

# Field SERVICES



THE NEW  
RULES OF  
SUCCESS

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FEATURE STORY

## THE NEW RULES OF SUCCESS

Mortgage servicers working to succeed today are facing a twofold problem. First, they are driven to cure default as quickly as possible and through any method possible. Second, how can servicers mitigate increasing losses when they are forced to take back real estate as REO?

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Founded in 1967, Five Brothers provides regulatory-compliant field services, specialized support services and advanced technology solutions to mortgage servicers, nationwide.

**Five Brothers Default Management Solutions**  
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Based in Indianapolis, Indiana, Leading Edge Companies provides nationwide REO field services, asset management services, and property management services to banks, mortgage companies, and servicers as well as property owners and investors. We have the industry knowledge and expertise to assist our clients in every stage of asset resolution from pre-foreclosure to sale through our nationwide footprint.

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In any endeavor, getting the right answers to the important questions can mean the difference between success and failure. Pages 6-15.



The National Association of Mortgage Field Services (NAMFS) is the premier industry trade association. Our 500+ member companies consist of National and Regional field service providers as well as those offering associated industry services.

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Safeguard Properties is the nation's largest privately-held field services provider, offering services ranging from property inspections, property preservation, hazard claims filing services, REO and expanded services, insurance loss inspections, utility services, high risk code enforcement, vacant property registration, evictions, appraisals and title services to the mortgage loan industry.

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Quality Claims Management provides recovery solutions to investors, servicers, homeowners and businesses, including: hazard and mortgage insurance claims, direct claims assistance for borrowers, claim audits, and property inspection and preservation consulting.

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## PUBLISHERS LETTER

Dear Valued Reader,

By now, readers of *Mortgage Servicing News* know all about the financial crash and its aftermath, in complete detail. Our readers are the survivors, the executives who have weathered this “storm of the century” and reinvented their businesses in the process. No one could have predicted that one tenth of all mortgages would be in crisis by the time the market hit bottom, but that didn’t stop the best leaders in our industry from adapting quickly and working their way through the downturn.

They’re still working on that task today. One key to their eventual success will be how they deploy and manage the field services partners they depend upon to preserve the assets they have been forced to take back as REO and prepare each of these properties for a quick disposition. In this special report, you’ll meet the field services companies that are out on the cutting edge, helping mortgage servicers, banks and investors deal with what would otherwise be a tsunami with the power to destroy their businesses.

Each of these leaders will touch on the issues from their own perspectives, giving you, our readers, the benefit of their experience. They’ll also be answering our specific questions to ensure that you get the maximum benefit out of our coverage.

And now, to set the stage for some of the key issues our experts will be discussing in this issue. We hope you profit from this Special Report.

Timothy Murphy  
Publisher

# THE NEW RULES OF SUCCESS

**A NATIONAL SHIFT TO  
DEFAULT SERVICING HAS  
CHANGED ALL THE RULES**

BY RICK GRANT

*Mortgage servicers working to succeed today are facing a twofold problem.*

First, they are driven to cure default as quickly as possible and through any method possible. In a normal market, this isn't all that challenging. Plenty of special servicers have done quite well over the years getting delinquent borrowers back on track.

*But this time is different.*

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# Vacant-Property Solutions: Helping Save America's Neighborhoods

“With municipalities continually enacting or modifying their own vacant property ordinances, compliance has become increasingly complex and costly.”



**JOE BADA**  
CEO  
FIVE BROTHERS

Millions of vacant properties spread over thousands of communities nationwide are making it increasingly difficult to ensure, not only that properties maintain maximum value, but that they do not become a liability to the wider community.

For servicers, this means major new pressures to track and comply with both the spirit and the letter of local ordinances, building codes and vacant property registration rules. As foreclosures continue to cast a shadow over the housing industry, and law makers take stringent new measures in response, Five Brothers capabilities and services take center stage.

## Nationwide Field Service Network

The reason: With its strong nationwide field service network, Five Brothers provides the all-important bridge to local municipalities and their code enforcement officials. This ground-level link is crucial to building and maintaining open lines of communication between servicers and local communities where foreclosed properties are located.

To fill this role effectively, Five Brothers combines a strong national footprint with property preservation process, technology and expertise on a community-by-community basis. Lesser capabilities just can't get the job done.

## Award-Winning Technology

Five Brothers' award-winning Vacant Property Registration (VPR) system is an important part of the localization solution. With municipalities continually enacting or modifying their own vacant property ordinances, compliance has become increasingly complex and costly. The Five Brothers VPR solution enables servicers to meet locally mandated property registration requirements quickly and efficiently.

The integrated VPR system includes an interactive municipal ordinance database, specialized process automation software and end-to-end implementation service. Five Brothers' clients are automatically alerted to new and revised municipal registration rules and can directly monitor compliance status on an individual property basis.

## Count the Benefits

The Five Brothers VPR solution provides several key advantages:

1. Seamless integration with the client's workflow management system
2. Timely, direct input from field service professionals in communities nationwide
3. Full integration of VPR with the overall asset-preservation process
4. Unified design combining advanced technology, process management and local hands-on support to create a single, highly effective VPR solution
5. Use of results-driven business rules and data edit checks to assure accuracy

Five Brothers understands that mutual interest makes natural allies of servicers and community enforcement officials: Both are working toward the same goal—to maximize property values, turn vacant properties into occupied homes, and save neighborhoods. Five Brothers suite of field service solutions can help by supporting the long-term viability of America's neighborhoods, while helping mortgage servicers maximize returns on their default and REO assets.



## Five Brothers Default Management Solutions

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# The Tough Questions We Asked the Top Leaders

**I**t has always been true that those knowledge seekers who uncovered the most valuable information asked the right questions. Even a little error in the line of inquiry can produce results that diverge widely from the data required for a successful outcome.

In times like this, when an industry is coping with upheaval and struggling to comply with demands of regulators who make rules first and ask questions later, getting to the right answers can be even more challenging.

And the rules are changing. Those who tell you that the rules of the game have changed in the U.S. home finance industry are half right. We have seen many changes since the financial crash, but the rules are still changing and that puts players in this industry at more risk than they have ever experienced in the past.

As originators rush to change their processes to better align with what they expect the Consumer Financial Protection Bureau to lay down as it works to finish drafting the hundreds of rules mandated by Dodd-Frank, mortgage loan servicers are doing all they can to mitigate the losses that are inherent in portfolios that contain so many delinquent loans.

But how can they accomplish this? What information do servicers need to make the kinds of decisions that will save their companies, protect the assets owned by their clients and protect the borrowers who are still paying as agreed? We think we know what some of the questions are that can get us to these answers.

Interspersed with the columns featured in this special report are short Q&As with some of the industry top leaders. By asking them the tough questions, we hope to share the kind of information the entire industry needs in order to weather this storm and bring the industry--and our country--back from the brink.

What did we ask? For starters, we wanted to make sure that the issues we felt were front and center for the industry were actually the issues keeping the industry busy. We asked about compliance, building strong partnerships, pitfalls to be avoided and general philosophy of the business. The answers provide a view into a future that few others have perceived, but one that holds great promise for all of us.

We think the answers you'll find in this Special Report will empower you to succeed, even against the odds our industry faces today. The leaders that gave us some of their time to explore these issues are examples of the kind of leadership our industry needs now and will need in the future as well.

But these answers don't constitute the entire body of knowledge on this evolving marketplace. New questions are arising as the rules continue to evolve. The servicer's ability to partner with the kinds of firms that can continue to provide answers will be one more key to success in the future, a success we hope all of our readers share. ■



***Our Q&A Section, pages 8-15***

# Expanded Services, Repairs Safeguard Servicers' REO Portfolios

Real-estate owned (REO) properties face more scrutiny from today's savvy buyers. With the flood of foreclosures in the current market, mortgage servicers and investors struggle to compete with traditional-market homes.

Every day a property is not rented or sold is money lost for servicers. Servicers and lien holders can protect and improve the quality and value of their REO portfolios through a variety of field service offerings. These include pre-sale repairs, REO marketability enhancements, major overhauls, and rental upkeep.



**ALAN JAFFA**  
CEO,  
SAFEGUARD  
PROPERTIES

## Pre-Sale Repairs

Because properties have different requirements pre-sale and post-sale, in the past, servicers established separate units to manage the specific processes for each. Now, they have begun to look at the process as a whole, working with their field service partners to make wise investments in pre-sale that protect the condition and value of properties in REO.

In fact, the Federal Housing Administration (FHA) now requires more repairs in pre-sale instead of waiting to address issues once the property goes through foreclosure sale, because it does not want damaged properties conveyed to REO.

## REO Marketability Enhancements

Servicers are investing in additional services to enhance the marketability of their REO properties and engaging their field service partners to deliver higher levels of service. Neutral paints, new carpet, updated appliances and clean landscaping aren't major repairs, but they go a long way to help REO properties appeal to prospective home buyers. Thorough cleaning and regular maid service, along with lawn maintenance keep the property in good condition and help buyers see a home's potential.

## Major Overhauls


When REO properties incur damages, the best way to protect against financial losses is to repair them. Damaged properties sell at far lower prices and sit on the market longer. When insurable damages occur, a field service partner's hazard claims department can manage the entire process. This includes filing the

hazard claim, deploying reputable contractors to make the repairs once the claim is settled, and assuring that the work is performed to the servicer's or lien holder's quality standards. The goal is to turn a damaged property into a gem so that the first impression of the property is positive and the property sells quickly and at the highest price possible.

## Rental Upkeep


When properties don't sell because of the slow real estate market, more servicers have begun to offer their REO properties as rentals. This requires initial repairs to put the property in good, livable condition, and ongoing services when maintenance issues arise. Field service partners can be vital to the process, obtaining competitive bids, managing all repairs, and assuring that the work meets quality standards. Field servicers also can utilize their vast contractor networks, technology and infrastructure to manage maintenance needs for an entire rental portfolio.


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**Safeguard**  
Properties

Only once in the history of our nation, during the Great Depression, has the federal government taken such a stand on the methods our citizens use to conduct business. A number of new programs have been handed down, all designed to keep homeowners in their homes, but few delivering much in the end. Even with a new loan, borrowers without jobs can't make mortgage payments.

Added to the pressure from the feds is the fact that states across the country stepped in, in what was eventually revealed as misguided attempts to save homeowners by temporarily outlawing foreclosure. Most recently, local governments have demanded that servicers begin to maintain properties even before they are taken back as REO in an attempt to protect neighborhoods from falling home values. It has never been more difficult for servicers to get borrowers back on track or take back properties when they cannot.

But there is a second challenge that servicers always face during downturns: how to



A NUMBER OF NEW PROGRAMS HAVE BEEN HANDED DOWN, ALL DESIGNED TO KEEP HOMEOWNERS IN THEIR HOMES, BUT FEW DELIVERING MUCH IN THE END.

mitigate increasing losses when they are forced to take back real estate as REO. In the past, this has been a matter of mathematics. Servicers know what it costs to maintain a property each month, they know how many months a property in each geography stays on the market before a sale, and they know what they can expect to get for the property when it sells. Loss severity was a fairly straightforward calculation. It's not so simple this time.

According to MDA Dataquick, America's lenders took back one million homes between January 2008 and March 2010. Once on the books as REO, these assets remained on their balance sheets as assets valued at the amount of the outstanding mortgage loan. Once sold, the cash earned at the closing table would replace that amount, forcing lenders to write down millions, incurring great losses. To make matters worse, every time another REO property hit the market, the value of all properties in the area suffered. Since the biggest lenders had huge holdings in the nation's hardest hit states, they could not put all of their REO on the market at once, building up what some experts estimated at over five years' worth of shadow inventory.

In January, RealtyTrac reported that foreclosure filings in 2011 had fallen to their lowest level since 2007, reducing the pipelines of distressed borrowers on their way to foreclosure. Fewer states are working to hold up foreclosure processes, and field services professionals like the ones featured in this special report

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## Alan Jaffa

CEO, Safeguard Properties

### What compliance issues will impact the field services industry in 2012-13 and what is your company doing about them?

Even though signs point to a recovery in the housing market, high volumes of vacant and abandoned properties will continue to challenge communities across the country. Cities are enforcing stricter code requirements, and more are enacting or considering vacant property registration ordinances. As a result, servicers and lien holders face stiff penalties and fines, and in some municipalities, criminal actions for failure to address code violations in a timely manner.

Safeguard listened to the challenges of code enforcement officials and its servicing clients and realized that the core issue was an inability

to communicate. When communications between a city and a servicer happened, code violations were resolved quickly. This led to the development of Compliance Connections, an online system that is free to municipalities, and that provides a central portal for municipalities and servicers to post, manage and resolve code violations efficiently.

When issues are resolved, new ordinances and regulations aren't necessary. The goal of Compliance Connections is to provide a platform for servicers and municipalities to exchange critical information to assure that vacant properties remain safe and secure, and free from code violations.

### What about your company makes you a suitable partner for servicers and/or investors in today's volatile market?

Safeguard Properties was built on the foundation of "Customer Service = Resolution".<sup>®</sup> We listen to our clients, anticipate their needs, and help them find solutions.

The housing crisis forced all of us to operate more efficiently, to handle unprecedented volumes and help our clients hold down costs. Safeguard has been building and adapting our services to meet the challenges of this ever-evolving volatile market. Some examples of this include Safeguard's quality initiatives, enhanced real-estate owned (REO) services, and management of code violations.

Safeguard's ongoing quality initiative helps us monitor our processes, measure results and make ongoing adjustments and improvements. This helps our clients save money and improves the quality of our work.

Maintaining quality also is important for REO property portfolios because they compete side-by-side with traditional-market homes. Safeguard has enhanced its REO service offerings through REOplus™ to raise their appeal and marketability with prospective home buyers.



Safeguard Properties



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THERE ARE STILL CHALLENGES AHEAD, AMONG THEM THE DRIVING NEED TO GO TO WORK ON PROPERTIES SOONER THAN EVER BEFORE IN AN EFFORT TO KEEP LOSS SEVERITY LOW.

are working overtime to protect the value of these assets and keep the curb appeal high enough to encourage buyers to invest. But there are still challenges ahead, among them the driving need to go to work on properties sooner than ever before in an effort to keep loss severity low.

**Getting Into the Game Sooner**

Traditionally, servicers worried about the borrowers during the default servicing and foreclosure process and then concentrated on the property itself after the legal paperwork was over and the investor owned the REO. Two forces changed that this time.

The first was a new class of homeowner filled with what they believed was justifiable rage. Sold on the idea that the real estate would escalate in value, making refinancing with a much lower monthly payment one they could actually afford, these borrowers were shocked when the value of the homes they had purchased began to fall. According to Standard & Poor’s/Case-Shiller home-price index, home prices have fallen 35% since the housing bust began. In the nation’s hardest-hit markets, some borrowers went on a rampage, ripping out appliances, copper pipe and even kitchen sinks. Neighborhoods across many markets were reduced to ghost towns made up of gutted tract homes.

San Diego-based Quality Claims Management responded in January by expanding its insurance claims adjusting business. “It is a natural extension of our hazard claims business for financial institutions,” said Ronald Reitz, president of Quality Claims, in a release at the time. The company provides hazard insurance claims management and other recovery services to investors, mortgage servicers, homeowners and businesses.

Those communities that avoided the angry former homeowner fell prey to another scourge brought on by increased foreclosure: abandoned properties. When borrowers who were trying to keep their homes lost hope, they sometimes abandoned them, allowing the home to fall into disrepair and the yard into a jungle. Municipal code enforcement officials began issuing citations, but since the owners could not be found, these fines found their way back to the investor. The result was a national program of Vacant Property Registration (VPR), something neither servicers nor their field services partners had encountered before.

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**Joe Bada**  
CEO, Five Brothers

**What sets the leading firms in the field services industry apart from the others?**

A leading P&P provider must be adept, agile, forward-thinking, and competitive with a more comprehensive and integrated offering of services. One example: Leading field services providers hold state-issued licenses authorizing them to perform many diversified services such as property rehabilitation, property preservation, document delivery, national REO sales and other borrower contact services, consistent with HUD and Fannie Mae requirements and the Federal Fair Debt Collection Practices Act (FDCPA). In addition, the most qualified P&P

providers have the resources, expertise and advanced technology needed to adapt quickly to their clients’ varied and evolving business needs. Other leadership factors include deployment of highly robust, multi-level quality control systems, the ability to deliver scalable, end-to-end business solutions, and in-depth nationwide service coverage supported by highly trained customer and field service professionals.

**What are the keys to maximizing REO asset values for banks and investors?**

Maximizing REO asset values starts with integrated pre-foreclosure services, including property preservation, inspections and valuations. This gives the field services partner first-hand knowledge of the property and its pre-sale history putting them in a stronger position to properly plan and execute property preservation/enhancement

services and effectively handle compliance issues. Most important, the field services firm must be a licensed real estate broker, giving it the ability to proactively assess, monitor and manage local agents to get the property sold. To maximize asset value, the field services provider must be able to work seamlessly—not just with local real estate agents—but with vendors, title companies, law enforcement officials, attorneys and others to optimize the REO asset-disposition process.



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# NAMFS—Uniting the Mortgage Field Service Industry

The National Association of Mortgage Field Services provides an organized forum to facilitate professional growth of members through education and exchange of ideas. NAMFS has grown its membership by ~25% over the past year. This membership growth includes those in traditional industry roles as well as those in related industries. NAMFS is in the process of expanding its outreach efforts to unite all entities to improve the industry through solution focused dialogue and programming.



**ERIC MILLER**  
EXECUTIVE DIRECTOR,  
NATIONAL ASSOCIATION  
OF MORTGAGE  
FIELD SERVICES, INC.

## ALLIANCE CODE ENFORCEMENT SOLUTION 2.0

The Association's commitment to uniting the industry is clearly illustrated in the ALLIANCE Code Enforcement Solution, introduced in May 2011. ALLIANCE is intended to increase proactive dialogue between code enforcement and field service providers. Since its creation, NAMFS has made several enhancements and developed solutions such as Code Officer and HOA Searches providing an extensive database of 12,000 contacts. In March 2012,

ALLIANCE 2.0 was released. This round of enhancements added: capture of property registration, ability to bulk upload properties, photo/document upload, property search capability for all members and extended reach to national field service providers through email updates.

## INDUSTRY FOOTPRINT

NAMFS is a participant in many discussions and organizations to forge partnerships that keep our members aware of industry changes. Examples include: the Mortgage Bankers Association (MBA), the American Association of Code Enforcement (AACE) and the Florida Association of Code Enforcement (FACE). NAMFS is a sitting member of the MBA Fannie Mae Sub-Committee and is a recipient of MBA HUD Working Group communications. Finally, NAMFS regularly contributes resources to a variety of industry conferences (including AACE and FACE events), member events and industry publications.

## TRAINING & CERTIFICATION PROGRAM

NAMFS recognized that changes to regulations and oversight had created a need for a standardized approach when providing services. In 2010, the keystone of the Association's educational curriculum was released via the Training & Certification program. This program was designed to verify knowledge of key areas required for success, including: securing, winterization and inspections. Utilization of this program as part of an on-boarding process or continuing education effort allows companies to focus on creating training specific to their needs while outsourcing the industry basics segments to the Association. This year, this service has been expanded to be available for both members and non-members through a full day of breakout sessions at our National Conference.

## NATIONAL CONFERENCE

This annual event held in September offers educational, networking and volunteer opportunities. Keynote speakers focus on industry topics, the Opportunity Expo fosters

networking and a variety of services and breakout sessions provide an introductory course into the NAMFS Training & Certification program, an overview of services provided for members and resources designed to enhance member businesses. NAMFS has also partnered with Rebuilding Together to give attendees the chance to give back to the community.

## MEMBER BENEFITS

NAMFS provides members with several other benefits, including:

### NAMFS.ORG

Offers a directories, links to industry news, the NAMFS store, Associate member service information, educational content, and much more

### COMMUNITY INVOLVEMENT

Members can offer opinions and support through committees such as Membership, Education, and Government Relations

### COMMUNICATION

Members receive bi-monthly newsletters, newsflashes and updates via our Twitter and Facebook pages

NAMFS looks forward to releasing enhancements to its existing services and creating new solutions to grow membership and expand credibility with servicers.

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Five Brothers, a nationwide provider of regulatory compliant default management solutions based in Warren, Mich., was one of the firms to respond to this crisis with an integrated VPR system, including an interactive municipal ordinance database, specialized process automation software and end-to-end implementation service.

“We set out to give clients a better way to cope with local vacant property ordinances affecting their default properties,” said Five Brothers CEO Joe Bada in a press release. His firm did just that.

Safeguard Properties, one of the largest firms operating in the field services industry, has a division called Compliance Connections that deals with the challenges inherent in dealing with problems like this. The division is headquartered in Plano, Texas, and, like Five Brothers, relies heavily on technology to deliver its solution. American Home Mortgage Servicing chose the company’s compliance division to help it deal with potential code issues for its property portfolio in late April of this year.

“WE SET OUT TO GIVE CLIENTS A BETTER WAY TO COPE WITH LOCAL VACANT PROPERTY ORDINANCES AFFECTING THEIR DEFAULT PROPERTIES.”

JOE BADA, CEO, FIVE BROTHERS

Leading Edge Companies, Indianapolis, Indiana, combines its field services expertise with asset management and inspection services, putting boots on the ground in areas where code violations could cost servicers more money and increase loss severity.

To help any servicer dealing with code-related challenges, the National Association of Mortgage Field Services (NAMFS), a trade association for the mortgage field service industry based in Stow, Ohio, created ALLIANCE, a free, web-based solution for connecting code enforcement officials and national field service providers for the mortgage servicing industry. NAMFS reports that ALLIANCE has already served over 750 code enforcement officials in over 400 unique jurisdictions nationwide.

Together, these firms are changing the way servicers respond to the new rules of success. In the process, they are helping an industry caught up in rapid change make sense of its environment and protect the value of the assets that underlie its financial instruments. ■



## Eric S. Miller

Executive Director, NAMFS



### What are the most critical three issues that servicers must bear in mind regarding field services in today’s market?

**Change:** Whether it is the Servicing Settlement, New Regulations or the Consent Order, today’s market is constantly evolving and full of “oversight”. The ability for the industry to participate collaboratively in these discussions is crucial to both making the right decisions and successful implementation.

**Technology:** While technology is an absolute necessity, it is also one that requires careful thought, planning and TIME to ensure it meets the ever-changing needs of all parties in the Field Service Industry. This is especially true when moving through the supply chain, as different interpretations of the aforementioned changes can cause more confusion and delays.

**Third Party Regulation:** One of the most challenging issues may be third party regulation. Many municipalities and HOAs throughout the nation are still dealing with lost revenue and an abundance of vacant properties. As a result new property registrations, renewals and code violations have been enacted. The ability to build solutions and relationships is paramount when dealing with properties along the default spectrum.

**What is your philosophy on effective field services management? How does it contribute to success for your clients?**  
**Risk Awareness, Training and Communication**—The field service industry is

dependent upon the awareness of change possessed by those providing services albeit employees and/or field agents. Training and communication are therefore critical at this juncture of constant and frequent change. To be effective, a company in this industry must thoroughly train staff with focus on both industry-wide and company specific expectations for service. While reliance on others to provide information had previously been acceptable, today’s successful company will not only be aware but engaged in the dialogue of go forward change. Coupled with that thought is the fact that training/certification may have once been optional. In the post-consent order industry those business that do not make this investment will find that it is quickly becoming a non-negotiable requirement to obtain and maintain business relationships. Throughout this process, the ability to communicate effectively with clients, staff and field service providers is an absolute must in order to avoid confusion and dissatisfaction.

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# 5

## Trends to Watch In Field Services

If you're working in the home finance business today, you know it's easy to fall behind the pace of change. To help you keep up, here are 5 trends to watch in the field services business that are likely to impact you.

### 1

#### Vacant Property Registration

While it's not yet clear exactly how municipalities across the country will deal with vacant properties, there are already enough cities with resolutions on the books to make it a priority for servicers to keep up. While the city of Chicago did ultimately back off a bit on its original proposal, other cities will do what they feel is in their best interest.

Fortunately, a number of REO firms have already launched offerings that can help servicers monitor, register and then service abandoned properties all across the country.



### 2

#### REO to Rental

It's an idea that may have seem crazy to some at first, but with over a million properties in the hands of banks right now, some investors are looking at ways to generate income with these homes. The obvious way, if they can't be sold, it to rent them.

But getting property level information to make business decisions regarding which properties to convert into rental units has been difficult. That may not be as true in the future. Recently, CoreLogic rolled out a solution that

## Q&A



### Ronald R. Reitz

CPPA, President  
Quality Claims Management Corporation

#### What is your philosophy on effective field services management? How does it contribute to success for your clients?

Quality's philosophy is simple: Maximize every claim for our clients. Our team specializes in recovery of insurance proceeds on damaged properties. We employ a team of fully licensed Public Adjusters who deploy the industry's best insurance expertise. In an industry full of "one stop shop" field services solutions, we see servicers increasingly reaching out to special-

ists who offer top notch execution of their core services, but also a solution that will pass regulatory scrutiny on many levels. In addition to maintaining a fully licensed staff of adjusters, we avoid engaging in related services, like repairs, that may create a real or perceived conflict of interest. Our clients are in the best position to make determinations on managing their portfolios, and we see our role of maximizing recovery as one critical to managing risk and minimizing losses.

#### What about your company makes you a suitable partner for servicers and/or investors in today's volatile market?

Our industry continues to, face many challenges in forms of cost reductions, regulatory scrutiny, performance monitoring, and compliance. Many mortgage servicing shops are evaluating their vendor partnerships,

including creation of Service Level Agreements (SLAs), active fee management for best pricing, and intense review of systems and disaster recovery protocols. In addition, service providers are now being asked to document and provide evidence that they are licensed and authorized to perform services listed in their contracts. The Quality Claims Team guarantees that a fully licensed Public Adjuster reviews and adjusts or approves every claim that enters our shop - no matter the claim amount. We have fully documented our procedures, and successfully completed a SSAE16 audit three years in a row.



provides information on the average potential rent for a subject property based on relevant market information. The tool has already been rolled out by the FHFA for use on its 250,000 REO property inventory.

3

### Rehabbing REO for Faster Sales

Most investors, however, are not expected to relish the idea of becoming landlords. Of course selling as soon as possible is most desirable.

Traditionally, most investors will attempt to do this without putting additional financial resources into the homes. But recently, some field services companies are reporting that lenders are putting money into homes in some neighborhoods in order to increase their curb appeal for a quicker sale. This

trend has only recently been identified, but if it continues, it could make selling REO more challenging for those banks that don't rehab their properties.

4

### Mobile is the Same as Being There

New mobile devices have been rolled out that allow vendors to log in to work queues from the field, report back on their progress throughout the day and even provide photographic proof of their work.

Local vendors interested in working with a national field services firm are advised to ask about the technological requirements before accepting a job.

5

### Shadow Inventory

It's a fact of life that field services companies are going to be maintaining properties for longer. According to Standard & Poor's Rating Services, it will now take 46 months to clear the nation's shadow inventory. How's that for job security?



**Edwin  
M. Streuli**

*CEO, Leading Edge Companies, LLC*

**What is your philosophy on effective field services management? How does it contribute to success for your clients?**

Our company philosophy is to provide our clients with a seamless, thorough, turnkey process that is completed with quick and efficient turnaround times. In addition, we provide the highest levels of customer service through open lines of communication with our clients. Each client has a dedicated Field Service Manager that is always available via phone or email to answer any questions and address any issues

pertaining to their asset. LEC has very strict vendor requirements which allows us to provide quality contractors that can complete all Property Preservation Services in any market to handle all of our client's needs. These basic yet effective philosophies contribute to our clients internal efficiencies and gives them the peace of mind that their properties are being professionally managed and enables them to achieve the highest return possible on their non performing assets.

**What about your company makes you a suitable partner for servicers and/or investors in today's volatile market?**

We treat each property as if it were our own asset. We instruct our local field contractors to handle each property with the respect and care that it deserves so our clients can count on their asset being maintained

and protected. We offer personal one-on-one service to our clients that allows our clients to work with the same individuals. This provides our clients with a great deal of confidence knowing they are placing a property with someone they trust. We value building solid relationships through our strong dedication to our client's needs. All of our work is fully documented through our custom built Mortgage Asset Management system which allows for a 24/7 seamless and secure photo and file sharing interface with our clients. In addition, we institute multiple quality control levels prior to sending the final product to the servicer for review.





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# Field

**SERVICES**