

## **State of the Industry: Reflecting on 2016 and Beyond November 3, 2016**

### **Moderator:**

Ed Delgado, Five Star Institute

### **Panelists:**

Meg Burns, The Collingwood Group

William Collins, U.S. Department of Housing and Urban Development (HUD)

Alan Jaffa, Safeguard Properties

Robert Kimble, Freddie Mac

Mark McArdle, U.S. Department of the Treasury

Alanna McCargo, Housing Finance Center at the Urban Institute

Caroline Reaves, Mortgage Contracting Services

### **Overview**

During the session panelists covered high-level topics including their views on where we have been in 2016, availability of credit, affordable housing, government programs and updates, the upcoming presidential election, as well as future plans.

### **What does the industry look like?**

We are coming out of a crisis, working on the new normal. Delinquencies are down which suggests we are on the path to recovery. However the cost to originate continues to climb do to the heightened restrictions.

### **Availability of credit, Is that a concern?**

Overall the distressed asset issue is better, however the credit issue is putting a damper on home ownership. As a result we are starting see renters on the rise, people are not moving as much anymore. The housing market is holding back the US economy

### **What programs are available during this time of distress?**

The HAMP program is designed to assist borrowers in distress, through the multiple tools provided to help make sound and rational decisions. It has assisted in stabilizing the US economy with the programs structure and guidance. The GSE's will have tools in place for sustainable means to modifications as the industry moves forward.

### **What role has HUD played in affordable housing?**

HUD does cater to the low income housing. There has been a 20-25% reduction with this approach and has proven to be more successful. HUD recently released the new online handbook, please take time to review.

### **There has been a sizeable reduction in the REO inventory over the past year. What is the impact?**

In today's environment the reduction of REO assets has seemed to spark investors to step up and do more repairs to get the property sold. The overall regulation have changed the process as there are more audits and expense to service the loan.

### **Why be in the property preservation business?**

The overall cost to do business can be detrimental at times, that is why it is so critical to be efficient in all aspects of the business.

**What is the national resolve and policy on vacant and abandoned properties?**

There is not one common denominator to apply to every area. Different areas require different strategies and capital to combat this growing issue. The overall solution needs to come from each individual state.

**Trump vs. Clinton impact?**

The Clinton campaign is anti-financial and would have more of a moderate/balance policy approach. The Trump campaign we would expect to see the establishment positions to take form, could be hard to find people for these positions.