

HW focus

HOUSINGWIRE'S CONCENTRATED LOOK AT INDUSTRY ISSUES
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THE
MOST
IMPORTANT
ASSET

Community outreach

Proposing a new approach to code enforcement, city outreach



By Michael Halpern

The statistics don't lie: Communities across the country continue to struggle with vacant and abandoned properties in their neighborhoods. According to RealtyTrac figures, one in every 391 housing units in the U.S. is in foreclosure. To ensure these properties are maintained properly, local officials increasingly have proposed and enacted legislation regarding code enforcement.

Mortgage servicers utilize their field service partners to inspect and maintain vacant properties in their portfolios. They rely on field servicers to not only provide preservation services, but also to maintain open lines of communication, provide outreach and create a partnership with code enforcement to protect properties in their neighborhoods — outreach that many national field service companies are doing day-to-day.

But despite these ongoing efforts, more needs to be done. A new, broader approach involving multiple levels of government would be more effective in creating this partnership with legislators and code enforcement officials.

A “top-down, bottom-up” approach is the most effective way in building relationships with all levels of government. This includes participation at numerous statewide municipal league conferences to engage mayors, council members, cabinet heads and other decision makers.

In the search for greater transparency, this approach introduces cities to the best practices in the industry with regard to property preservation, and the positive financial and community impact these efforts provide.

By engaging multiple levels of government, the mortgage industry can collaborate with officials on proposed legislation related to the housing industry and offer cost-effective tools that can help eliminate code violations and the blight vacant properties can cause.

Open communication is critical to ensuring guidelines are met and new regulations are being followed in the current era of compliance and regulatory oversight. This new approach will provide the best way to manage property issues through a direct line of open and frequent communication.

To do this, several field service companies have created teams dedicated to building relationships with city officials and code enforcement. These teams not only participate in municipal league conferences, but also host seminars and webinars to advance education. They also work toward mutually beneficial solutions on behalf of the mortgage servicing industry.

VACANT PROPERTY REGISTRIES

An example of the solutions field service company outreach teams can provide with the top-down, bottom-up approach lies in city frustrations over the steady increase of vacant and abandoned properties in their neighborhoods. In the past few years, this frustration gave rise to the enactment of more city-based Vacant Property Registration ordinances



across the country. The field service outreach teams have worked to educate city officials and offer suggestions on the language used in proposed legislation to ensure consistency with industry best practices for property preservation.

To take the top-down, bottom-up solution even further, field service outreach teams need to build relationships and approach state government officials to encourage statewide vacant property ordinances. The concept of VPRs is beneficial for both municipalities and the mortgage servicing industry in that they help reduce blight and protect neighborhoods. However, a lack of uniformity makes it difficult for servicers to comply with hundreds of ordinances and their unique requirements.

The statewide approach provides a more standardized process in addressing code violations by connecting code enforcement officials and servicers more quickly and on a broader scale.

Serving as the eyes and ears for the mortgage servicing industry, national field service companies have the opportunity to make an impact in every community across the country. But to effectively preserve properties, they need to build relationships and garner support from municipalities and code enforcement officials. The top-down, bottom-up approach engages all levels of local government in building a partnership in the fight against blight.

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