboarding.*

**FACT:** Clearboarding is used primarily on vacant and abandoned properties, where a homeowner has defaulted on their mortgage or tax payment and has moved out of the home. The cost associated with securing the property to maintain the value of the asset and keep vandals and squatters from entering is the responsibility of the mortgage servicer or the city, *not the homeowner*.

*Myth #3: Homeowners are going to have to use clearboarding any time they are doing substantial repairs and/or renovations on their home.*

**FACT:** The laws or ordinances requiring clearboarding only apply in cases where a home is vacant or abandoned, not an occupied property undergoing renovation.

*Myth #4: Many municipalities and communities with fixed or shrinking budgets cannot afford the additional cost for clearboarding.*

**FACT:** Plywood boarded properties become hubs for crime, drug activity, and squatters requiring constant attention from code enforcement, police and fire, placing a strain on city and community resources and budgets. Most studies estimate a 20-25 percent property value reduction for plywood boarded properties, reducing the property tax income for the city.

*Myth #5: Contractors installing clearboarding require special training and tools, adding to their labor costs.*

**FACT:** Clearboarding suppliers provide installation and training instructions at no charge to the contractor. No special tools are needed and the installation of clearboarding mimics that of plywood boarding installations.



## **Fast-Track Foreclosure Legislation:**

### **A Proactive Solution to Address the Problem of Community Blight**

*Robert Klein, Founder and Chairman, Community Blight Solutions*

While the economic recovery has brought a slowdown to residential mortgage foreclosures, there remains a plethora of vacant and unoccupied properties dotting urban landscapes. Unfortunately, outdated foreclosure laws can leave these homes vacant and vulnerable for years, fostering the spread of community blight.

Unlike a good bottle of wine, a vacant property does not get better with age. For the past several years, I have been advocating for state legislators across the country to consider legislation that will reduce the time it takes to foreclose on vacant and abandoned properties.

As long as these properties remain vacant, they contribute to a self-perpetuating cycle of blight and instability in the community. Houses that stand empty suffer structural damage from weather and climate changes and vacant properties are hubs for crime, drug activity, and fires and become havens for squatters.

Fast-track legislation can reduce the number of “zombie properties” and reverse the problems which destroy neighborhoods. Several states have put themselves ahead of the national curve in the fight against blight by enacting fast-track legislation. Recently, Ohio and Maryland have passed fast track legislation and other states are considering similar legislation as an important step in addressing neighborhood blight.

These new fast-track laws accelerate the foreclosure process to as little as six months in certain situations, enabling the mortgage servicer in many cases to get possession of the property before it deteriorates, increasing the likelihood it can be rehabilitated and sold. Specifically, fast track-legislation permits the holder of a mortgage note of a defaulted residential mortgage loan, secured by a residential property that appears to be vacant and abandoned, to bring a summary action in court to foreclose the loan in an expedited manner.

It is important to note that compliance with consumer protection laws and a proper balance of property rights for both the mortgage servicer and the property owner is at the core of any fast-track legislation. The language in the Ohio and Maryland legislation provides a clear



summary of actions by residential mortgage servicers and revises procedures and timelines for foreclosure action, while still providing property owners necessary protections. These clear protections ensure that a property is, indeed, vacant and abandoned before instituting the expedited foreclosure process. To be clear, no one will be forced out of their home.

Both the Ohio and Maryland laws provide for this balance of protection for all parties. For example, the new Maryland law requires secured parties to serve a petition for expedited foreclosure on the mortgagor and post a notice on the property and, allowing the record owner of the property to challenge any finding that the property is vacant and abandoned. Both the Maryland and Ohio legislation authorize a secured party to expedite the foreclosure process provided the party can demonstrate to a court that the property is vacant and abandoned by satisfying at least three (3) of eleven (11) specific criteria listed in the legislation (e.g., utilities disconnected, windows and entrances boarded up).

While Ohio and Maryland are models for fast-track legislation, other states need to take action to change their laws and target zombie properties. Several states, including New York, Pennsylvania and New Jersey, have introduced fast-track legislation and (hopefully) these proposals will be enacted by their respective General Assemblies. On the other hand, some states have passed recent laws that miss the point, imposing a pre-foreclosure duty on mortgagees to maintain vacant and abandoned properties or prohibiting lenders from taking possession of a property prior to foreclosure.

As these new fast-track laws go into effect, one of the biggest challenges will be enforcement. Mortgagees, code enforcement and the courts will need to work together to ensure that fast-track legislation accomplishes its purpose to eradicate the blight that is plaguing our communities nationwide.

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