

7th Annual National P&P Conference
Washington, DC
November 14-16, 2010

Keynote Address

Monday, November 15, 2010

Keynote Speaker

Vicki Bott, Deputy Assistant Director for Single Family Housing
U.S. Department of Housing and Urban Development (HUD)

Following the opening of the 7th Annual National P&P Conference by Safeguard Properties' CEO Alan Jaffa, the exchange of dialog that promised to feature critical and timely information directly impacting each sector of the mortgage servicing industry was launched with a keynote address by Vicki Bott, HUD's assistant deputy assistant director for single family housing. A record number of attending servicers, field services and asset management professionals, contractors, municipal and government leaders, non-profit and organizational representatives, and attorneys received an update and first-hand account of the responses by and initiatives underway at HUD.

With Bott having newly assumed her position as deputy assistant director in 2009, last year's address primarily offered a review and account of fund status and direct policies. Comments this year elaborated on overall changes at HUD and the current and upcoming roll-out of businesses models and approaches as market representation expands to over 30%. Defined models are focused on reducing costs, creating balance between origination and recovery, and integrating the office's role as educator for fellow members of the industry.

Significant changes have been realized with REO disposition following the assignment of one national vendor, a restructuring that has and will continue to improve efficiency, increase oversight, and allow for the measurement and ongoing evaluation of performance. The differentiation of vendor expertise between preservation and sales functions will expedite sales and demonstrate a proactive agility within a market of growing REO inventories. Internal changes have also been made by addressing staff capacity, shifting the once common perspectives and familiar processes to accommodate the many new demands.

The commitment to and partnership with servicers to increase national homeownership and occupancy rates will continue in the upcoming year. As the reporting of programs matures, servicer product offerings will be evaluated for their consumer effectiveness. Enforcement and oversight remain fundamental as the initial review of the activities by the nation's five largest servicers will be expanded in 2011 to encompass an additional pool of five. FHA will continue to

construct and implement robust training programs for members of the industry, an effort already recognized through the leadership of the national servicing center.

Innovative efforts that stretch beyond borrower activities have also garnered the attention of FHA, specifically under the scope of neighborhood stabilization. These broader activities include utilizing Neighborhood Stabilization Program (NSP) funds for efforts having a concentrated acquisition and redevelopment model. For those areas not awarded an allocation or not addressed through the Treasury and Hardest Hit funds, additional loans will be made available for troubled borrowers. A short refinance program is also under review to assist and relieve those homeowners with negative equity.

In closing, Bott asked if those in attendance are also transforming their business models to better comply with and be responsive to current climate conditions. As evaluation remains key, ensuring that the proper controls are in place to recognize if intended approaches have gone astray is paramount. She stressed that small accomplishments should be celebrated, as the compilation of minor advancements will reap major gains for the entire industry to share.