

REGISTERED LOBBYIST CONTACT DISCLOSURE FORM

This form is to be completed by Executive Branch employees who are contacted by registered lobbyists regarding EESA. This report includes a written description of each contact, the date and time of the contact, and the names of the registered lobbyist(s) and the employee(s) with whom the contact took place. Written materials prepared by registered lobbyists should be attached to this form for posting on the website. The information on this form will be available to the public on Treasury's website.

To be completed by the employee contacted		
Date and time of contact:	Name of the Employee(s) Contacted (Name and Title)	Brief description of the communication: (attach separate sheet if necessary)
November 23, 2009	Michael Tae, Director of Investments Desmond Duncker, Jr. (Desi), Investment Specialist	Conference call with Thompson Smitch and DowLohnes to discuss their clients' (attached) revised proposal.
Name of the Employee(s) who prepared this form:		Date
Desi Duncker		December 11, 2009

Registered Lobbyist Name:	Title:	Firm or Organization:, if applicable	Client
Tim Thompson	President	Thompson Smitch Consulting Group	J.R. Hayes & Sons, Inc. Taylor Development, Inc.
Liz Burdock	Vice President	DowLohnes Government Strategies	

Finnie, Ivory

From: Tim Thompson [tim@thompsoncg.com]
Sent: Friday, November 13, 2009 6:03 PM
To: Duncker, Desmond; mike.tae@do.treas.gov; Tae, Michael
Cc: lburdock@dowlohnesgov.com; Robert Thoms
Subject: Hello Michael, follow-up reg. troubled assets investment proposal discussed with you recently with Tim Thompson & Liz Burdock
Attachments: Final Pilot Project Proposal for NHEIP 11-13-09.doc

Dear Mike and Desmond,

I apologize for taking some time to get back to you, but reviewing Section 3 of the Emergency Economic Stabilization Act of 2008 took slightly longer than expected. However, we have reviewed it and believe that the Washington Housing Investment Program, which we are now referring to the National Housing Employment and Investment Program, fits in under the required definitions and spirit of the program upon our review quite nicely. We conclude that our NHEIP proposal (enclosed) would be applicable provides an exciting job creation opportunity associated that is particularly timely.

Section 3 of the Act defines "troubled asset." The program's vacant residential housing lots likely qualify as "troubled assets." The Act defines "troubled asset" as residential or commercial mortgages and any securities, obligations or other instruments that are based on or related to such mortgages that in each case was issued on or before March 14, 2008. We believe the assets NHEIP is proposing to take over meet the definition and date requirement and should be a viable option to consider. Second, the Secretary must establish guidelines and policies to carry out EESA and therefore we understand NHEIP would need considerable coordination with Treasury to implement.

As we discussed during our in person meeting, we would like to meet with you again to discuss specifics and get your feedback. We would include Dan Hayes, the architect of the program and Dr. ChangMook Sohn in the meeting and can meet in person or via conference call, whichever you prefer. We continue to be in contact with Valerie Jarrett's office in order to help set up a future meeting with Agency personnel after we discuss your feedback.

Thanks again for all of your help.

Best, Tim

ATTACHMENT

A

The National Housing & Employment Investment Program

Jobs, Homes, and Economic Recovery for local communities

The National Housing & Employment Investment Program (NHEIP) is a five-year plan that proposes to create jobs and stabilize local housing markets by putting "troubled assets" to work for local economies. NHEIP would be the first of a national "pilot" project that seeks to invest \$1 - \$3.5 billion of potential federal funding or have FDIC serve as a loan guarantor for public and private funds. This will allow NHEIP to work directly with local communities to create jobs while addressing housing and troubled asset challenges plaguing states across the nation. We are asking that the U.S. Department of Treasury, Housing and Urban Development and FDIC to come together to assist states and local banks in dealing with their distressed asset portfolios. There remains serious challenges at the state and local level as national programs are not geared for the specific asset troubles our communities face. For example, NHEIP seeks to create a national "pilot" for the three counties in Washington State through the purchase and development of residential housing lots. These lots are ready for construction, but banks have not been able to sell the lots and the properties now constitute troubled assets for lenders. This would fit under the broader goal to stimulate the national economy and can be replicated where similar conditions may exist.

NHEIP Pilot by the Numbers	
18,000	Estimated number of Tri-County vacant lots being held as troubled assets by lenders
42,500	Number of construction jobs lost in Washington between June 2007 and 2009
64,000	Jobs created by NHEIP
\$585 million	Total tax revenue produced by NHEIP
\$3 billion	Wages generated by NHEIP
\$20 billion	Local economic activity stimulated by NHEIP

Our NHEIP "Pilot" would target King, Pierce, and Snohomish Counties, which account for 61 percent of the total Washington State economy, based on personal income. These counties also account for approximately 55 percent of total statewide unemployment, according to the Washington State Employment Security Department. Focusing on these counties allows federal funds to have the maximum impact on the state economy and enables NHEIP to stimulate the economy and accelerate the housing market recovery in the following ways. Our figures are based on \$3.5B investment in a pilot.

- **Create 64,000 well paying jobs** in the construction, engineering, real estate, and construction- and home-supply industries.

- **Begin immediately to generate \$585 million in state tax revenue** by targeting "shovel-ready" residential lots that have been platted and zoned.

- **Help restore the health of financial institutions** by removing toxic assets from lenders' portfolios, increasing their liquidity and lending capacity, and helping stabilize market values.

- **Stimulate \$20 billion in local economic activity** by infusing communities with construction capital and by generating personal income and consumer spending.

- **Promote energy independence and green technology** by working with firms that embrace "Built Green" standards.

- **Create homes that Puget Sound families can afford**, in the range of \$190,000 to \$450,000.

NHEIP will put troubled assets to work for our nation through the following four steps:

1. Acquire finished and preliminarily platted lots now held by banks as troubled assets.

The acquired finished lots would be taken out of circulation to reduce current inventory from a 78-month supply to a healthier 12-15 month supply and would be released back into the market incrementally over the 5 year program. Simultaneously, NHEIP will begin construction and completion of the preliminarily platted lots and deliver into the market, 1,200 to 1,500 lots per year in each county over the first three years of the program. The development of these lots will immediately create jobs and stimulate the local and state economies.

2. Begin residential construction. NHEIP will construct and deliver homes to market within 13 months of the purchase of inactive residential lots. NHEIP would help promote and preserve the viability of the Puget Sound regions diverse workforce and the industry as a whole by offering a combination of innovative financing options:

- Contracting with builders on a fee-development basis
- Joint-venture projects with & builders
- Provide interim construction financing options

3. Provide safe, reasonable, financing options for home buyers. NHEIP would work with the Federal Housing Administration, the Washington State Housing Finance Commission, and the Washington State Department of Financial Institutions to identify safe and affordable financing options for home buyers.

NHEIP proposes a "lease-to-own" down-payment assistance option for people who are employed and demonstrate that they can make monthly mortgage payments, but who lack funds for a down payment. NHEIP also would offer buy-back options in the event of buyers' job loss and provide additional job-loss payment insurance to promote buyer confidence.

4. Guarantee accountable and efficient program management.

Guaranteeing full accountability is critical to the success of the program. NHEIP will work with the U.S. Department of the Treasury, the Federal Deposit Insurance Corporation, and other regulatory entities to develop a management structure that guarantees transparent and efficient use of federal funds. The entity would be managed by a board of directors with broad representation from the banking industry, county government, and others in the Tri-county area.

Distinguished economist, Dr. ChangMook Sohn, conducted the economic analysis for this proposal. Dr. Sohn served as the respected executive director of the Washington State Economic and Revenue Forecast Council for nearly 25 years. His work is widely respected and has earned him a reputation for impartiality, thoroughness, and accuracy.

NHEIP ECONOMIC IMPACT SUMMARY		
	Year 1	Five-year Cumulative
ECONOMIC OUTPUT (in millions)		
King	\$1,347	\$ 6,738
Snohomish	\$ 341	\$ 1,705
Pierce	\$ 366	\$ 1,828
Total	\$2,054	\$10,271
EMPLOYMENT		
King	8,385	41,925
Snohomish	2,221	10,609
Pierce	2,275	11,376
Total	12,782	63,910
COMPENSATION / WAGES (in millions)		
King	\$396.90	\$1,984.60
Snohomish	\$100.40	\$ 502.20
Pierce	\$107.70	\$ 538.50
Total	\$605.10	\$3,025.30

For more information or to receive a complete description of the National Housing & Employment Investment Program, please contact Dan Hayes, J.R. Hayes & Sons: (206) 423-6610; e-mail dhayes@jrhayes.com.

Our NHEIP would be a partnership between two family-owned businesses and the federal government to create a path toward the creating jobs, removing troubled assets and the government actually seeing an investment on its resources versus continued bail outs. J.R. Hayes & Sons Inc./DMH Land Development LLC, located in Maple Valley Washington, and Taylor Development Inc., located in Bellevue Washington. Both firms have worked extensively over the last 20 years in all facets of the real estate development industry throughout the Puget Sound region. Their experience, local market knowledge, and industry contacts uniquely qualify them to lead the effort to revitalize Washington's ailing real estate market. Similar programs could be created across the nation to provide the federal government with real partners on the ground to turn around our economy versus large banks and corporations continuing to do business as usual to address troubled assets. We need to create jobs, provide homes and invigorate our economy now.

For more information or to receive a complete description of the National Housing & Employment Investment Program, please contact Dan Hayes, J.R. Hayes & Sons: (206) 423-6610; e-mail dhayes@jrhayes.com.