NeighborWorks® America's
Line-of-Business Definitions

Terms and Concepts - <u>LINES OF BUSINESS</u>

The major programs, products and services provided by an organization. Normally an activity should be counted as a "Line of Business" only if the organization has a **<u>long-term commitment to it and has both dedicated staff and dedicated revenues that support it.</u>**

1. **<u>Home Ownership Preservation</u>** – Loans, grants and home improvement services performed for existing owners of 1-4 family properties. Activities include rehabilitation, repair, hazard abatement, energy conservation, post-purchase counseling, foreclosure intervention activities, as well as loans and grants to home owners to finance and refinance these kinds of improvements.
2. **<u>Home Ownership Promotion Services</u>** – Activities promoting home ownership including Financial Fitness and other education, pre-purchase counseling, financial assistance (both loans and grants), and the marketing and sale of newly developed properties. Though these activities are all associated with the Campaign for Home Ownership an NWO need not be a member of the Campaign to have this line of business.
3. **<u>Community Based Economic Development</u>** – Activities that improve economic conditions in a community. A wide range of activities can further this aim including directly creating a business, providing technical or financial assistance to business owners who are ready to start or expand a business or create new jobs, offering employment training, and improving commercial properties or taking other steps to improve the environment for local businesses.
4. **<u>Community Building & Organizing</u>** – Community organizing and other activities that help residents and other community stakeholders come together to develop and provide leadership to build a stronger community. A wide range of activities can further this aim, including development of neighborhood groups/associations; leadership skill development training courses; youth activity and training groups; community fairs, and other opportunities to encourage a renewed energy, expertise, and focus in the community.
5. **<u>Asset and Property Management</u> –** Asset management includes the long term responsibilities of ownership of real estate including such activities as deciding on the type of portfolio to be developed, market positioning of portfolio properties, refinancing, capital improvements, and selection and oversight of property manager. Asset management responsibilities come with any property owned outright by the organization, a subsidiary, or a general partner interest held by the organization or its subsidiary. Property management includes the day-to-day operating responsibility for managing real estate that they own directly or properties owned by other entities. Organizations are often responsible for this function on properties that they own directly and may hold contracts to perform property management on properties owned by other entities.
6. **<u>Real Estate Development</u>** – All the activities involved in developing real estate regardless of whether the project is residential or commercial or rental or for-sale. Development activities might include conceptualizing project, selecting and acquiring sites, managing design, assembling predevelopment, construction and permanent financing, obtaining approvals, and overseeing construction and lease-up. There may be overlaps between this line of business and others depending on the nature of the project being developed.
7. **<u>Lending and Loan Portfolio Management</u>**
   All activities involved in underwriting, originating, brokering and/or servicing amortizing loans to individuals, nonprofits and businesses on a regular basis, and managing the portfolios of these loans. Their purpose is to provide capital for building or purchasing residential or commercial property and creating entrepreneurial and community wealth opportunities, including first mortgages. Functions include analysis and allocation of risk, due diligence, negotiation, proper documentation, bookkeeping, billing, collections, monitoring, remediation, workouts, foreclosures and management of secured assets. The routine production of loans generally generates a portfolio which must be actively managed in terms of risk concentration, liquidity, leverage and impact.