



Regional and International Horizons in Funding

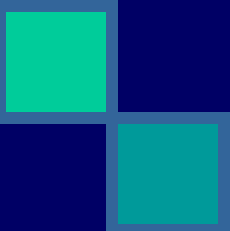
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The Baltic-American Enterprise Fund (BaIAEF)
Estonia, Latvia & Lithuania


Bill Schaub – COO Mortgage Program



Vision Statement

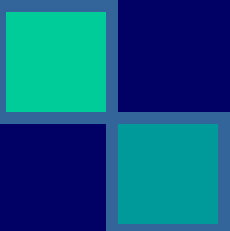


To build a US style mortgage banking firm using global capital markets to provide liquidity to the mortgage markets of the Baltic states.






Objective



To develop capital market funding sources for the Fund's residential lending operations so that the US grant can be utilized to develop personnel and infrastructure.



Interim Financing

Permanent Financing

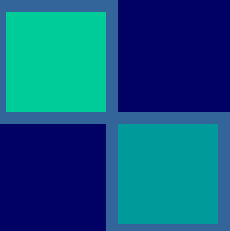



Hurdles to Standardization

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- Cultural
 - Legal
 - Economic
 - Market




The Situation Today

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- 30 mortgage professionals employed in the Baltics
 - Common Platform
 - The Fund originates over \$40 million per year (2002)
 - The Fund Services approx. 3000 mortgage loans
 - We compete on service not price
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How Did We Get Here?

- Began originating mortgage loans in 1997
 - The Fund originates fully documented "A" paper mortgages (credit reports not yet available)
 - The Fund invests heavily in western training of its mortgage staff
 - Our approach to IT has been to be data rich and work with western providers for functionality
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Our Approach to Capital

RELATIONSHIPS

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- Locally with Commercial Banks for Interim and Permanent funding opportunities
 - Internationally with development banks for Interim funding and Securitization Participation
 - Globally with Investment Bankers to develop Securitization
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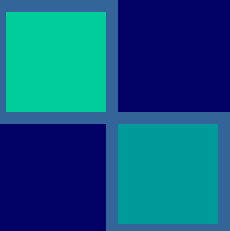


Approach to Securitization

- Legal Research
 - Economics
 - Marketing
 - Execution
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Recommendations

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- Start with the end in mind
 - Invite a lot of players to the party
 - Take your time
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