



NATIONAL

Property Preservation

CONFERENCE



NATIONAL PROPERTY PRESERVATION CONFERENCE
November 14-16, 2010

Session 2: HUD, Part 1

Moderator: Alan Jaffa, CEO Safeguard
Properties



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Panelists

William Collins, HUD

Matt Martin, HUD

Sharon Lundstrom, HUD

Marie Sigler, CitiMortgage

Sherilee Massier, Wells Fargo

Michelle Stevens-Schultz, Chase

Andrew Justman, Marshall &
Swift

Caroline Reaves, MCS

Kellie Chambers, Safeguard
Properties

Michele Stockdale, LPS



HUD Overview

- MCB update
 - Average response time
 - Request types and number of requests received



MCB update

Request Type	Number
Time Extensions	61,200
Overallowable P&P Reviews	201,500
Occupied Conveyance Requests	6,292
Surchargeable Damage Reviews	1,600
Title Package Reviews	68,300
Part A Claim Reviews	46,550
Part B P&P Claim Reviews	59,100



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Extension of Time Appeal	5,200
Overallowable Appeal	9,950
Surchargeable Damage Appeal	320
Occupied Conveyance Appeal	650
Reconveyance/Demand Appeal	3,200
Demands	5,050
Reconveyances	4,100

* Data set from April 7, 2010 to
November 5, 2010



HUD Overview

- GTR response time
 - Escalation process
 - When to e-mail vs. resubmit on P260



ARS Question: What is included with a detailed scope of work? What information does MCB need when evaluating an over-allowable request or reviewing a claim?

- A. All material specifications
- B. Photos
- C. Dimensions
- D. All of the above
- E. None of the above



HUD Overview

- MCB handling of exceptions: biohazards, requests for structural engineers reports, etc.
- Threshold and rules for when to require a hazard insurance claim be filed
- Demands for recoverable depreciation



ARS question: What bid cost estimating software are you using to validate bid amounts and cost of work completed?

- A. MSB
- B. Xactimate
- C. Power Claim
- D. Blue Book
- E. Other





ML 2010-18

- Effective July 13, 2010
- Total P&P cap raised to \$2,500
- No bids for routine property preservation items
- Electronic bid submission





ARS Question: With the implementation of ML 2010-18, what is your average number days to place a property in convey condition for routine property preservation?

- A. Within 15 days
- B. 16-25 days
- C. 26-30 days
- D. More than 30 days





ARS Question: Since the implementation of ML 2010-18, what reduction have you seen in the number of bids submitted to place a property in convey condition?

- A. 10%
- B. 25%
- C. 50%
- D. 75%





MSB Cost Estimator

- HUD's overview
- Plans for long-term use





Cost Estimator Issues

- Limitations
 - Grass cut pricing and shrub trimming
 - Reglazing
 - Routine preservation items
- User interface enhancements
- Align the 'scope of work' in the system with HUD's interpretation of property preservation expectations





Upcoming Repair Cost Express Enhancements from MSB

- Search capabilities
- Definitions
- Overhead and profit options





ARS question: Where are mortgagees supposed to send hard copy MCM-related documents?

- A. The FSM
- B. The MCM
- C. HUD
- D. All of the above
- E. None of the above



P260 System

- HUD overview
 - Data refresh process
 - Portfolio acquisition process: on boarding to P260





ARS Question: What enhancements would you like to see in P260?

- A. Better reporting capabilities
- B. More choices for uploading data or general requests/notices
- C. HUD D.C. use of the system for claim settlement
- D. Streamlined data refresh process to load loans more often than once per month
- E. Other





P260 System: Enhancement Recommendations

- Filtering reports
 - By pre- or post-sale status
 - By user who enabled request
- File uploading process and multi-tasking
 - Currently unable to complete other tasks or open new browser while files are uploading





P260 System: Enhancement Recommendations

- Posting of general notices
- Display status for pending requests
 - Example: on one screen display the number of requests and extensions, and with whom they are pending





P260 System

- Reports on statistics for issuance of demand, non-performance and intent to reconvey letters
- Mass print of over allowable and extension responses





Personal Property Removal

- Process prior to ML 2010-18
- State statutes vary widely with regard to eviction or number of days to store
- Industry concerns on how to address personal property





ARS Question: How are you handling personal property removal prior to conveyance?

- A. Perform eviction do not claim cost to HUD
- B. Move personals to storage
- C. Treat as debris
- D. Undecided





State Requirements for Handling Personal Property

- Only 9 states have personal property eviction statutes
- Concerns due to heightened media and legal attention on foreclosures
- State requirements on posting notification of personal property





Personal Property Removal

- Three proposed solutions
 - HUD allowable
 - Store at the property
 - Revise handbook and eviction regulations
 - Average cost to store personals for 30 days:
\$250.00





Tenant Occupied Properties

- HUD allowable to hire management company
- GTR approval for increased cash-for-keys offer
- Criteria for occupied conveyance





Conveying with Tarps

- Circumstances preventing immediate repairs
- Criteria to convey with tarp
- HUD policy on tarps when condo association refuses to repair





Reconveyance Process

- HUD overview
- Joint pre-conveyance inspections
 - Process to request
 - Process to complete
- Expectations for reconveyance condition





ARS Question: Would you attend joint industry training offered in coordination with HUD, the FSMs, MCB, and servicers?

- A. Yes
- B. No





Joint Training & Industry Calls

- Industry recommendation for training, conference calls
 - Maintain partnerships
 - Promote open communication
 - Involve HUD, MCB, servicers, field services providers

