» CONTENTS OVERVIEW:

INTRODUCTION & AGENDA	Conference Schedule, Networking Activity Details, Event Details and Sponsors	Pages 2 - 5
MEMBER ONLY SESSION 1	ALFN Organizational Updates – Attorney-Trustee Members Only	Page 6
MEMBER ONLY SESSION 2	ALFN Members Open Forum and Roundtable Discussions Attorney-Trustee Members Only	Page 6
MEMBER ONLY SESSION 3	Let's Talk Solutions - Attorney-Trustee Members Only	Page 6
GENERAL SESSION 1	Mid-year Housing & Mortgage Industry Report: What's in Store for the Rest of 2014	Pages 7 - 35
GENERAL SESSION 2	CFPB Compliance Intersects With Other Areas of Law	Pages 36 - 65
GENERAL SESSION 3	Coast to Coast: A Litigation Update	Pages 66 - 70
GENERAL SESSION 4	Is the Party Over or Is It Just Getting Started? A Forecast of Default Services Litigation	Pages 71 - 109
ROUNDTABLE SESSION 1	Third Party Vendor Management and Servicer Audits of Your Law Firm: What to Expect, How to Prepare for it, and the Need for a Consistent Industry Standard	Pages 110 - 137
ROUNDTABLE SESSION 2	Hot Topics in Foreclosure	Pages 138 - 163
ROUNDTABLE SESSION 3	Bankruptcy 2014: As it Stands Now and Where we are Headed	Pages 164 - 184
ROUNDTABLE SESSION 4	CFPB: A Reality CHeck	Pages 185 - 206
ROUNDTABLE SESSION 5	Eminent Domain and Vacant/Abandoned Property Legislation Update	Pages 207 - 242
ROUNDTABLE SESSION 6	The New Normal for Law Firms	Pages 243 - 249
GENERAL SESSION 5	Lender/Servicer Defense Litigation	Pages 250 - 336

WELCOME TO ANSWERS.

YOU'VE GOT QUESTIONS. WE'VE GOT ANSWERS.

ANSWERS AT-A-GLANCE: SCHEDULE

SUNDAY, JULY 20

12:00 PM - 6:00 PM ANSWERS Conference Registration Open Broadmoor Hall Registration Desk A

2:00 PM - 3:00 PM ALFN Attorney-Trustee Members Only Session 1: Organizational Updates Broadmoor Hall DE

3:00 PM - 3:15 PM Refreshment Break | Broadmoor Hall Foyer

3:15 PM - 4:15 PM ALFN Attorney-Trustee Members Only Session 2: Roundtable Discussions Broadmoor Hall DE

4:15 PM - 4:30 PM Refreshment Break | Broadmoor Hall Foyer

4:30 PM - 5:30 PM ALFN Attorney-Trustee Members Only Session 3: Let's Talk Solutions Broadmoor Hall DE

NETWORKING RECEPTION Sponsored by Butler & Hosch, P.A.

6:00 PM - 7:30 PM Mountain View Terrace - Broadmoor West Building

AFTER HOURS COCKTAIL RECEPTION Sponsored by Affinity

9:30 PM - 12:30 AM Donald Ross Room & Terrace at the Golf Club

MONDAY, JULY 21

7:30 AM - 9:00 AM Breakfast Buffet & Presentation: Legal Tech Tips, Tricks, Gadgets & Cool Stuff Broadmoor Hall A

8:00 AM - 5:00 PM ANSWERS Conference Registration Open Broadmoor Hall Registration Desk A

9:00 AM - 10:30 AM General Session 1: Mid-year Housing & Mortgage Industry Report. . . Broadmoor Hall B

10:30 AM - 10:45 AM Refreshment Break | Broadmoor Hall Foyer

10:45 AM - 12:15 PM General Session 2: CFPB Compliance Intersects With Other Areas of Law Broadmoor Hall B

12:15 PM - 1:45 PM Lunch Buffet & Special Presentation Broadmoor Hall A

1:45 PM - 3:15 PM General Session 3: Coast to Coast: A Litigation Update Broadmoor Hall B

3:15 PM - 3:30 PM Refreshment Break Broadmoor Hall Foyer

3:30 PM - 5:00 PM General Session 4: Is the Party Over or Is It Just Getting Started? . . . Broadmoor Hall B

NETWORKING RECEPTION Sponsored by ServiceLink, A Black Knight Company

6:00 PM - 7:30 PM Lake Terrace Dining Room - Broadmoor Main Building

NETWORKING RECEPTION JPEG: Picture the Future Networking Reception

9:00 PM- 11:30 PM Lakeside Terrace - Broadmoor Main Building

TUESDAY. JULY 22

6:30 AM - 7:30 AM Box Breakfast for Golfers Broadmoor Mountain Course

7:00 AM - 9:00 AM ANSWERS Conference Registration Broadmoor Hall Registration Desk A

7:30 AM - 9:00 AM Breakfast Buffet Broadmoor Hall A

7:30 AM - 12:30 PM Off-Site Group Networking Activities

1:00 PM - 6:00 PM ANSWERS Conference Registration Broadmoor Hall Registration Desk A

1:00 PM - 3:00 PM Lunch on Own

3:00 PM - 4:00 PM Roundtable Session 1: Third Party Vendor Management and Servicer Audits . . . Broadmoor Hall C

3:00 PM - 4:00 PM Roundtable Session 2: Hot Topics in Foreclosure Broadmoor Hall D

3:00 PM - 4:00 PM Roundtable Session 3: Bankruptcy 2014: As it Stands Now and Where we are Headed Broadmoor Hall E

4:00 PM - 4:15 PM Refreshment Break Broadmoor Hall Foyer

4:15 PM - 5:15 PM Roundtable 4: CFPB: A Reality Check Broadmoor Hall C

4:15 PM - 5:15 PM Roundtable 5: Eminent Domain and Vacant/Abandoned Property Legislation Update Broadmoor Hall D

4:15 PM - 5:15 PM Roundtable 6: The New Normal for Law Firms Broadmoor Hall E

NETWORKING RECEPTION & DINNER Sponsored by ProVest

6:00 PM - 8:30 PM Cheyenne Lodge

WEDNESDAY, JULY 23

7:30 AM - 9:00 AM Continental Breakfast Broadmoor Hall A

8:00 AM - 10:30 AM ANSWERS Conference Registration Broadmoor Hall Registration Desk A

9:00 AM - 10:30 AM General Session 5: Lender/Servicer Defense Litigation Broadmoor Hall B

★ 10:30 AM Conference Concludes



LOCATION & DETAILS OF GROUP ACTIVITIES

Day, Date	Time		Function Type	Location & Transportation
Tuesday, July 22, 2014	7:30 a.m	12:30 p.m.	Golf Tournament – Shotgun Start at 7:30 a.m.	Mountain Course - No tournament registration required at the golf course. You can go straight to your carts that will be labeled with your names, breakfast boxes preplaced on carts. Be at course no later than 7:00 a.m. Rentals ordered through ALFN will be pre-set on carts. Shoe rental available at course.
Tuesday, July 22, 2014	9:00 a.m	12:00 p.m.	ALFN Conference Zip Line Adventure	Depart Broadmoor South Building Entrance by Motorcoach
Tuesday, July 22, 2014	8:30 a.m	12:30 p.m.	ALFN Conference Olympic Training Center Tour & Garden of the Gods	Depart Broadmoor South Building Entrance by Motorcoach
Tuesday, July 22, 2014	8:00 a.m	12:30 p.m.	ALFN Conference Royal Gorge Route Railway – Dome Car	Depart Broadmoor South Building Entrance by Jeep

^{*} There will be limited to no opportunity for activity time switches or sign-ups onsite at the conference. Check with the ALFN registration desk.



DIAMOND **SPONSOR**





Platinum Sponsor

Gold Sponsor

stewart

SERVICING MANAGEMENT

Golf Tournament Sponsor

Media Sponsor

NSWE

THANK YOU TO OUR 2014 SPONSORS

Affinity Consulting Group, LLC

auction.com

Baker Donelson

Butler & Hosch, P.A.

Carlisle, McNellie, Rini, Kramer & Ulrich Co., LPA

Carter Conboy

CaseAware

Codilis & Associates, P.C.

Codilis, Stawiarski & Moody, P.C.

Court Appearance Professionals

Dyke, Goldsholl & Winzerling PLLC

EC Purchasing

Equi-Trax Asset Solutions, LP

Fabrizio & Brook

Felty & Lembright Co., L.P.A.

Firefly Legal

Firm Solutions

First American

Gilbert Garcia Group, P.A.

Gladstone Law Group

Glasser & Glasser

Keith D Weiner & Assoc., Co, LPA

Klatt, Odekirk, Augustine, et al

Kluever & Platt

KML Law Group

Knuckles, Komosinski & Elliott, LLP

Laurito & Laurito, LLC

LOGS Network

Mackie Wolf Zientz & Mann, P.C.

Malcolm Cisneros/Trustee Corps

McCalla Raymer, LLC

Millennium Partners

MyMotionCalendar

NetDirector

Nexus Consulting Consortium, LC

Pendergast & Associates, P.C.

Phelan Hallinan, LLP

Prober & Raphael, ALC

ProVest

Rosicki, Rosicki & Associates

Safeguard Properties

Schneiderman & Sherman

ServiceLink, a Black Knight Company

SHD Legal

Shechtman Halperin Savage, LLP

Stewart Lender Services

The Geheren Firm, PC

Thompson Flanagan

Trott & Trott

Weltman, Weinberg & Reis Co., LPA

Woods Oviatt Gilman

Zucker, Goldberg & Ackerman, L.L.P.

>> THE FINE PRINT

ALFNANSWERS.ORG

ALFN

QUESTIONS?

Contact us

American Legal & Finanical Network (ALFN)

12400 Olive Blvd., STE 555 St. Louis, MO 63141 Phone: 636-257-4500 Fax: 636-216-0050

For additional information about ANSWERS 2014, please visit: www.ALFNANSWERS.org

For additional information about the ALFN, please visit: www.ALFN.org

CLE for this event provided by

Disclaimer for Legal Content:
Legal content of this event is provided in conjunction with NBI.

IMPORTANT CONFERENCE INFORMATION:

The ANSWERS registration desk is in the Broadmoor Hall Foyer and is staffed by ALFN volunteers and staff during conference hours from Sunday, July 20 through Wednesday, July 23. Any questions about ANSWERS events (networking, receptions, education or off-site group activities) should be directed to staff at the registration desk.

ALFN WOULD LIKE TO THANK OUR ANNUAL CONFERENCE COMMITTEE MEMBERS FOR THEIR TIME AND EFFORT IN PLANNING THIS YEAR'S EVENT:

Chair | Kim Hammond, Esq. of Keith D. Weiner & Associates Co. L.P.A.

Committee Members:
Brian McGrath | ProVest
Clay Cornett, Esq. | ALAW
Jerry Azure | BSI Financial
Joan Brodsky, Esq. | Cenlar FSB
Kathy Feeney | Claims Becovery

Kathy Feeney | Claims Recovery Financial Services (CRFS)

Michelle Gilbert, Esq. | Gilbert Garcia Group, PA

Mike Sullivan | Codilis & Associates

Nicole Alling | Reimer, Arnovitz, Chernek & Jeffrey Co., L.P.A.

Rebekah Pugh Beal | Stephens Millirons, P.C.

Telea Stafford | Butler & Hosch, P.A.

Tom Force | Wingspan Portfolio Advisors

Veronica Medrano | Carlisle, McNellie, Rini, Kramer & Ulrich., Co L.P.A.

TRANSPORTATION OPTIONS DEPARTING THE BROADMOOR HOTEL

Local Airports: Denver International Airport (DEN) and Colorado Springs Airport (COS). Ground Transportation: Car Rentals, Taxis, Limos, Sedans and Airport Shuttles can also be utilized. View the ground transportation options at www.ALFNANSWERS.org/transportation-options.html when booking your return travel from the Broadmoor Hotel.

REMINDER: DRESS ATTIRE

All ALFN conference events & activities will accommodate resort casual dress attire. Shorts (no jean shorts), jeans (no holes) and collared shirts for men. Shorts (no jean shorts), dress, skirt, jeans (no holes), blouse, pullover top and collared shirt for women. Remove the Charles Court Restaurant (jackets suggested, dress denim ok). Revise the following for the Summit - Summit Restaurant (no shorts, jeans no holes acceptable). Weather expectations for this year's ANSWERS include evening temperatures around 58 degrees, with daytime highs around 85. Warmer clothing recommended for those participating in some of the off-site group networking activities.

ATTENDEE CLE CREDIT

This program has been submitted for CLE credit in every state that has a mandatory CLE requirement. Individual state requirements vary and it may not be possible to obtain CLE credit in every state. All CLE forms may be picked up and dropped off at the ANSWERS registration desk in the Broadmoor Hall Foyer.



COMMITTEES, GROUPS AND TASK FORCES

MONTHLY MEETINGS WITH INDUSTRY-WIDE IMPACT. FIND OUT AT ALFN.ORG HOW TO GET INVOLVED.

Sunday, July 20

ALFN Attorney-Trustee Member Only Session 1

Sunday, July 20 2:00 - 3:00 p.m. Broadmoor Hall DE

ALFN Organizational Updates

Hear the ALFN leadership report organizational achievements experienced throughout the year. an outlook of key projects under development, committee and group updates and other organizational items important to ALFN members.

ALFN Attorney-Trustee Member Only Session 2

Sunday, July 20 3:15 - 4:15 p.m. Broadmoor Hall DE

ALFN Members Open Forum and Roundtable Discussions

This session will be an open floor to ALFN members to ask questions, give feedback and recommendations and discuss general industry topics with each other and the leadership of the ALFN. Attendees will work together to discuss solutions to the issues facing mortgage banking professionals and how the organization can continue being effective in representing the needs of its members.

ALFN Attorney-Trustee Member Only Session 3

Sunday, July 20 4:30 - 5:30 p.m. Broadmoor Hall DE

Let's Talk Solutions

We will hear reports from each of the small groups from the prior session on the various industry issues discussed, and their proposed solutions on where the members and ALFN can assist in bringing positive change to areas of concern in our industry.

General Session 1

Monday, July 21 9:00 - 10:30 a.m. Broadmoor Hall B

Mid-year Housing & Mortgage Industry Report: What's in Store for the Rest of 2014

A panel of industry experts will review trends in the housing and mortgage markets: sales, pricing, inventory, foreclosures, delinquencies, origination (purchase and refi), etc. Panel will explore the impact regulatory changes have had on these trends, and implications for the rest of 2014 and beyond. Panel will also discuss implications of these trends for lenders, servicers and the professional service organizations that support them. The conversation will be tailored to provide insights on what's coming next in the marketplace, which attendees can use for business planning purposes.

Moderators: Rick Sharga, Executive Vice President, Auction.com **Confirmed Speakers:** Bill Emmons, Assistant Vice President & Economist, Federal Reserve Bank of St. Louis; Dr. Mark Palim, Vice President of Applied Economic and Housing Research, Fannie Mae



Rick Sharga Executive Vice President Auction.com 1 Mauchly Irvine, CA 92618 Phone: 949-951-2281

Email: rsharga@auction.com

One of the country's most frequently-quoted sources on real estate, mortgage and foreclosure trends, Rick has appeared on the CBS Evening News, NBC Nightly News, CNN, ABC World News, CNBC, FOX and NPR. Rick has briefed government organizations such as the Federal Reserve and Senate Banking Committee and corporations like JPMorgan Chase, Citibank and Deutsche Bank on foreclosure trends, and done foreclosure training for leading real estate organizations such as Re/Max, Prudential and Keller Williams.

Prior to joining Auction.com, Rick was an Executive Vice President and primary spokesman for Carrington Mortgage Holdings, which own and operates multiple businesses in the mortgage, real estate and investment industries. Prior to Carrington, Rick spent eight years at RealtyTrac, where as senior vice president he was responsible for marketing, business development and data operations. Rick is a member of various influential industry organizations. He is on the board of directors of REOMAC and a member of the Five Star National Servicing Association. He serves on the editorial advisory board for *Default Servicing News* and was included in *Inman News*' Inman 100, an annual list of the most influential leaders in real estate in both 2013 and 2014.



William R. Emmons
Assistant Vice President and Economist
Federal Reserve Bank of St. Louis
P.O. Box 442
St. Louis MO 63166-0442

Phone: 314-444-8844

Email: William.R.Emmons@stls.frb.org

Bill Emmons is an Assistant Vice President and Economist at the Federal Reserve Bank of St. Louis. He conducts policy analysis and speaks frequently on topics including the economy, housing and mortgage markets, banking, financial markets, and financial regulation.

Mr. Emmons has been with the St. Louis Fed since 1995. He also serves as an Adjunct Professor of Finance in the John M. Olin Business School at Washington University in St. Louis. Prior to joining the St. Louis Fed and Washington University, he was on the faculty of the Amos Tuck School of Business at Dartmouth College, in Hanover, New Hampshire.

Mr. Emmons received a PhD degree in Finance from the J.L. Kellogg School of Management at Northwestern University. He received bachelors and master's degrees from the University of Illinois at Urbana-Champaign.

Mr. Emmons and his wife, Vera, have three children—Sonia, Thea, and Nathan.



Dr. Mark Palim
Vice President of Applied Economic and Housing Research
Fannie Mae
3900 Wisconsin Avenue
NW Washington, DC 20016-2892
Email: Mark Palim@fanniemae.com

Dr. Mark Palim is Vice President of Applied Economic and Housing Research at Fannie Mae. He is responsible for overseeing the corporate macroeconomic and housing forecasting functions. In addition, he manages multi-disciplinary partnerships across the company to address specific business issues facing Fannie Mae. Dr. Palim is a key spokesperson on economic and housing market trends and a frequent speaker at national mortgage finance and housing industry conferences. Prior to working at Fannie Mae, Dr. Palim worked as an economic consultant for PricewaterhouseCoopers and for LECG. His practice was focused on applying economic and financial theory to a variety of business disputes and policy questions. He has been a consulting and testifying expert in antitrust cases and disputes in the financial services industry. In addition, Dr. Palim led a team of 75 adjudicators charged with valuing claims for the Department of Justice and the Special Master administering the Federal September 11th Victim Compensation Fund.

Dr. Palim was first involved with economic forecasting and mortgage securities in 1988 when he was as a portfolio manager and also reported to the Chief Economist at Mercantile Safe Deposit and Trust Company. Subsequently he continued his work on macroeconomic and policy issues as a staff economist for the National Association of Federal Credit Unions (NAFCU).

Dr. Palim has a Ph.D. in economics from George Mason University and a B.A. in international studies from the Johns Hopkins University. In addition to his academic training, Dr. Palim is a Chartered Financial Analyst charter holder (CFA).

Dr. Palim is married to an attorney and has four children. He lives in Bethesda, Maryland and grew up in Brussels, Belgium. Dr. Palim is fluent in French.



Consumer Aspirations and Economic Realities in Today's Housing Market

American Legal & Financial Network

Mark Palim VP of Applied Economic and Housing Research, Fannie Mae July 21, 2014



Disclaimer

Opinions, analyses, estimates, forecasts, and other views of Fannie Mae's Economic & Strategic Research (ESR) group included in these materials should not be construed as indicating Fannie Mae's business prospects or expected results, are based on a number of assumptions, and are subject to change without notice. How this information affects Fannie Mae will depend on many factors. Although the ESR group bases its opinions, analyses, estimates, forecasts, and other views on information it considers reliable, it does not guarantee that the information provided in these materials is accurate, current, or suitable for any particular purpose. Changes in the assumptions or the information underlying these views could produce materially different results. The analyses, opinions, estimates, forecasts, and other views published by the ESR group represent the views of that group as of the date indicated and do not necessarily represent the views of Fannie Mae or its management.

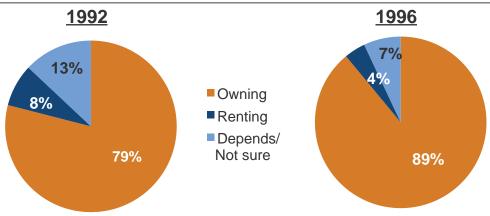


Aspirations and Current Economic Environment



From Both a Financial and Lifestyle Perspective, Americans' Preference for Owning Over Renting is Similar to Pre-Crisis Levels

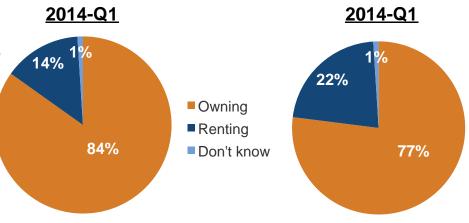




Which is closer to your view?

Financial Considerations

- Owning protects against rent increases and is a good investment over the long term
- Renting protects against house price declines and is actually a better deal than owning



Lifestyle Considerations

- Owning you have more control over where you live and a better sense of privacy and security
- Renting is less stressful and gives you more flexibility in future decisions

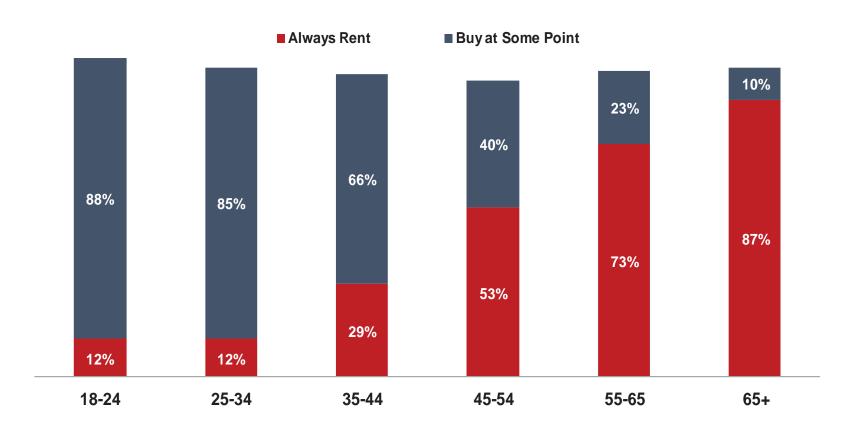
14



Majority of Younger Renters Who Plan to Rent on Their Next Move Say They are Still Likely to Buy at Some Point in the Future

IF "RENT" ON WHETHER YOU'D RENT OR BUY: In the future, are you more likely to?

Showing % Renters - Q2-2013 to Q1-2014





Upward Wage Pressure Remains Comparatively Weak

Average Hourly Earnings for Production and Nonsupervisory Employees (Year-over-Year % Change)

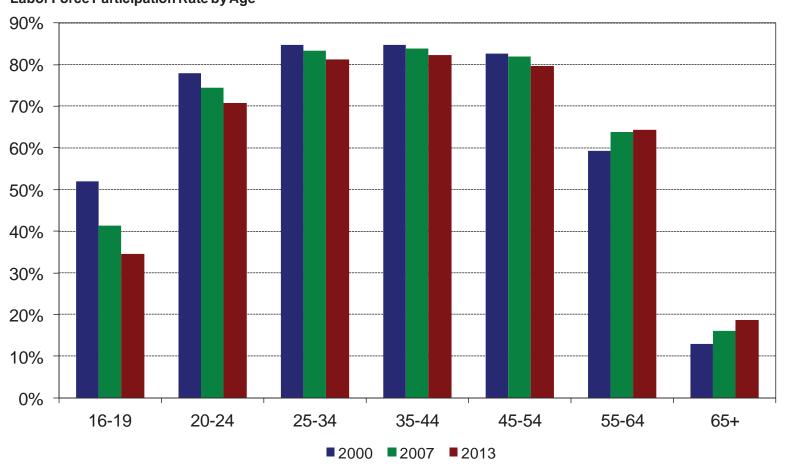


Source: Bureau of Labor Statistics



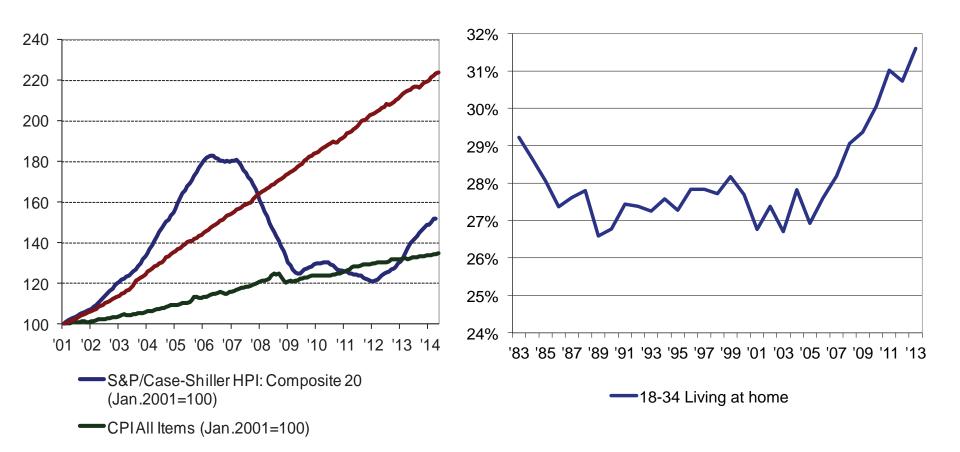
Younger Workers Struggling to Enter Labor Force and Older Workers are Postponing Retirement

Labor Force Participation Rate by Age





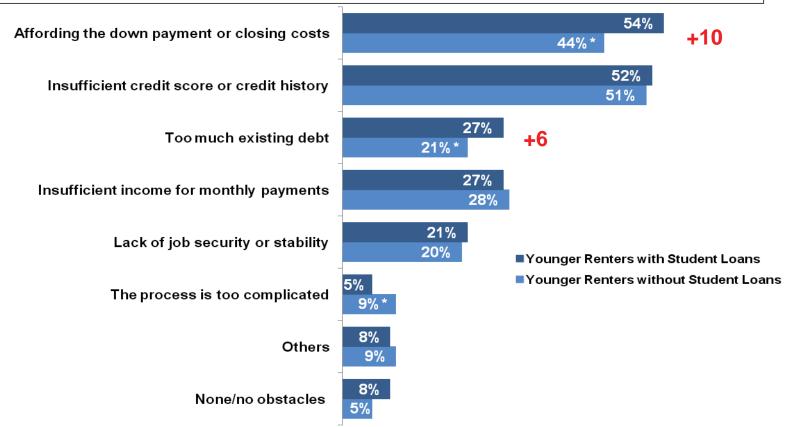
College is Growing Increasingly Costly, While Young Cohorts Have Trouble Finding Jobs and Becoming Financially Independent





Younger Renters with Student Loans are More Likely Than Those Without Them to Cite Down Payment and Existing Debt as Their Biggest Obstacles to Getting a Mortgage

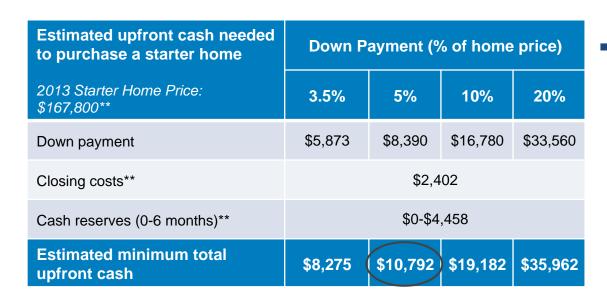
What would be your biggest obstacle to getting a mortgage to purchase or refinance a home today? SELECT UP TO 3 - Q3 2013

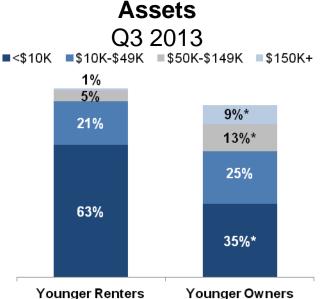


^{*} Denotes a statistically significant difference between younger renters with and without student loans at the 95% confidence level



Majority of Younger Renters Report Having Insufficient Assets to Cover a 5% Down Payment Plus Closing Costs on a Typical Starter Home





And again, for statistical purposes only, please tell me which of the following categories best represents how much in assets you currently have, either invested or available for investing, in terms of checking or savings accounts, investment accounts, and brokerage accounts, but not including the value of any real estate or employer-sponsored retirement plan such as a 401k?

^{*} Denotes a statistically significant difference between younger owners and younger renters at the 95% confidence level

^{* *} Sources: National Association of Realtors® Housing Affordability Index (assumes a 10% down payment to calculate monthly payments; this is the basis for the cash reserve estimate); Bankrate.com 2013 Closing Cost Survey (based on a \$200,000 loan with a 20% down payment, excludes title insurance, title search, taxes, property insurance, association fees, interest and other prepaid items).



Rental Markets



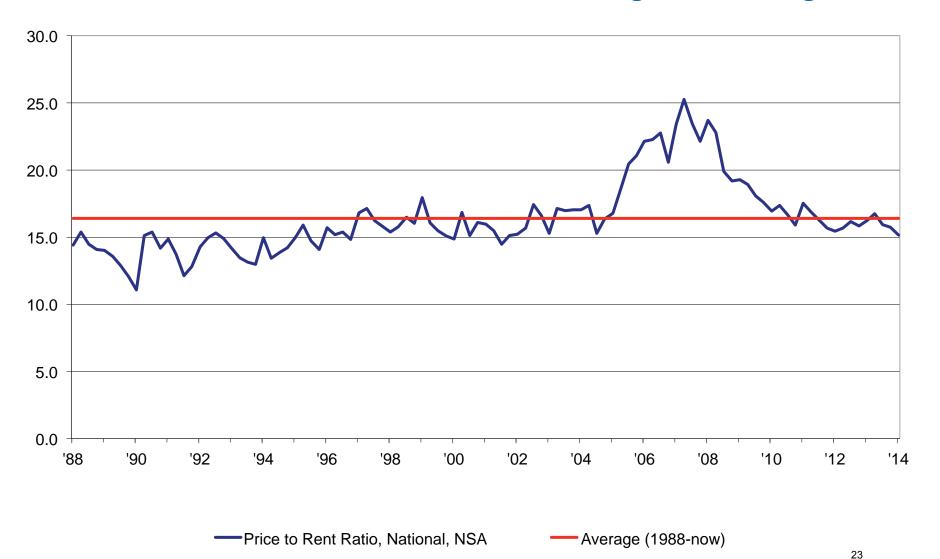
Real Rents Have Risen Recently Following Modest Declines



Source: Census Bureau 13

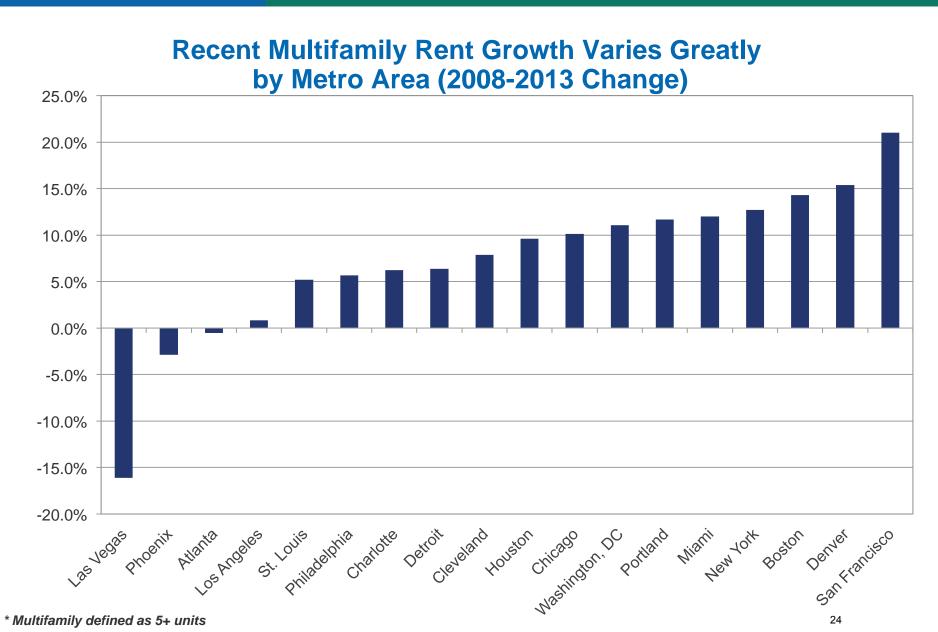


Price-to-Rent Ratio is Close to Its Long-Term Average



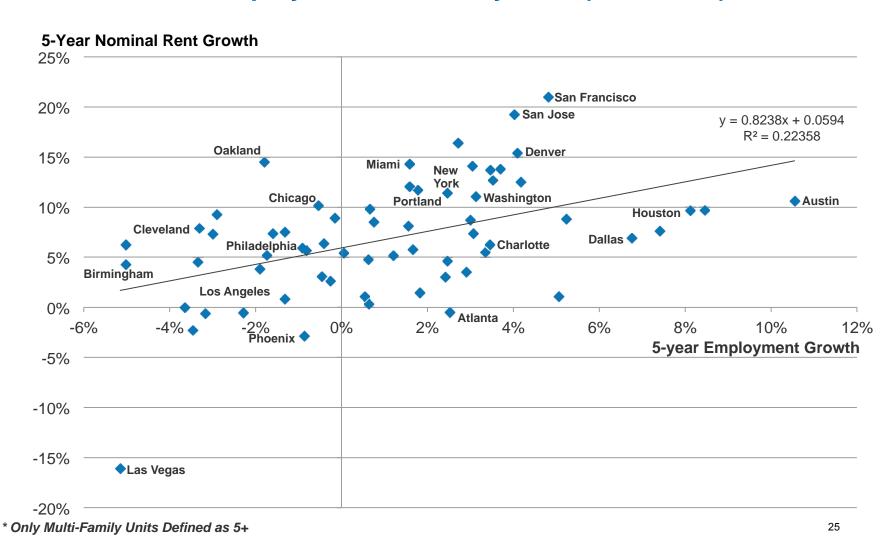
Source: Census Bureau 14







There is a Positive Relationship Between Rent Changes and Employment Growth by MSA (2008-2013)

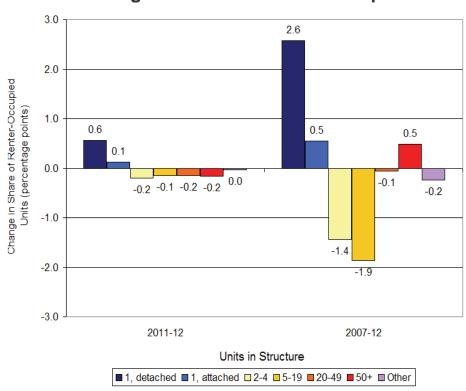


Source: CBRE Econometric Advisors

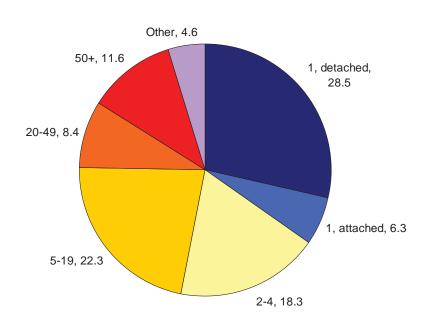


Detached Single-Family Homes Have Been the Big Winner in the Rental Market Expansion

Change in Share of Renter-Occupied Stock



2012 Share of the Renter-Occupied Stock



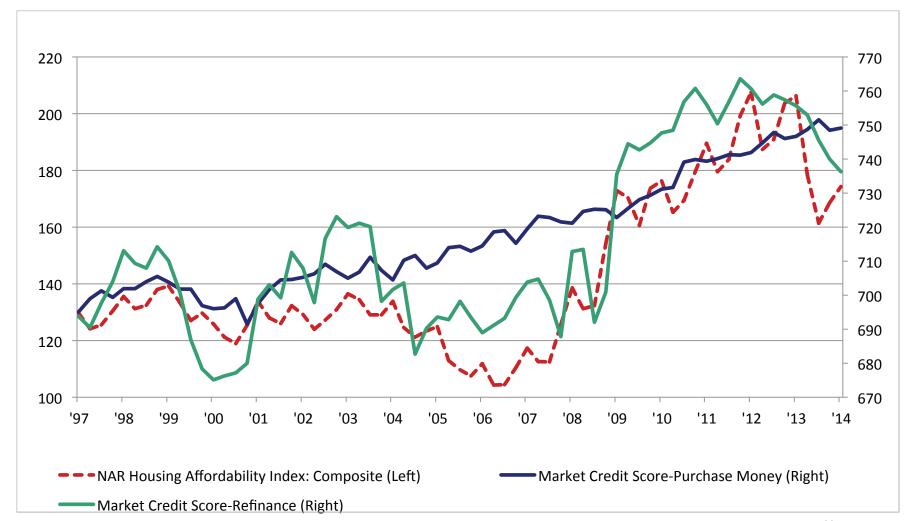
Percent distribution of renter-occupied housing units by units in structure, 2012.



Housing and Mortgage Market

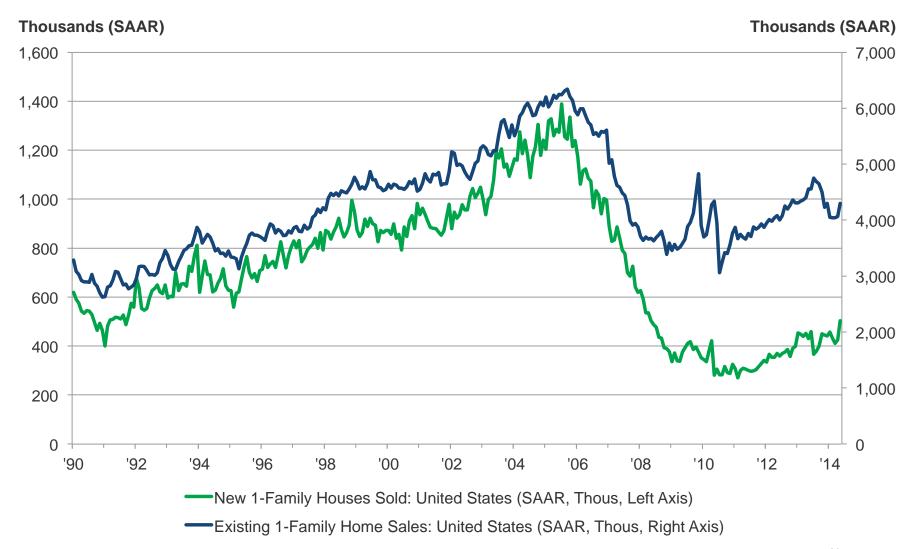


Although Home Purchase Affordability Has Declined, Credit Standards Have Begun To Ease





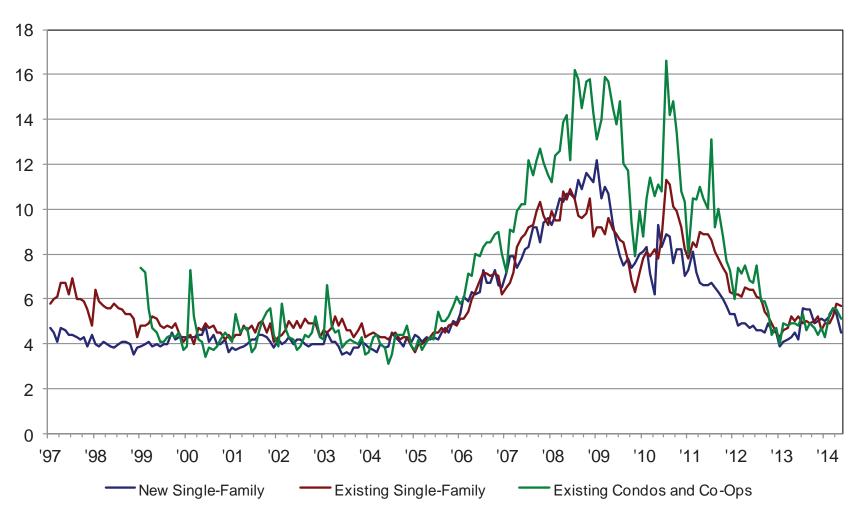
Home Sales Are Recovering From First-Quarter Lows





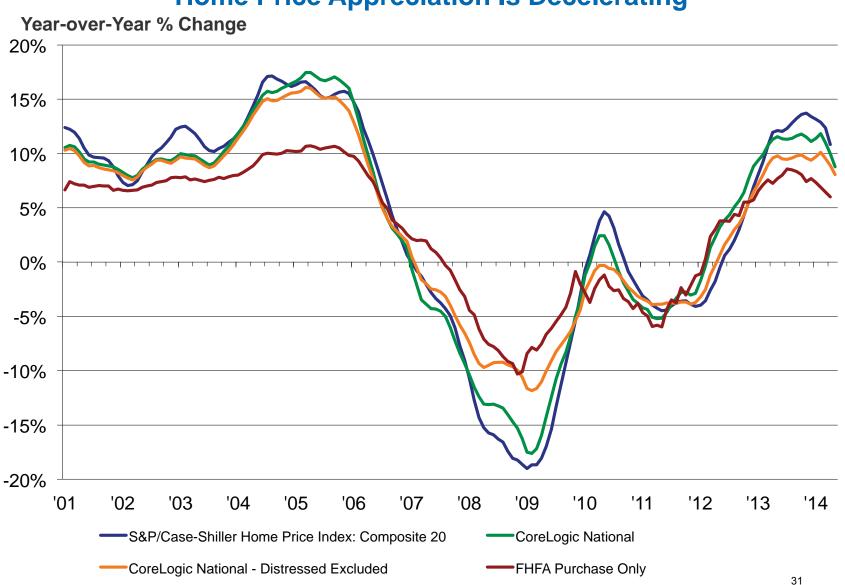
Months' Supply Measures Remain Below Average

Number of Months



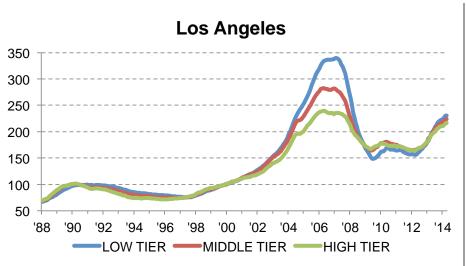


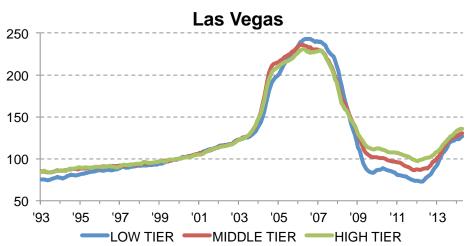
Home Price Appreciation Is Decelerating

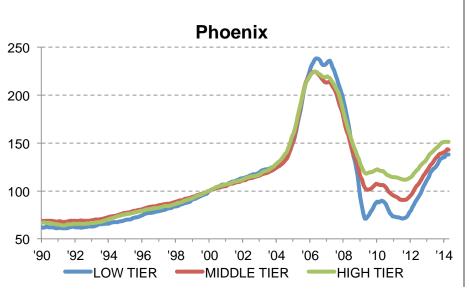


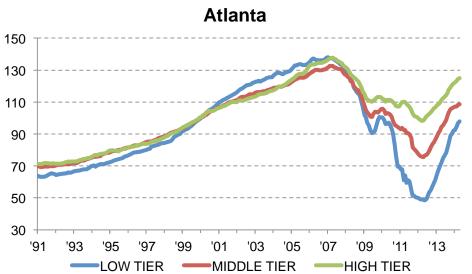


Home Prices are Local Again









Note: The indices have a base value of 100 on January of 2000.

32

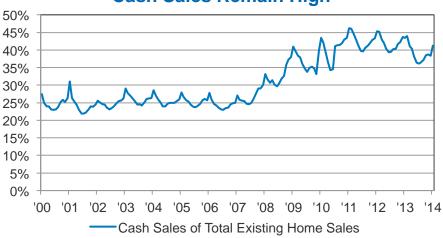


Risks For the Housing Recovery

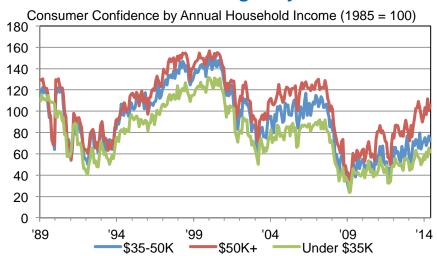
Household Formation is Sluggish



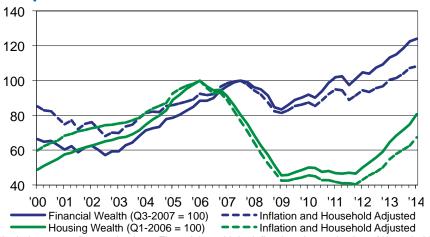
Cash Sales Remain High



Confidence Diverges by Income



Improvement in Household Net Worth* is Uneven



*Includes nonprofit organizations. Financial wealth is defined as the total value of household financial assets less non-mortgage liabilities. Housing wealth is defined as the total value of household residential real estate assets minus home mortgage debt outstanding.



Speaker Biography

Mark Palim – Vice President of Applied Economic and Housing Research

Dr. Mark Palim is Vice President of Applied Economic and Housing Research at Fannie Mae. He is responsible for overseeing the Economic and Strategic Research Group's forecasting functions and manages multi-disciplinary partnerships across the company to address specific business issues facing Fannie Mae. Dr. Palim is a key spokesperson on economic and banking trends and a frequent speaker at national mortgage finance and housing industry events.

Prior to working at Fannie Mae, Dr. Palim was an economic consultant for PricewaterhouseCoopers and for LECG. His practice focused on applying economic and financial theory to a variety of business disputes and policy questions. He worked as a consulting and testifying expert in antitrust cases and disputes in the financial services industry. In addition, Dr. Palim led a team of 75 adjudicators charged with valuing claims for the Department of Justice and the Special Master administering the Federal September 11th Victim Compensation Fund.

Dr. Palim was first involved with economic forecasting and mortgage securities in 1988 when he was as a portfolio manager and also reported to the Chief Economist at Mercantile Safe Deposit and Trust Company. Subsequently, he continued his work on macroeconomic and policy issues as a staff economist for the National Association of Federal Credit Unions (NAFCU).

Dr. Palim has a Ph.D. in economics from George Mason University and a B.A. in international studies from the Johns Hopkins University. In addition to his academic training, Dr. Palim is a Chartered Financial Analyst charter holder (CFA).

Dr. Palim is married to an attorney and has four children. He lives in Bethesda, Maryland and grew up in Brussels, Belgium. Dr. Palim is fluent in French.





Contact Information

fanniemae.com/media/economics/

Mark Palim, Vice President Fannie Mae 3900 Wisconsin Ave., NW Mail Stop 1H-2N/01 Washington, DC 20016

(o) 202-752-7987

mark_palim@fanniemae.com

General Session 2

Monday, July 21 10:45 - 12:15 p.m. Broadmoor Hall B

CFPB Compliance Intersects With Other Areas of Law

Join us in a discussion surrounding the CFPB rules, specifically loss mitigation under 1024.41. Also clarify how that rule carved out exception for bankruptcy and FDCPA, but how does it impact mediation and mediation privilege? Additionally, discuss best practices regarding compliance with CFPB from a law firm's standpoint, servicer's standpoint, and how to avoid/mitigate the prolonged litigation it was designed to create.

Moderator: Adam Wilde, Esq., Supervising Mediation Attorney, Codilis & Associates, P.C. **Speakers:** Adam Codilis, Esq., Attorney/Client Relationship Manager, Codilis & Associates, P.C.; Andrea Tromberg, Esq., Managing Partner, Gladstone Law Group, P.A.; Chandra L. Tafolla, VP, Wells Fargo; Michelle Mierzwa, Esq., National Managing Attorney – Non-Judicial Foreclosure, Butler & Hosch, P.A.; Laurie Maggiano, Servicing and Secondary Markets Program Manager, CFPB



Adam J. Wilde, Esq.
Supervising Mediation Attorney
Codilis & Associates, P.C.
15W030 North Frontage Road
Burr Ridge, IL USA 60527

Phone: 630-794-5300

Email: adam.wilde@il.cslegal.com

Adam Wilde is a Supervising Attorney with Codilis & Associates. He concentrates his practice in mortgage foreclosure, creditor rights, real estate transactions and litigation. Mr. Wilde is a member of the Chicago Bar Association and the Illinois Bar Association and was recently appointed to serving as a member of the Illinois State Bar Association's Commercial banking, Collections and Bankruptcy Law Section Council.

Education:

Juris Doctor, 2009, Drake University Law School, Des Moines, Iowa. Dean's Scholar and Public Service Certificate recipient

Bachelor of Arts, 2004 De Paul University, Chicago, Illinois

Admissions:

2009, State of Illinois



Adam E. Codilis, Esq.
Associate Attorney & Client Relationship Manager
Codilis & Associates, P.C.
15W030 North Frontage Road
Burr Ridge, IL USA 60527
Phone: 630-794-5300

Fax: 630-794-9090

Email: Adam.Codilis@il.cslegal.com

Mr. Codilis is an associate attorney concentrating his practice in creditor's rights, mortgage foreclosure, bankruptcy, litigation, and REO transactions. He also works for the firm as a client relationship manager. He had worked for the firm as a law clerk and legal assistant prior to licensing, but joined the firm as an attorney in November 2009. Prior to that time, he also gained experience working as a law clerk for the Financial Industry Regulatory Authority. Mr. Codilis recently received his Six Sigma Green Belt Certification and participated in Fred Lane's Trial Technique Institute. He is a member of the DuPage County Bar Association, Chicago Bar Association, the Illinois State Bar Association, the Illinois Real Estate Lawyers Association and Phi Alpha Delta Law Fraternity. Adam Codilis also serves as the Chairperson of the Government Affairs Subcommittee for the Legal League 100 and was appointed to be on the membership committee for the Chicago Bar Association. In his personal life, Mr. Codilis is actively involved in several charities including volunteering with The CARA Program, EGBOK Mission, and serving as a Junior Board Member for the Mercy Home for Boys and Girls.

Education:

Six Sigma Green Belt Certification, 2014, University of Illinois at Urbana-Champaign, Naperville, Illinois Fred Lane's Trial Technique Institute, 2013, Illinois State Bar Association, Chicago, Illinois Juris Doctor, 2009, The John Marshall Law School, Chicago, Illinois Bachelor of Business Administration, 2006, University of Iowa, Iowa City, Iowa

Admissions:

2009, State of Illinois; 2012, General Bar, United States District Court for the Northern District of Illinois; 2013, United States District Court for the Central District of Illinois; 2013, United States District Court for the Southern District of Illinois

Publications: "Alleviating Abandonment in Illinois: Cook County's Uncontested Vacant Residential Mortgage Foreclosure Call Gains Momentum", Legal League Quarterly (Summer, 2012). Co-authored with Adam J. Wilde.; "Avoiding the Walkaway: Enforcing Personal Deficiencies to Mitigate Strategic Default", Housing Wire Magazine, (June, 2012). Co-authored with Adam J. Wilde.

Speaking Engagements:

Conversation Starter, Legal League 100 Servicer Summit: Dealing with the Most Common and Creative Defenses to Foreclosure (April, 2013)

Panelist, REOMAC & AREAA Chicago Meeting: Market Trends (June, 2013)

Panelist, The Five Star Conference and Expo: Deflating the Balloon of Foreclosures (September, 2013)

Conversation Starter, Legal League 100 Servicer Summit: On the Fast Track (April, 2014)

Panelist, American Legal Financial Network's 12th Annual Conference: CFPB Compliance Intersects With Other Areas of Law (July 2014)



Andrea Shelowitz Tromberg, Esq. Managing Partner Gladstone Law Group, P.A. 1499 W. Palmetto Park Road, Suite 300 Boca Raton, FL 33486

Phone: 561-338-4101 Fax: 561-338-4077

Email: atromberg@lglaw.net

Andrea Tromberg, Managing Partner, graduated from the University of Florida in 1993 in the top 10% of her class, and then earned her law degree from Nova Southeastern University in 1996. During law school she held a position as Editor of the prestigious Law Review, and served as a member of the Moot Court Society. Following law school, Mrs. Tromberg practiced for four years with the Public Defender's Office handling a high volume of cases, including; misdemeanors, juvenile cases, felonies and life felonies, as well as sitting second chair on a highly publicized murder trial. She was awarded Attorney of the Year for her ability to competently handle a large number of cases through trial. Thereafter, Andrea Tromberg started her own practice, and handled a variety of matters including commercial litigation, corporate transactions, general civil practice, appeals, family law, personal injury, foreclosure defense and probate.

Andrea Tromberg joined Gladstone Law Group in 2010, and brings to the firm her vast experience in complex litigation, as well as her effective abilities in the courtroom, appellate work, trial, management and remarkable personal skills, making her a valuable asset to the firm.

Currently, Andrea Tromberg serves as the Managing Partner at the law offices of Gladstone Law Group, P.A. The law firm offers a comprehensive range of legal services for mortgage lenders, servicers, banks, and investors. Further, the firm focuses on residential and commercial foreclosure, appeals, bankruptcy, eviction, loss mitigation, property registration, title curative, real estate litigation, and collections. Gladstone Law Group, P.A. offers legal services throughout Florida and Puerto Rico.



Chandra L. Tafolla Vice President, Mediation Wells Fargo Home Mortgage 3476 Stateview Blvd. Fort Mill, SC

Phone: 803-396-6519

Email: Chandra.L.Tafolla@wellsfargo.com

Chandra Tafolla represents Wells Fargo Home Mortgage as Vice President in the Mediation Department. Ms. Tafolla has been with Wells Fargo since 2007. Ms. Tafolla focuses on home preservation efforts and strategies, brand & reputation management, vendor management, and on growing and developing strong relationships for the company. She works closely with senior leaders across business lines as well as with nonprofits and state and local officials to shape policy and provide a clear understanding of Wells Fargo's efforts to assist struggling mortgage customers. Ms. Tafolla works to build productive relationships with elected officials, and advocacy groups who share the goal of home preservation and community stabilization.

Immediately prior to joining Wells Fargo Home Mortgage, Ms. Tafolla enjoyed a successful career as Loan Servicing Manager for Citi Residential Lending, formerly Ameriquest Mortgage Company. In this capacity she oversaw Customer Care and Collections. Ms. Tafolla focused on guiding policy on business and operations. Prior to this, Ms. Tafolla worked as an Escrow Officer for Western Capital Mortgage.

Ms. Tafolla graduated from Cal State Fullerton with a Bachelor of Arts in Business Administration.



Michelle Mierzwa, Esq. National Managing Attorney – Non-judicial Foreclosure Butler & Hosch, P.A 525 East Main Street El Cajon, Ca. 92020

Phone: 619-590-9200 ext. 1193

Email: mmierzwa@butlerandhosch.com

Michelle Mierzwa is National Managing Attorney with Butler & Hosch, P.A. As National Managing Attorney Mierzwa is responsible for not only the company's compliance with substantially enhanced state and federal laws, but the management and resolution of litigated matters and the coordination of compliance audits. As National Managing Attorney, Mierzwa also communicates and collaborates with operations and legal departments of clients, including most of the largest mortgage lenders, servicers and investors in the nation. Mierzwa frequently provides on-site training for servicers regarding non-judicial foreclosure processes.

In 2010, Mierzwa was appointed to the Legislation Committees of the California Mortgage Bankers Association and the United Trustees Association. In this capacity, Mierzwa monitored, proposed and analyzed new legislation affecting the industry, meeting and negotiating with state and federal legislators to amend or defeat many bills. Over the years, Mierzwa has participated on speaking panels for national default industry conferences, including the American Legal and Financial Network Foreclosure Mediation Panel, the Mortgage Bankers Association Servicing Conference Default Super Session, and the United Trustees Association Annual Conference Trends in Litigation Panel.

In recognition of her industry support efforts, Mierzwa was awarded the 2010 New Member of the Year Award by the United Trustee's Association at its annual convention. Mierzwa is currently serving a three-year term on the Board of Directors of the United Trustee's Association, a national organization dedicated to the enhancement, education, and legislative support of the default servicing and foreclosure industry. Prior to joining Cal-Western, Mierzwa was a litigation and appellate attorney for ten years at a San Diego firm specializing in the representation of residential finance lenders, servicers, investors and trustees. During this practice, Mierzwa handled all aspects of civil litigation, including alternative dispute resolution, bench and jury trials, and successful defense of a number of appeals. An Arizona pro hac vice matter resulted in the reported case of Kelly v. NationsBanc Mortgage Corporation (2001) 199 Ariz. 284, clarifying the intersection of state foreclosure statutes and federal bankruptcy laws.

Although the majority of her work involves matters outside San Diego County, Mierzwa maintains her connection with the local legal community through membership in the Real Property Section of the San Diego County Bar Association. Mierzwa was previously a member of the California Western School of Law Alumni Board of Directors and the Board of Directors for the Lawyers Club of San Diego, also serving as the Golf Tournament Chair and President and Treasurer of the East County Division for many years.

Mierzwa was born and raised in San Diego and resides in Del Mar with her husband and two children.



Laurie A. Maggiano
Servicing and Secondary Markets Program Manager
Office of Research, Markets & Regulations
Consumer Financial Protection Bureau
1700 G St. NW
Washington, DC 20552

Phone: 202-435-9880

Email: Laurie.Maggiano@cfpb.gov

Laurie Maggiano is Program Manager for Servicing and Secondary Markets at the Consumer Financial Protection Bureau, in which capacity she helps to shape and implement Federal housing regulations. Prior Federal service includes four years as Director of Homeownership Policy at the U.S. Department of the Treasury where she was one of the architects of the Making Home Affordable program, and nine years as manager of mortgage servicing at the U.S. Department of Housing and Urban Development. Before beginning her government career, Ms. Maggiano spent 20 years in the private sector as Director of REO at Freddie Mac and as an asset manager for two West Coast mortgage banks. In 2011, Ms. Maggiano was honored with a lifetime achievement award for Leadership in Mortgage Servicing, and in 2012 and 2013 she was named by Housing Wire Magazine as a Woman of Influence in the mortgage industry.

CFPB Compliance: How The New Rules Intersect with Other Laws



ADAM J. WILDE CODILIS & ASSOCIATES, P.C.

Panelists

- Adam J. Wilde: Supervising Attorney, Codilis & Associates
- Michelle Mierzwa: National Managing Attorney—nonjudicial foreclosure, Butler & Hosch
- Chandra Tafolla: Vice President, Wells Fargo
- Andrea Tromberg: Managing Partner, Gladstone Law Group
- Adam Codilis: Attorney and Director of Client Relations,
 Codilis & Associates
- Laurie Maggiano: CFPB, Servicing and Secondary Markets
 Program Manager

Introduction

- July 21, 2010 Dodd-Frank Act was signed into law, establishing the Bureau of Consumer Financial Protection ("CFPB").
 - Act consolidated the rulemaking and enforcement authority for a dozen federal consumer financial laws including TILA, RESPA, and the FDCPA.
 - Act granted the authority to create the Bureau of Consumer Financial Protection ("CFPB")

Introduction

"The [CFPB] is a 21st Century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives."

Introduction

- §1061 of the Dodd Frank Act transferred to the CFPB consumer financial protection functions.
- CFPB has been busy.
 - Since January of 2013, it issued myriad new rules

ANSWERS

- BUT HOW DO WE INTERPRET?
 - Like any laws, these new laws leave some ambiguities, uncertainty, and are in need of further interpretation.
- Purpose of this presentation:
 - Our panelists have reviewed the new laws.
 - We have spotted the issues.
 - The goal of this presentation is to make our audience aware of the ambiguities and help provide clarity and best practices for compliance.

1026.36 Prompt Payment Crediting and Payoff Statements

- REG Z: Prompt Payment Crediting and Payoff Statements (12 CFR 1026.36)
- 1026.36(c)(1)(i)—PERIODIC PAYMENTS
 - "The Perpetual Default" borrower remains delinquent but less than 120-days.
 - The Partial Payment MOVING TARGET.
 - Post-Referral Payments: How should a servicer address post-foreclosure payments that are insufficient to reinstate? What is a periodic payment postacceleration?

§1026.41Periodic Billing Statements for Residential Mortgage Loans

- New Periodic Billing Statement codifies what needs to be included.
 - Must be sent every billing cycle, regardless of default.
 - Must also include information regarding delinquency
 - Delinquency information

§1026.41 Periodic Billing Statements

- (d) Content and layout of the periodic statement. The periodic statement required by this section shall include (CONTD):
 - (8) Delinquency information. If the consumer is more than 45 days delinquent, the following items, grouped together in close proximity to each other and located on the first page of the statement or, alternatively, on a separate page enclosed with the periodic statement or in a separate letter:
 - (i) The date on which the consumer became delinquent;
 - (ii) A notification of possible risks, such as foreclosure, and expenses, that may be incurred if the delinquency is not cured;
 - (iii) An account history showing, for the previous six months or the period since the last time the account was current, whichever is shorter, the amount remaining past due from each billing cycle or, if any such payment was fully paid, the date on which it was credited as fully paid;
 - (iv) A notice indicating any loss mitigation program to which the consumer has agreed, if applicable;
 - (v) A notice of whether the servicer has made the first notice or filing required by applicable law for any judicial or non-judicial foreclosure process, if applicable;
 - (vi) The total payment amount needed to bring the account current; and
 - (vii) A reference to the homeownership counselor information disclosed pursuant to paragraph (d)(7)(v) of this section.

§1026.41 H-30(a-c)

Springside Mortgage

Customer Service: 1-800-555-1234 www.springsidemortgage.com

Jordan and Dana Smith 4700 Jones Drive Memphis, TN 38109

Mortgage Statement

Statement Date: 3/20/2012

Account Number		1234567
Payment Due Date		4/1/2012
Amount Due	Option 1 (Full):	\$1,829.71
	Option 2 (Interest-Only):	\$1,443.25
	Option 3 (Minimum):	\$1,156.43
If payment is received after 4/15/12, \$160 late fee will be charged.		

Account Information	
Outstanding Principal	\$260,000.00
Interest Rate (Until October 2012)	4.75%
Prepayment Penalty	Yes

Explanation of Amount Due			
	Option 1 (Full)	Option 2 (Interest-Only)	Option 3 (Minimum)
Principal	\$386.46	so so	\$0
Interest	\$1,048.07	\$1,048.07	\$761.25
Escrow (Taxes and Insurance)	\$235.18	\$235.18	\$235.18
Regular Monthly Payment	\$1,669.71	\$1,283.25	\$996.43
Total Fees and Charges	\$160.00	\$160.00	\$160.00
Total Amount Due	\$1,829.71	\$1,443.25	\$1,156.43
If you make this payment	your principal balance will	your principal balance will	your principal balance will
	decrease, and you will be	stay the same, and you will	increase. You will be
	closer to paying off your loan.	not be closer to paying off	borrowing more money and
		your loan.	losing equity in your home.

Transacti	Transaction Activity (2/20 to 3/19)		
Date	Description	Charges	Payments
3/16/12	Late Fee (charged because payment was received after 3/15/2012)	\$160.00	
3/19/12	Payment Received – Thank you		\$1,669.71

Past Payments Breakdown		
	Paid Last Month	Paid Year to Date
Principal	\$384.93	\$1,150.25
Interest	\$1,049.60	\$3,153.34
Escrow (Taxes and Insurance)	\$235.18	\$705.54
Fees	\$0.00	\$0.00
Total	\$1,669,71	\$5,009.13

Springside Mortgage

Springside Mortgage P.O. Box 11111 Los Angeles, CA 90010

Amount Due		
Due By 4/1/2012:	☐ Option 1 (Full): ☐ Option 2 (Interest-Only): ☐ Option 3 (Minimum):	\$1,829.71 \$1,443.25 \$1,156.43
\$160 la	te fee will be charged after 4/15/12	
Additional Principal	\$	-
Additional Escrow	\$	
Total Amount Enclose	d \$	

Make check payable to Springside Mortgage.

§1026.41 Periodic Billing Statements

- Intersection with Foreclosure Law.
 - Total Amount Due: What if the borrower pays the Total Amount Due?
 - No disclaimer? Has servicer waived any fees?
 - Are those fees non-recoverable?
 - Best practices
- EXEMPTIONS
- BEST PRACTICES
 - Create your own form.
 - Insert a disclaimer in your own form:
 - "***THE TOTAL AMOUNT DUE IS NOT A PAYOFF OR REINSTATEMENT. AS YOUR LOAN IS IN DEFAULT, ADDITIONAL CHARGES MAY APPLY TO CURE THE DELINQUENCY. FOR AN UP-TO-DATE REINSTATEMENT AMOUNT PLEASE CONTACT US AT 1.888.555.555.

- Notice of Error and Error Resolution propose and set forth strict timelines for servicers to comply with responding to such requests.
- Creates private right of action for violation
- 12 CFR 1024.35(c) and 1024.36(b): The Designated address.
 - Submissions to the law firms?
 - Law firm fits the definition of a servicer provider?
 - Law firm best practices when it receives a notice or error/request for information?

DISCOVERY ISSUES:

- Many firms are reporting borrowers and their attorneys are using the requests for information as a means to conduct discovery issues
 - What are the best practices for dealing with this?
- FDCPA Issues: Servicers are not exempt from compliance: What if a cease and desist letter is filed?

- Requirements not applicable.
 - (i) Duplicative notice of error.
 - (ii) Overbroad notice of error.
 - •(iii) Untimely notice of error. A notice of error is delivered to the servicer more than one year after:
 - (A) Servicing for the mortgage loan that is the subject of the asserted error was transferred from the servicer receiving the notice of error to a transferee servicer; or
 - (B) The mortgage loan is **discharged**.

- Requirements not applicable.
- (2) Notice to borrower. If a servicer determines that, pursuant to this paragraph (f), the servicer is not required to comply with the requirements of paragraphs (c) and (d) of this section, the servicer shall notify the borrower of its determination in writing not later than five days (excluding legal public holidays, Saturdays, and Sundays) after making such determination. The notice to the borrower shall set forth the basis under paragraph (f)(1) of this section upon which the servicer has made such determination.

- Loss Mitigation Procedures may be the largest change to servicing.
 - It creates a private right of action for borrowers 12 CFR 1024.41(a)
 - Does not have a designated address for submissions.
 - It directly stays servicers abilities to move foreclosure actions until certain reviews take place.

- Determining Complete Loss Mitigation Application
 - A servicer has discretion to define this term.
 - What are the best practices for doing so?
- Acknowledgment: A servicer has only 5 days to acknowledge a loss mitigation application as complete or incomplete.
- No designated address.

- 120-day RULE.
- (f) Prohibition on foreclosure referral.
- (1) Pre-foreclosure review period. A servicer shall not make the <u>first</u> notice or <u>filing</u> required by applicable law for any judicial or non-judicial foreclosure process unless:
 - (i) A borrower's mortgage loan obligation is more than 120 days delinquent;
 - (ii) The foreclosure is based on a borrower's violation of a due-on-sale clause; or
 - (iii) The servicer is joining the foreclosure action of a subordinate lienholder.
- BEST PRACTICES:
 - (2) The procedures set forth in §§ 1024.39 through 1024.41 of this subpart only apply to a mortgage loan that is secured by a property that is a borrower's principal residence.

- (g) Prohibition on foreclosure sale. If a borrower submits a complete loss mitigation application after a servicer has made the first notice or filing required by applicable law for any judicial or non-judicial foreclosure process but more than 37 days before a foreclosure sale, a servicer shall not move for foreclosure judgment or order of sale, or conduct a foreclosure sale, unless:
 - (1) Denial for all options
 - (2) rejection of all options
 - (3) fails to perform under offer.

NOT MOVE FOR FORECLOSURE JUDGMENT OR SALE?

- What steps may a servicer still take in the foreclosure action?
- What about a Motion for Summary Judgment that does not result in a judgment of foreclosure or order of sale?

INTERSECTION WITH OTHER LAWS?

- Mediation and Privilege?
 - What if a borrower submits documents for review for purposes of mediation?
 - If they later attempt to raise a cause of action for violation of 1024.41, does privilege apply?
- What are the best practices for reviewing loss mitigation documents for purposes of mediation?
 - If submitted to counsel, is counsel automatically the servicer's agent?

1024.41: Loss Mitigation Procedures —Greater Protections

- INTERSECTION WITH OTHER LAWS?
 - Making Home Affordable Program: Offers greater protections:
 - Change in circumstances, re-review?
 - What are the best practices for compliance?
 - Illinois Law:
 - SCR 114
 - 735 ILCS 5/15-1508(d-5)
 - CA/NV Homeowner Bill of Rights.
 - Florida Loss Mitigation Rules

CFPB Compliance: How The New Rules Intersect with Other Laws

- The laws do contain some uncertainty.
- The CFPB has provided a lot of guidance and interpretation of the new rules.
 - We all hope it will continue to do so and provide the needed clarity.
-Well that depends....
 - Best Practices depends

CFPB Compliance: How The New Rules Intersect with Other Laws

• QUESTIONS??????

General Session 3

Monday, July 21 1:45 - 3:15 p.m. Broadmoor Hall B

Coast-to-Coast: A Litigation Update

This panel of litigators with years of courtroom experience will again discuss the latest trends in mortgage litigation across the country. These panelists will look outside of typical judicial foreclosures to provide information and tips on suits where servicers, lenders, investors and GSEs have real exposure. Panelists will provide updated information on successful defenses to litigation threats and ways to minimize exposure and legal spend.

Moderator: Linda S. Finley, Esq., Shareholder, Baker, Donelson, Bearman, Caldwell & Berkowtiz, PC **Speakers:** Robert Finlay, Esq., Partner, Wright, Finlay and Zak; Graham Kidner, Esq., Managing Partner, Complex Litigation, Brock & Scott, PLLC; Martin Blanchard, Esq., Member – Senior Litigation Counsel, Kozeny & McCubbin, LC



Linda S. Finley, Esq.
Shareholder
Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
Monarch Plaza
3414 Peachtree Road, N.E., Suite 1600
Atlanta, GA 30326
Phone: 404.589.3408

Phone: 404.589.340 Fax: 404.238.9608

Email: Ifinley@bakerdonelson.com

Linda S. Finley is a shareholder in the Atlanta office of Baker, Donelson, Bearman, Caldwell & Berkowitz and leads the Firm's Mortgage Industry Service Team. Ms. Finley has tried more than 300 jury trials to verdict and concentrates her practice in business litigation involving the mortgage lending and servicing industries and litigation regarding real estate issues. Ms. Finley has experience in:

- Lender and servicer liability defense
- Mortgage fraud civil prosecution and defense
- Mortgage lending and servicing issues including foreclosure, bankruptcy, defense of wrongful foreclosure and defense of predatory lending charges
- QC/QA training and review
- Real estate title clearance and litigation

Ms. Finley serves as a court appointed Special Master for purposes of adjudicating litigated real estate title issues. She is a frequent speaker regarding mortgage lending and servicing issues, and is called upon by clients as well as by law enforcement and prosecution offices to provide training on various topics including mortgage fraud investigation and prevention, quality control and loss mitigation.

Professional Honors & Activities

- Listed in Georgia Super Lawyers since 2009, listed as one of the top 50 female attorneys in Georgia
- Named to Georgia Trend Legal Elite in the area of Bankruptcy/Creditors' Rights, 2009 2011
- Member American and Atlanta Bar Associations
- Board Member Georgia Real Estate Fraud Prevention and Awareness Coalition, 2006 2008
- Fellow American College of Mortgage Attorneys
- AV® Preeminent[™] Peer Review Rated by Martindale-Hubbell Admissions
- Georgia, 1982
- Florida, 1986
- U.S. District Court for the Northern, Middle and Southern Districts of Georgia
- U.S. Court of Appeals for the Eleventh Circuit
- U.S. District Court for the Northern and Middle Districts of Florida
- U.S. Supreme Court

Education

- Mercer University Walter F. George School of Law, J.D., 1981
- Mercer University, B.A., 1978



T. Robert Finlay, Esq.
Owner
Wright, Finlay & Zak, LLP
4665 MacArthur Blvd
Newport Beach, CA 92660
Phone: 949-477-5050

Email: rfinlay@wrightlegal.net

Robert Finlay graduated from the University of Southern California School of Law in 1993. His entire legal career has been in the mortgage industry, starting with handling post-foreclosure evictions and related bankruptcy matters throughout California. Robert later moved to the civil litigation area, graduating to Litigation Partner with Miles, Wright, Finlay & Zak in 1998. In 2002, he co-founded Wright, Finlay & Zak, specializing in representing lenders, loan servicers, foreclosure trustees and title companies in all aspects of real estate and mortgage-related litigation. Wright, Finlay & Zak is designated counsel for Fannie Mae in California and Nevada.

Robert has presented on mortgage panels for the UTA, AFN and MBA. He is also an annual guest lecturer at the USC Law Center for Professor Lefcoe's Real Estate Transactions Class. His published opinions include Mabry v. Superior Court (2010) 185 Cal.App.4th 208 and Bostanian v. Liberty Saving Bank (1997) 52 Cal.App.4th 1075. Since 2008, Robert has served on the Board for the United Trustees Associations and was the 2011 and 2012 President of the UTA. Robert is a regular contributor to industry periodicals, having recently authored the following articles:

- Ruling Could Shield Lenders Eviction Judgment Offers Protections To Preempt or Not to Preempt: That is the Question that Courts are Facing with California Civil Code Section 2923.5 The Mabry Tale Has Come To Its End The Mabry Hurdle When Does a Mistaken Bid Warrant Setting Aside The Foreclosure Sale
- Reformation: A Proposition to Consider When a Former Trustee Conducts a Foreclosure Sale Orange County, California Mandatory Mediation Program Into Effect On Foreclosure-Related Lawsuits A California-Brewed Recipe for Litigation Does the Litigation Privilege Shield a Debt Collector From Liability Under California's Rosenthal Act?
- MERS The Good, The Bad & The Ugly: The Current Legal Atmosphere Surrounding the Mortgage Industry's Most Beloved "Nominee" Beneficiary/Mortgagee The Benefits of Appointing a Receiver in Today's Foreclosure Crises What Is 2923 Doing To Us Now?
- At What Point is a Property Vacant to Exclude Insurance Coverage?
- Borrower's Willful Demolition of Property Is It An Insurable Loss?
- The TRO is Back
- With the Fires Out: Who Gets the Insurance Proceeds?
- Foreclosure Purchasers Who Back Out and Wrongfully Stop Payment Can be Liable for Lost Profits and For Fraud The Mitchell Roth Chronicles Borrower's Willful Demolition of Property: Is It an Insurable Loss?
- Is The Trustee Liable For Proceeding To Sale On A Void Deed Of Trust?
- "Vacant" Property Can Be Problematic if the Lender is Seeking Insurance Proceeds



Graham H. Kidner, Esq.
Managing Partner, Complex Litigation
Brock & Scott, PLLC
5431 Oleander Dr.
Wilmington, NC 28403
Phone: 910-392-4988

Email: Graham.Kidner@brockandscott.com

Graham joined Brock & Scott in July 2012 to head the firm's new Complex Litigation Division. As the firm has expanded its operations across seven states from Maryland south to Florida, and west to Tennessee, Graham has sought to add litigation capability by helping to recruit experience attorneys to staff the several new regional offices the firm has open in recent months. Graham brings to his new position 21 years' experience handling single-family loan level litigation for Freddie Mac, where in recent years he also managed the Designated Counsel Program as well as supported a number of client areas including REO marketing and disposition, and government relations.



Martin W. Blanchard, Esq. Member - Senior Litigation Counsel Kozeny & McCubbin, L.C. 12400 Olive Blvd., Suite 555 St. Louis, MO 63141

Phone: 314-744-5684 Fax: 314-744-7731

Email: mblanchard@km-law.com

Martin W. Blanchard has been a licensed attorney since 1995, having tried numerous bench and jury trials, and conducted appeals, in the areas of title insurance, construction, real estate and commercial litigation. Martin is a Member of the firm and serves as the head of Kozeny & McCubbin's Litigation Department where he manages all litigation for the firm, as well as all litigation attorneys in the firm's Missouri, Kansas, Oklahoma and Nebraska offices. In addition, Martin is spearheading the expansion of the litigation department. He is also a frequent speaker at title insurance seminars. Martin received his Bachelor of Economics degree from the University of Missouri-Columbia in 1989, his Juris Doctor from St. Louis University in 1995 and is currently pursuing his Masters in Theology at Ave Maria University. Martin is a member of the Missouri Bar, the Illinois Bar and is authorized to practice in the U.S. District Court Eastern District of Missouri.

General Session 4

Monday, July 21 3:30 - 5:00 p.m. Broadmoor Hall B

Is the Party Over or Is It Just Getting Started? A Forecast of Default Services Litigation Now That Foreclosures Are Declining

It all begins with the foreclosure referral--the bankruptcy, the litigation, the eviction, and the REO disposition of the property. With the number of foreclosures declining, will there be a corresponding decrease in litigation? Answer: Not likely, because mortgage lenders and their foreclosure counsel have greatly improved their foreclosure processes, borrower and their counsel will begin focusing on loan origination issues. CFPB changes will afford them such an opportunity: We can anticipate and prepare for the litigation that CFPB changes will spawn regarding RESPA and TILA. We are likely to see an increase in FDCPA litigation. Finally, although a jurisdiction's foreclosure law has become more settled, borrowers and courts will look to other jurisdictions and by bootstrapping create or determine what we thought were settled issues.

Moderator: Kent E. Altom, Esq., Managing Partner, Litigation & Trial Practice, GA & AL, McCalla Raymer, LLC

Speakers: James M. McPherson, Esq., Securities Asset/Litigation Supervisor, Central Mortgage Company; Robin Prema Wright, Esq., Partner, Wright, Finlay & Zak, LLP



Kent Altom, Esq.
Managing Partner - Litigation & Trial Practice (Georgia/Alabama)
McCalla Raymer
900 Holcomb Woods Parkway
Roswell, GA 30076
Phone: (678) 281-6450

Email: kea@mccallaraymer.com

Kent Altom is the managing partner of McCalla Raymer's Georgia and Alabama Litigation and Trial Practice group. He coordinates all aspects of the firm's default litigation practice in Georgia and Alabama, including title curative litigation defensive litigation, and evictions litigation. Mr. Altom also handles non-judicial and judicial commercial foreclosure proceedings, receivership actions, Chapter 11 bankruptcy proceedings, foreclosure sale confirmation proceedings, deficiency actions, and issues related to landlord-tenant law for local, regional, and national clients. Mr. Altom joined McCalla Raymer in 2005 and is admitted to practice law in Georgia and Alabama.

Mr. Altom received his law degree in 2002 from Cumberland School of Law in Birmingham, Alabama where he was a member of Cumberland's national trial and negotiation teams, a member of The Order of Barristers (Trial Advocacy), and a Cordell Hull Teaching Fellow (Legal Research and Writing), and received the American Bankruptcy Institute's Medal of Excellence.

Mr. Altom received his bachelor's degree in business management in 1992 from Samford University. In addition to his bachelor's and law degrees, Mr. Altom received two graduate degrees—the first in theology and the second in ethics *magna cum laude* from Emory University.

Prior to joining McCalla Raymer, Mr. Altom completed a two-year clerkship with the Honorable Thomas B. Bennett, United States Bankruptcy Court for the Northern District of Alabama and one year of general litigation practice in Alabama.

Kent lives in Johns Creek with his spouse and their daughter. Kent spends much of his spare time playing with Disney figurines and hunched over a bicycle with training wheels. A native of North Carolina, Kent has lived in six southern states and is an aficionado of fine barbeque sauce. If reincarnated, Kent hopes to attend a college with a top-ten Division I football team and then reside at the beach owning nothing but a shanty shack and a couple of old, worn out swimsuits, t-shirts, and flip-flops. Earlier in his career, Kent aspired to be considered "far and wide" as a preeminent attorney. Now, having met a few preeminent attorneys, Kent just hopes that other attorneys will not run the other way when they see him coming down the hall and that judges won't mumble "Oh, Brother" when he appears in their courtrooms. In all seriousness, Kent loves his job, feels fortunate to work alongside bright and committed attorneys and support staff at McCalla Raymer, and strives to be the most prepared attorney when he steps in the courtroom to represent McCalla Raymer's clients.



James McPherson, Esq. Litigation Supervisor Central Mortgage Company 801 John Barrow, Ste. 1 Little Rock, AR 72205 Phone: 800-366-2132

Email: JMCPHERSON@arvest.com

James McPherson is the Litigation Supervisor and an officer at Central Mortgage Company in Little Rock, Arkansas. He has served in various roles at the company since 2005, and has been a licensed attorney in Arkansas since 2011. He attended Hendrix College where he received his B.A. in Politics in 2005, and the University of Arkansas at Little Rock where he received his J.D. with honors in 2010. In his role at Central Mortgage, James manages a team that oversees litigated matters across the nation, reviews and rebuts investor compensatory fees, and works title issues for loans in the company's portfolio.



Robin Prema Wright, Esq. Managing Partner Wright, Finlay & Zak, LLP 4665 MacArthur Court, Suite 200 Newport Beach, CA 92660

Phone: 949-477-5050 Fax: 949-608-9142

Email: rwright@wrightlegal.net

Robin P. Wright is one of the three founding partners of Wright, Finlay & Zak. Since 1993, Ms. Wright focused her legal career on consumer credit, business and real estate litigation. Ms. Wright currently is the firm's Managing Partner, overseeing the firm's multiple practice area, offices and administration. Ms. Wright handles all aspects of the ever-changing default servicing and mortgage banking litigation as well as compliance issues for lenders, investors, loan servicers, title companies and foreclosure trustees. Ms. Wright has been a speaker for various industry events for organizations such as the UTA and CMBA on a variety of loan servicing and mortgage banking issues, including key legislative and legal updates, California and Nevada Homeowner Bill of Rights (HOBR), and other topical litigation and compliance issues. Ms. Wright holds a real estate license since 1980. Ms. Wright has also been a member of the Mortgage Bankers Association, California Mortgage Bankers Association, United Trustees Association, and American Legal and Financial Network.

Education:

University of Southern California, Los Angeles (B.S., 1985); Western State University College of Law (J.D., *cum laude* 1990).

ANSWERS

IS THE PARTY OVER OR IS IT JUST GETTING STARTED?

A Forecast of Default Services Litigation Now That Foreclosures Are Declining

MONDAY, JULY 21 | BROADMOOR HALL B

SESSION SPEAKERS



Robin Prema Wright, Esq.
Managing Partner
Wright, Finlay& Zak, LLP
rwright@wrightlegal.net



James McPherson, Esq.
Securities Asset/Litigation Supervisor
Central Mortgage Company
jmcpherson@arvest.com



Kent Altom, Esq.

Managing Partner- Litigation & Trial Practice

McCalla Raymer

kea@mccallaraymer.com

Overview

- CFPB
 - o Litigation Initiated by CFPB
 - o Origination Litigation Initiated by Borrowers
 - o Servicing Litigation Initiated by Borrowers
- HBOR: CA & NV
- FDCPA
- STATE STATUTORY CHALLENGES



CFPB

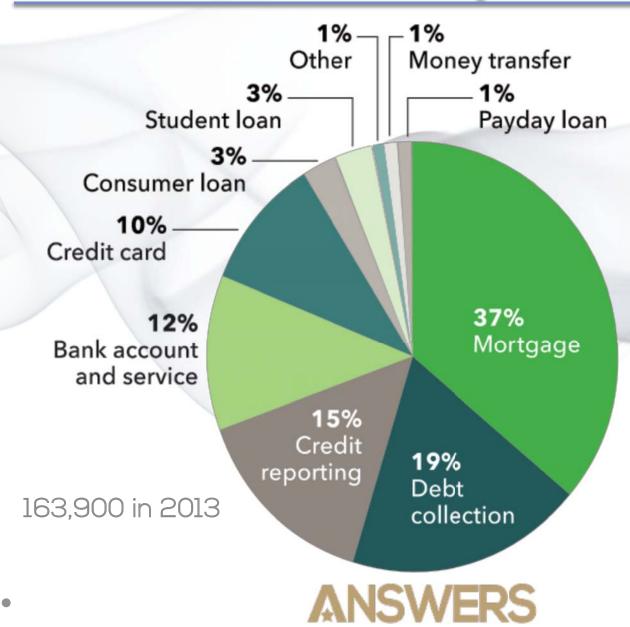
Litigation Initiated by CFPB



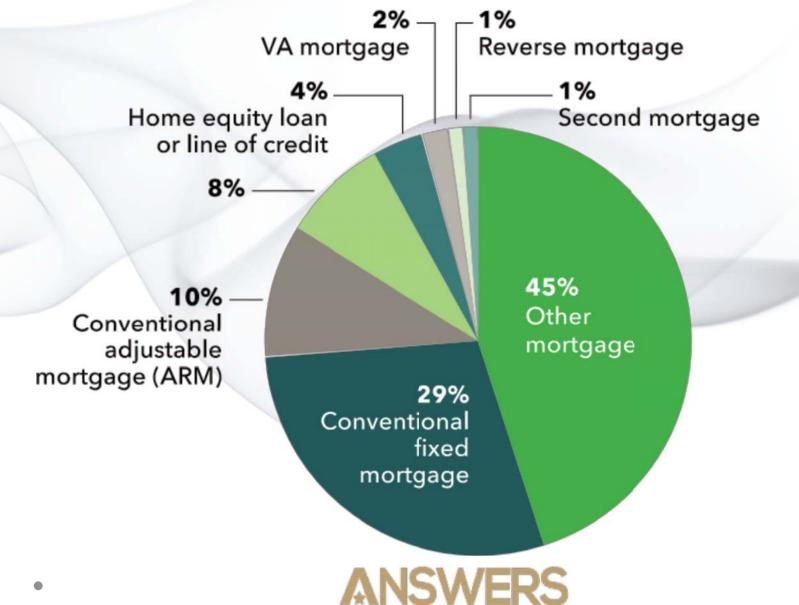
Litigation Initiated by CFPB

- Consumer Response Operations (July 21, 2011)
- Complaint Process
- Allows CFPB to identify/prioritize problems for potential supervisory, enforcement, and regulatory action
- About 310,000 complaints received through 2013
- 2013: 80% increase over 2012

CFPB Complaints



Consumer Mortgage Complaints



Types of Mortgage Complaints

	PROBLEMS WHEN YOU ARE UNABLE TO PAY (Loan modification, collection, foreclosure)	59%
	MAKING PAYMENTS (Loan servicing, payments, escrow accounts)	26%
	APPLYING FOR THE LOAN (Application, originator, mortgage broker)	8%
	SIGNING THE AGREEMENT (Settlement process and costs)	4%
	RECEIVING A CREDIT OFFER (Credit decision/Underwriting)	2%
	OTHER	1%
	TOTAL	100%



CFPB

Origination Litigation Initiated by Borrowers



Origination Litigation Initiated by Borrowers

- Purpose of New Guidelines:
 - o To increase clarity by "mak[ing] mortgage disclosures easier for consumers to understand and use, while also helping to facilitate compliance with TILA and RESPA."
- However, are the new guidelines also an "invitation" to litigate?
- The CFPB's new "Closing Disclosure" includes the following statement under the heading "Questions?" "...To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing"



TILA-RESPA Integrated Disclosure Rule

- Changes to TILA & RESPA
 - o Consolidates four existing required disclosures for "closed-end credit transactions secured by real property" (not HELOCs, reverse mortgages, Chatteldwelling loans, etc.)
 - o Applicable to transactions occurring on or after August 1, 2015

Loan Estimate

- Sets forth closing costs, loan terms, and projected payments
- Must be mailed no later than third business day after receipt of loan application
- Application means "the submission of a consumer's financial information for purposes of obtaining an extension of credit"
- Consumer's financial information consists of name, income, SSN, property address, estimated value of property, and mortgage loan amount sought

Loan Estimate

- Good Faith Requirement and Tolerances
 - o Changes without tolerance limitation
 - o 10% cumulative tolerance
 - o Zero tolerance
- Revisions and Corrections to Loan Estimates
 - o Can only be revised or corrected when specific requirements are met (generally not technical errors, miscalculations or underestimation for charges)
- Timing for Revisions to Loan Estimate



Loan Estimate: Litigation Risks to Lender

- Incompleteness and/or inaccuracy of information disclosed on the Loan Estimate
- Not timely providing the Loan Estimate to Borrower
- Whether information provided by Borrower is sufficient to constitute an "application" and thereby trigger the 3-day mailing requirement of the Loan Estimate
- "Good faith requirement," " "tolerances," improperly making and/or untimely disclosure of "revisions and corrections" to the Loan Estimate to Borrower

Closing Disclosure

- General Requirements: Content
- Delivery: Closing Disclosure and Booklet
- Revisions and Corrections
- Additional Requirements and Prohibitions

Closing Disclosure: Litigation Risks to Lender

- Incompleteness and/or inaccuracy of information disclosed on the Closing Disclosure
- Not timely providing the Closing Disclosure to Borrower
- Improperly making and/or untimely disclosure of revisions and corrections to the Closing Disclosure to Borrower



CFPB

Servicing Litigation
Initiated by Borrowers



Servicing Litigation Initiated by Borrowers: Error Resolution and Information Requests

- Hot Spots To Watch Out For:
 - o Response timelines (5/30) accelerated from prior timelines of the QWR provisions (20/60)
 - Notice of Error involving dual-tracking and early intervention
 - o Notice of Error involving a payoff statement
 - Notice of Error regarding foreclosure received within 7 days of sale
 - o Notice of Error regarding payment disputes

Servicing Litigation Initiated by Borrower: Error Resolution and Information Request (cont.)

- Information Requests: Look at content to know nature of Notice
- Information Request on Identity/address/contact owner of loan
- Information Requests: What's available to servicer?
- Reasons for no compliance required:
 - o Duplicative, overbroad or unduly burdensome, untimely, confidential/proprietary/privileged or irrelevant
 - o Overbroad Requests that contain a valid request?



Error Resolution and Information Requests Pre-Litigation & Litigation Issues

- Private Right of Action: Damages, attorney fees, costs, and up to \$2,000 in fines per incident if "pattern or practice of non compliance"
- Counterclaims in existing judicial foreclosure cases
- Letters sent on eve of non-judicial foreclosure sales
- Letters containing overbroad/irrelevant nonsense labeled as a "QWR" designed to intimidate
- Litigation complaints containing QWR claims
- Error resolution requests involving early intervention and dual-tracking



Litigation Initiated by the Borrower and Periodic Statements

- Some of the new features:
 - Must show payment due and application of past payments
 - Statement must identify and break down the amounts due, including all fees
 - o Must show account information, such as outstanding principal balance, rate, etc.
 - o Delinquency information

Litigation Involving Periodic Statements

- Transparency of fees (including legal fees) to Borrower
 - o What if fees/costs are increasing while in foreclosure?
- Litigation regarding fees added to loan
 - o What about fees provided for under loan contract?
- Bankruptcy and "Do not contact me" issues



Litigation by Successors of Deceased Borrowers?

- CFPB BULLETIN 2013-12:
- July 2014: CFPB Interpretive Rule to clarify Ability-to-Pay Rule with successors
- CA/NV HOBR
- CA may be expanding definition of "Borrower" in HOBR
- Nevada often follows...

Servicing Litigation Initiated by Borrowers: Dual-tracking Litigation

- Issues
 - o Factual disputes that can survive pleadings
 - o What is a "complete loss mitigation application?"
 - o Duplicative requests for review

HBOR

CALIFORNIA & NEVADA



CA HOBR Litigation

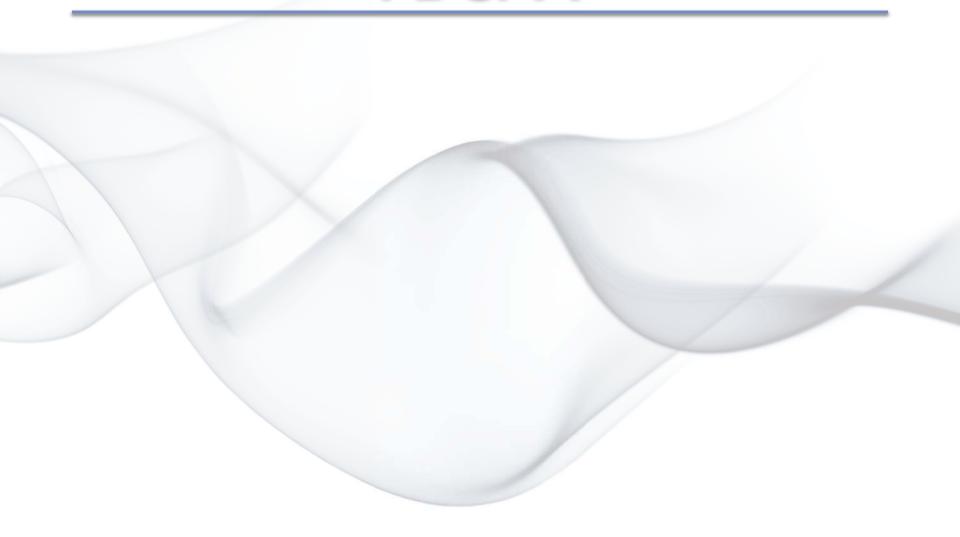
- Is CA HOBR litigation an indication of what will be CFPB litigation?
- CA HOBR v. CFPB: Borrower's Preference?
- Dual-tracking Litigation
- Postponing foreclosure is not dual-tracking
- TROs & Injunctions
 - o Attorney Fees



CA HOBR Litigation (cont.)

- "Material change in financial circumstances"
- SPOC Disputes
- Private right of action; injunction and damages
- HOBR and California's Unfair Business Practices Statutes
- CC 2923.5/2923.55 Claims

FDCPA



FDCPA Litigation

- Notices to Borrower
 "Truthful Yet Misleading"
 Caprio v. Healthcare Recovery Group, LLC
 (3rd Cir. March 2, 2013)
- FDCPA applicable to Servicer who obtains servicing rights prior to loans being in default?
- FDCPA, CFPB & Bankruptcy: Periodic Billing Statements
- Issues with Florida's FDCPA

FDCPA & CFPB

- CFPB BULLETIN 2013-12 and "cease communications" The below communications do not violate FDCPA:
 - o Error resolution and Requests for Information
 - o Reviewing Loss Mitigation
 - o Force-placed Insurance
 - o Initial ARM Adjustment
 - o Periodic Statements
- Prohibited Communications under FDCPA:
 - o Early intervention
 - o ARM adjustment with payment change



FDCPA & HOBR

- Both CA & NV HOBR require:
 - o Pre-foreclosure notices
 - o Pre-foreclosure contact to discuss finances and alternatives to foreclosure
 - o Post-NOD notices
- FDCPA Litigation?



State Statutory Challenges



State Statutory Challenges

- Definitional Challenges
 - o Example: Georgia's "secured creditor" and "full authority"
- Continual changes to demand letter and notice requirements pre-foreclosure
- CA/NV HOBR v. CFPB Issues
 - o No preemption if more protective—at least in CA
 - o Last minute loan mediation reviews
 - o Prompt Payment Application Rule and "acceleration"

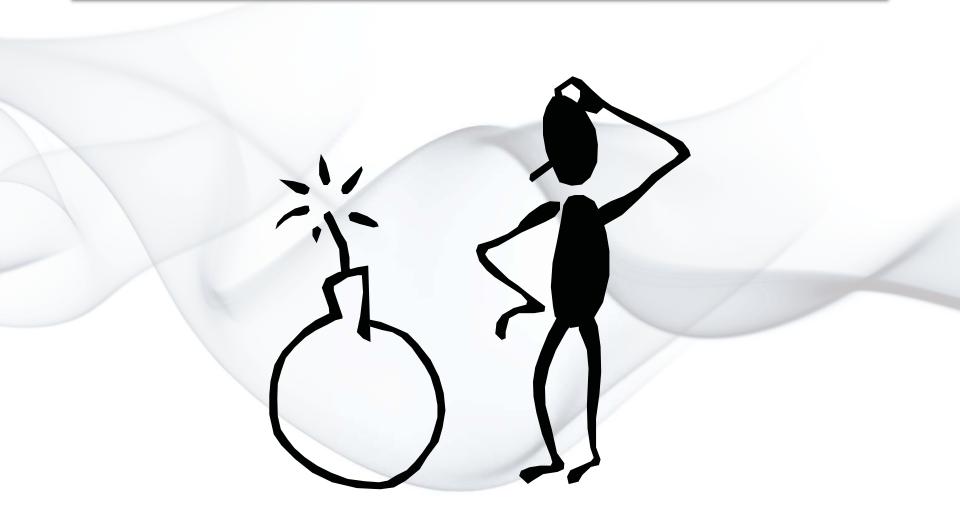


What Else Could Possibly Be Coming?

It's Anyone's Guess.



Questions?



Roundtable Session 1

Tuesday, July 22 3:00 - 4:00 p.m. Broadmoor Hall C

Third Party Vendor Management and Servicer Audits of Your Law Firm: What To Expect, How to Prepare For It, And The Need For a Consistent Industry Standard

With ever increasing demand on servicers to audit all vendors, including law firms, what should small and large firms expect, how they should prepare, the cost of compliance and the need for an industry standard

Moderator: Jordan Dorchuck, Executive Vice President, General Counsel & Secretary, BSI

Financial - Moderator

Speakers: Kelly O'Bannon, EVP Special Servicing, Residential Credit Solutions, Inc.; Wendy Anderson, Attorney, Safeguard Properties; Sam Bready, Operations Executive, KML Law Group



Jordan Dorchuck
Executive Vice President/General Counsel
BSI Financial
1425 Greenway Drive, #400
Irving, Texas 75038
Phone: 972-347-4350

Fax: 972-518-1385

jdorchuck@bsifinancial.com

Jordan Dorchuck, Executive Vice President/General Counsel/Chief Compliance Officer: Jordan has earned distinction in a variety of roles related to law and regulatory compliance for the mortgage industry. One of a few lawyers designated by the Mortgage Bankers Association as a Certified Mortgage Banker, he is a past chair of the MBA's Loan Administration Committee and of the American Securitization Forum's Loan Servicing Sub-forum, where he also served on the Board. He was also a member of the executive committee of the HOPE NOW Alliance. Prior to joining BSI Financial, Jordan held positions as Executive Vice President and General Counsel of several mortgage-banking companies, including Homeward Residential and Aurora Loan Services. He also served as Deputy General Counsel of Countrywide Home Loans where he managed a group of lawyers that advised the Loan Administration division. Jordan had previously been a corporate partner in the Wall St. law firm of Mudge, Rose, Guthrie, Alexander & Ferdon prior to its dissolution. Jordan clerked for the late Hon. Oliver Seth, C.J. of the U.S. Court of Appeals for the Tenth Circuit, and was graduated from Washington & Lee University School of Law, *cum laude*, and from the Wharton School of Business of the University of Pennsylvania



Kelly O'Bannon EVP Special Servicing Residential Credit Solutions, Inc. 4708 Mercantile Drive Fort Worth, TX. 76137

Phone: 817-321-6006

Email: kobannon@residentialcredit.com

Kelly has been with RCS (a distressed mortgage investor and special servicer) managing the servicing operation since its inception in 2007. Prior to joining RCS he was with Saxon Mortgage 8 years in various roles both on the default and production management. Kelly has a BBA in Real Estate from the University of North Texas.



Wendy Anderson, Esq.

Attorney
Safeguard Properties Management, LLC
7887 Safeguard Circle
Valley view, Ohio 44125
Office Phone: 800-852-8306 ext. 1401
Mobile Phone: 216-318-5025

Fax: 216-739-2707

Email: wendy.anderson@safeguardproperties.com

Wendy Anderson is an attorney in Safeguard Properties' legal department, with responsibilities for contract negotiations, monitoring and compliance, evaluating regulatory impact, and supporting internal operations. Prior to joining Safeguard, she served as corporate attorney with GCA Services Group Inc., a national facility services company, and in-house counsel for National Retail Properties Inc. in Orlando, Fla. She also worked for private law firms in Tampa, Fla., and Boston. She received her law degree from the University of Florida College of Law.



Sam Bready
Director of Compliance and Quality
KML Law Group, P.C.
701 Market Street, Suite 5000
Philadelphia, PA 19106
215-627-1322
sbready@kmllawgroup.com

Sam Bready is Operations Executive for KML Law Group in Philadelphia, PA. In this role, Bready works on strategy development, new business initiatives, and firm operations.

Prior to his current role, Bready spent 25 years in mortgage servicing and all functions in default management - from collections through REO. He has been responsible for borrower home retention programs, portfolio liquidation and asset disposition, and has been a part of two major servicing platform start-ups. In the years before joining Five Star, Bready worked with companies such as Vantium Capital, Home Servicing, Capital One, Avelo Mortgage, and CitiFinancial Mortgage. He holds a degree in Economics from James Madison University.

ANSWERS

Third Party Vendor Management and Servicer Audits of Your Law Firm:

What To Expect, How to Prepare For It, And The Need For a Consistent Industry Standard

TUESDAY, JULY 22 | BROADMOOR HALL C

SESSION SPEAKERS



Jordan Dorchuck
Executive Vice President/General
Counsel
BSI Financial
jdorchuck@bsifinancial.com



Sam Bready
Operations Executive
KML Law Group, P.C.
sbready@kmllawgroup.com



Wendy Anderson
Attorney
Safeguard Properties Management,
LLC
wendy.anderson@safeguardproperties.com



Kelly O'Bannon

EVP Special Servicing

Residential Credit Solutions, Inc.

kobannon@residentialcredit.com



Panel Overview

- Auditing of third party service providers: What is the current industry environment?
- Is there a need for uniform auditing standards?
- Vendor Management: Centralized or de-centralized oversight?
- Key selection criteria in selecting a vendor and in evaluating ongoing performance
- How to minimize the resource drain and expense of audits?
- Regulatory involvement: What is the future state?
- Scorecards and benchmarking: What are the key performance metrics that should be included in your service level agreements and in your performance management criteria?
- The future outlook for smaller market participants: Attrition vs growth



Overview

- BSI's Vendor Management program is designed to ensure the right things are done to mitigate unwarranted vendor risk not only for the benefit of BSI but for the consumer/ homeowner.
- Like any other vendor program best practices were utilized, and modifications were made based on usage. Ongoing evaluation will continue to ensure our program exceeds expectations.
- This BSI presentation will be available in the conference notebook for review after the session. This will be a Q & A Panel session and will not necessarily follow the presentation exactly.



Effective Vendor Program Relies On

- Development of clear and concise Vendor Management Policies and Procedures.
- Defined roles and responsibilities of stakeholders in the process.
- Communication with internal business managers/sponsors.
- Collaboration with proposed/existing vendors.
- Clear definition of expectations for due diligence and documentation.
- Effective vendor evaluation process.
- Defined contractual expectations.
- Ongoing monitoring and auditing process.
- Vendor Contingency Plan.



Policies and Procedures

- Clear understanding from the employees is essential to ensuring the success of any program.
- The Policies and Procedures were the initial step and:
 - Designed to provide insight into the overall process and provides a framework of understanding.
 - o Ensures guidance for the rational behind the need.
 - o Explains classifications of risk along with Federal Regulations
 - o Details step by step processes from vendor selection to contract execution.
 - o Informs of ongoing requirements and continuing refresher training of staff.



Roles and Responsibilities

- Identify those that have a stake in the process.
- Clearly define roles and requirements.
 - o What is expected of me or my group?
- Map out the process.
 - o When and where do you fit in.
- Work together to assign specific functions in the process.
 - o Collaborative effort amongst business.
 - o Involvement helps ensure buy in.
- Clear and consistent communication.
- Constant evaluation of the process.
 - o Determine if working/not working.
 - o Looking for efficiency without sacrificing thoroughness.



Internal Communication

- Like any program and/or process, success or failure lies with an effective communication program.
- When possible meet in person with those who are involved in the process.
 - o Email is easy on both ends but less effective.
 - Hard to ignore someone in front of you.
 - o Provides the ability to focus on the other person and Listen.
 - Listening is a lost art but if done effectively brings value and acceptance.
 - Great ideas and innovations to processes come from active listening.



Collaboration with Proposed/Existing Vendors

- KNOW YOUR VENDOR.
- If a proposed/new vendor or existing vendor do some research.
 - o Know their products
 - o Know their offerings
 - o Know the contacts
 - o Actively listen to them
 - o Ensure their values align with the company values/goals
 - o Look for potential issues that could derail the process.
- Communicate
- Teamwork



Define Due Diligence and the Need for Documentation

- Standard list of questions to be addressed by the vendor on an annual basis.
 - Ouestions based on but not limited to:

 - Security
 - HR
 - Compliance
 - o Examples of documents needed by the vendor on an annual basis.
 - Insurance Coverage
 - Financials
 - Business Continuity Plan
 - Disaster Recovery Plan
 - Information Security Policy
 - Data Retention Policies
 - SAS 70
 - Policies/Procedures
 - Operations and Controls
 - Training



Evaluation Process

- Analyze the information provided.
- Look for Red Flags
 - o Bankruptcy filings
 - o Employee turnover
 - o Client turnover
 - o Leadership and strategy changes
- Provide documents to key stakeholders for their expertise:
 - OIT
 - o HR
 - o Business Manager/Sponsor
 - o Senior Management
- Documents maintained in specific location



Vendor Selection

- Based on best overall package
 - o Quality of information and documents received
 - o Risk Assessment
 - o Reputation and past performance
 - o References (not just ones provided)
 - o Pricing (Lowest not always best or only criteria to use)
 - o Business fit



Defining Contractual Expectations

- Clear expectations of each entity and outlines services provided
- Contract termination date
- Privacy and regulatory expectations
- Termination and renewal dates along with period of notice
- Consequences for non compliance
- Insurance coverage requirements
- Rights to audit and request documentation



Vendor Contingency Plan

- Concerns identified and not corrected
 - o Quality, timeliness
- Non compliance with rules and regulations to include contract
- Significant reputation concerns
 - o Being investigated
 - o Fannie Mae cutting ties
- Notification provided through email, calls, scorecards
- Meeting held to discuss issues
- Initiate transition plan
 - o Vendor selection and new contract
- Contract Termination if warranted



Vendor Classifications and Risk Assessment

- Determine the nature of the vendor.
- Conduct a risk assessment of the vendor.
- Assessment determines the criticality of the vendor.
 - o Critical
 - o Moderate
 - o Minor



Critical Vendors

- Have a significant impact on the business.
 - o Relied on heavily.
 - o How would the work continue if there were issues with the vendor?
- Rank vendors based on Risk Assessment.
- Critical vendors ongoing monitoring to include:
 - o On-site yearly audit
 - o Provide required documentation
 - o Complete questionnaire
 - o Periodic evaluations and constant communication
 - o Ongoing contract monitoring



Moderate & Minor Vendors

- Have an impact and relied upon by the business
 - o Based on quantity of work and nature of business.
- Ranked based on Risk Assessment
- Moderate & Minor Vendors undergo monitoring which includes:
 - o Yearly desktop audit
 - o Provide required documentation
 - o Complete questionnaire
 - o Periodic evaluations and communication
 - o Ongoing contract monitoring



On-Site Audits

- Conducted on a yearly basis or based on specific need.
- Inform vendor of visit in advance and prepare them for requirements
- Obtain documents and completed questionnaire in advance
 - o Review and formulate follow-up questions prior to audit
 - o If something is missed address it.
- Discuss process/procedures, evaluate and tour the facility
 - o Look for what has been discussed:
 - Security such as cameras, motion sensors, locked areas (restricted access)
 - IT and software usage
 - View technology used
 - Implemented procedures and processes
- End of audit discussion and evaluation.
 - o Discuss good and what is lacking.



Desk Top Audits

- Conducted on a yearly basis (minimum) and/or based on specific need
- Inform vendor in advance of sending out audit packet
- Inform them of requirements to fill in questionnaire and provide documents
- Evaluate what was received from Vendor
- Provide pertinent documents to other internal stakeholders
- Discuss questions or concerns with vendor
- End of audit discussion and evaluation.



Vendor Scorecard

- Rating of vendors from Fully Meets to Unacceptable.
- Evaluated based on:
 - o Overall Performance
 - o Service Evaluation
 - o Pricing
 - o Delivery
 - o Quality
- Results provided to vendor and if needed discussion held.



Servicer Audits of Law Firms – Due Diligence & Performance Reviews

- Creation of Legal Services Agreement or validation that a Legal Services Agreement exists and is signed.
- Ongoing Due Diligence and Performance Reviews.
 - BSI's Foreclosure and Bankruptcy Department provides oversight of relationships and assists Vendor Management in conducting Due Diligence.
 - o BSI's Foreclosure and Bankruptcy Department provides periodic performance reporting (via scorecard) to Vendor Management.
- Annual verification the license is in good standing.
- Validate proper insurance is in place.
- Annual onsite audits for those law firms that have had 100 or more referrals in a calendar year from BSI.
- Other law firms with <100 referrals in a calendar year have Annual Desktop audits completed.



Servicer Audits of Law Firms – Ongoing Comprehensive Monitoring

- BSI's Foreclosure and Bankruptcy Department monitors all foreclosure and bankruptcy firms.
- BSI's Foreclosure and Bankruptcy Departments produce scorecards regarding vendor's service and submit to Vendor Management for record keeping.

Servicer Audits of Law Firms – Termination and Case Transfers

- BSI's Foreclosure and Bankruptcy Department determines if formal termination is needed
- Notification to Legal and the Vendor Management Department
- Vendor Management to ensure Termination Agreement is filed in vendor file
- New vendor assigned to the loan and the service is transferred to the new vendor



Working together for a common goal: "To make the financial services market better."

Roundtable Session 2

Tuesday, July 22 3:00 - 4:00 p.m. Broadmoor Hall D Hot Topics in Foreclosure

Come hear foreclosure attorneys discuss the industry's current hot topics, identify current and future risks in our industry and some proposed solutions to negate those risks or reduce their impact on a servicer or law firm. Some of what we will be discussing will include:

- Chronologies, curtailments and compensatory fees
- FDCPA Application to servicers and law firms and proposed legislation to exempt law firms
- Mortgage servicing records from prior servicers and how the courts are viewing these- Do you have to hire legacy witnesses?
- Overzealous HOAs and how they can affect your foreclosure
- Courts/Judges refusing to recognize CFPB holds while opposing counsel are threatening counterclaims and class actions for violation of CFPB.

Moderator: Kim M. Hammond, Esq., Managing Attorney, Keith D. Weiner & Assoc. Co., LPA **Speakers:** Brian G. Sayer, Esq., Partner, Klatt, Odekirk, Augustin, Sayer, Treinen & Rastede, P.C.; Candice Archibald, Attorney Oversight, M&T Bank; Elizabeth Wellborn, Esq., Founder & Principal, Law Offices of Elizabeth R. Wellborn, P.A.; Michelle Garcia Gilbert, Esq., President/CEO, Gilbert Garcia Group, P.A; Samantha Gramsas, AVP, Business Controls, Specialized Loan Servicing, LLC (SPS)



Kim M. Hammond, Esq.
Managing Attorney-Foreclosure
Keith D. Weiner & Associates Co., L.P.A.
A Fannie Mae Retained Attorney
75 Public Square, 4th floor
Cleveland, OH 44113
Phone: 216-771-6500

Fax: 216-771-6540 Cell: 216-402-4696

Email: khammond@weinerlaw.com

Kim obtained her Juris Doctor degree from Cleveland-Marshall College of Law in 1993, and received her B.A. in Legal Studies from SUNY Buffalo in 1990. She joined Keith D. Weiner & Associates Co., LPA (KWA) in October, 1999 as the managing attorney for the foreclosure, bankruptcy and foreclosure litigation areas of practice for the firm, and also manages the firm's in-house title company, Public Square Title Agency, LLC. Prior to joining KWA, Kim was in-house counsel for Express Title Services where she obtained a strong title and real estate background. At Express Title she closed in excess of a thousand purchase and refinance loans and worked on hundreds of title claim issues.

Kim is licensed to practice in Ohio and the United States District Court for the Northern District in Ohio. She has been a speaker at numerous seminars on foreclosure law in Ohio and at the annual MBA Default Servicing Conference. Kim is a member of the Cleveland Bar Association, the Mortgage Banker's Association, the Ohio Mortgage Bankers Association, and the Great Cleveland Mortgage Bankers Association.



Brian Sayer Esq.
Managing Partner
Klatt, Odekirk, Augustine, Sayer, Treinen & Rastese, PC
531 Commercial Street, Suite 250
P.O. Box 2363
Waterloo, IA 50701
Phone: 319-232-3304 ext 120

Email: BSayer@klatt-law.com

Graduated from Iowa State University with Bachelor of Science Degrees in Psychology and Political Science in 1996, and from the University of Iowa College of Law, with distinction, in 1999. Brian specializes in default legal services. He has also been appointed as a Federal Foreclosure Commissioner for both single family and multi-family homes. Brian has been the Managing Partner of the Default Services Department since 2005. During this time, Klatt Law has become recognized as one of the top performing default firms in the United States, receiving numerous awards for excellence.



Candice Archibald
Banking Officer | M&T Bank - Attorney Oversight
475 Crosspoint Pkwy
Getzville, NY 14068
Phone: 716-343-6077

Email: carchibald@mtb.com

Candice Archibald graduated from the State University of New York at Brockport with a Bachelors' Degree in Accounting. She joined HSBC Bank in 2009 working as an accountant in the mortgage area, which transitioned, into an analyst role shortly thereafter. Candice joined M&T Bank in 2011 to work as a liaison managing the attorney firm relationships and reporting functions. Due to an increased demand for oversight of the firms Candice created an oversight team in 2013. The oversight team is tasked with handling the attorney relationships, firm boarding, communication, management of the firms' performance, escalations, annual due diligence and on-site visits. Candice is currently pursuing an MBA and will graduate in 2015.



Elizabeth R. Wellborn, Esq. Founder Law Offices of Elizabeth R. Wellborn, P.A. 350 Jim Moran Blvd. Suite 100 Deerfield Beach, FL 33442 Phone: 954-354-3544

Fax: 954-354-3545

Email: EWellborn@erwlaw.com

Elizabeth R. Wellborn is the founder of The Law Offices of Elizabeth R. Wellborn P.A. She has developed a strong presence amongst the most well-known mortgage foreclosure practices in the State of Florida and New York. Her Florida office is a proud member of the Fannie Mae Retained Attorney Network. Mrs. Wellborn is a member of the State Bars of Florida, Texas and Georgia and a member of the Bar of the District of Columbia. She is admitted to practice in front of the United States District Court for the Southern, Middle and Northern Districts of Florida and the U.S. Court of Appeals, 11th Circuit.

Mrs. Wellborn is versed in all aspects of Commercial and Real Estate litigation including the Real Estate Settlement Procedures Act (RESPA), Fair Debt Collection Practices Act (FDCPA), Truth in Lending Act (TILA), Florida Deceptive and Unfair Trade Practices Act (FDUTPA), the Home Ownership Equity Protection Act (HOEPA), Telephone Consumer Protection Act (TCPA) and more. Mrs. Wellborn is active in several key industry and professional associations including the Foreclosure Crisis Committee, Real Estate and Legislation Sections of the Broward County Bar Association, Federal Bar Association, Florida Association of Women Lawyers, Women in Default Servicing, Mortgage Bankers Association and the American Legal & Financial Network. Mrs. Wellborn believes that it is essential to the changing landscape in our industry to be a proactive problem solver and advocate on behalf of her clients in legislative efforts on a State and Federal level. Mrs. Wellborn has also traveled throughout the country providing seminars to servicing clientele so they can implement responsive, effective and compliant operational processes and procedures.



Michelle Garcia Gilbert, Esq. President/CEO Gilbert Garcia Group, P.A. 2005 Pan Am Circle, Suite 110 Tampa, Florida 33607 Phone: (813) 638-8920

Cell: (813) 810-1414, Fax: (813) 443-5089

Email: mgilbert@gilbertgrouplaw.com

Michelle has been admitted to the following practices and courts: Florida Bar, 1986; Middle District of Florida; 1988, Northern District of Florida; 2005, Southern District of Florida, 2006; U.S. Supreme Court, 2000; U.S. Court of Appeals, Eleventh Circuit, 2003. She matriculated at the University of South Florida (B.A., 1982, cum laude), and the University of Notre Dame (J.D., 1985). She is a member of the following groups: Greater Tampa Association of Realtors; Bay Area Real Estate Council, Inc.; Hillsborough County Bar Association, Real Property, Probate and Trust Law Section; The Florida Bar, Real Property, Probate and Trust Law Section; American Legal and Financial Network; Mortgage Bankers Association; Legal League 100; Attorney Agent, Attorney's Title Insurance Fund/ Old Republic; Fidelity National Title agent, and Stewart Title agent. Michelle handles a wide variety of legal matters for the firm including judicial foreclosures, evictions, workouts and forbearance agreements, REO closings, deficiency actions, bankruptcy, collection matters and related litigation.

Michelle has taught the Thirteenth Judicial Circuit Certified Process Servers Course since 1993. She has worked in foreclosure and creditors firms since 1989, specializing in default and litigated foreclosures, real estate closings, evictions, collections and commercial litigation. Michelle works closely with the default industry by speaking at webinars and at conferences, as well as consulting on various issues relevant to the industry.

Michelle enjoys travel with her family, and participates in the varied sport and academic activities of her husband and six children. She volunteers with her parish, St. Lawrence Catholic Church and School, the Girl Scouts and Boy Scouts, and with Quest, a nonprofit organization devoted to assisting severely developmentally disabled adults.



Samantha Gramsas

Assistant Vice President, Business Controls - Default Administration Specialized Loan Servicing LLC 8742 Lucent Blvd., Suite 300 Highlands Ranch, CO 80130

Phone: 720-241-7290

Email: Samantha.Gramsas@sls.net

Samantha has been with Specialized Loan Servicing (SLS) for 8 years and has held positions in several areas of mortgage servicing including Default Administration, Client Relations, Loan Administration and REO.

As Assistant Vice President of Business Controls for SLS, Samantha oversees Business Quality Control, Compensatory Fees, Process Improvement and Project Management for all areas of Default Administration including Foreclosure, Bankruptcy, High Risk and Loss Mitigation ensuring regulatory and client compliance as well as process efficiencies and scalability.

Prior to joining SLS, Samantha served as Client Services Director for i3wired, a business development company in Salt Lake City, Utah.

Samantha has completed the Lean Six Sigma Black Belt program and is certified as a Lean Six Sigma Green Belt.

ANSWERS

Hot Topics in Foreclosure

TUESDAY, JULY 22 | BROADMOOR HALL D

SESSION SPEAKERS



Kim Hammond, Esq.

Managing Attorney-Foreclosure

Keith D. Weiner & Associates Co., L.P.A.

khammond@weinerlaw.com



Candice Archibald

Banking Officer - Attorney Oversight

M&T Bank

carchibald@mtb.com

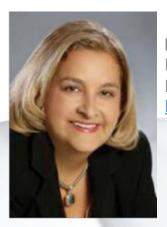


Brian Sayer, Esq.
Managing Partner
Klatt, Odekirk, Augustine, Sayer,
Treinen & Rastese, PC
BSayer@klatt-law.com

SESSION SPEAKERS



Michelle Garcia Gilbert, Esq.
President/CEO
Gilbert Garcia Group, P.A.
mgilbert@gilbertgrouplaw.co
m



Elizabeth R. Wellborn, Esq.
Founder
Law Offices of Elizabeth R. Wellborn, P.A.
EWellborn@erwlaw.com



Samantha Gramsas
Assistant Vice President, Business Controls Default Administration
Specialized Loan Servicing LLC
Samantha.Gramsas@sls.net

Litigation doesn't end with the sale...

- Borrower likely defaulted on Association assessments
- Associations desperate need of funds
- Leads to negotiating and litigation
- Impact of superlien/modified superlien state laws



State of Affairs

- Approximately 6.7 million HOA member mortgages with outstanding HOA liens, or 21% of HOA properties
- Estimated 350,000 HOAs in U.S.
- No national group, no complete database
- Non-escrow item
- Lack of investor education
 - o The Hidden Threat of HOA Liens: Why Delinquent HOA Accounts are a Threat to Investor ROI and First Mortgage Lien Positions, A White Paper from Sperlonga, LLC, January, 2013

Pro-active

- July, 2012: "Fannie Mae requires servicers to protect the priority of the mortgage lien and to clear all liens for delinquent homeowners' association (HOA) dues and condo assessments on properties acquired through foreclosure or deed-in-lieu of foreclosure."
- HUD and Fannie require servicers advance payments to HOAs/COAs when borrowers 60 days delinquent, if first mortgage at risk
- Liens must be cleared within 30 days of foreclosure sales or deeds-in-lieu

Background

- FS § 718.116 ("COA"), FS§ 720.3085 ("HOA")
- Liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure, lessor of:
 - o Past twelve (12) months of regular and period assessments or
 - o One percent of original mortgage debt



Safe Harbor

- "Safe Harbor": applies if the first mortgagee joined association as defendant
- Amount owed paid within thirty (30) days after transfer of title, or lien can be filed
- Assessments: share of funds required for payment of common expenses, assessed from time to time against the unit owner, analogous to "amenity fees," taken together, these terms infer a shared expense among all the units of the homeowners' association for a common good
- Special assessments: are charges assessed against property of some particular locality because that property derives some special benefit [from] the expenditure of the money, must be in the members' proportional share of expenses as described in the governing document



United States of America v. Forest Hill Gardens East Condominium Association, Inc.,

No. 13-80513-CV (S.D. Fla. 2013)

- "[w]hat is the financial obligation of a foreclosing mortgagee to a condominium association when the unit owner not only defaulted on the mortgage but also failed to pay condominium assessments?"
- COA claimed that mortgagee liable not only for all unpaid assessments, but also for other fees and charges allegedly incurred, such as attorney's fees, interest, late fees, and collection costs
- Mortgagee argued entitled to the "safe harbor" protection
- Court found that mortgagee not liable for other charges including attorney's fees, interest, late fees, and collection costs additional to the unpaid assessments.



Declarations

- Declaration of Condominium and Declaration of Covenants may contain restrictions and specific rules.
- "Restrictions found within a Declaration are afforded a strong presumption of validity, and a reasonable unambiguous restriction will be enforced according to the intent of the parties as expressed by the clear and ordinary meaning of its terms " Coral Lakes Community Association, Inc., v. Busey Bank, Case No. 2D08-5062 (Fla. 2d DCA 2010), as quoted in Shields v. Andros Isle Prop. Owners Ass'n, 872 So.2d 1003, 1005-06 (Fla. 4th DCA 2004).
- Statutes cannot disturb or impair a prior established contractual relationship.



Best Practices

- Request estoppel asap after title, pay reasonable estoppel fee
- Refer to Declarations, part of title search, for information such as the amount of interest, late payments, etc.
- Request ledgers and invoices from the Association to ensure that the Association is seeking legitimate payments.
- Pay any assessments that come due after obtaining Certificate of Title, even if there is a disagreement regarding assessments that came due prior to obtaining title, to demonstrates good faith, avoid late fees and interest.

CFPB Holds in Judicial States

- As of January 10, 2014, CFPB implemented new procedures for Loss Mitigation Workouts for Mortgage Servicers
- Under 12 CFR § 1024.41 (Also known as Regulation X under the Real Estate Settlement Procedures Act), servicers are now required to follow specific loss mitigation procedures for a mortgage loan secured by a borrower's principal residence

CFPB Judicial Holds

- Complete loss mitigation application after first foreclosure filing, but more than 37 days before a foreclosure sale: Servicer prohibited from moving for judgment or sale until one of the three conditions:
 - o Not eligible for any loss mitigation option (appeal n exhausted);
 - o Rejection all loss mitigation offers; or
 - o Failure to comply with the loss mitigation.
- Nothing in § 1024.41(g) prevents a servicer from proceeding with the foreclosure, when the first legal occurred before a servicer receives a complete loss mitigation application, as long as such steps do not cause or directly result in the issuance of a judgment or sale.
- Must acknowledge receipt of the application in writing within five days, state whether application is complete and if not complete, what information is needed to complete the application.



CFPB Holds

- Receipt of loss mitigation application more than 37 days before sale, Servicer required to evaluate borrower, within 30 days, for all loss mitigation options
- Servicers can follow waterfalls established by investors to determine eligibility
- Servicer must provide borrower with written decision, including an explanation for denial, which must include any inputs used to make a net present value calculation, if such inputs were the basis of the denial.

CFPB Hold Issues

- CFPB holds prevent proceeding with case, including responding to discovery or counterclaims, if these responses could lead to entry of a judgment
- However, hesolution of time sensitive litigation can be completed without imminent entry of judgment, unless a judge set a trial date or sets a lack of prosecution hearing
- Judge, or defendant could dismiss case for Lack of Prosecution, pursuant to Florida Rule of Civil Procedure 1.420(e).
- Rule 1.420(e): In all actions in which it appears on the face of the record that no activity by filing of pleadings, order of court or otherwise has occurred for a period of 10 months, and no order staying the action has been issued nor stipulation for stay approved by the court, any interested person, whether a party to the action or not, the court, or the clerk of the court may serve notice to all parties that no such activity has occurred. If no such record activity has occurred within the 10 months immediately preceding the service of such notice, and no record activity occurs within the 60 days immediately following the service of such notice, and if no stay was issued or approved prior to the expiration of such 60-day period, the action shall be dismissed by the court on its own motion or on the motion of any interested person, whether a party to the action or not, after reasonable notice to the parties, unless a party shows good cause in writing at least 5 days before the hearing on the motion why the action should remain pending. Mere inaction for a period of less than 1 year shall not be sufficient cause for dismissal for failure to prosecute.

Best Practice

- Motion for a stay, explaining 12 CFR § 1024.41, indicating borrower submitted loss mitigation application, explaining Plaintiff prohibited from moving case forward
- Feedback: some judges allow 1 CFPB stay, some won't recognize, state judges' funding based on clearing foreclosure cases, borrowers' counsel lobbying judges to recognize hold

Current FDCPA Application to Servicers

- FDCPA Applies When Servicer Actively Engaged in the Foreclosure of a Mortgage in Default.
- FDCPA May Apply to Servicer Even if the Mortgage is not in default: Bridge v. Ocwen Federal Bank FSB (6th Cir. 2012).
- Proposed Federal Regulation F seeks to increase the timing and applicability of the FDCPA to mortgage servicers.
 Provisions include regulations on a single point of contact for borrower, loss mitigation and affirmative action, etc.

Current FDCPA Application to Law Firms

- In 1986, Congress removed the attorney exemption to the FDCPA.
- In 1995, the Supreme Court held that litigation conduct of attorneys in collecting consumer debts is not exempt from the FDCPA. Heinz v. Jenkins, 514 U.S. 291 (1995).
- Jury is still out on non-judicial foreclosures as "litigation" was not clearly defined.
- Currently, proposed Federal Regulation F seeks to "harmonize" the status of first party and third party debt collectors.
 - As these terms are already defined under the FDCPA, such "harmonization" on the part of the FDCPA would likely prove to be constitutional overreach.
 - o Proposed Regulation F also seeks to remove judicial "roadblocks" such as "differing evidentiary standards" on debt collection.



Proposed Legislative Changes

- Currently H.R. 2892 and S. 2328 are pending in committee.
- H.R. 2892 and S.2328 contain language which would "exclude from the definition of 'debt collector' any law firm or licensed attorney: 1) serving, filing or conveying formal legal pleadings, discovery requests, or other documents pursuant to the applicable rules of civil procedure; or 2) communicating in or at the direction of, a court of law or in depositions or settlement conferences in connection with a pending legal action to collect a debt on behalf of client."
- Not considered an outright exemption for attorneys, however. Only the above would be exempt.



Q&A

THANK YOU!



Roundtable Session 3

Tuesday, July 22 3:00 - 4:00 p.m. Broadmoor Hall E

Bankruptcy 2014 - As It Stands Now and Where We Are Headed

This session will focus on the current hot topics in the Bankruptcy Courts such as loan modifications, the current "national" POC form, Chapter 13 Fees/Payment Changes/Escrow/Notice of Final Cure, Standing and the ascend of the mini-Chapter 11. The session will also discuss upcoming changes such as the new national Chapter 13 Form Plan, new POC Deadlines/Rules and the pending clash from the CFPB's rules versus the current clash from the National Mortgage Settlement.

Moderator: Lee Raphael, Esq., Managing Partner, Prober & Raphael **Speakers:** Michael J. McCormick, Esq., Managing Partner, Bankruptcy Department, McCalla Raymer, LLC; Hon. Michael B. Kaplan, Esq., US Bankruptcy Court Judge, District of NJ



Lee S. Raphael, Esq.
Partner
Prober & Raphael, A Law Corporation
20750 Ventura Blvd
Suite 100
Woodland Hills CA 91364

Phone: (818) 227-0100 Fax: (818) 227-0637 Email: lraphael@pralc.com

Lee S. Raphael is managing partner of Prober & Raphael and oversees the firm's nationwide bankruptcy practice. He has extensive experience with bankruptcy, real estate and federal appellate matters. Mr. Raphael has been a panelist on bankruptcy lien strips for both the San Fernando Valley Bar Association and the Central District Consumer Bankruptcy Attorneys Association, on Chapter 13 Local Rule changes for the Central District of California, on How to Get Your Chapter 13 Case Confirmed for the San Fernando Valley Bar Association and on national Bankruptcy rule and form changes for the American Legal & Financial Network at their Annual Leadership Conference. Mr. Raphael has also been a featured speaker on multiple occasions at both the United Trustees Association's Annual Education Conference and the Central District of California Bankruptcy Judge's Annual Retreat. Additionally, he has moderated and participated in webinars and training seminars for the American Legal & Financial Network.

Mr. Raphael taught Real Property law for the Legal Education Conference Center and served on both the Central District of California Bankruptcy Forms Committee and the Central District of California's Relief from Stay Task Force. Mr. Raphael also currently serves on both the American Legal & Financial Network's Executive Bankruptcy Committee and the National Association of Chapter Thirteen Trustee's Mortgage Committee.

Mr. Raphael's professional affiliations include / have included: the Mortgage Bankers Association, American Legal & Financial Network, American Bar Association, Los Angeles County Bar Association, San Fernando Valley Bar Association, Los Angeles Bankruptcy Forum, United Trustees Association, National Association of Chapter 13 Trustees, Central District Consumer Bankruptcy Attorney Association and the Association of Southern California Defense Counsel.

Mr. Raphael earned his bachelor's degree in Sociology from California State University Northridge and his Juris Doctor from Southwestern University School of Law, where he received the Dean's Scholar Designation. He was admitted to the State Bar of California in 1995 and is also admitted to all California Federal District Courts as well as the Ninth Circuit Court of Appeals. In addition, Mr. Raphael has a perfect 5.0 AV Preeminent peer review rating from Martindale-Hubbell.



Michael J. McCormick, Esq. Managing Partner – Bankruptcy McCalla Raymer, LLC 1544 Old Alabama Road Roswell, GA 30076

Phone: 678-281-3918

Email: mjm@mccallaraymer.com

After spending almost two (2) years as the managing attorney of the Memphis office for McCalla Raymer, LLC, Michael recently returned to Atlanta to be the managing attorney over the Bankruptcy Department with McCalla Raymer, LLC. In addition to overseeing a dozen bankruptcy attorneys, Michael assists in the bankruptcy representation for 200 mortgage lenders and servicers nationwide. He has been with the firm since 2004.

Before moving to the Atlanta area in 2004, and then to the Memphis area in 2008, Michael had a debtor practice with Bond, Botes & McCormick, P.C. in Biloxi, Mississippi and practiced civil and commercial litigation with Dukes, Dukes, Keating & Faneca, P.A. in Gulfport, Mississippi.

Michael is a native of Toronto, Canada and received his undergraduate degree from the University of Western Ontario. He graduated from Wake Forest University School of Law in 1994 and is admitted to practice in Alabama, Arkansas, Georgia, Kansas, Mississippi, Missouri, and Tennessee.

Michael has conducted continuing legal education seminars; written numerous articles; spoken to community groups, attorneys, and servicers; and even appeared on television to discuss bankruptcy. Recently he has discussed the Bankruptcy Reform Bill (BAPCPA) and federal regulations governing escrow accounts, and he has written articles on these subjects.

Michael is a member of several bankruptcy organizations, including the Mississippi Bankruptcy Conference; the bankruptcy sections of the Alabama, Georgia and Tennessee bar associations; the American Bankruptcy Institute, and the National Association of Chapter 13 Trustees (associate member). He was recently appointed to the TBA Bankruptcy Law Section Executive Council, and has served on the NACTT Mortgage Committee by helping to draft "Best Practices for Trustees and Mortgage Servicers in Chapter 13" and working with the Federal Rules Committee on the revisions to Federal Bankruptcy Rules, which became effective on December 1, 2011 (i.e., Rules 3001 and 3002.1). Since 2010 Michael has served on the Emory Bankruptcy Developments Journal Notes and Comments Advisory Committee.

Michael is also recognized by the American Board of Certification as a Consumer Bankruptcy Specialist. In July, 2012 Michael was elected to the board of directors for the American Legal and Financial Network (ALFN).



Hon. Michael B. Kaplan United States Bankruptcy Court District of New Jersey 402 E. State St. Trenton, NJ 08608 Phone: (609) 858-9360

Email: Judge michael kaplan@njb.uscourts.gov

The Honorable Michael B. Kaplan was appointed as a bankruptcy judge on October 3, 2006, for the District of New Jersey, Trenton Vicinage, Prior to taking the bench, Judge Kaplan served as a Standing Chapter 13 Bankruptcy Trustee. Judge Kaplan received his A.B. degree from Georgetown University (1984) and his J.D. Degree from Fordham University School of Law (1987). He is licensed to practice law in New Jersey, New York and Connecticut, and is admitted to practice before the U.S. Supreme Court, Third Circuit Court of Appeals, U.S. Court of International Trade and various federal district courts. Over the past twenty-five years, Judge Kaplan has spoken to numerous bar associations and business organizations, including: the New Jersey Judicial College, National Association of Chapter 13 Trustees, National Association of Bankruptcy Trustees, Turnaround Management Association, NY Institute of Credit, Bloomberg, L.P., American Conference Institute, Pennsylvania Bar Institute, National Business Institute and the New Jersey Institute for Continuing Legal Education. Judge Kaplan teaches as an adjunct professor at the Newark and Camden campuses of Rutgers University School of Law. He has authored several articles relating to bankruptcy issues and is a co-author of West's Consumer Bankruptcy Manual. Judge Kaplan was the recipient of the National Association of Chapter 13 Trustees' 2006 Distinguished Service Award and New Jersey State Bar Association's 1999 Legislative Recognition Award. In December of 2009, Judge Kaplan was appointed by the Director of Administrative Office of the Courts to a four year term as the Third Circuit representative to the Bankruptcy Judges Advisory Group, and most recently selected as the Bankruptcy Judge representative on the Human Resources Advisory Council to the AO.

Judge Kaplan has also served as Mayor and Councilman for the Borough of Norwood, NJ, and in 2005, he was a candidate for Bergen County Freeholder.

ANSWERS

Bankruptcy 2014

As It Stands Now and Where We Are Headed

TUESDAY, JULY 22 | BROADMOOR HALL E

SESSION SPEAKERS



Lee Raphael, Esq.
Managing Partner
Prober & Raphael
Iraphael@pralc.com



Michael McCormick, Esq.
Senior Partner
McCalla Raymer, LLC
mim@mccallaraymer.com



Hon. Michael Kaplan
US Bankruptcy Court, District
of New Jersey
Judge_michael_kaplan@njb.us
courts.gov

Lien Strips

Chapter 20

- Tanner v. FirstPlus Fin. (In re Tanner), 217 F.3d 1357 (11th Cir. 2000)
- Wells Fargo Bank, N.A. v. Scantling (In re Scantling), 465
 B.R. 671 (Bankr. M.D. Fla. 2012)

Chapter 7

- McNeal v. GMAC Mortgage, LLC (In re McNeal), 2012 WL 1649853 (11th Cir. 2012)
- Bank of America v. Sinkfield (In re Sinkfield), Case No. 13-12141 (11th Cir. 2013)
- What will happen if these issues get to the Supreme Court?





Recent Decisions

- Sale by Chapter 7 Trustees of Underwater Properties
 - DeGiacomo v. Traverse (In re Traverse), 45 B.R. 815 (1st Cir. B.A.P. 2013)
 - Court held that trustee did not have the power to sell the debtor's home where the primary lien was avoided on the residence but the mortgage was current and the value of the property was less than Debtor's homestead exemption
 - Efforts to sell properties back to secured lenders for fees to the trustees
- Junior Lienholder Liability
 - Gladstone v. Bank of America (In re Vassau), 499 B.R. 864 (Bankr. S.D. Cal. 2013)
 - Court held a junior lienholder liable for payments received by senior lienholder as preferential transfers
- What did Supreme Court do to our Bankruptcy Judges?
 - Stern v. Marshall, 131 S. Ct. 2594 (2011)
 - Exec. Benefits Ins. Agency v. Arkison, Chapter 7 Trustee of Estate of Bellingham Insurance Agency, Inc (In re Bellingham Insurance Agency), 702 F.3d 553 (9th Cir 2012)





Hot Topics

- New National Chapter 13 Plan and New POC form
 - What happened, what is happening and what should we do about it?
 - Plan Objections v. POC Bar Date
 - United Student Aid Funds, Inc. v. Espinosa, 130 S. Ct. 1367 (2010)
 - a creditor's failure to object to terms of a confirmed Chapter 13 plan can make the terms of that plan binding upon the creditor
- Notice of Payment Changes and Notice of Supplemental Fees
 - Aggressive Deadlines and Potential Fines
 - "Provided for Under 1322(b)"
 - direct pay versus conduit
 - pre-petition arrears versus non pre-petition arrears
 - after surrender or after Relief from Stay



Chapters 11 and 13

- Issues related to efforts by Debtors in Chapter 13
 - Plans to compel the transfer of title in properties back to lienholders (who for a variety of reasons do not wish to take title until after a foreclosure)
 - See *In re Rosa*, 2013 WL 3380166 (Bankr. D. Haw. 2013)
 - Chapter 13 plan stated that confirmation of the plan by the court would transfer ownership to the lender, and that the order confirming the plan would be recorded like any other deed of conveyance. Lender did not object, plan confirmed.
 - Debt Limits (As of April 1, 2013)
 - Secured Debt: \$1,149,525.00
 - Unsecured Debt: \$383,175.00



- Consumer/Individual Chapter 11
 - Chapter 11 Disclosure Statement
 - http://www.cacb.uscourts.gov/forms/chapter-ll-disclosurestatement
 - Goal: reduce the cost of chapter 11 for small businesses or individuals, to make it affordable for competent counsel to take on those cases.



Automatic Stay

- Multiple filings the extent of the Automatic Stay if there was one prior dismissal in the one-year prior to filing 362(c)
 - Reswick v. Reswick (In re Reswick), 446 B.R. 362 (B.A.P. 9th Cir. 2011)
 - BAP held that when a debtor commences a second bankruptcy case within a year of the earlier bankruptcy case's dismissal, the automatic stay terminates in its entirety on the 30th day after the second petil

VS.

- Holcomb v. Hardeman (In re Holcomb), 380 B.R. 813 (B.A.P. 10th Cir. 2008)
 - BAP held that stay terminates only as to the debtor and the debtor's property after thirty days and does not terminate as to property of the estate.
- Jumpp v. Chase Home Fin. (In re Jumpp), 356 B.R. 789 (B.A.P. 1st Cir. 2006)
 - Section 362(c)(3)(A) provides that if a debtor had a prior case dismissed within a year: the stay under subsection (a) with respect to any action taken with respect to a debt or property securing such debt or with respect to any lease shall terminate with respect to the debtor on the 30th day after the filing of the later case. No complete termination



FOR PUBLICATION

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEYX	
In Re:	CHAPTER 13
Luigi Scotto-DiClemente,	Case No.: 11-28230 (MBK)
Debtor.	V
APPEARANCES:	X
Jacqueline Rocci, Esq	
340 Main Street	
Metuchen, NJ 08840	
Attorney for Debtor	
Elizabeth K. Holdren, Esq.	
Hill Wallack LLP	
202 Carnegie Center	
Princeton, NJ 08543-5226	
Attorneys for Creditor, Amboy Bank F/K/A	Amboy National Banks

MICHAEL B. KAPLAN, U.S.B.J.

MEMORANDUM DECISION

I. INTRODUCTION

This matter comes before the Court upon the motion (the "Motion") of Luigi Scotto-DiClemente's (the "Debtor") for Reconsideration of the Order of Dismissal of his Chapter 13 case entered on November 18, 2011, pursuant to 11 U.S.C. § 109(e). The circumstances underlying this case were set forth in the Court's November 18, 2011 opinion, In re Scotto-DiClemente, 2011 Bankr. LEXIS 4461 (Bankr. D.N.J. Nov. 18, 2011). The Court incorporates by reference the relevant facts from that decision. The Debtor contends that the Court committed a clear error of law by ruling that the *in rem* liabilities which survived the Debtor's prior Chapter 7 discharge should be included in the § 109(e) tabulation of unsecured debt. The Court has reviewed the pleadings submitted and heard oral argument on January 10, 2011. For the reasons which follow, the Debtor's Motion for Reconsideration is denied.

II. JURISDICTION

The Court has jurisdiction over this contested matter under 28 U.S.C. §§ 1334(a) and 157(a) and the Standing Order of the United States District Court dated July 10, 1984, referring all bankruptcy cases to the bankruptcy court. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2)(A), (B), (K), and (O). Venue is proper in this Court pursuant to 28 U.S.C. § 1408. The following constitutes the Court's findings of fact and conclusions of law as required by Fed. R. Bankr. P. 7052.¹

¹ To the extent that any of the findings of fact might constitute conclusions of law, they are adopted as such. Conversely, to the extent that any conclusions of law constitute findings of fact, they are adopted as such.

III. DISCUSSION

A. Motion for Reconsideration to Correct Clear Error of Law

1. Federal Rule of Civil Procedure 59(e) Reconsideration Standard, Applicable to Bankruptcy Cases pursuant to Fed. R. Bankr. P. 9023

A motion for reconsideration is governed by Federal Rule 59(e) and is applicable to Bankruptcy cases under Rule 9023 of the Federal Rules of Bankruptcy Procedure. See, Prudential Ins. Co. v. Farley (In re Farley), 158 B.R. 48, 52 (E.D. Pa. 1993); see also, McDowell Oil Serv., Inc. v. Interstate fire & Cas. Co., 817 F. Supp. 538, 541 (M.D. Pa. 1993). Pursuant to Federal Rule 59(e), a party can move to alter or amend a judgment within ten days [now fourteen] of its entry. McDowell Oil Serv., Inc., 817 F. Supp. at 541. The purpose of a motion for reconsideration is to correct manifest errors of law or fact or to present newly discovered evidence. Harsco Corp. v. Zlotnicki, 779 F.2d 906, 909 (3d Cir. 1985). Accordingly, a judgment may be altered or amended if the party seeking reconsideration shows at least one of the following grounds: (1) an intervening change in controlling law; (2) the availability of new evidence not available previously; or (3) the need to correct clear error of law or prevent manifest injustice." Walzer v. Muriel Siebert & Co., Inc., 2010 U.S. Dist. LEXIS 115245, *24 (D.N.J. 2010) (citing North River Ins. Co. v. CIGNA Reins. Co., 52 F.3d 1194, 1218 (3d Cir. 1995)).

A court should "only entertain a motion to reconsider, if the alleged overlooked controlling decision of law or dispositive factual matter was of a nature that, if considered by the Court, might reasonably have resulted in a different conclusion." <u>Davis v. Spirit of N.J.</u>, 2000 U.S. Dist. LEXIS 19903, *5 (D.N.J. 2000). Nonetheless, "[i]n exercising its discretion in ruling on a motion for reargument or reconsideration, the Court must keep an open mind . . . the Court should not hesitate to grant the motion when compelled to prevent manifest injustice or to correct

clear legal error." <u>Brambles USA, Inc. v. Blocker</u>, 735 F. Supp. 1239, 1241 (D. Del. 1990). However, "[a] motion for reconsideration is not to be used as a means to reargue matters already argued and disposed of or as an attempt to relitigate a point of disagreement between the Court and the litigant." <u>Ogden v. Keystone Residence</u>, 226 F. Supp. 2d 588, 606 (M.D. Pa. 2002) (quoting <u>Abu-Jamal v. Horn</u>, 2001 U.S. Dist. LEXIS 208, No. CIV. A. 99-5089, 2001 WL 1609761, at *9 (E.D. Pa. December 18, 2011) (citations and internal quotation marks omitted). Lastly, reconsideration of judgment is an extraordinary remedy, and such motions should be granted sparingly. D'Angio v. Borough of Nescopeck, 56 F. Supp. 2d 502, 504 (M.D. Pa. 1999).

After reviewing the submissions, the Court finds that none of the above three grounds for reconsideration has been sufficiently satisfied so as to warrant reconsideration of the Court's prior decision.

2. The Court Did Not Commit an Error of Law by Including the *In Rem* Liabilities, Which Survived the Debtor's Prior Chapter 7 Case, in Calculating the Debtor's Unsecured Debt Under 11 U.S.C. § 109(e).

The Debtor asserts that the Court committed a clear error of law by including the amount of Amboy Bank F/K/A Amboy National Banks' (the "Creditor" or "Amboy") surviving post Chapter 7 *in rem* claims when calculating the Debtor's total unsecured debts under 11 U.S.C. § 109(e). Specifically, the Debtor contends that because the Court ruled that the Second and Third Mortgages² are wholly unsecured, Amboy's remaining *in rem* claims are unenforceable

_

² On April 27, 2005, the Debtor executed and delivered a Choice Equity Line of Credit to Amboy, in the principal amount of \$75,000 (the "Equity Line"). As security for the Equity Line, on April 27, 2005, the Debtor executed and delivered to Amboy a second mortgage (the "Second Mortgage") on the Property. On October 9, 2008, A&T, Inc., d/b/a Romer's Restaurant & Pizza ("Romer's") executed and delivered to Amboy an Installment Note, in the principal amount of \$363,279.57. In connection with the Installment Note, on October 9, 2008, the Debtor executed and delivered to Amboy a General and Continuing Guarantee. With respect to this Installment Note, the Debtor executed and delivered a third mortgage (the "Third Mortgage") to Amboy on the Property. At the time of filing his first bankruptcy case, the Debtor listed the value of the subject Property at \$200,000.00. Amboy's amended proof of claim in the current case reflects a total secured claim in the amount of \$761,380.80, with arrears totaling \$540,854.97 as of the petition date. The breakdown of the \$761,380.80 is as follows: (1) \$191,447.64 due in connection with Amboy's First Mortgage; (2) \$86,095.87 due with on Amboy's Second Mortgage; (3) \$478,141.87

against the Debtor and must be disallowed under § 502(b)(1). Accordingly, the Debtor maintains that a disallowed claim cannot be counted as a "debt" pursuant to § 109(e). The Debtor cites to In re Shenas, 2011 Bankr. LEXIS 2907 (Bankr. N.D. Cal. 2011) and Cavaliere v. Sapir, 208 B.R. 784 (D. Conn. 1997) in support of his position.

In <u>In re Shenas</u>, the debtors' Chapter 13 plan provided for the avoidance of Green Tree Servicing, LLC's ("Green Tree") junior lien because it was wholly unsecured. <u>In re Shenas</u>, 2011 Bankr. LEXIS 2907 at *2. Green Tree contended that the debtors were ineligible to proceed under Chapter 13 of the Bankruptcy Code because their debts exceeded the \$360,475 unsecured debt limit set by 11 U.S.C. § 109. <u>In re Shenas</u>, 2011 Bankr. LEXIS 2907 at *1. In support of its argument, Green Tree relied upon the decision in <u>Scovis v. Henrichsen</u>, 249 F.3d 975, 982-84 (9th Cir. 2001), which held that "eligibility for chapter 13 should be determined by the debtor's originally filed schedules, and that the undersecured portion of a secured debt is to be counted as unsecured debt for purposes of the § 109(e) calculation." 2011 Bankr. LEXIS 2907 at *2. (citing <u>Scovis</u>, 249 F.3d at 982-84). Therefore, Green Tree urged the court to apply the holding in <u>Scovis</u> and include its unsecured \$392,927 claim in the court's § 109(e) calculation, and thus, hold that the debtors were ineligible for relief under Chapter 13 of the Code. <u>Id.</u>

The court disagreed with Green Tree's application of <u>Scovis</u>, stating that the debtors' prior Chapter 7 discharge extinguished the debtors' personal liability as to the debt owed to Green Tree, rendering the debt unenforceable against the debtors under § 524(a). <u>Id.</u> at 3-4. Therefore, the court concluded---albeit with little explanation---that because Green Tree's claim was unenforceable as to the debtors' personally, it was not an allowable unsecured claim under

due with respect to Amboy's Third Mortgage, in addition to pre-petition legal fees and costs in the amount of \$5,695.42. The parties concede that Amboy's Second and Third Mortgages are wholly unsecured and that the Debtor at the time of filing the Chapter 13 case owed in excess of \$564,237.74 in unsecured debt.

§§ 502(b) and 506(a), and therefore could not be included in the court's § 109(e) eligibility calculation. Id.

As in Shenas, the debtors in Cavaliere contended that Bankruptcy court erred in its \$ 109(e) eligibility calculation by including debts that were discharged in the debtors' prior Chapter 7 case. Cavaliere, 208 B.R. at 785-786. The court explained that "[a]lthough liens may pass through Chapter 7 undisturbed, a discharge serves to eliminate the debtor's personal liability for the debt." 208 B.R. at 785-786 (citing See Johnson v. Home State Bank, 501 U.S. 78, 84, 115 L. Ed. 2d 66, 111 S. Ct. 2150 (1991)). The court further noted that by the time the Chapter 13 case was commenced, the discharged claims were only enforceable through an *in rem* action against the debtors' property. Id. Therefore, having determined that the claims were wholly unsecured under § 506(a), and thus unenforceable against the debtor personally, the court concluded that the claims were not allowed under § 502(b)(1). Id. As a result, the court held that the discharged claims were disallowed because they were unenforceable against both the debtors (pursuant to the Chapter 7 discharge) and their property (pursuant to the § 506(a) determination), and therefore, should not have been included in the § 109(e) unsecured debt limit calculation. Id.

This Court disagrees respectfully with the <u>Shenas</u> and <u>Cavaliere</u> courts' treatment of surviving *in rem* claims with respect to § 109(e) debt eligibility requirements, and must therefore challenge the Debtor's reliance upon these cases as the legal support for his Motion for Reconsideration. As stated in the Court's prior opinion, Amboy's *in rem* claims must be included in calculating the unsecured debts of the Debtor under § 109(e). Section 109(e) states in full:

(e) Only an individual with regular income that owes, on the date of the filing of the petition, noncontingent, liquidated, unsecured debts of less than \$ 360,475 and noncontingent, liquidated, secured debts of less than \$ 1,081,400 or an individual with regular income and such

individual's spouse, except a stockbroker or a commodity broker, that owe, on the date of the filing of the petition, noncontingent, liquidated, unsecured debts that aggregate less than \$ 360,475 and noncontingent, liquidated, secured debts of less than \$ 1,081,400 may be a debtor under chapter 13 of this title [11 USCS §§ 1301 et seq.].

11 U.S.C. § 109(e) (emphasis added). As of the date of the Debtor's filing of the within Chapter 13 Petition on June 14, 2011, the total amount due on Amboy's Second and Third Mortgages were \$86,095.87 and \$478,141.87 respectively.

The Debtor contends that Amboy has no right to payment on its Second and Third Mortgages because he had obtained a prior Chapter 7 discharge, and thus, such liabilities cannot be considered unsecured "debt" as defined in the Bankruptcy Code. Section 109(e) speaks in terms of "debts," which is defined under 11 U.S.C. § 101(12), as "liability on a claim." 11 U.S.C. § 101(5) defines "claim" to mean:

- (A) **right to payment**, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, **disputed**, **undisputed**, **legal**, **equitable**, **secured**, **or unsecured**; or
- (B) **right to an equitable remedy** for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, **disputed, undisputed, secured, or unsecured**.

11 U.S.C. § 101(5)(A) & (B) (emphasis added). While the Court recognizes that the Debtor's *in personam* liability has been discharged in the prior Chapter 7 case, the Debtor has failed to fully address the issue of enforceability of the remaining *in rem* claims with respect to the amounts due on the Second and Third Mortgages.

The US Supreme Court in <u>Johnson v. Home State Bank</u>, 501 U.S. 78, 84 (1991), reaffirmed that an undischarged *in rem* claim remaining after a Chapter 7 discharge is subject to the treatment in a subsequent Chapter 13 case. <u>Johnson</u>, 501 U.S. at 84. Significantly, the Court noted that Congress intended the language in § 101(5) to "adopt the broadest available definition

of "claim." 501 U.S. at 84. As such, the Court stated that a "'right to payment' [means] nothing more nor less than an enforceable obligation" <u>Id.</u> Accordingly, the Court held that a "mortgage interest that survives the discharge of a debtor's personal liability is a "claim" within the terms of § 101(5)." <u>Id.</u> Therefore, Amboy retains a "right to payment" to the proceeds from the sale of the Debtor's property, even though the Debtor obtained a Chapter 7 discharge on the underlying debt. <u>Id.</u> To put it another way, Amboy's surviving right to foreclose on the Debtor's property can be viewed as a "right to an equitable remedy" for the Debtor's default on the underlying Mortgages. <u>Id.</u> Regardless of how the claim is characterized, the <u>Johnson</u> decision makes it clear that Amboy's surviving mortgage interest constitutes an "enforceable obligation" of the Debtor.

The Supreme Court in Johnson goes as far as to emphasize that while § 502(b)(1) provides that the bankruptcy court "shall determine the amount of [a disputed] claim . . . and shall allow such claim in such amount, except to the extent that . . . such claim is unenforceable against the debtor and property of the debtor[,]" § 502(b)(1) nonetheless contemplates that courts must allow the claim if it is enforceable against either the debtor or his property. Johnson, 501 U.S. at 85 (emphasis added). The Supreme Court further stated that "§ 102(2) establishes, as a "rule of construction," that the phrase 'claim against the debtor' includes [a] claim against property of the debtor. A fair reading of § 102(2) is that a creditor . . . has a claim enforceable only against the debtor's property nonetheless has a "claim against the debtor" for purposes of the Code." 501 U.S. at 85. Consequently, this Court sees no reason to reconsider its previous holding that § 502(b)(1) anticipates the enforceability of an *in rem* claim, such as a remaining mortgage lien for which the underlying obligation has been discharged in a prior a Chapter 7 proceeding. Accordingly, while the Chapter 7 discharge extinguished the Debtor's *in personam* liability, it did not compromise

any of Amboy's *in rem* rights against the Debtor's property in the current Chapter 13. Therefore, Amboy's *in rem* claim, while wholly unsecured³, nonetheless remains enforceable against the Debtor's property under § 502(b)(1).

The Debtor submits that the Court errs by focusing on "claims," and seeks to distinguish "claim" from "debt, noting that § 109(e) refers only to an "individual . . . that owes . . . debts." The Court regards the Debtor's proposed construction of "debt" and "liability" as too narrow. Put simply, if there is a "claim," there is a "debt." See e.g., Laws v. United Mo. Bank, N.A., 188 B.R. 263, 267 (W.D. Mo. 1995) ("The Bankruptcy Code treats "debt" as the converse of a "claim."); see also In re Morton, 43 Bankr. 215, 219-20 (Bankr. E.D. N.Y. 1984) ("Consequently, for purposes of the Bankruptcy Code, if UMB had a claim against KBDC, KBDC owed a debt to UMB."). In other words, "a debt and claim are essentially "flip sides of the same coin." In re Pensignorkay, Inc., 204 B.R. 676, 683 (Bankr. E.D. Pa. 1997). As a result, when a creditor possesses a claim against a debtor, that debtor owes a debt to the creditor. See In re Glance, 487 F.3d 317, 320 (6th Cir. 2007).

With respect to the issue before the Court, it is clear that the equitable rights inherent in an *in rem* claim constitute a "claim" for the purposes of § 101(5). Indeed, the *in rem* claim gives rise to the right to foreclose out a debtor's right of redemption, forcing the debtor to pay the full amount of the claim to redeem the property from the foreclosing *in rem* claimant. In the Court's view, that obligation, which remains after discharge of an *in personam* liability, is certainly a

³ The Court takes issue with the conclusions reached in <u>Shenas</u> and <u>Cavaliere</u>, wherein the courts summarily posited that the surviving *in rem* claims are not enforceable under § 506(a). First, § 506(a) merely fixes the amount of a secured claim based upon valuation of the underlying collateral. Section 506(a) is not a claim disallowance provision. Second, these courts do not explain how *in rem* claims (which by definition are claims against property), can be viewed as "unenforceable against the debtor **or property of the debtor**" so as to be disallowed under § 502(b).

debt. That is, a debtor has the Hobson's choice to either lose their property or pay the full amount

of the in rem claim.

IV. **CONCLUSION**

Therefore, the Court reaffirms its prior holding that Amboy's in rem claims for the

amounts due under the Second and Third Mortgages constitute enforceable unsecured "debts"

owed by the Debtor. In short, the Court denies the Debtor's Motion for Reconsideration for

failing to demonstrate that the Court made a clear error of law.

Dated: January 25, 2011

United States Bankruptcy Judge

10

184

Roundtable Session 4

Tuesday, July 22 4:15 - 5:15 p.m. Broadmoor Hall C CFPB - A Reality Check

Servicer best practices for overcoming operational and legal challenges as we work through the morass that is the CFPB regulatory environment.

Moderator: Matt Abad, Esq., Director of Foreclosure & Bankruptcy, Kluever & Platt **Speakers:** Alicia Wood, Vice President, Residential Credit Solutions, Inc.; Benjamin Gottheim, Director - Mortgage Servicing Policy, Freddie Mac; J.P. Sellers, Esq., Associate Attorney, Mackie Wolf Zientz & Mann; Leesa Logan, Corporate Counsel, Statebridge Company, LLC



Matthew C. Abad, Esq.
Director Default Operations - Foreclosure & Bankruptcy Kluever & Platt, LLC
65 East Wacker Place, Suite 2300
Chicago, Illinois 60601
Phone: 312-201-6785

Phone: 312-201-6785 Fax: 312-236-0514

Email: mabad@kandpllc.com

Education

Marquette University Law School, J.D., 1998 CALI Award - Pre-trial Practice, Spring 1998 CALI Award - Alternative Dispute Resolution, Spring 1997 University of Wisconsin-Madison, B.S., 1992

Mr. Abad oversees and manages the day-to-day operations of the default practice, including the management of approximately 45 paralegals and 7 attorneys for the foreclosure and bankruptcy departments. Having represented creditors since 1998, including a role as in-house counsel for both a national bank, and a national creditor's rights firm, Mr. Abad has broad range of experience. Mr. Abad regularly lectures on issues impacting the mortgage servicing industry. Active member in numerous industry trade groups such as the Phoenix Group, the American Legal and Financial Network (ALFN), the ALFN's Speakers Bureau, the ALFN's Litigation Services Committee, and participates as a regular presenter on both the Phoenix Group Webinars and the ALFN's HOT TOPICS in Litigation Webinars. Previously served as an active member in the Legal League 100 as a speaker and presenter.

In addition to handling Consumer Lending and Regulatory Matters, such as the Truth in Lending Act (TILA), Real Estate Settlement Procedures Act (RESPA), Reg. Z, the Fair and Accurate Credit Transactions Act (FACTA), the Fair Credit Reporting Act (FCRA), the Equal Credit Opportunity Act (ECOA), Fair Lending Issues, UCC, Servicemembers' Civil Relief Act (SCRA), and the Protecting Tenants in Foreclosure Act (PTFA), also provides legal services on Commercial and Consumer Mortgage Foreclosures, Creditor Protection in Bankruptcy, Deed-in-Lieu, Eviction, REO Closings, Litigation, Class Action Litigation, Title Claims and Clearance, collections and replevin the State of Illinois.



Alicia Wood

Vice President, Foreclosure- Bankruptcy and Collateral Residential Credit Solutions, Inc 4708 Mercantile Drive Fort Worth, TX. 76137

Phone: 800-737-1192

Email: AWood@residentialcredit.com

Ms. Wood joined the RCS management team in March 2007 after 6 years at Saxon Mortgage Services, Inc., most recently as the Vice President of Foreclosure and Bankruptcy. She joined Saxon as the AVP over Loss Mitigation in 2001 and was promoted to Vice President of the group in late 2002 prior to managing the foreclosure, bankruptcy and REO departments in late 2005. Ms. Wood worked at Conseco Finance / Greentree Servicing for 5 years with 2 of these as a Collections Manager before she joined Saxon. While at RCS, Ms. Wood has also held senior management positions over the REO and Loan Administration departments, including acquisitions, escrow, special loans and correspondence.



Benjamin Gottheim
Director - Mortgage Servicing Policy
Freddie Mac
8200 Jones Branch Dr
McLean, VA 22102
Phone: (703) 903 - 4190

Email: benjamin_gottheim@freddiemac.com

Ben serves as the Director of Mortgage Servicing Policy at Freddie Mac where he is responsible for creating policy regarding foreclosure, bankruptcy, property preservation, investor reporting and portfolio management. He has been with Freddie Mac for 4 years and spent his first two years at the firm creating and overseeing a department responsible for managing foreclosure timelines and compensatory fees. Prior to joining Freddie Mac, Ben spent 7 years managing a number of wholly-owned portfolios of subprime default mortgage loans for a small start-up company in Albany, NY. Ben earned his BS in Management from Binghamton University (SUNY) with a double concentration in Finance and MIS.



Jonathan Patrick Sellers, Esq. Associate Attorney Mackie Wolf Zientz & Mann, P.C. 124 W. Capitol, Suite 1560 Little Rock, AR 72201 Phone: 501-218-8329

Fax: 501-588-0070

Email: jpsellers@mwzmlaw.com

J. P. Sellers is an associate attorney for Mackie Wolf Zientz & Mann, P.C. in their Little Rock, Arkansas, office. He is licensed to practice law in Arkansas and Tennessee. His practice focuses on creditor's rights in foreclosure, eviction and asset recovery actions. Mr. Sellers earned his Bachelor of Arts from the University of Central Arkansas and his Juris Doctorate from the University of Arkansas at Little Rock, William H. Bowen School of Law. Mr. Sellers is a frequent presenter in the areas of foreclosure, real estate title, and regulatory compliance. He has served as a presenter for the Arkansas Bar Association, Texas Mortgage Bankers Association, National Business Institute, and American Conference Institute. He is a member of the Arkansas Bar Association, Tennessee Bar Association, and the Debtor Creditor Bar of Central Arkansas. Mr. Sellers is an alumnus of the Arkansas Bar Association Leadership Academy and is a current member of the American Legal & Financial Network (ALFN) Junior Professionals & Executives Group (JPEG). He currently serves on the Arkansas Bar Association Continuing Legal Education Committee and the Lawyers Assisting Military Personnel Committee.



Leesa Logan, Esq.
VP Corporate Counsel and Compliance Attorney
Statebridge Company
5680 Greenwood Plaza Blvd., Suite 100 S
Greenwood Village, CO 80111

Phone: 303-796-2155

Email: llogan@statebridgecompany.com

Leesa Logan is Statebridge's General Counsel – Legal/Compliance. Ms. Logan has been practicing law for 11 years with the last 5 years focused in the financial services industry. Prior to joining Statebridge, Ms. Logan was Assistant Vice President/Sr. Counsel at Homeward Residential. At Homeward, Ms. Logan provided legal advisory and compliance support to the default servicing and REO business units, advising on procedural and compliance matters involving real property, creditor's rights, foreclosure, bankruptcy, title claims and commercial litigation. Prior to Homeward, Ms. Logan was in commercial and real estate litigation private practice and was a supervising attorney at a local industry law firm. Ms. Logan received her JD from Southern Methodist University and a BS in Management and Ethics from Dallas Christian University.

ANSWERS

CFPB - A Reality Check

Servicer best practices for overcoming operational and legal challenges as we work through the morass that is the CFPB regulatory environment.

TUESDAY, JULY 22 | 4:15 - 5:15 PM | BROADMOOR HALL C

Speakers



Matthew C. Abad, Esq.
Director Default Operations Foreclosure & Bankruptcy
Kluever & Platt, LLC



Alicia Wood Vice President, Foreclosure-Bankruptcy and Collateral Residential Credit Solutions, Inc



Benjamin Gottheim

Director
Mortgage Servicing Policy

Freddie Mac



Jonathan Patrick Sellers, Esq. Associate Attorney Mackie Wolf Zientz & Mann, P.C.



Leesa Logan, Esq.
VP Corporate Counsel and
Compliance Attorney
Statebridge Company

Background

Greater scrutiny

Interagency Review Consent Orders

OCC Guidance

AG actions – NMS Settlement

Expectations

- Confusion over Timing
- Eg. RESPA QWR
 - o OLD 20/60 day paradigm
 - o Catalan v. GMAC 629 9F.3d 676
 - o NEW 5/30 (15 day extension)
 - o When did it go into effect
 - No one was sure
 - Many implemented immediately
 - Actual date was the recent January new rule date

- 12 CFR 1024.41 (f)
 - o 120 Days delinquent
 - o FNMA/FHLMC/FHA
 - o NMS 14 day DOJ Letter
 - o State Law requirements

- Be Afraid CFPB has repeatedly shown its intent
 - o Views Expressed by the CFPB about the industry
 - o Aggressive interpretations
 - o Enforcement Actions (Firms and Servicers)

PRACTICE TIP

#1 - MONITOR THE CFPB WEBSITE

#2 - CLIENT ALERTS (get them to the firms)

· ANSWERS

- Aggressive in its Rule Making
 - o Changes the Way Rules are Made
 - o Number and Frequency of the Rules Promulgated
- January 12, 2013 Mortgage Servicing Final Rule
 - o Implements Dodd-Frank sections addressing servicers' obligations
 - o Correct errors, information requests
 - o Forced Place Insurance Protections

- Aggressive in its Rule Making(& Enforcement)
 - o Changes the Way Rules are Issued
 - Pre-CFPB final rule published in Federal Register
 - As 12-28-12 final rule considered issued at earlier
 - o Publication in Federal Register
 - oPosting on CFPB Website
 - o Number & Frequency of the Rules Promulgated
 - 2012 19 Final Rules
 - 2013 over 30 plus

- Borrower Request for Info on Payoff Figures
 - o Old TILA Standard Reasonable time
 - o 12 CFR 1026.36(c)(3) never more than 7 days

PRACTICE TIP

- #1 Documented process & procedure
- #2 Get figures/prepare and send; or
- #3 Make sure client receives request ASAP

Error Notices or Requests:

- Notices of Violation of Loss Mitigation rules
- Respond at the earlier of:
 - o 30 days from the date of the sale, or
 - o before the foreclosure sale, whichever is earlier
- Contact information for owner or assignee
 o 10 days

- Error Resolution and QWR
 - o Catalan v GMAC Regulator could be agent for receipt of QWR
 - o Could law firm receipt of request for info be a OWR Trigger

PRACTICE TIP

- #1 Automatic Acknowledgement of Request
- #2 Tip up for Response within 30 days
- #3 Advise of need for additional time before 30 days

- Dual Tracking Prohibitions
- If a Borrower submits a complete Loss Mit
 - o Must be reviewed
 - o Decision accepted/denied
 - o Prohibited from Proceeding to
 - Judgment
 - Sale

- Special Sale Issues for Complete Packages submitted before sale
- Review/decision requirements depending on timing
 - o 90 days or more before sale servicer must give borrower 14 days to accept/reject
 - o 90 days or more before sale must comply with appeal process
 - o 90 days before sale servicer must give 7 days to accept/ reject
 - o 45 days before sale acknowledge receipt within 5 days
 - o 37 days before sale decision within 30 days
- Denial Notices must:
 - o State the reason for denial
 - The deadline for appeal if the application was received more than 90 days before sale

SAMPLE: U.S. Bank vs. [NAME] 13-CH-[NUMBER]

Dear Attorney:

The recent amendments to Regulations X and Z, which became effective on January 10, 2014, require that any Request for Information, Notice or Error, or Qualified Written Request be served to the designated address of the loan servicer for such documents. This is a service of process rule and the Regulations make it clear that these documents are not properly served without delivery to such address.

As attorney for US Bank, will you accept service of this process for US Bank? If you will, please sign the form below and return.

If you will not accept service, we will serve these documents pursuant to the Regulations and forward a courtesy copy to you.

We appreciate your anticipated immediate attention to this request. However, should we not receive a reply within three (3) business days of this communication, we will presume you do not wish to accept service, and that our firm is authorized to effect service directly.

11 11 11	DHUNE	100				
NA.	fir	no Anill	accont	service of	broose	
\ \			accept	sei vice o	DIOCESS	
11 11 11	EXCEPTION.					

(Attorney signature)

(Date)



SAMPLE of Opposing Counsel Request for Acceptance of a QWR, Request for Info or Notice of Error

***These are not QWR's, requests for information or a notice of error.

The debtor attorney wants us to sign and accept on our client's behalf, a future QWR, notice of error, or request for information on behalf of our client. QWR, Notice of Error and Request for Information are very specific items under the new CFPB Reg X/Reg z rules that went into effect on 1-10-14. They trigger very specific timeline components.

We are not authorized to accept service of these items on behalf of our clients.

Our clients usually have specific, or should have specific addresses set up for those types of requests.

As our clients are represented by counsel (us), we take this as an opportunity to tell opposing counsel;

- 1 we do not have authority to accept service of such an item;
- 2 that our clients are represented;
- 3 the professional rules of responsibility prohibit the opposing counsel from contacting out client, even to deliver such a QWR, Notice of Error, or Request for information; and
- 3 we appreciate a courtesy copy of whatever the borrower sends into the client

Conclusion





Roundtable Session 5

Tuesday, July 22 4:15 - 5:15 p.m. Broadmoor Hall D

Eminent Domain and Vacant/Abandoned Property Legislation Update

At the same time that the number of municipalities contemplating or seeking the exercise of eminent domain on mortgages within their borders increases, there is an increase in the number of alternatives for foreclosing vacant and abandoned properties. How will or does this legislation impact current practice? Do the unique problems posed by the areas embracing these alternatives help or hinder the foreclosure process? Are these short term solutions, or do they represent a change in the way cities and states view properties in foreclosure? What is the forecast for the future of these programs?

Moderators: Jim DeLoach, Esq., Executive Vice President, Butler & Hosch, P.A. & Kris Murtha, Esq., Shareholder, Managing Attorney, KML Law Group

Speakers: Jon Kuretich, Vice President, Bank of America; Russ Wirbicki, Esq., Attorney, Wirbicki Law Group, LLC; Stacey Baumann, Vice President, Compliance & Government Relations, MSI



James L. DeLoach, Esq. Executive Vice President Butler & Hosch, P.A. 13800 Montfort; Suite 300

Dallas, TX 75240 Phone: 972-455-5913

Email: jimd@butlerandhosch.com

Jim DeLoach is the Executive Vice President at Butler & Hosch, P.A., a southeastern regional residential mortgage law firm with offices in seven states. In this role, he brings more than 35 years of mortgage banking experience to his capacities as an attorney and executive. In 2003, Jim DeLoach joined Butler & Hosch and helped open the Dallas office. Dallas now has more than 150 employees.

Prior to joining Butler & Hosch, P.A. he served as Senior Vice President and Default Manager for a large banking institution in 1992. Mr. DeLoach held a senior position with the law firm of Barrett, Burke, Wilson, Castle, Daffin & Frappier in their Houston office from 1996 until 2003. He is licensed to practice law in Texas and Mississippi and is a member of the Loan Servicing Committee of the Texas Mortgage Bankers Association.

Mr. DeLoach is a graduate of Baylor University with a B.B.A. in Economics, and from Baylor University Law School where he received his Juris Doctorate.



Kristina G. Murtha Esq. Managing Attorney NJ Kivitz McKeever Lee, PC 216 Haddon ave., suite 406 Westmont, N.J. 0810 Phone: (215) 825-6353

Email: kmurtha@kmllawgroup.com

Kristina G. Murtha has 20 years experience in representing lenders in mortgage foreclosure and related bankruptcy actions. She joined the KML Law Group in 1999 (when it was Goldbeck McCafferty & McKeever) and became a shareholder in 2005. The firm operates as Kivitz McKeever Lee PC in New Jersey. Mrs. Murtha is the managing attorney for the firm's New Jersey office and has extensive experience in foreclosure, litigation, evictions, REO and workout/mediations.

Mrs. Murtha is a frequent speaker on New Jersey foreclosure topics and has written articles and coauthored Continuing Legal Education publications. Ms. Murtha has been actively involved as a representative of the foreclosure lenders' bar, working with the judiciary to formulate the practices and procedures for resolving the issues facing New Jersey foreclosures, including the massive restart of cases affected by the Guillaume decision, new vacant and abandoned property legislation and other issues.

Ms. Murtha is a graduate of Trinity College (Connecticut), with a B.A. in History, and was awarded a J.D. from the Widener University School of Law, where she was inducted into Phi Delta Phi, the school's legal honor society. She is licensed in Pennsylvania and New Jersey.



Jon Kuretich Vice President Bank of America 150 Allegheny Center Mall Pittsburgh, PA 15212

Phone: 412-918-7560

Email: jon.kuretich@bankofamerica.com

Jon Kuretich serves as Vice President in Bank of America's Centralized Liquidation Services Operations group. He is a Business Support Manager responsible for supporting Bank of America's document execution and pre-sale foreclosure space ensuring all aspects of operational excellence are achieved. Primary focus relates to identifying new legislation impacts and compliant implementation of same through process design and change. Jon joined Bank of America in 2010 and most notably has led efforts to support Bank of America's prima facie submission and on-going monitoring by the New Jersey Special Master as well as successful completion of Bank of America's Order to Show Cause filings. He has over 10 years of Mortgage Banking/Servicing experience including originations, underwriting, loss mitigation, foreclosure and state mediations. Jon received his Bachelor of Science degree from Pennsylvania State University and currently works out of Bank of America's Pittsburgh, Pennsylvania office.



Russell C. Wirbicki, Esq. Attorney Wirbicki Law Group LLC 33 W. Monroe Street, #1140 Chicago, IL 60603

Phone: 312-360-9455 Fax: 312-360-9461

Email: rwirbicki@wirbickilaw.com

For over 20 years, Russ has provided cradle to grave default services to the mortgage including building court, eminent domain, tax deeds, drug forfeiture and related real estate matters. In addition, Russ is a title agent for numerous title insurance companies and has handled thousands of real estate closings throughout the State of Illinois. He has appeared on television, was featured in the Chicago Sun-Times, is the author of many articles and has given numerous seminars on issues related to foreclosures and real estate.



Stacey Baumann
VP New Business Development
Mortgage Specialist Int'l LLC
500 Grapevine Hwy
Suite 400
Hurst, TX 76054

Phone: 800-346-2432 Ext. 4430

Fax: 817-719-9155

Email: Stacey.Baumann@msionline.com

Ms. Baumann joined MSI in 2009 and brings 17 years of experience within the mortgage service industry. Her previous positions include manager of hazard claims, FHA and preservation with Wells Fargo Home Mortgage, manager of operations and claims processing with First American National Claims Outsourcing, and head of hazard claims insurance recovery and quality assurance and training with Mortgage Contracting Services.

ANSWERS

ROUNDTABLE SESSION 5

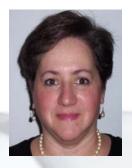
Eminent Domain and Vacant/Abandoned Property Legislation Update

July 21, 2014 | BROADMOOR HALL D

SESSION SPEAKERS



Jim Deloach, Esq.
Executive Vice President
Butler & Hosch, PA
jimd@butlerandhosch.com



Kris Murtha, Esq.
Shareholder/Managing Attorney
KML Law Group
kmurtha@KMLLawGroup.com



Jon Kuretich
Vice President
Bank of America
jon.kuretich@bankofamerica.com



Russ Wirbicki, Esq.
Attorney
Wirbicki Law Group, LLC
rwirbicki@wirbickilaw.com



Stacey Baumann
Vice President, Compliance &
Government Relations
MSI
stacey.baumann@msionline.com



Legislative Updates

- A. Eminent Domain Legislation
 - i. Understanding the concept
 - ii. Communities with actual legislation:
 - Only 2 Richmond, CA and Irvington, NJ- neither of which have exercised or been able to exercise the power yet
 - iii. Communities contemplating legislation
 - i. Where they are and what they have in common
 - iv. Overview of proposed Legislation



Legislative Updates

- B. Vacant & Abandoned Property Legislation
 - i. Understanding the concept
 - ii. States with existing V&A legislation or vacant property registration
 - i. Examples: CO, NJ & TX
 - iii. Overview of existing and proposed legislation
 - iv. Using V&A for good

NEW YORK 0 F BANK RESERVE EDERAL

Volume 19, Number 5 * 2013 * www.newyorkfed.org/research/current_issues

Paying Paul and Robbing No One: An Eminent Domain Solution for Underwater Mortgage Debt

Robert Hockett

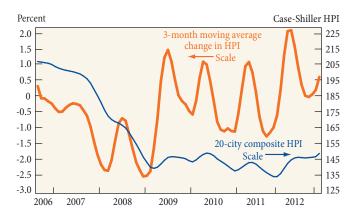
In the view of many analysts, the best way to assist "underwater" homeowners—those who owe more on their mortgages than their houses are worth—is to reduce the principal on their home loans. Yet in the case of privately securitized mortgages, such write-downs are almost impossible to carry out, since loan modifications on the scale necessitated by the housing market crash would require collective action by a multitude of geographically dispersed security holders. The solution, this study suggests, is for state and municipal governments to use their eminent domain powers to buy up and restructure underwater mortgages, thereby sidestepping the need to coordinate action across large numbers of security holders.

It is now more than six years since U.S. residential real estate prices peaked and then plunged. Prices dropped nationally by 35 percent and still linger close to 30 percent below peak levels. In harder-hit communities, prices are considerably more than 50 percent below peak. While cyclical fluctuations push prices up for brief periods, no consistent upward trend has been firmly established (Chart 1). Indeed, the highest post-bubble price peak prior to March 2013 came not last year or the year before but in July 2010, while early 2012 saw the deepest post-bubble trough since April 2009. Prices reached a seasonal peak in September 2012, then leveled off through February 2013. These fluctuations, highlighted in the moving average change measure in Chart 1, have been the pattern in home prices since 2009.

While home prices—and hence home equity values—have fallen and remain low, the fixed debt obligations that buyers had to take on to purchase homes under bubble conditions have not. Consequently, approximately 11 million homes, or slightly less than a quarter of all homes with mortgages outstanding, are "underwater"—meaning that the balance on the mortgage exceeds the current market value of the home. Of these mortgages, between 3 million and 4 million are in default, in foreclosure, or foreclosed and awaiting liquidation. Over 2 million more are seriously delinquent—two-to-four payments in arrears (Olick 2012; Goodman et al. 2012; Ritholtz 2012; Goodman 2012).

¹ Data are from CoreLogic, available at http://www.corelogic.com/, and from OCC Mortgage Metrics, available at http://www.occ.treas.gov/publications/publications-by-type/other-publications-reports/index-mortgage-metrics.html.

Trends in Home Prices: July 2006–March 2013 Based on the Twenty-City Composite Case-Shiller Home Price Index



Source: Standard & Poor's/Case-Shiller Home Price Index (HPI).

Recognizing that defaults and foreclosures take a toll on the economic welfare of communities and the nation as a whole, many analysts have called for the write-down of principal on mortgage debt as the most effective solution to the problem of underwater mortgages. As these analysts attest, write-downs have the important advantage of *raising* value.

However, the difficulty lies in carrying out the write-downs. While principal reduction on mortgages held in bank portfolios occurs at significant and still growing rates, loans held in private-label securitization (PLS) trusts have certain structural features that make such reductions very rare. Specifically, these loans are subject to pooling and servicing agreements that would require collective action by a large majority of security holders before the loans could be modified or sold out of trusts. Conducting such a collective action across most holders of the securitized loans would be nearly impossible.

This edition of *Current Issues* puts forward a strategy for carrying out the write-downs. Essentially, it recommends that state and municipal governments use their eminent domain powers to address the collective action problems that now prevent the write-down of privately securitized loans. Under eminent domain, these governments can step in to purchase underwater loans at fair value, deal directly with the trustees of the private-label securitization trusts, and sidestep the rigidities of the pooling and servicing agreements. They can then reduce the principal on these loans, lowering the "water" and thereby reducing the risk of default.

The Mortgage Debt Overhang: Scope of the Problem

Fewer than half of the nation's roughly 11 million underwater mortgages are current, and large numbers of these mortgages go delinquent each month:² Together with loans that are already delinquent or in default, 7.5 to 9.5 million additional homes are expected to go into liquidation over the next several years absent remedial action.³ These liquidations would further burden an already depressed market, yielding a backlog of vacant homes equal to 200 percent of U.S. annual home sales at the current sales pace (Olick 2012; Goodman et al. 2012; Ritholtz 2012; Goodman 2012).

For communities, the fallout from these developments is substantial, with residents forced to give up their homes and property tax bases weakened—ironically, just as abatement costs wrought by abandoned properties rise (Hockett 2012a). Other homeowners lose neighbors and endure the blight and lost value associated with boarded-up neighboring homes. Over time, they may see city services cut, school districts retrenching, and local economies shrinking—an aggregate monetized loss now estimated at \$2 trillion (Hockett 2012a; Shoen 2012). Though causality is doubtless complex, the fact that so many counties have been filing for bankruptcy of late seems unsurprising against this backdrop (Church et al. 2012).

The mortgage debt overhang undermines the health of the national economy as well. Defaults and foreclosures in the housing markets feed back into the macroeconomy through effects upon net worth and spending (Federal Reserve Board 2012; Dudley 2012). And as reduced spending lowers growth and employment, more mortgages are drawn into foreclosure (Federal Reserve Board 2012; Dudley 2012; Hockett 2012a, 2012b). Hence the familiar "holding pattern" of high underwater loan and foreclosure rates yielding low growth and employment, which in turn yield yet more default and foreclosure, and so on (Hockett 2012a, 2012b, 2013).

The Prudent Solution: Scaled Principal Write-Downs

The most effective means of averting mortgage delinquency, default, and foreclosure—and the associated economic costs—is principal reduction. As even creditors recognize,

2 218

² See Olick 2012, Goodman et al. 2012, Ritholtz 2012, and Goodman 2012, as well as the latest data from CoreLogic and OCC Mortgage Metrics, cited in note 1 above.

³ See, for example, Fannie Mae 2012 Form 10-Q data, p. 111, available at http://www.fanniemae.com/resources/file/ir/pdf/quarterly-annual-results/2012/q22012.pdf. See also Olick 2012; Goodman et al. 2012; Ritholtz 2012; Goodman 2012.

⁴ Of course not all mortgage troubles are attributable to declining home values. Some homeowners face difficulty keeping current on payments for reasons of temporary unemployment in a slack economy. For this class of mortgagor, several colleagues at the Federal Reserve Bank of New York and I have designed a Home Mortgage Bridge Loan Assistance Program, informed by a successful Pennsylvania program developed during the early 1980s steel slump (Orr et al. 2011). A draft bill to institute the program, which two of us coauthored, is under consideration in New York (Campbell and Hockett 2012a, 2012c). But even assuming success here and in other states, the nation's larger mortgage debt overhang problem will remain unaddressed (Campbell and Hockett 2012a, 2012b).

debt loss must be formally recognized in a manner that bears some intelligible relation to home equity loss. Moreover, for much underwater mortgage debt, write-downs raise value—a benefit borne out by the frequency with which portfolio loan holders write down debt (Olick 2012; Goodman et al. 2012; Ritholtz 2012; Goodman 2012).

Write-downs are not easily carried out in all cases, however. Much depends on whether the targeted loans are held in bank portfolios or by private-label securitization trusts. In the portfolio case, write-downs occur at significant and still growing rates (Goodman et al. 2012; Goodman 2012; Streitfeld 2011). Bank officers know that underwater loans foreclose at high rates, with the result that expected values fall needlessly short of face values; hence, they find it financially rational to write down these loans. In so doing, they benefit not only themselves, but also their debtors and the communities in which they reside. In this case, the interests of all parties converge.

Securitized mortgage loans, however, pose a problem. While it would be no less rational or beneficial to write these loans down, certain structural features of the loans—features that now act as market failures—prevent the rational thing from being done. The upshot is deadweight loss—loss whose recoupment and equitable distribution is one object of the plan sketched below.

Structural Impediments to Write-Downs

What are these structural impediments? A host of classic collective action problems, reinforced by dysfunctional contract provisions, stand in the way of the optimal solution (Hockett 2012a, 2012b; Shiller 2012). For one thing, there is a last-mover advantage where write-downs are concerned, owing to the benefits (positive externalities) that accrue to the creditors on later loans when principal is reduced on earlier loans. This problem afflicts portfolio loans too, of course, and probably therefore keeps modification rates lower than optimal even among banks. But in the case of privately securitized loans, it is reinforced by additional challenges.

Most decisive among the additional challenges is that so many of the pooling and servicing agreements governing the private securitization of loans—agreements drafted during the bubble years when few foresaw a marketwide housing price bust, and many rushed either to push or to purchase an innovative product—require supermajority voting among mortgage-backed securities (MBS) holders before loans can be modified or sold out of trusts. And these bondholders, geographically dispersed and unknown to one another, cannot collectively bargain with borrowers or buyers on workouts or prices.

Moreover, the agreements governing the loans prevent trustees and loan servicers, who are duty-bound to act on behalf of the bondholders and thus could in theory address their collective action problems, from modifying or selling off loans in the requisite numbers (Hockett 2012a, 2012b). Finally, the agreements typically stipulate compensation arrangements that make it more profitable for servicers to oversee lengthy foreclosure proceedings than to seek modification. In sum, then, these contracts now virtually ensure that mortgage loans will default, harming all interested parties.

Additional complications arise from the fact that many underwater homes are subject to second liens that secure home equity lines of credit or closed-end second mortgages. First lienholders benefit little from loan modifications unless second lienholders modify too; hence, they are rationally reluctant to modify on their own. But second lienholders feel less pressure to modify because borrowers, strapped by post-bust liquidity needs for which home equity lines constitute precious sources of credit, are apt to make payments on them first—a reversal of the legal order of creditor priorities (Goodman 2012). In addition, the second lienholders quite often are banks—the same banks that service the first-lien-secured loans. That poses a conflict of interest where firsts prefer that seconds modify too in order to optimize the benefits that modification brings to firsts, further obstructing agreement among borrowers and creditors.

Other constraints—including inapplicable bankruptcy laws and Internal Revenue Code and Trust Indenture Act uncertainties—impede the kind of collective action that would benefit both debtors and creditors (Hockett 2012a, 2012b). But the foregoing discussion suffices to indicate how formidable the obstacles to principal write-downs can be, particularly for loans held in private-label securitization trusts.

Bypassing the Impediments through Collective Agency

Solving a collective action problem requires a collective agent. Of course, that is what PLS trustees and servicers in theory are. But as we have seen, these agents are often hand-tied or conflicted. Who, then, will act for the creditors and, in so doing, for homeowners and spillover victims of local foreclosure and the continuing weakness in the U.S. mortgage market?

As it happens, governments are also collective agents. They are likewise the sole entities authorized to sidestep the contract rigidities of the pooling and servicing agreements that stand in the way of broad write-downs for PLS loans. But *which* government should take up this mantle—federal, state, or local?

⁵ In some cases, for example, pooling and servicing agreements allow no more than 5 percent of the loans in the pool to be modified. This percentage, which shows how little the marketwide crash was expected, has long since been reached in the case of most loan pools.

⁶ Lee, Mayer, and Tracy (2012) offer a contrary view, finding that by the time a borrower goes delinquent on the first lien, there is little credit available on the home equity line.

In 2008-09, this author and two others separately advocated federal action under eminent domain—the power of governments to take private property for public use (Hockett 2009; Jackson 2008; Willis 2008). In 2010, two higher-profile advocates, including one member of Congress, added their names to the call (Miller 2010; Kuttner 2010). But thus far no action of this sort has been taken, even though other actions have brought some help.

The federal government's flagship Home Affordable Mortgage Program (HAMP), for example, has accomplished much, but it is not designed to deal with underwater or "negative equity" mortgages. For their part, the government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac have been steered clear of write-downs by their regulator and current conservator, the Federal Housing Finance Agency (Appelbaum 2012). Finally, Congress has twice now attempted but failed to get mortgaged homes into the Bankruptcy Code, thus leaving no means for bankruptcy judges to employ their equitable powers to salvage value among mortgagors and mortgagees as they routinely do among other debtors and creditors.

The consequences of our failure thus far to focus on principal reduction can be seen in more numbers: Since 2007, little more than 1 percent of underwater home loans have seen write-downs. Fewer than half of these write-downs have brought loans above water. Meanwhile, only 2.7 million loans have been modified in any way by their servicers, while 40 percent of these modifications have reduced monthly payments by less than 10 percent.⁸

This weak response is surprising in light of the abundant evidence, derived from the portfolio loan case, that sizable write-downs save sizable value (Olick 2012; Goodman et al. 2012; Ritholtz 2012; Goodman 2012). And it is surprising too given the compelling evidence, found in the GSEs' filings with the Securities and Exchange Commission, that unmodified underwater PLS loans will default at high rates: For 2006 vintage loans, for example, 71 percent of subprimes, 70 percent of option adjustable-rate mortgages, 58 percent of variable-rate loans, and a surprising 40 percent of traditional fixed-rate loans have defaulted.

The State/Municipal Eminent Domain Plan

If it is not to be federal instrumentalities or PLS trustees and servicers, then, the collective agents best able to address the structural problems that arise with the pooling and servicing agreements on privately securitized loans are state and municipal governments. These governments (a) face the brunt of mass foreclosure and its consequences more directly than the federal government in any event, and (b) have constitutional authority to address these exigencies. ¹⁰ Let us first consider how the subfederal units of government can act, then elaborate briefly on their suitability for these roles.

Using their traditional eminent domain powers—a legal authority enshrined in our state and federal constitutions for precisely such exigencies as the foreclosure crisis presents—states or their sub-units can compulsorily purchase underwater loans from private-label securitization trusts at fair value, dealing directly with trustees and sidestepping all contract rigidities. They can then write down the loans, reducing default risk and raising expected values in the process.

If need be, eminent domain authority can also be used to take second-lien-secured loans at fair value, or even the liens that secure them, while leaving the notes with their holders—effectively converting the latter to unsecured consumer debt. That prospect can bring recalcitrant second lienholders to the table with firsts—particularly if, as suggested below, they also are offered some fraction of the surplus recouped through the write-downs.

Financing the Refinancing: Federal Money, Private Money, or Both

But how are states or their sub-units to pay for the loans or the liens, given that the foreclosure crisis has left them more cash-strapped than the federal government? Here is how: One possibility is to finance the purchases with monies lent by federal agencies in the manner of the Treasury's Troubled Asset Relief and Public-Private Investment Programs, and the Federal Reserve Bank of New York's MBS stabilization programs, all of which ultimately have turned profits. Alternatively, they might use monies provided by private investors, or monies from both federal agencies and private sources. The federal agencies or private investors then can be paid from the proceeds of the refinanced and accordingly more valuable loans, or in bonds issued against pools of the same.

If private money is used, then the investors both can and ought to include current bondholders, who might receive warrants before federal or private investors are brought in. This approach respects bondholder interests and underscores the sense in which the eminent domain plan is meant simply to solve a collective action problem that dysfunctional pooling and servicing agreements prevent trustees and servicers from solving themselves on behalf of their bondholder beneficiaries.

4 220

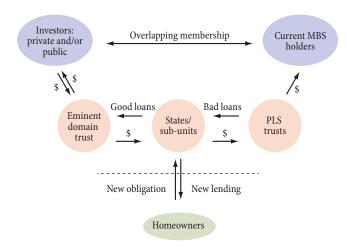
⁷ For more on the 2009 and 2010 efforts to pass mortgage "cramdown" legislation, see Hockett (2012b).

⁸ See the latest CoreLogic data and OCC Mortgage Metrics, cited in note 1.

⁹ See Fannie Mae's second-quarter 2012 Form 10-Q, p. 111, available at http://www.fanniemae.com/resources/file/ir/pdf/quarterly-annual-results/2012/q22012.pdf, and its 2011 Form 10-K data, available at http://www.fanniemae.com/resources/file/ir/pdf/quarterly-annual-results/2011/10k_2011.pdf.

¹⁰ Note, however, that Fannie Mae and Freddie Mac themselves hold significant numbers of underwater loans in their portfolios.

Basic Structure of the Eminent Domain Plan



Notes: The double-headed arrow represents class overlap rather than a flow. The two vertical arrows crossing the dotted line represent a detour between the "bad loan" and "good loan" arrows. *MBS* is mortgage-backed securities; *PLS* is private-label securitization.

By working with states or municipalities in this manner, current bondholders would piggyback on governmental authority to sidestep the contracts that currently preclude their doing what portfolio lenders already do. To note that these participating bondholders will be "paying themselves" less than face value would just be a roundabout way of saying that they are writing down principal.

The diagram above presents a schematic rendering of the eminent domain plan. The diagram, which should be read counterclockwise, shows investors, including current bondholders and perhaps federal agencies, conveying funds to eminent domain trusts operated by the states or their subunits. These eminent domain trusts then purchase deeply underwater ("bad") loans from private-label securitization trusts. The states or their sub-units, in most cases probably advised or otherwise assisted by financial professionals, then work with homeowners to write new mortgages, replacing the negative equity loans with modestly positive equity loans—probably thirty-year fixed-rate mortgages in all cases. Thirdly, the new ("good") loans are conveyed to the first-mentioned trusts, which convey the resultant funds to the first-mentioned investors.

The payouts will in most cases take the form that payouts on the earlier, unmodified loans took—bond yields to bondholders. And, as noted earlier, the new bondholders should include as many of the original bondholders as wish to participate, since the aim of the plan is to enable homeowners and bondholders to do what the pooling and servicing agreements now prevent them from doing—modifying underwater loans to recoup presently lost value.

The sequence of steps depicted in the diagram provides only the broad outline of the plan. More is required to render any particular variation operational. There are, for example, the matters of (a) selecting and valuing appropriate loans; (b) securing government and/or private investors, if any; (c) commencing the legal proceedings necessary to exercise eminent domain authority; (d) modifying and possibly re-securitizing the loans once purchased; (e) working with homeowners throughout the foregoing; and (f) compensating investors at appropriate stages.

All of these actions can be managed in various ways (Hockett 2012a). Briefly, on (a), the guiding criterion should be whether the loans' expected value can be raised sufficiently to offset the write-downs and associated transaction costs. A variation on this criterion, where public money is available to supplement private money, might be to include loans whose expected-value improvements fall slightly short of offsetting the write-downs and associated transaction costs, in light of the foreclosure externalities that write-downs will avoid.

On (b), if federal and subfederal units of government find merit in the plan, they can approach one another to arrange lending from the former to the latter. Either can also approach existing bondholders or other investors if desired.

On (c), states or their sub-units will commence the proceedings and courts will conduct them. In the "quick take" proceedings available in most states, the taking authority places the estimated value of the loans plus some margin in escrow when filing, explains the basis of its valuations to the court's satisfaction, then takes title. Subsequent litigation, if any, concerns only whether more should be paid, not whether the taking can proceed. In most cases, governments have accurately assessed the value of the loan, often with assistance from private valuation experts, and paid adequately. This bears noting in view of popular misconceptions concerning the likelihood of protracted litigation.

It should also be noted that, in view of the market failure and consequent waste stories that prompt this proposal, we can anticipate sizable pre-trial, out-of-court agreements among state or municipal governments and bondholders on loan selection and valuation criteria, particularly if relevant federal officials facilitate.

As for (d), (e), and (f), these are primarily matters for states or municipalities to manage, albeit again with assistance from public or private financial professionals in most cases. The municipalities are best situated to approach

¹¹ Freeing the loans from their PLS trusts, it bears noting, renders them amenable to the Federal Housing Administration Short Refinance, Hardest Hit Funds, and HAMP Principal Reduction Alternative programs.

prospective homeowner beneficiaries once qualifying loans are identified. Financial advisory assistance, in turn—whether from a federal entity like the Federal Housing Administration, from private providers, or both—will be helpful in most cases both in restructuring loans and in arranging investor compensation.

The Plan's Legal Basis: Taking Intangibles for Public Purpose and Paying Fair Value

How commonly is eminent domain used for more than compulsory land purchases for roads and bridges? Though non-lawyers are not always aware of the fact, governmental authorities compulsorily purchase property at fair value for public use all the time (Hockett 2012a, Section IV). And they do so with all manner of property—tangible and intangible, contractual and realty-related alike.

Forms of intangible property that have been purchased in eminent domain include bond tax exemption covenants, insurance policies, corporate equities, other contract rights, businesses as going concerns, and even sports franchises (Hockett 2012a). Because the law draws no distinctions between kinds of property that can be purchased in eminent domain, it is unsurprising that loans and liens in particular, as one form of contractual obligation among many, are themselves regularly purchased. 12 Among these are mortgage loans and liens, as the Supreme Court and state courts have long recognized. 13

The question, then, is not what kinds of property can be taken, but whether a public purpose justifies the taking and fair value is paid. Preventing more foreclosures, blighted properties, revenue base losses, and city service cutbacks is recognized by courts as the most compelling of public purposes justifying use of the eminent domain authority. As for fair value, how is this determined? Won't municipalities have to purchase loans at *less* than fair value to recoup enough margin to compensate the investors, public or private, who put up the purchase money?

First, on valuation, there are multiple methods available. Where mortgage-backed securities associated with a particular loan pool or analogous pools trade at a discount, for example, imputation of counterpart discounts to underlying loans is arithmetically straightforward. And private-label securitization bonds, it bears noting, are trading at very steep discounts.

Senior Bond Pricing for Private Label Securitization Trusts: August 2012

	Price as a Percentage of Senior Bond	Senior Bond Percentage of Total	Price as a Percentage of Loan UPB
Subprime	55.7	90.0	50.1
Option ARM	58.5	90.0	52.7
Alt-A ARM	66.7	90.0	60.0
Alt-A Fixed	73.1	90.0	65.8

Source: Amherst Securities.

Notes: *UPB* is unpaid principal balance. *ARM* is adjustable-rate mortgage; *Alt-A* is Alternative-A, a risk classification between prime and subprime.

The latest data from Amherst Securities on PLS senior debt, for example, are telling, as are estimates of senior bonds as percentages of total bonds outstanding and prices thereof as percentages of unpaid principal balances (see table above).

Where bond-to-loan discount-imputation is unavailable owing to missing markets, discounted cashflow methods will do. As noted above, for example, Fannie Mae and Freddie Mac publish expected default rates for sundry classes of underwater PLS mortgages each year. From these—along with foreclosure costs, associated recovery rates (generally no more than 22 percent on defaulted loans), and discount rates—the calculation of net present values is not a recondite exercise. And our courts, which routinely hear valuation arguments in multiple contexts and often impanel experts, will oversee the proceedings as required by law, ensuring fairness to parties. Even this safeguard might be more than is necessary, however, if federally overseen valuation summits of the kind mentioned above and discussed further below should prove workable.

What about the putative need to pay current investors less than fair value to compensate new ones? Must one rob Peter to pay Paul? The answer is no. Eminent domain proceedings need not represent "zero sum games." By averting market failures—and the needless sacrifice of value that these failures entail—the plan proposed here recoups value, which can then be equitably distributed to render all stakeholders better off.

First lienholders who help finance the purchases from their PLS trusts receive loans that are higher in expected value in exchange for loans with lower expected value. First lienholders who do not thus participate receive fair value for otherwise unmarketable assets. (This is so even if trustees in some cases must divide proceeds among subclasses.) Homeowners receive modest equity in their homes and diminished default and foreclosure risk. Neighbors see their communities, property values, and municipal services stabilized, while municipalities see property tax revenues restored and abatement costs drop. Even second lienholders can benefit if paid a small fraction of

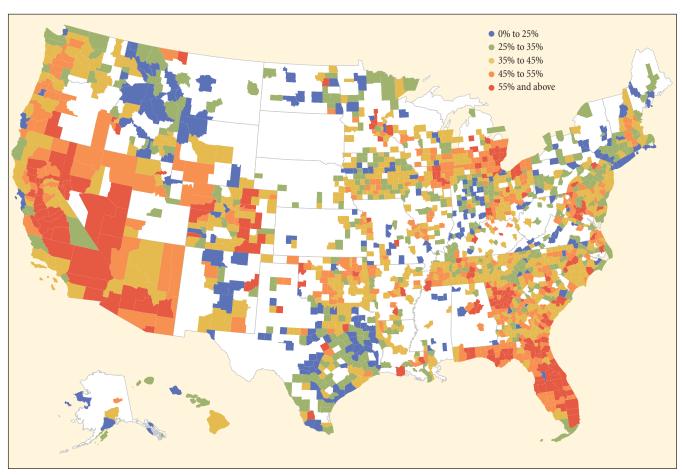
322

¹² Phillips v. Washington Legal Foundation, 524 U.S. 156 (1998) (accrued interest on account funds); Armstrong v. United States, 364 U.S. 40 (1960) (materialman's lien); and the iconic Legal Tender Cases, 79 U.S. (12 Wall) 457 (1870). See, generally, Hockett (2012a).

¹³ Louisville Joint Stock Land Bank v. Radford, 295 U.S. 555, 602; W. Fertilizer & Cordage Co. v. City of Alliance, 504 N.W.2d 808, 816 (Neb. 1993). Again, see Hockett (2012a).

¹⁴ Kelo v. City of New London, 545 U.S. 469 (2005).

Underwater Mortgages as a Share of All Mortgages, by County As of Fouth-Quarter 2012



Source: CoreLogic Negative Equity Report.

the value recouped by the write-downs, since in foreclosure they receive nothing.

Why the National Problem Is First a Local Problem

It was suggested earlier that state and local governments might be better situated than the federal government to take the lead in pursuing a plan like that sketched in this article—even if federal instrumentalities might play helpful supporting roles. Why is this the case? In what sense do localities face the worst of the mortgage debt overhang problem, and thus have incentive to act first?

The answer is that even though the problem is ultimately national in scope, its worst symptoms are locally concentrated. In some communities, more than 80 percent of PLS loans are underwater. The *degree* to which the loans are underwater, moreover, can be dramatic: some communities' underwater PLS loans have average loan-to-value (LTV) ratios greater

than 200 percent, and many more have ratios approaching that number. The map above affords a telling, if understated, ¹⁵ picture of how localized the worst of the nation's underwater mortgage problems actually are. ¹⁶

Concerns Raised by the Eminent Domain Plan

While it is not possible here to anticipate and fully address all concerns that the eminent domain plan might invite, one can cover the most obvious ones in broad outline. These fall under two headings—concerns of the sort that debt write-downs seem always to raise, and concerns relating to the reliance on state rather than federal authority to implement the plan.

 $^{^{15}}$ The chart covers all underwater loans, and does not distinguish high-LTV loans from lower-LTV loans.

¹⁶ CoreLogic Negative Equity Report, Fourth-Quarter 2012, available at http://www.corelogic.com/.

Debates over the justice and efficiency of debt forgiveness are long-standing. Critics say that contracts are binding commitments that must be upheld, while proponents of debt forgiveness say some debts are "odious." Again, critics say that write-downs induce moral hazard and reduce credit availability, while proponents observe that you cannot squeeze blood from turnips. We are not going to settle such perennial questions here, any more than the Book of Leviticus or centuries of "law versus equity" have done. But three things bear noting.

First, owing to asset-price bubbles' status as collective action problems, it is doubtful that many homebuyers during the bubble years had much choice when it came to buying overvalued homes. That *most* homes were overvalued is what rendered the bubble a bubble. It therefore seems mistaken to blame homeowners as a class, or to characterize writedowns as per se unfair or morally hazardous. It is also easy to formulate loan-selection criteria in ways that do not encourage "strategic" defaults going forward—by reference to LTV/default correlations as suggested above (Hockett 2012a, 2013, 2010).

Second, for similar reasons, there seems little need to fear long-term contraction in liquidity or credit. Bubbles inflate only when credit is overabundant. We want, then, some credit-caution in future, just not too much. And we want to get to that middle ground as quickly as possible. The best way to do this is first to clear out the overhang under which 11 million homeowners still struggle, then to ensure that the pooling and servicing agreements for residential mortgage-backed securities going forward look more like the agreements for commercial mortgage-backed securities always have looked—providing in advance for value-salvaging modifications on a scale unanticipated before the most recent crisis, and thereby preempting the future need to resort to such methods as the one proposed here. 17 New residential mortgage securitizations suggest that the latter change is already under way. To resolve what earlier securitizations have wrought, however, requires a plan like that outlined above.

Finally, it is important to recall that write-downs are done on nonmortgage debt all the time. We call it bankruptcy, and afford it to firms because it salvages value. The plan proposed here does the same. And as noted above, the value thus saved can be shared among all stakeholder classes.

Turning now to issues linked to the plan's reliance on state, rather than federal, authority, we find some concerns stemming from possible differential application of the eminent domain plan across states and localities. Florida counties, for example, might construct variants of the plan that differ from those adopted by Louisiana parishes. California or Michigan plans might diverge from both. Would such differences raise fairness concerns?

The question is a complex one. We should certainly welcome some degree of national uniformity (this is one reason the present author [2009] first proposed federal, not state or local, action in 2008). But local conditions do vary from county to county, such that fairness itself dictates some variation. It is also the case that our federal system already involves quite significant state variation with respect to all manner of law—from property, tort, and even commercial law to electoral law. There will be nothing particularly unusual, then, in differing states' crafting differing variants of the plan here proposed. It might even be welcome—for the usual "laboratories of democracy" reasons given for local experimentation.

All of that said, however, federal agencies could be helpful in confining local variation within reasonable bounds, as well as in promoting efficient and amicable loan workouts nationwide along lines like those here proposed. By bringing municipal or state, homeowner, bondholder, and bank representatives together under one "summit" structure, the Treasury, Federal Housing Finance Agency, Federal Reserve Board or regional banks like the Federal Reserve Bank of New York operating thereunder, the Department of Housing and Urban Development, or some combination thereof could facilitate consensus among all concerned parties on the basic contours that all local variants of the eminent domain plan should take. There is no reason this consensus could not include loan-selection and loan-valuation principles as well as more detailed practical elements.

Conclusion: It Takes a Village—but a Federal Government Helps

The guiding ideal in any such summit as that proposed here should be to convert the eminent domain tool into a mere formality enabling all interested parties to sidestep dysfunctional pooling and servicing agreements consensually and thereby recapture lost value. Getting past these contracts and the collective action problems they underwrite is, after all, precisely and solely what this plan is for. States and their sub-units are best situated at this point to act. But federal agencies could be helpful facilitators for all.

The author thanks Kaushik Basu, Michael Campbell, Thomas Deutsch, Laurie Goodman, Howell Jackson, Darius Kingsley, Christopher Mayer, Brad Miller, Lawrence Rufrano, Robert Shiller, Joseph Tracy, Lauren Willis, and other colleagues at the Federal Reserve Bank of New York, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the International Monetary Fund, the Treasury Department, and the World Bank, as well as in the academy, for helpful comments. The views expressed are nevertheless his own and not attributable to others absent express confirmation. Some of those named here oppose the proposal.

8 224

¹⁷ For more on the differences between RMBS and CMBS pooling and servicing agreements, see Hockett (2012b).

References

Appelbaum, Binyamin. 2012. "Housing Finance Agency Rebuffs Freddie and Fannie on Easing Debt." *New York Times*, July 31. Available at http://www.nytimes.com/2012/08/01/business/us-agency-bars-fannie-and-freddie-from-reducing-principal.html.

Campbell, Michael, and Robert Hockett. 2012a. *Proposal to Adopt the Home Mortgage Bridge Loan Program*. Available at http://www2.nycbar.org/pdf/report/uploads/9_20072233-BridgeLoanAssistanceProgram.pdf.

——. 2012b. "Some Homeowners Need Just Temporary Aid." *American Banker*, May 24. Available at http://www.americanbanker.com/bankthink/Mortgage-bridge-loan-New-York-City-Bar-1049605-1.html.

——. 2012c. "White Paper in Support of the Home Mortgage Bridge Loan Assistance Act of 2012." Cornell Legal Studies Research Paper no. 12-03. Available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1987159.

Church, Steven, Dawn McCarty, and Michael Bathon. 2012. "San Bernardino, California, Files Chapter 9 Bankruptcy." *Bloomberg*, August 2. Available at http://www.bloomberg.com/news/2012-08-02/san-bernardino-california -files-for-bankruptcy-protection-2-.html.

Dudley, William. 2012. "Housing and the Economic Recovery." Remarks at the New Jersey Bankers Association Economic Forum, January 6. Available at http://www.newyorkfed.org/newsevents/speeches/2012/dud120106.html.

Federal Reserve Board. 2012. The U.S. Housing Market: Current Conditions and Policy Considerations. White Paper, January 4.

Goodman, Laurie S. 2012. Testimony to the U.S. Senate Subcommittee on Housing, Transportation, and Community Development, March 15. Available at http://banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=0f96e0ff-8500-41a5-a0f2-0139d0df2e07.

Goodman, Laurie, et al. 2012. Amherst Mortgage Insight: Non-Agency MBS—Decomposing the Returns, September 27.

Hockett, Robert. 2009. "Bailouts, Buy-ins, and Ballyhoo." Challenge 52, no. 36.

———. 2010. "Bubbles, Busts, and Blame." Cornell Law Forum 32, no. 3.

———. 2012a. "It Takes a Village: Municipal Condemnation Proceedings and Public/Private Partnerships for Mortgage Loan Modification, Value Preservation, and Local Economic Recovery." *Stanford Journal of Law, Business, and Finance* 18, no. 1 (Fall): 121ff. Prepublication draft available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2038029.

——. 2012b. "Six Years On and Still Counting: Sifting through the Mortgage Mess." *Hastings Business Law Journal* 9, no. 1: 373ff. Prepublication draft available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2029262.

——. 2013. "Recursive Collective Action Problems." *Journal of Applied Economics* 5, no. 1 (forthcoming).

Hockett, Robert, and Michael V. Campbell. 2012. "A Bridge to Viable Mortgages." *Albany Times-Union*, June 14. Available at http://www.timesunion.com/opinion/article/A-bridge-to-viable-mortgages-3635265.php.

Jackson, Howell E. 2008. "Build a Better Bailout." *Christian Science Monitor*, September 25.

Kuttner, Robert. 2010. A Presidency in Peril: The Inside Story of Obama's Promise, Wall Street's Power, and the Struggle to Control our Economic Future. White River Junction, Vt.: Chelsea Green Publishing.

Lee, Donghoon, Christopher Mayer, and Joseph Tracy. 2012. *A New Look at Second Liens*, Federal Reserve Bank of New York *Staff Reports*, no. 569, August. Available at http://www.newyorkfed.org/research/staff_reports/sr569.html.

Miller, Brad. 2010. "UnHAMPered: FDR's Superb Fix for Our Housing Crisis." *New Republic*, February 24, 2010. Available at http://www.tnr.com/article/unhampered#.

Olick, Diana. 2012. "Is Housing Recovering as Much as Everyone Thinks?" *Realty Check* 9, October. Available at http://www.cnbc.com/id/49343717/ Is_Housing_Recovering_as_Much_as_Everyone_Thinks.

Orr, James, John Sporn, Joseph Tracy, and Junfeng Huang. 2011. "Help for Unemployed Borrowers: Lessons from the Pennsylvania Homeowners' Emergency Mortgage Assistance Program." Federal Reserve Bank of New York *Current Issues in Economics and Finance* 17, no. 2. Available at http://newyorkfed.org/research/current_issues/ci17-2.html.

Ritholtz, Barry. 2012. "Fascinating Mortgage and Housing Data Points." *The Big Picture* (blog), June 17. Available at http://www.ritholtz.com/blog/2012/06/fascinating-mortgage-housing-data-points/.

Shiller, Robert. 2012. "Real Estate's Collective Action Problem." *New York Times*, June 23. Available at http://www.nytimes.com/2012/06/24/business/economy/real-estates-collective-action-problem.html.

Shoen, John. 2012. "Foreclosure Fallout Cost Nearby Homeowners Nearly \$2 Trillion, Report Finds." *Economy Watch*, October 24. Available at http://www.nbcnews.com/business/economywatch/foreclosure-fallout-cost-nearby-homeowners-2-trillion-report-finds-1C6663420.

Streitfeld, David. 2011. "Big Banks Easing Terms on Loans Deemed as Risks." *New York Times*, July 2. Available at http://www.nytimes.com/2011/07/03/business/03loans.html?_r=0.

Willis, Lauren E. 2008. "Stabilize Home Mortgage Borrowers, and the Financial System Will Follow." Loyola-LA Legal Studies Paper no. 2008-28. Available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1273268.

ABOUT THE AUTHOR

Robert Hockett is a professor of financial law subjects at Cornell Law School, a former visiting scholar at the Federal Reserve Bank of New York, and, while on sabbatical during the 2012-13 academic year, consulting counsel at the International Monetary Fund. He serves frequently as an unpaid consultant on finance-regulatory and mortgage-related matters to consumer and financial reform groups as well as to legislators, regulators, and other officials at all levels of government. In 2012, he received a fee from the firm Mortgage Resolution Partners to provide legal analysis of questions raised by his eminent domain proposal in the state of California. All of his current work on the foreclosure crisis and eminent domain plan, for public and private entities alike, is done gratis.

Current Issues in Economics and Finance is published by the Research and Statistics Group of the Federal Reserve Bank of New York. Linda Goldberg and Thomas Klitgaard are the editors of the series.

The guest editor of this article is Joseph Tracy.

The views expressed in this article are those of the author and do not necessarily reflect the position of the Federal Reserve Bank of New York or the Federal Reserve System.

RELATED READINGS FROM THE FEDERAL RESERVE BANK OF NEW YORK

Publications of the Research and Statistics Group

Available at http://www.newyorkfed.org/research/publication_annuals/index.html

The Financial Crisis at the Kitchen Table: Trends in Household Debt and Credit

Meta Brown, Andrew Haughwout, Donghoon Lee, and Wilbert van der Klaauw Current Issues in Economics and Finance, vol. 19, no. 2, 2013

Since the onset of the financial crisis, households have reduced their outstanding debt by about \$1.3 trillion. While part of this reduction stemmed from a historic increase in consumer defaults and lender charge-offs, particularly on mortgage debt, other factors were also at play. An analysis of the New York Fed's Consumer Credit Panel—a rich new data set on individual credit accounts—reveals that households actively reduced their obligations during this period by paying down their current debts and reducing new borrowing. These household choices, along with banks' stricter lending standards, helped drive this deleveraging process.

Securitization and the Fixed-Rate Mortgage

Andreas Fuster and James Vickery *Staff Reports*, no. 594, January 2013

Fixed-rate mortgages (FRMs) dominate the U.S. mortgage market, with important consequences for household risk management, monetary policy, and systemic risk. This study shows that securitization is a key driver of FRM supply. The analysis compares the agency and nonagency mortgagebacked-securities (MBS) markets, exploiting the freeze in nonagency MBS liquidity in the third quarter of 2007. Using exogenous variation in access to the agency MBS market, the authors find that when both market segments are liquid, they perform similarly in terms of supporting FRM supply. However, after the nonagency market freezes, the share of FRMs is sharply higher among mortgages eligible to be securitized through the still-liquid agency MBS market. The authors conclude that securitization is particularly important for FRMs because of the prepayment and interest rate risk embedded in these loans. They highlight policy implications for ongoing reform of the U.S. mortgage finance system.

Payment Size, Negative Equity, and Mortgage Default

Andreas Fuster and Paul S. Willen *Staff Reports*, no. 582, November 2012

Surprisingly little is known about the importance of mortgage payment size for default, as efforts to measure the treatment effect of rate increases or loan modifications are confounded by borrower selection. This study examines a sample of hybrid adjustable-rate mortgages that have experienced large rate reductions over the past years and are largely immune to these selection concerns. The authors show that interest rate changes dramatically affect repayment behavior. Their estimates imply that cutting a borrower's payment in half reduces his hazard of becoming delinquent by about two-thirds, an effect that is approximately equivalent to lowering the borrower's combined loan-to-value ratio from 145 to 95 (holding the payment fixed). These findings shed light on the driving forces behind default behavior and have important implications for public policy.

A New Look at Second Liens

Donghoon Lee, Christopher Mayer, and Joseph Tracy *Staff Reports*, no. 569, August 2012

The authors use data from credit reports and deed records to better understand the extent to which second liens contributed to the housing crisis by allowing buyers to purchase homes with small down payments. At the top of the housing market, second liens were quite prevalent: As many as 45 percent of home purchases in coastal markets and bubble locations involved a piggyback second lien. Owner-occupants were more likely to use piggyback second liens than were investors. Second liens in the form of home equity lines of credit (HELOCs) were originated to relatively high-quality borrowers, and originations were declining near the peak of the housing boom. By contrast, characteristics of closed-end second liens (CES) were worse on all these dimensions. The default rate of the second lien is generally similar to that of the first lien on the same home, although HELOCs perform better than CES. About 20 to 30 percent of borrowers will continue to pay their second lien for more than a year while remaining seriously delinquent on their first mortgage. By comparison, about 40 percent of credit card borrowers and 70 percent of auto loan borrowers will continue making payments a year after defaulting on their first mortgage. Finally, the authors show that delinquency rates on second liens, especially HELOCs, have not declined as quickly as those on most other types of credit, raising a potential concern for lenders with large portfolios of second liens on their balance sheets.

Payment Changes and Default Risk: The Impact of Refinancing on Expected Credit Losses

Joseph Tracy and Joshua Wright Staff Reports, no. 562, June 2012

This paper analyzes the relationship between changes in borrowers' monthly mortgage payments and future credit performance. The relationship is important for the design of an internal refinance program such as the Home Affordable

10 226

RELATED READINGS FROM THE FEDERAL RESERVE BANK OF NEW YORK (Continued)

Refinance Program (HARP). The authors use a competing risk model to estimate the sensitivity of default risk to downward adjustments of borrowers' monthly mortgage payments for a large sample of prime adjustable-rate mortgages. Applying a 26 percent average monthly payment reduction that they estimate would result from refinancing under HARP, the authors find that the cumulative five-year default rate on prime conforming adjustable-rate mortgages with loan-to-value ratios above 80 percent declines by 3.8 percentage points. Assuming an average loss given default of 35.2 percent, the authors determine that this lower default risk implies reduced credit losses of 134 basis points per dollar of balance for mortgages that refinance under HARP.

Real Estate Investors, the Leverage Cycle, and the Housing Market Crisis

Andrew Haughwout, Donghoon Lee, Joseph Tracy, and Wilbert van der Klaauw Staff Reports, no. 514, September 2011

This study explores a mostly undocumented but important dimension of the housing market crisis: the role played by real estate investors. Using unique credit-report data, the authors document large increases in the share of purchases, and subsequently delinquencies, by real estate investors. In states that experienced the largest housing booms and busts, at the peak of the market almost half of purchase mortgage originations were associated with investors. In part by apparently misreporting their intentions to occupy the property, investors took on more leverage, contributing to higher rates of default. The authors' findings have important implications for policies designed to address the consequences and recurrence of housing market bubbles.

Help for Unemployed Borrowers: Lessons from the Pennsylvania Homeowners' Emergency Mortgage **Assistance Program**

James Orr, John Sporn, Joseph Tracy, and Junfeng Huang Current Issues in Economics and Finance, vol. 17, no. 2, April 2011

In an environment of high foreclosure rates and distressed housing markets, federal policies are focusing on loan modifications to help delinquent homeowners pay their mortgages. While it is too soon to assess the effectiveness of these modifications, policymakers considering future refinements may gain insight from a more established, statelevel enterprise that takes an alternative approach to mortgage relief. The Pennsylvania Homeowners' Emergency Mortgage Assistance Program provides temporary income support to homeowners unable to pay their mortgage during a spell of unemployment. The program has helped most participants retain their homes while paying off their loans—at a potentially lower cost than that of other relief initiatives.

A Private Lender Cooperative Model for Residential **Mortgage Finance**

Toni Dechario, Patricia Mosser, Joseph Tracy, James Vickery, and Joshua Wright Staff Reports, no. 466, August 2010

This paper describes a set of six design principles for the reorganization of the U.S. housing finance system and applies them to one model for replacing Fannie Mae and Freddie Mac that has so far received frequent mention but little sustained analysis—the lender cooperative utility. The authors discuss the pros and cons of such a model and propose a method for organizing participation in a mutual loss pool and an explicit, priced government insurance mechanism. They also discuss how these principles and this model are consistent with preserving the "to-be-announced," or TBA, market particularly if the fixed-rate mortgage remains a focus of public policy.

Second Chances: Subprime Mortgage Modification and Re-Default

Andrew Haughwout, Ebiere Okah, and Joseph Tracy Staff Reports, no. 417, December 2009, revised August 2010

Mortgage modifications have become an important component of public interventions designed to reduce foreclosures. This study examines how the structure of a mortgage modification affects the likelihood of the modified mortgage re-defaulting over the next year. Using data on subprime modifications that precede the government's Home Affordable Modification Program, the authors focus attention on those modifications in which the borrower was seriously delinquent and the monthly payment was reduced as part of the modification. The average re-default rate over the twelve months following the modification was 56 percent. The data indicate that the re-default rate declines with the magnitude of the reduction in the monthly payment, but also that the re-default rate declines relatively more when the payment reduction is achieved through principal forgiveness as opposed to lower interest rates.

RELATED READINGS FROM THE FEDERAL RESERVE BANK OF NEW YORK (Continued)

The Liberty Street Economics Blog

Available at http://libertystreeteconomics.newyorkfed.org/

Press Briefing on Household Debt and Credit

Meta Brown, Andrew Haughwout, Donghoon Lee, Joelle Scally, and Wilbert van der Klaauw *Liberty Street Economics* blog, February 28, 2013

Underwater and Drowning? Some Facts about Mortgages that Could Be Targeted by Eminent Domain

Andreas Fuster, Caitlin Gorback, and Paul Willen Liberty Street Economics blog, February 13, 2013

Has Household Deleveraging Continued?

Andrew Haughwout, Donghoon Lee, Joelle Scally, and Wilbert van der Klaauw *Liberty Street Economics* blog, August 29, 2012

Have Consumers Been Deleveraging?

Meta Brown, Andrew Haughwout, Donghoon Lee, and Wilbert van der Klaauw Liberty Street Economics blog, March 21, 2011

Website Resource

Household Debt and Credit Report

Available at http://www.newyorkfed.org/householdcredit/

The Federal Reserve Bank of New York's *Household Debt and Credit Report* provides a quarterly snapshot of household trends in borrowing and indebtedness, including data about mortgages, student loans, credit cards, auto loans, and delinquencies. The report aims to help community groups, small businesses, state and local governments, and the public to better understand, monitor, and respond to trends in borrowing and indebtedness at the household level.

Join Us Online!

To receive notice when new articles in *Current Issues in Economics and Finance* or our other research series are available online, sign up for our e-alert service at the Research Publications home page, www.newyorkfed.org/research/publication_annuals/index.html. The e-mails you'll receive provide links to the articles you want, allowing you to download them quickly and conveniently.

We also invite you to follow us on Twitter—@ NYFedResearch—to learn of new postings in our research series and our *Liberty Street Economics* blog. Our Twitter feed also provides updates on economists' work and the release of key New York Fed indexes and data.

TEXAS

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
Arlington	TX	none for first yr, escalating schedule thereafter	Not Enforced	6/17/2008	180 days following vacancy
<u>Baytown</u>	TX	\$250, \$50 inspection fee	Enacted	12/11/2008	7 days following city notice
Corpus Christi	TX	\$1000	Enacted	2/19/2008	7 days following city notice
<u>Dallas</u>	TX	\$75 registration fee, inspection fee TBD	Enacted	6/25/2008	45 days following vacancy
Duncanville	TX	TBD	Proposed	N/A	TBD
El Paso	TX	\$150	Enacted	3/1/2011	30 days following vacancy
Fort Worth	TX	TBD	Proposed	N/A	TBD
Garland	TX	per bond requirement	Enacted	8/19/2008	see statute
<u>Houston</u>	TX	TBD	Proposed	N/A	TBD
Irving	TX	\$250 registration fee, \$75 annual inspection fee	Enacted	6/11/2009	90 days following vacancy
<u>Lakewood</u> <u>Village</u>	TX	none	Enacted	10/11/2007	30 days following acquisition of lot
Rental - Austin	TX		Proposed	N/A	
Rental - Carrollton	TX	\$50	Enacted	2/7/2006	
Rental - Coppell	TX	\$5 registration fee, \$20 inspection fee	Enacted	1/11/2011	
Rental - Dallas	TX	\$25 per unit	Enacted	12/9/2009	
Rental - Fort Worth	TX	\$200 for first year, \$100 for second year	Enacted	N/A	
Rental - Frisco	TX	none	Enacted	12/15/2009	
Rental - Groves	TX	\$150; annually	Enacted	10/13/2008	
Rental - Manvel	TX		Enacted	3/25/2013	annual
Rental - Oak Ridge North	TX	registration and inspection fees are due annually	Enacted	11/19/2012	
Rental - The Colonies	TX		Enacted	10/5/2010	
Richland Hills	TX	TBD	Enacted	6/20/2012	90 days following vacancy
San Angelo	TX	TBD	Proposed	N/A	proposed to range from \$50 to \$200

TEXAS

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
San Antonio	TX	\$50; annually	Enacted	9/19/2013	upon issuance of two or more violations within a twelve month period
Watauga	TX	TBD; annually with renewal on Oct. 31	Enacted	7/27/2009	90 days following vacancy, 10 days following city notice

NEW JERSEY

City/County	State	<u>Fees</u>	<u>Status</u>	Enacted Date	Reg. Timeframe
Audubon	NJ	\$500, escalating annual fee schedule	Enacted	7/16/2013	30 days following vacancy or 30 days following ownership; whichever is later, or 10 days following city notice
<u>Belleville</u>	NJ	TBD	Proposed	N/A	TBD
Belvidere	NJ	\$500; annually, escalating fee schedule	Enacted	7/16/2012	30 days following transfer of title, 60 days following vacancy
Bloomingdale	NJ	\$250, escalating fee schedule PROPOSED	Proposed	N/A	30 days following vacancy PROPOSED
Bloomington	NJ	\$250, escalating annual fee schedule PROPOSED	Proposed	N/A	TBD
Bridgeton	NJ	\$250; annually and paid by April 1st, initial fee will be prorated	Enacted	1/1/2013	30 days following vacancy or assuming ownership, whichever is later; 10 days following city notification
Burlington City	NJ	\$250, annual escalating fee schedule	Enacted	12/10/2013	60 days following vacancy or 30 days after assuming ownership, whichever is later
Camden	NJ	\$500, escalating annual fee schedule	Enacted	3/11/2014	30 days following vacancy
Carneys Point	NJ		Enacted	9/18/2013	30 days following vacancy or 10 following city notification
Cherry Hill	NJ	\$500 initial registration, escalating annual fee schedule	Enacted	4/22/2013	30 days following vacancy or 10 days following city notice
Commercial Township	NJ	\$500, escalating annual fee schedule	Enacted	5/12/2014	30 days following vacancy or 15 days following ownership, whichever is later; annually
<u>Elizabeth</u>	NJ	\$500; escalated annual renewal schedule (see forms)	Enacted	N/A	N/A
Englewood	NJ	\$200	Enacted	5/28/2013	10 days following vacancy

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
					and 10 days following foreclosure filing
<u>Ewing</u>	NJ	\$250	Enacted	4/23/2013	TBD
Gloucester City	NJ	\$500; annually	Enacted	2/8/2013	60 days following vacancy or 30 days following ownership, whichever is later
Hamilton	NJ	\$250; annually	Enacted	N/A	
High Bridge	NJ	\$500, escalating annual fee schedule	Enacted	4/10/2014	30 days following vacancy or ownership, whichever is later or 10 days following city notification
Howell	NJ	\$100; annually, escalating fee schedule	Enacted	8/20/2013	10 days following vacancy
Irvington	NJ	\$250; annual renewal on July 1	Enacted	N/A	10 days following vacancy
Islip	NJ	TBD	Proposed	N/A	TBD
<u>Jackson</u>	NJ	TBD	Proposed	N/A	six months following vacancy PROPOSED
Jersey City	NJ	\$250 1st year, \$500 2nd year	Enacted	11/1/2011	60 days following vacancy or 30 days following assuming ownership of vacant property
<u>Keyport</u>	NJ	TBD	Proposed	N/A	TBD
Linden	NJ	\$500, pro-rated monthly at \$41.66; annually	Enacted	4/15/2014	30 days following vacancy
<u>Lodi</u>	NJ	\$124; annually, renewal on anniversary date	Enacted	2/22/2011	15 days following vacancy
Matawan	NJ	\$500; escalating annual fee schedule	Enacted	8/7/2013	30 days following vacancy
<u>Merchantville</u>	NJ	\$500; annually	Enacted	7/8/2013	30 days following vacancy or assuming ownership, whichever is later; or 10 days following city notification
Middlesex	NJ	\$50; annually, renewal due on Jan 1	Enacted	6/9/2009	10 days following vacancy
Millstone	NJ	\$50 initial fee, \$25	Enacted	N/A	180 days following

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
Borough		renewal each 90 days			vacancy
Millville	NJ	\$100; annually, to be renewed on anniversary date \$500 initial	Enacted	7/5/2011	30 days following filing of foreclosure
Montclair	NJ	registration; \$250 every 6 mos. w/out violation, renewal fee doulbed w/ violation	Enacted	7/16/2013	60 days following vacancy or 30 days following ownership
Mount Holly	NJ	\$150; \$300 renewal	Enacted	4/1/2013	60 days following vacancy or 30 days following ownership, whichever is latter
<u>Newark</u>	NJ	\$500; annually, renewal max. of \$5000	Enacted	8/1/2011	60 days following vacancy; 30 days following recording of ownership
<u>Oaklyn</u>	NJ	\$500 (pro-rated for 1st yr); annually, due Jan. 1, escalating fee schedule	Enacted	6/11/2013	30 days following vacancy or assuming ownership, whichever is later or 10 days following city notice
Orange Township	NJ	\$250; annually by July 10, renewal fee escalating	Enacted	7/9/2009	30 days following vacancy; 10 days following transfer
<u>Palmyra</u>	NJ	\$500; annually, due on registration date, prorated for 1st yr., escalating renewal fee schedule	Enacted	6/17/2013	30 days following vacancy or assumption of ownership, whichever is later; or 10 days following borough notification
<u>Paterson</u>	NJ	\$500; escalating annual fee schedule	Enacted	9/21/2011	30 days following vacancy or transfer, whichever is later; 10 days following city notice
<u>Paulsboro</u>	NJ	\$500; annually, escalating fee schedule	Enacted	7/2/2013	30 days following vacancy or assumption of ownership, whichever is later
Pemberton Township	NJ	\$500; annually, due on anniversary date, escalating fee schedule	Enacted	12/5/2012	60 days following vacancy or 30 days following assumption of ownership, whichever is later
<u>Pitman</u>	NJ	\$250 for 1st yr., escalating annual fee	Enacted	9/9/2013	30 days following vacancy or 30 days following

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
		schedule			transfer of title, whichever is later or 10 days following city notice; annually
<u>Plainfield</u>	NJ	none	Enacted	N/A	30 days following vacancy
Plumsted Township	NJ	\$250; esclating annual fee schedule	Enacted	11/6/2013	TBD
Red Bank	NJ	\$125	Proposed	N/A	upon vacancy
Rental - Bridgeton	NJ	\$75 per unit	Enacted	2/21/1995	
Rental - <u>Hamilton</u> <u>Township</u>	NJ	\$85; annually, \$125 inspection fee	Enacted	8/6/2012	
City/County	State	Fees	Status	Enacted Date	Reg. Timeframe
Rental - High Bridge	NJ	TBD	Enacted	2/9/2006	
Rental - Howell	NJ	\$100	Enacted	N/A	
Rental - Keansburg	NJ	\$100 registration and \$75 inspection fee; annually	Enacted	N/A	
Rental - Matawan	NJ	\$250; annually, declining fee schedule	Enacted	N/A	
Rental - Palmyra	NJ	\$125; annually	Enacted	9/30/2013	
Rental - Pemberton Township	NJ		Enacted	12/5/2007	
Rental - Plumsted Township	NJ	\$125 for inspection	Enacted	N/A	Inspection is valid for 2 years
Rental - Sea Bright	NJ	TBD	Enacted	N/A	TBD
Rental - Somers Point	NJ	\$50	Enacted	4/26/2012	
Rental - Waldwick	NJ	\$30	Enacted	5/26/2009	
Riverton	NJ	\$250 1st yr, escalating renewal fee schedule	Enacted	3/13/2013	60 days following vacancy or 30 days following ownership of vacant

City/County	State	Fees	Status	Enacted Date	Reg. Timeframe
					property
Roselle	NJ	\$500; annually, prorated per Ordinance	Enacted	12/19/2012	30 days following vacancy
Sea Bright	NJ	TBD	Enacted	N/A	TBD
Tabernacle	NJ	\$500; annually, escalating fee schedule PROPOSED	Proposed	N/A	10 days following vacancy PROPOSED
Trenton	NJ	\$200 (see Additional Info); annually	Enacted	5/21/2009	90 days following vacancy
City/County	State	<u>Fees</u>	<u>Status</u>	Enacted Date	Reg. Timeframe
Union Beach	NJ	\$500, escalating annual fee schedule; first yr pro-rated through 12/31	Enacted	3/20/2014	30 days following vacancy or ownership, whichever is later, or 10 days following city notification
Vernon Township	NJ	TBD	Proposed	N/A	TBD
Vineland	NJ	TBD	Proposed	N/A	TBD
Waldwick	NJ	\$100 registration, escalating annual fee schedule; annually	Enacted	3/25/2014	30 days following vacancy or assuming ownership, whichever is later, or 10 days following city notice
Westville	NJ	\$500; annually, escalating annual fee schedule	Enacted	7/8/2013	30 days following vacancy or assuming ownership, whichever is greater or 10 days following city notice
Willingboro	NJ	\$250, escalating annual fee schedule	Enacted	3/19/2013	60 days following vacancy or 30 days following transfer of title
Woolwich	NJ	TBD	Enacted	9/3/2013	30 days following vacancy or 30 days following ownership of vacant property, whichever is later

NEW JERSEY

City/County	State	<u>Fees</u>	<u>Status</u>	Enacted Date	Reg. Timeframe
Audubon	NJ	\$500, escalating annual fee schedule	Enacted	7/16/2013	30 days following vacancy or 30 days following ownership; whichever is later, or 10 days following city notice
<u>Belleville</u>	NJ	TBD	Proposed	N/A	TBD
Belvidere	NJ	\$500; annually, escalating fee schedule	Enacted	7/16/2012	30 days following transfer of title, 60 days following vacancy
Bloomingdale	NJ	\$250, escalating fee schedule PROPOSED	Proposed	N/A	30 days following vacancy PROPOSED
Bloomington	NJ	\$250, escalating annual fee schedule PROPOSED	Proposed	N/A	TBD
<u>Bridgeton</u>	NJ	\$250; annually and paid by April 1st, initial fee will be prorated	Enacted	1/1/2013	30 days following vacancy or assuming ownership, whichever is later; 10 days following city notification
Burlington City	NJ	\$250, annual escalating fee schedule			60 days following vacancy or 30 days after assuming ownership, whichever is later
Camden	NJ	\$500, escalating annual fee schedule	Enacted	3/11/2014	30 days following vacancy
Carneys Point	NJ		Enacted	9/18/2013	30 days following vacancy or 10 following city notification
Cherry Hill	NJ	\$500 initial registration, escalating annual fee schedule	Enacted	4/22/2013	30 days following vacancy or 10 days following city notice
Commercial Township	NJ	\$500, escalating annual fee schedule	Enacted	5/12/2014	30 days following vacancy or 15 days following ownership, whichever is later; annually
Elizabeth	NJ	\$500; escalated annual renewal schedule (see forms)	Enacted	N/A	N/A
Englewood	NJ	\$200	Enacted	5/28/2013	10 days following vacancy

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
					and 10 days following foreclosure filing
<u>Ewing</u>	NJ	\$250	Enacted	4/23/2013	TBD
Gloucester City	NJ	\$500; annually	Enacted	2/8/2013	60 days following vacancy or 30 days following ownership, whichever is later
Hamilton	NJ	\$250; annually	Enacted	N/A	
High Bridge	NJ	\$500, escalating annual fee schedule	Enacted	4/10/2014	30 days following vacancy or ownership, whichever is later or 10 days following city notification
Howell	NJ	\$100; annually, escalating fee schedule	Enacted	8/20/2013	10 days following vacancy
Irvington	NJ	\$250; annual renewal on July 1	Enacted	N/A	10 days following vacancy
Islip	NJ	TBD	Proposed	N/A	TBD
<u>Jackson</u>	NJ	TBD	Proposed	N/A	six months following vacancy PROPOSED
Jersey City	NJ	\$250 1st year, \$500 2nd year	Enacted	11/1/2011	60 days following vacancy or 30 days following assuming ownership of vacant property
<u>Keyport</u>	NJ	TBD	Proposed	N/A	TBD
Linden	NJ	\$500, pro-rated monthly at \$41.66; annually	Enacted	4/15/2014	30 days following vacancy
<u>Lodi</u>	NJ	\$124; annually, renewal on anniversary date	Enacted	2/22/2011	15 days following vacancy
Matawan	NJ	\$500; escalating annual fee schedule	Enacted	8/7/2013	30 days following vacancy
<u>Merchantville</u>	NJ	\$500; annually	Enacted	7/8/2013	30 days following vacancy or assuming ownership, whichever is later; or 10 days following city notification
Middlesex	NJ	\$50; annually, renewal due on Jan 1	Enacted	6/9/2009	10 days following vacancy
Millstone	NJ	\$50 initial fee, \$25	Enacted	N/A	180 days following

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
Borough		renewal each 90 days			vacancy
Millville	NJ	\$100; annually, to be renewed on anniversary date \$500 initial	Enacted	7/5/2011	30 days following filing of foreclosure
Montclair	NJ	registration; \$250 every 6 mos. w/out violation, renewal fee doulbed w/ violation	Enacted	7/16/2013	60 days following vacancy or 30 days following ownership
Mount Holly	NJ	\$150; \$300 renewal	Enacted	4/1/2013	60 days following vacancy or 30 days following ownership, whichever is latter
<u>Newark</u>	NJ	\$500; annually, renewal max. of \$5000	Enacted	8/1/2011	60 days following vacancy; 30 days following recording of ownership
<u>Oaklyn</u>	NJ	\$500 (pro-rated for 1st yr); annually, due Jan. 1, escalating fee schedule	Enacted	6/11/2013	30 days following vacancy or assuming ownership, whichever is later or 10 days following city notice
Orange Township	NJ	\$250; annually by July 10, renewal fee escalating	Enacted	7/9/2009	30 days following vacancy; 10 days following transfer
<u>Palmyra</u>	NJ	\$500; annually, due on registration date, prorated for 1st yr., escalating renewal fee schedule	Enacted	6/17/2013	30 days following vacancy or assumption of ownership, whichever is later; or 10 days following borough notification
<u>Paterson</u>	NJ	\$500; escalating annual fee schedule	Enacted	9/21/2011	30 days following vacancy or transfer, whichever is later; 10 days following city notice
<u>Paulsboro</u>	NJ	\$500; annually, escalating fee schedule	Enacted	7/2/2013	30 days following vacancy or assumption of ownership, whichever is later
Pemberton Township	NJ	\$500; annually, due on anniversary date, escalating fee schedule	Enacted	12/5/2012	60 days following vacancy or 30 days following assumption of ownership, whichever is later
<u>Pitman</u>	NJ	\$250 for 1st yr., escalating annual fee	Enacted	9/9/2013	30 days following vacancy or 30 days following

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
		schedule			transfer of title, whichever is later or 10 days following city notice; annually
Plainfield	NJ	none	Enacted	N/A	30 days following vacancy
Plumsted Township	NJ	\$250; esclating annual fee schedule	Enacted	11/6/2013	TBD
Red Bank	NJ	\$125	Proposed	N/A	upon vacancy
Rental - Bridgeton	NJ	\$75 per unit	Enacted	2/21/1995	
Rental - Hamilton Township	NJ	\$85; annually, \$125 inspection fee	Enacted	8/6/2012	
City/County	State	Fees	Status	Enacted Date	Reg. Timeframe
Rental - High Bridge	NJ	TBD	Enacted	2/9/2006	
Rental - Howell	NJ	\$100	Enacted	N/A	
Rental - Keansburg	NJ	\$100 registration and \$75 inspection fee; annually	Enacted	N/A	
Rental - Matawan	NJ	\$250; annually, declining fee schedule	Enacted	N/A	
Rental - Palmyra	NJ	\$125; annually	Enacted	9/30/2013	
Rental - Pemberton Township	NJ		Enacted	12/5/2007	
Rental - Plumsted Township	NJ	\$125 for inspection	Enacted	N/A	Inspection is valid for 2 years
Rental - Sea Bright	NJ	TBD	Enacted	N/A	TBD
Rental - Somers Point	NJ	\$50	Enacted	4/26/2012	
Rental - Waldwick	NJ	\$30	Enacted	5/26/2009	
Riverton	NJ	\$250 1st yr, escalating renewal fee schedule	Enacted	3/13/2013	60 days following vacancy or 30 days following ownership of vacant

City/County	State	Fees	Status	Enacted Date	Reg. Timeframe
					property
Roselle	NJ	\$500; annually, prorated per Ordinance	Enacted	12/19/2012	30 days following vacancy
Sea Bright	NJ	TBD	Enacted	N/A	TBD
Tabernacle	NJ	\$500; annually, escalating fee schedule PROPOSED	Proposed	N/A	10 days following vacancy PROPOSED
Trenton	NJ	\$200 (see Additional Info); annually	Enacted	5/21/2009	90 days following vacancy
City/County	State	<u>Fees</u>	<u>Status</u>	Enacted Date	Reg. Timeframe
Union Beach	NJ	\$500, escalating annual fee schedule; first yr pro-rated through 12/31	Enacted	3/20/2014	30 days following vacancy or ownership, whichever is later, or 10 days following city notification
Vernon Township	NJ	TBD	Proposed	N/A	TBD
Vineland	NJ	TBD	Proposed	N/A	TBD
Waldwick	NJ	\$100 registration, escalating annual fee schedule; annually	Enacted	3/25/2014	30 days following vacancy or assuming ownership, whichever is later, or 10 days following city notice
Westville	NJ	\$500; annually, escalating annual fee schedule	Enacted	7/8/2013	30 days following vacancy or assuming ownership, whichever is greater or 10 days following city notice
Willingboro	NJ	\$250, escalating annual fee schedule	Enacted	3/19/2013	60 days following vacancy or 30 days following transfer of title
Woolwich	NJ	TBD	Enacted	9/3/2013	30 days following vacancy or 30 days following ownership of vacant property, whichever is later

TEXAS

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
Arlington	TX	none for first yr, escalating schedule thereafter	Not Enforced	6/17/2008	180 days following vacancy
<u>Baytown</u>	TX	\$250, \$50 inspection fee	Enacted	12/11/2008	7 days following city notice
Corpus Christi	TX	\$1000	Enacted	2/19/2008	7 days following city notice
<u>Dallas</u>	TX	\$75 registration fee, inspection fee TBD	Enacted	6/25/2008	45 days following vacancy
Duncanville	TX	TBD	Proposed	N/A	TBD
El Paso	TX	\$150	Enacted	3/1/2011	30 days following vacancy
Fort Worth	TX	TBD	Proposed	N/A	TBD
Garland	TX	per bond requirement	Enacted	8/19/2008	see statute
<u>Houston</u>	TX	TBD	Proposed	N/A	TBD
Irving	TX	\$250 registration fee, \$75 annual inspection fee	Enacted	6/11/2009	90 days following vacancy
<u>Lakewood</u> <u>Village</u>	TX	none	Enacted	10/11/2007	30 days following acquisition of lot
Rental - Austin	TX		Proposed	N/A	
Rental - Carrollton	TX	\$50	Enacted	2/7/2006	
Rental - Coppell	TX	\$5 registration fee, \$20 inspection fee	Enacted	1/11/2011	
Rental - Dallas	TX	\$25 per unit	Enacted	12/9/2009	
Rental - Fort Worth	TX	\$200 for first year, \$100 for second year	Enacted	N/A	
Rental - Frisco	TX	none	Enacted	12/15/2009	
Rental - Groves	TX	\$150; annually	Enacted	10/13/2008	
Rental - Manvel	TX		Enacted	3/25/2013	annual
Rental - Oak Ridge North	TX	registration and inspection fees are due annually	Enacted	11/19/2012	
Rental - The Colonies	TX		Enacted	10/5/2010	
Richland Hills	TX	TBD	Enacted	6/20/2012	90 days following vacancy
San Angelo	TX	TBD	Proposed	N/A	proposed to range from \$50 to \$200

TEXAS

City/County	State	<u>Fees</u>	Status	Enacted Date	Reg. Timeframe
San Antonio	TX	\$50; annually	Enacted	9/19/2013	upon issuance of two or more violations within a twelve month period
Watauga	TX	TBD; annually with renewal on Oct. 31	Enacted	7/27/2009	90 days following vacancy, 10 days following city notice

Roundtable Session 6

Tuesday, July 22 4:15 - 5:15 p.m. Broadmoor Hall E

The New Normal for Law Firms

More than ever before, law firms are facing more pressures to cut costs and increase efficiencies while still remaining remain profitable. Join us to explore ways in which you can assure the success of your law firm through the next iteration of our industry. Investigate financial management and cost/benefit analysis when dealing with the increased compliance and regulatory requirements. Learn about some practical solutions that will ultimately create leaders that are empowered to lead their firm into any situation.

Moderator: Debbie Foster, Partner, Affinity Consulting Group

Speakers: Kathleen Guerrette-Mitchell, Managing Partner, Springboard; Matt Hunoval, Esq., Founder, The Hunoval Law Firm; Amy Cooper, Director of Business Development, My Motion Calendar; Roy Diaz, Esq., Shareholder, SHD Legal Group, PA; Jan Duke, President & Lead Consultant, Firm Solutions



Debbie FosterPartner
Affinity Consulting Group
821 Franklin Rd SW, Roanoke, VA 24016

Phone: 727-264-5052

Email: dfoster@AffinityConsulting.com

Debbie Foster is the managing partner of Affinity's Tampa Bay office. She founded InTouch Legal (now part of Affinity Consulting) in 1998, seeing a need for a consulting company that focused specifically on lawyers and their technology needs. Since then, Debbie has expanded the services offered by her Tampa based office and has helped hundreds of law firms implement technology, finance, marketing and management solutions.

Debbie has been working with law firms since 1995, personally helping implement solutions ranging from practice management, time/billing/accounting, document management and general law office management issues. In addition to working with law firms throughout the U.S., Caribbean and Canada, she has also trained hundreds of consultants around the country on software programs used in law firms and best practices when consulting on a law firm's specific technology needs.

Debbie is very active in the Law Practice Management Section of the American Bar Association, and served as the Chair of ABA TECHSHOW in 2010. Debbie is also very active in Local and State Bar Associations, and she regularly speaks on topics relating to technology, management, finance and marketing of a law firm.



Kathleen Guerrette-Mitchell
Founding Member and Managing Partner
Springboard, LLC
11886 Purcell Road
Lovettsville, VA 20180
Phone: 703-599-3069

Email: kgm@springboard.us.com

A founding member and Managing Partner with Springboard, LLC, a consulting firm that specializes in meeting the needs of financial institutions in the default industry, Kathleen brings over 30 years of experience in the field of mortgage banking. Prior to launching her own consulting firm in December 2005, kgm consultants IIc a firm specializing in organizational effectiveness for small to medium sized companies, Kathleen was with Freddie Mac for 10 years where she was responsible for the development, implementation, and management of their Designated Counsel program which set the industry standard for third party provider risk management. She has an extensive background in process and operations management, training and executive mentoring.



Mathias "Matt" Hancock Hunoval, Esq. Founder
The Hunoval Law Firm, PLLC
501 Minuet Lane, Suite 104A
Charlotte, NC 28217

Phone: 704-626-4302 Fax: 704-625-9351

Email: matt@hunovallaw.com

LEGAL EXPERIENCE

The Hunoval Law Firm, PLLC, 2009
Founder

Moore & Van Allen, PLLC, 2006 - 2008
Transactional/Corporate Attorney

McGuire Woods, 2005 - 2006
Transactional/Corporate Attorney

Nelson Mullins Riley & Scarborough LLP, 2004 - 2005
Transactional/Corporate Attorney

PROFESSIONAL LICENSES

North Carolina State Bar Mecklenburg County Bar North Carolina Real Estate Broker & Broker-in-Charge

PROFESSIONAL ORGANIZATIONS

North Carolina State Banking Commission Entrepreneur's Organization

ADDITIONAL INFORMATION

Today, Matt Hunoval resides with his wife and two children in Iron Station, NC. They are members of First Baptist Church in Charlotte, NC. He maintains a LinkedIn profile (www.linkedin.com/in/matthunoval) that provides additional information regarding his career and his credentials.

ABOUT THE FIRM

The Hunoval Law Firm, PLLC is the premier law firm for default servicing clients with needs in Virginia, North & South Carolina. The firm provides dedicated, industry leading services to traditional real estate closings market and cradle-to-grave default legal services for banks, lenders, servicers and title companies.



Amy Cooper
Dir. of Business Development
MyMotionCalendar
1001 W. Cypress Creek Rd., Ste 407
Fort Lauderdale, FL 33309

Phone: 305-200-8682 Fax: 305-402-3744

Email: amy@mymotioncalendar.com

Amy Cooper is the Director of Business Development for MyMotionCalendar. Amy is from St. Petersburg, FL and graduated from the University of Central Florida. She began her career in sales and legal marketing and joined MyMotionCalendar in 2012. Amy has been consistently promoted and currently leads the company's business development efforts. Amy regularly works with law firms and servicers to educate them on MyMotionCalendar's services and value.

Amy has been a key part of the company's growth, marketing strategy, and operational success. Amy is an active member of JPEG and ALFN, and supporter of her local Bar chapters, Legal Aid, United Way and Florida Association of Women Lawyers (FAWL). Amy lives in Miami, FL and enjoys spending the weekends kayaking the Florida intercoastal waterways with her husband Weston.



Roy A. Diaz, Esq. Shareholder SHD Legal Group P.A. PO Box 11438 Ft. Lauderdale, FL 33339 Phone: 954-564-2050 Ext 117

Fax: 954-564-9252

Email: rdiaz@shdlegalgroup.com

Roy is AV Rated by Martindale-Hubbell which is the highest peer rating for Ethical Standards and Legal Ability. Roy has been a member of the Florida Bar since 1988 and is admitted to practice in the United States District Court for the Southern District of Florida, Middle District of Florida, and Northern District of Florida. He is also admitted in the United States Court of Appeals for the Eleventh Circuit.

He has concentrated his practice in the areas of real estate, litigation and bankruptcy. He has represented lenders, servicers, private investors and real estate developers throughout his career with an emphasis on the mortgage servicing industry since 1994.

Roy has been instrumental in the establishment of case precedent in Florida supporting enforceability and procedure related to negotiable instruments. Over the years he has been a speaker regarding mortgage related law and procedure with The Florida Bar, ALFN, Five Star Institute and National Business Institute.



Jan Duke
President
Firm Solutions
4002 W. State Street
Tampa, FL 33609
Phone: 813-466-1100

Fax: 813-695-3815:

Email: jduke@firmsolutions.us

Jan Duke is the president of and lead consultant at Firm Solutions. In this capacity, she provides strategic leadership for the company and utilizes her extensive industry experience to create customized solutions to resolve operational challenges for clients. Her primary focuses are audit/compliance consulting, business-process improvement consulting, business-development efforts, and operational leadership guidance.

General Session 5

Wednesday, July 23 9:00 - 10:30 a.m. Broadmoor Hall B

Lender/Servicer Defense Litigation

Defaults are continuing as are the defensive tactics being used against Lenders and Servicers. As such Lenders and servicers need to utilize strategies that minimize exposure and risk throughout the loan cycle. Issues such as failed loss mitigation and bad faith findings; wrongful foreclosure/eviction; third party liability; standing; compliance; marketability/insurability; code enforcement; fraud; predatory lending and adverse decisions from the bench are seen every day throughout the country increasing Lender/Servicer exposure and jeopardizing mortgage interests. Accordingly, the focus of this session shall address the most prevalent claims being launched; how they are prosecuted and defense tactics the lender can institute to protect itself and its mortgage while mitigating costs and expenses in the process. The Panel will walk the audience through various litigation types and address best practices for lenders and their attorneys to identify issues early and resolve them before significant legal costs are incurred.

Moderator: Joseph A. Camillo, Jr., Esq, Partner/Managing Attorney - Default Servicing, Shechtman Halperin Savage, LLP

Speakers: Adam Wilde, Esq., Supervising Mediation Attorney, Codilis & Associates, P.C.; Jerry S. Azure, Senior Vice President – Mortgage Servicing Operations, BSI Financial Services, Inc.; Michael Brooks, Esq., Managing Partner, Brooks Hubley, LLP; Michael P. Robinson, Esq., Litigation Partner, Shechtman Halperin Savage, LLP



Joseph A. Camillo Jr., Esq.
Partner & Managing Attorney – Default Servicing Shechtman Halperin Savage, LLP 1080 Main Street
Pawtucket, RI 02860
Phone: 401-272-1400

Fax: 401-272-1400

Email: jcamillo@shslawfirm.com

Mr. Camillo is a partner and managing attorney of SHS's Default Servicing Practice Groups. Mr. Camillo has over 19 years of experience in the areas of Banking, Creditors' Rights, Bankruptcy, Foreclosure, Real Estate, Litigation, Regulatory Compliance and Condominium Law. Mr. Camillo also has extensive experience in representing public sector/quasi governmental agencies such as Massachusetts Housing Finance Agency; Rhode Island Housing; Fannie Mae; Freddie Mac; HUD, USDA and the Veterans Association. He is admitted to practice law in all state and federal courts in Massachusetts and New Hampshire, US District Court for the District of Vermont and the United States Court of Appeals for the First Circuit. Mr. Camillo earned his J.D. from the Massachusetts School of Law in 1994, and his B.A. from St. Bonaventure University in 1989. Mr. Camillo lectures extensively throughout the country on topics such as foreclosure, bankruptcy, eviction, condominium law and litigation. Mr. Camillo serves as corporate counsel for the New England Adjustment Managers Association (NEAMA); a Conference Faculty member of Massachusetts Continuing Legal Education (MCLE) as well as a faculty member of the Real Estate Bar Association (REBA).



Adam J. Wilde, Esq.
Supervising Mediation Attorney
Codilis & Associates, P.C.
15W030 North Frontage Road
Burr Ridge, IL USA 60527
Phone: 630-794-5300

Email: adam.wilde@il.cslegal.com

Adam Wilde is a Supervising Attorney with Codilis & Associates. He concentrates his practice in mortgage foreclosure, creditor rights, real estate transactions and litigation. Mr. Wilde is a member of the Chicago Bar Association and the Illinois Bar Association and was recently appointed to serving as a member of the Illinois State Bar Association's Commercial banking, Collections and Bankruptcy Law Section Council.

Education:

Juris Doctor, 2009, Drake University Law School, Des Moines, Iowa. Dean's Scholar and Public Service Certificate recipient

Bachelor of Arts, 2004 De Paul University, Chicago, Illinois

Admissions:

2009, State of Illinois



Jerry S. Azure
Senior Vice President – Mortgage Servicing Operations
BSI Financial Services, Inc.
1425 Greenway Dr.
Suite 400
Irving, TX 75038

Office: 972-347-4352 Email: jazure@bsifinancial.com

Jerry Azure is the head of all Mortgage Servicing Operations for BSI Financial Services, Inc. Jerry's departments include: Investor Reporting, Cashiering, Escrow, Collection Operations, Default Operations, Bankruptcy, Foreclosure, REO, MI Claims, Property Preservation, Customer Service, Customer Care, Collateral Management, and HAMP Operations.

Jerry is a 20+ year mortgage industry veteran who has held many senior level positions in both the loan servicing and mortgage lending arenas.

Jerry started his mortgage career at the Associates/Ford Consumer Finance then continued his mortgage career at Centex Home Equity/Nationstar, Countrywide, Saxon and GreenTree Financial Services before joining BSI in Nov 2010.

BSI with offices in Texas, Pennsylvania, California and India is a Residential Fannie/Freddie/NPL Portfolio sub- servicer headquartered in Dallas, TX. BSI services 1st and 2nd liens for many of the nation's top lending institutions, major hedge funds and private investors both large and small. Jerry currently resides in Dallas, TX.



Michael R. Brooks, Esq. Managing Partner BROOKS HUBLEY LLP 1645 Village Center Circle, Suite 200 Las Vegas, NV 89134 Phone: 702.851.1191

Fax: 702.851.1198

Email: mbrooks@brookshubley.com

Michael R. Brooks graduated from the University of Southern California Law Center in 1993 where he externed for the Honorable John E. Ryan, United States Bankruptcy Court, Central District of California. In 1990, Mr. Brooks received a B.A., cum laude in Economics from California State University, Long Beach. After graduation from law school, Mr. Brooks began representing creditors in California. Mr. Brooks' practice over the years focused on creditor's rights and covers a broad range of matters from complex litigation and bankruptcy related matters. Mr. Brooks has been licensed in California since 1993. After obtaining his Nevada law license in 2000, Mr. Brooks and his family moved to Las Vegas, Nevada in 2002. While living in Nevada, Mr. Brooks continued to maintain a California presence during these years. Mr. Brooks is very active in the mortgage servicing industry and is a member of the Board of Directors for the United Trustees Association (UTA). Mr. Brooks is the Nevada foreclosure certification instructor for the UTA. Further, Mr. Brooks is a frequent speaker at industry conferences and events including the California Mortgage Bankers Association and has been a guest instructor for Lorimar Education



Michael P. Robinson, Esq. Litigation Partner Shechtman Halperin Savage, LLP 1080 Main Street Pawtucket, RI 02860 Phone: 401.272.1400

Fax: 401.272.1400

Email: mrobinson@shslawfirm.com

Partner in the Firm's Public Sector, Business Litigation and Creditor's Rights Groups.

Mr. Robinson currently focuses his practice primarily on civil litigation, including commercial and business litigation, lender liability, creditors' rights, real estate litigation, contract disputes, professional liability, and insurance litigation. A substantial portion of Mr. Robinson's practice is dedicated to representing financial institutions in federal and state courts where he has secured numerous favorable results for his clients in Rhode Island, Massachusetts, and New Hampshire.

Mr. Robinson is also experienced in handling a wide variety of matters for public governmental entities, including labor and employment disputes, construction and contract disputes, business litigation, pension related litigation, and all manner of issues affecting municipal and state bodies.

LENDER/SERVICER DEFENSE LITIGATION



WEDNESDAY JULY 23, 2014
General Session 5
Broadmoor Hall B

SESSION SPEAKERS



Joseph A. Camillo, Jr., Esq. Moderator Shechtman Halperin Savage, LLP icamillo@shslawfirm.com



Jerry S. Azure Panel Senior Vice President - Operations BSI Financial Services, Inc. jazure@bsifinancial.com



Michael P. Robinson, Esq. Panel Shechtman Halperin Savage, LLP mrobinson@shslawfirm.com



Adam Wilde, Esq.
Panel
Codilis & Associates, P.C.



Michael R. Brooks, Esq.
Panel
Brooks Hubley, LLP

mbrooks@brookshubley.com



REMOVAL

Presented by:



Michael P. Robinson, Esq.

GROUNDS FOR REMOVAL

28 U.S.C. § 1441

"Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant or the defendants, to the district court of the United States for the district and division embracing the place where such action is pending."

Federal Question Jurisdiction

"The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States." 28 U.S.C. §1331

Various federal statutory claims raised by borrowers affecting lenders/servicers:

Home Ownership and Equity Protection Act ("HOEPA"), 15 U.S.C. §1639, et seq.

Truth in Lending Act ("TILA"), 15 U.S.C. §1601, et seq.

Fair Credit Reporting Act ("FCRA"), 15 U.S.C. §1681, et seq.

Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. §2601, et seq.

Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. §1692, et seq.

Home Owner's Loan Act ("HOLA"), 12 U.S.C. §1461, et seq.

WELL-PLEADED COMPLAINT RULE:

"[F]ederal jurisdiction exists only when a federal question is presented on the face of the plaintiff's properly pleaded complaint." Caterpillar, Inc. v. Williams, 482 U.S. 386, 392 (1987)(citation omitted).

"[T]he plaintiff [is] the master of the claim; he or she may avoid federal jurisdiction by exclusive reliance on state law." *Id*.

- "[A]pplies to the original jurisdiction of the district courts as well as to their removal jurisdiction." Franchise Tax Bd. v. Constr. Laborers Vacation Trust, 463 U.S. 1, 10 n.9 (1983)(citations omitted).
- Removal may not be based on federal defenses or federal counterclaims. Holmes Group, Inc. v. Vornado Air Circulation Sys., 535 U.S. 826, 831-32 (2002) (noting that including a counterclaim as part of a well pleaded complaint would "radically expand" removal jurisdiction), superseded in part by statute, 28 U.S.C. § 1454(a)("A civil action in which any party asserts a claim for relief arising under any Act of Congress relating to patents, plant variety protection, or copyrights may be removed to [federal court].".

"ARTFUL PLEADING" DOCTRINE:

An "independent corollary" to the well-pleaded complaint rule, holding that "a plaintiff may not defeat removal by omitting to plead necessary federal questions." Rivet v. Regions Bank of La., 522 U.S. 470, 475 (1998)(internal quotation marks omitted). "If a court concludes that a plaintiff has 'artfully pleaded' claims in this fashion, it may uphold removal even though no federal question appears on the face of the plaintiff's complaint." Id. The artful-pleading doctrine may allow removal in cases where federal law completely preempts state law claims. Id.

FEDERAL PREEMPTION:

Consider federal preemption even if no federal cause of action stated. See, e.g., Beneficial Nat'l Bank v. Anderson, 539 U.S. 1,8,10 (2003) (stating that a state claim may be removed to federal court "when a federal statute wholly displaces the statelaw cause of action through complete preemption," and holding that the National Bank Act provides the exclusive cause of action for usury claims against national banks).

- "There does exist . . . an 'independent corollary' to the well-pleaded complaint rule, known as the 'complete pre-emption' doctrine. On occasion, the Court has concluded that the pre-emptive force of a statute is so 'extraordinary' that it 'converts an ordinary state common law complaint into one stating a federal claim for purposes of the well-pleaded complaint rule.'...Once an area of state law has been completely pre-empted, any claim purportedly based on that pre-empted state law is considered, from its inception, a federal claim, and therefore arises under federal law." Caterpillar, supra, at 393.
- See also Dixon v. Wells Fargo Bank, N.A., 798 F.Supp.2d 336, 353 (D. Mass. 2011) (addressing HOLA preemption of state law claims where the conduct complained of was undertaken by a federally chartered savings bank regulated "from its cradle to its corporate grave" by the Office of Thrift Supervision) (quoting Fidelity Fed. Sav. & Loan Ass'n v. de la Cuesta, 458 U.S. 141, 145 (1982)).

DIVERSITY OF CITIZENSHIPJURISDICTION:

• "The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and is between Citizens of different States." 28 U.S.C. §1332

Amount in Controversy

- "In actions seeking declaratory or injunctive relief, it is well established that the amount in controversy is measured by the value of the object of the litigation." Hunt v. Wash. State Apple Adver. Comm'n, 432 U.S. 333, 347 (1977)(citations omitted).
- "A number of courts have ruled that, in a case seeking equitable relief against a foreclosure sale, the fair market value of the property is an acceptable measure of the amount in controversy for purposes of diversity jurisdiction." Bedard v. Mortgage Electronic Registration Systems, Inc., No. 11-cv-117-JL, 2011 U.S. Dist. LEXIS 51800, at *7 (2011) (surveying similar holdings from around the country)(citations omitted).

- When a plaintiff makes a claim under a statute including a damage multiplier, a court must apply that factor in evaluating the amount in controversy." Evans v. Yum Brands, 326 F. Supp. 2d 214, 222 (D.N.H. 2004)(citing Chabner v. United of Omaha Life Ins. Co., 225 F.3d 1042, 1046 (9th cir. 2000); Rosen v. Chrysler Corp., 205 F.3d 918, 922 (6th Cir. 2000); Miera v. Dairyland Ins. Co., 143 F.3d 1337, 1340 (10th Cir. 1998)).
- "In the context of forcible detainer actions involving foreclosed property, courts have held that the amount in controversy is not the value of the property, but rather, the value of the right of possession." See Fed. Nat. Mortg. Ass'n v. Talley, No. 3:12-CV-1967-N-BH, 2012 WL 4005910, at *2 (N.D. Tex. Aug. 16, 2012), report and recommendation adopted, 2012 WL 4005760 (N.D. Tex.Sept. 11, 2012) (collecting cases).

- The controversy must be between citizens of different states.
 - Complete diversity of all plaintiffs and all defendants is required. Lincoln Prop. Co. v. Roche, 546 U.S. 81, 84 (2005) ("Defendants may remove an action on the basis of diversity of citizenship if there is complete diversity between all named plaintiffs and all named defendants, and no defendant is a citizen of the forum State.").
 - Citizenship vs. Residency
 - "[A] corporation shall be deemed to be a citizen of every State and foreign state by which it has been incorporated and of the State or foreign state where it has its principal place of business." 28 U.S.C. §1332(c).

- "In determining whether a civil action is removable on the basis of the jurisdiction under section 1332(a) . . ., the citizenship of defendants sued under fictitious names shall be disregarded." 28 U.S.C. §1441(b)(1).
- "A civil action otherwise removable solely on the basis of the jurisdiction under section 1332(a) . . . may not be removed if any of the parties in interest properly joined and served as defendants is a citizen of the State in which such action is brought." 28 U.S.C. §1441(b)(2).

- "[E]very circuit to consider this issue has held that the citizenship of a limited liability company is determined by the citizenship of all of its members." *Pramco, LLC v. San Juan Bay Marina, Inc.*, 435 F.3d 51, 54 (1st Cir. 2006) (surveying circuit court decisions from around the country)(citations omitted).
- For removal purposes, national banking associations are deemed citizens of the States in which they are respectively located. 28 U.S.C. §1348. *Wachovia Bank v. Schmidt*, 546 U.S. 303, 307 (2006) (holding that "a national bank, for § 1348 purposes, is a citizen of the State in which its main office, as set forth in its articles of association, is located").

PROCEDURE FOR REMOVAL:

- Removal Statutes Strictly Construed
 - Federal courts are courts of limited jurisdiction. Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994).
 - "Removal is a statutory privilege, rather than a right, and the removing party must comply with the procedural requirements mandated in the statute when desirous of availing the privilege." Jerrell v. Kardoes Rubber Co., 348 F.Supp. 2d 1278, 1283 (M.D. Ala. 2004) (citing Shamrock Oil & Gas Corp. v. Sheets, 313 U.S. 100, 104 (1941)).

Timing:

- "Notice of removal of a civil action shall be filed within 30 days after the receipt by the defendant, through service or otherwise, of a copy of the initial pleading setting forth the claim for relief upon which such action or proceeding is based, or within 30 days after the service of summons upon the defendant if such initial pleading has then been filed in court and is not required to be served on the defendant, whichever period is shorter." 28 U.S.C. §1446 (b)(1).
- A federal district court is not empowered to extend the 30 day period. Nasco v. Norsworthy, 785 F. Supp. 707 (Mid. Dist. TE 1992).

- 1. "[I]f the summons and complaint are served together, the 30-day period for removal runs at once. *Murphy Bros. v. Michetti Pipe Stringing*, 526 U.S. 344, 354 (1999).
- 2. "[I]f the defendant is served with the summons but the complaint is furnished to the defendant sometime after, the period for removal runs from the defendant's receipt of the complaint. *Id*.
- 3. "[I]f the defendant is served with the summons and the complaint is filed in court, but under local rules, service of the complaint is not required, the removal period runs from the date the complaint is made available through filing. *Id*.
- 4. "[I]f the complaint is filed in court prior to any service, the removal period runs from the service of the summons." *Id.*

- Freddie Mac is deemed an agency of the United States for purposes of 28 U.S.C. §1442 (authorizing removal by the United States or any federal agency or officer thereof), and the district courts have original jurisdiction over all actions to which Freddie Mac is a party without regard to amount or value. 12 U.S.C. §1452(f). Freddie Mac may also remove an action at any time prior to trial "by following any procedure for removal of causes in effect at the time of such removal." *Id*.
- Split of authority over whether 12 U.S.C. § 1723a, which grants FNMA authority "to sue and to be sued, and to complain and to defend, in any court of competent jurisdiction, State or Federal...", constitutes conferral of subject matter jurisdiction on federal district court actions involving FNMA. Compare Pirelli Armstrong Tire Corp. Retiree Med. Benefits Trust ex rel. Fed. Nat'l Mortg. Ass'n v. Raines, 534 F.3d 779, 784-88 (D.C. Cir. 2008), with Federal Nat'l Mortg. Ass'n v. Hammond, 2011 U.S. Dist. LEXIS 67321 (C. Dist. CA 2011).

Filing:

The notice of removal shall be filed in the district court of the United States for the district and division within which the state court action is pending, must be signed pursuant to Rule 11 of the Federal Rules of Civil Procedure and must contain a short and plain statement of the grounds for removal, together with a copy of all process, pleadings, and orders served upon such defendant or defendants in such action. 28 U.S.C. §1446 (a).

Unanimity:

 All defendants who have been properly joined and served must join in or consent to the removal of the action. 28 USC §1446 (b)(2)(A).

Amended Pleadings:

"[I]f the case stated by the initial pleading is not removable, a notice of removal may be filed within 30 days after receipt by the defendant, through service or otherwise, of a copy of an amended pleading, motion, order or other paper from which it may first be ascertained that the case is one which is or has become removable." 28 USC §1446 (b)(3). However, a case may not be removed on the basis of diversity of citizenship "more than 1 year after commencement of the action, unless the district court finds that the plaintiff has acted in bad faith in order to prevent a defendant from removing the action." 28 USC §1446 (c)(1).

Multiple Defendants:

- "Each defendant shall have 30 days after receipt by or service on that defendant of the initial pleading or summons . . . to file the notice of removal." 28 U.S.C. § 1446(b)(2)(B).
- "If defendants are served at different times, and a later-served defendant files a notice of removal, any earlier-served defendant may consent to the removal even though that earlier-served defendant did not previously initiate or consent to removal." 28 U.S.C. § 1446(b)(2)(C).

Remand

- A motion for remand on any basis other than for lack of subject matter jurisdiction must be made within 30 days of filing of the notice of removal. 28 U.S.C. §1447(c).
- The court may award fees and costs associated with an order of remand "where the removing party lacked an objectively reasonable basis for seeking removal." Martin v. Franklin Capital Corp., 546 U.S. 132, 141 (2005)
- "An order remanding a case to the State court from which it was removed is not reviewable on appeal or otherwise", except that orders remanding a case pursuant to 28 U.S.C. § 1442 (suits against federal officers or agencies) or § 1443 (relating to civil rights cases) shall be reviewable by appeal or otherwise.

HAZARDS, PITFALLS and TAKE-AWAYS:

- Be aware of requirements for timing and contents of federal court corporate disclosure rules
- Know the corporate citizenship of servicer and investor
- Consider the nature of the allegations and potential applicability of federal question jurisdiction
- Identify sufficient facts in notice of removal to demonstrate removability
- Obtain and identify in the notice of removal the assent to removal of all defendants
- Be aware of strict timelines and rules for effectuating removal

STANDING: The Unchallenging Legal Challenge



By: Adam Wilde

Back to Basics

What is standing?

• "In essence the question of standing is whether the litigant is entitled to have the court decide the merits of the dispute or of particular issues"

Doctrine of Standing is to preclude persons who have no interest in a controversy from bringing a lawsuit. The function of standing is "[T]o insure that issues are raised only by those parties with a real interest in the outcome of the controversy."

So How Does Standing Translate to Foreclosures?

Borrowers, and/or their attorneys, continue to raise affirmative defenses and/or motions to dismiss that allege named plaintiffs do not have the legal authority or power to foreclose a mortgage. In other words, Defendants argue—or contend—that Plaintiffs lack standing to prosecute their foreclosure actions.

- Most of these arguments are generated from Defendants making some argument that the named plaintiff does not own the loan.
- Common attacks on standing usually relate to assignment chains, endorsements of the note, and the plaintiff name being different than that of the investor.

Basic definitions

 Promissory Note/Mortgage Note—contains a promise by the borrower to pay a lender a stated amount of money at a specified interest rate by a certain date.

 Mortgage/Deed of Trust—simply grants a mortgage lien or other security interest in the borrower's real property to the lender or, in a deed or trust, to a trustee for the benefit of the lender, to secure the borrower's obligations under the promissory note.

- Basic Definitions Continued:
- Mortgage Notes are ALMOST ALWAYS negotiable instruments. § UCC 3-104: Negotiable instrument. (a) Except as provided in subsections (c) and (d), "negotiable instrument" means an unconditional promise or order to pay a fixed amount of money, with or without interest or other charges described in the promise or order, if it:
 - (1) is payable to bearer or to order at the time it is issued or first comes into possession of a holder;
 - (2) is payable on demand or at a definite time; and
 - (3) does not state any other undertaking or instruction by the person promising or ordering payment to do any act in addition to the payment of money, but the promise or order may contain (i) an undertaking or power to give, maintain, or protect collateral to secure payment, (ii) an authorization or power to the holder to confess judgment or realize on or dispose of collateral, or (iii) a waiver of the benefit of any law intended for the advantage or protection of any obligor.

Standing: Who Owns the Note Does Not Matter

Assuming we have a negotiable instrument.

- WHO CAN ENFORCE THE NOTE MATTERS!
- The UCC essentially provides only 3 ways in which a person qualifies as one entitled to enforce a promissory note.
- 1. UCC 1-201: Holder: This requires that the person be in possession of the note and either (i) the note is payable to that person, or (ii) the note is payable to bearer.
 - Determining who the note is payable can be determine by the face of the note and by examining endorsements.
 - Keep in mind, endorsements change from specific to bearer.

Who Owns the Note does not matter...

- **2. UCC 3-301:** Non-holder in possession of the note who has the rights of the holder.
 - Normally, this can occur by operation of law outside of the UCC. Examples include:

Subrogation;

Estate administration

Agency law: Commonly forgotten or disregarded:

Under General agency law an agent has the authority to act on behalf of its principal where the principal "manifests assent: to the agent "that the agent shall act on the principal's behalf and subject to the principal's control, and the agent manifests assent or otherwise consents to so act.

Who Owns the Note Does Not Matter Continued....

It may also occur if the delivery of the note to that person constitutes a "transfer" because transfer of a note "vests in the transferee any right of the transferor to enforce the instrument." A subsequent transfer will also result in the subsequent transferee.

 3-203 A Note is transferred "when it is delivered by a person other than its issuer for the purpose of giving to the person receiving delivery the right to enforce the instrument.

Who Owns the Note Does Not Matter Continued....

- **3. UCC 3-309:** Lost Note: Enforcement without possession: In limited cases, the person who was entitled to enforce the not cannot reasonably obtain possession of the note because:
- It was destroyed;
- It whereabouts cannot be determined;
- It is in the wrongful possession of another person or that person cannot be found;
- In those instances, the person can be one entitled to enforce the instrument so long as the instances in (a-c) apply AND
 - ☐ The person was in possession of the note and entitled to enforce it when loss of possession
 - ☐ The loss of possession was not a result of transfer or lawful seizure.
 - May need to post a bond





Let's Look at some examples



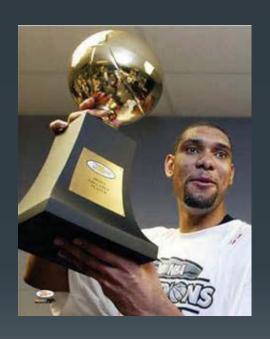
Lebron James Ioans money to people and Lebron always makes sure his contracts meet the UCC's definition of a negotiable instrument. (PAYEE)

Dwayne Wade(the MAKER) borrows money from Lebron and issues a negotiable instrument to Lebron (PAYEE).



Lebron (PAYEE) takes possession of the note, which he hasn't indorsed. Lebron is the holder of the note and he can enforce it.

Same as prior, but Lebron signs the note in Blank (PAY TO THE ORDER OF ____ or simply signs "King James") and transfers possession of the Note to his friend, Tim Duncan (Transferee).



 Tim Duncan (Transferee) is now the Holder of the Note and can enforce it. But Tim is busy winning. He's so busy with his other businesses he doesn't have the time to collect the money and "service" Dwayne's payments under the Note. What does Duncan do? He enters into an servicing agreement with his friend, Kobe. This agreement clarifies that Kobe is going to service the loans for Duncan.



Under Agency law, KOBE should be able to enforce the note for Duncan, the holder.



Dwayne is still the maker and Lebron is still the payee. Only this time, Lebron sells the Note to Carmello. Lebron doesn't sign the Note when he gives it to Carmello

Even though he is in possession, Carmello is not a holder of the NOTE.

ENFORCER: Carmello is a non-holder in possession of the note with the rights of a holder and, accordingly, a person entitled to ENFORCE THE NOTE



Like Duncan, Carmello has become way too busy to service his own loans. He hears Kobe started a new career servicing loans for Duncan. Carmello also enters into an agency relationship with Kobe, and this agreement also clarifies that Kobe is going to servicer the loans for Carmello.

Under agency law, Kobe should be able to enforce the note on behalf of Carmello.

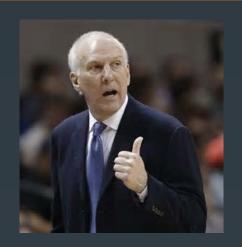
Other ways Non-Holders in possession of the note can enforce it!

Dwayne (the MAKER) borrowers money from Lebron and issues a negotiable instrument to Lebron (PAYEE). Lebron never signs the note but later dies. He has a will that leaves the Note to D. Rose

By operation of estate law, D. ROSE is a non-holder in possession with rights of the holder. He may enforce the note.



Other Ways Non-Holders in Possession of the Note can Enforce the Note



- Dwayne Wade (the MAKER) issues the Note to the Miami Heat, Inc. (PAYEE). The Miami Heat can't win so they decide to sell the team.
- The San Antonio Spurs decide to purchase Miami Heat, Inc. and all of its assets, including the Note. The Spurs can enforce the NOTE by succession.

LOST NOTE AFFIDAVIT SCENARIO

- D.Wade (the MAKER) borrows money from Lebron and issues a negotiable instrument to Lebron (PAYEE). Lebron Indorses the Note Pay to the Order of Popovich and gives possession to Popo. After a long night out celebrating, Popo loses the Note and its whereabouts cannot be determined.
- 1. Popovich (transferee) may be able to still enforce the terms of the note.
- 2. Pursuant to UCC 3-309, Popovich must show:
- He was in possession of the note and entitled to enforce it at the time it was lost,
- The loss of possession was not the result of a transfer by Popovich or lawful seizure.

Transfer of Promissory Notes that are Secured by Mortgages

What happens to the mortgage when there is a transfer of interest on the underlying note?

There is no separation. "The mortgage follows the note." *Carpenter v. Longan*, <u>83</u> <u>U.S. 271, 275 (1873)</u> ("The transfer of the note carries with it the security, without any formal assignment or delivery, or even mention of the latter.")

Mortgage follows the note is codified under UCC law. UCC official comment 9-203(g), comment 9: "codifies the common-law rule that a transfer of an obligation secured by a security interest or other lien on personal or real property also transfers the security interest or lien."

Nearly every state has adopted case law that follows this rule.

Transfer of Promissory Notes that are Secured by Mortgages

However, some states require more: The creation of an interest or lien on real property, including a mortgage, is governed by the non-UCC law of the state in which the property is located.

It should come as no surprise: this means the ability to foreclose a mortgage is subject to:

- the terms of the mortgage itself
- State laws; and
- Potentially local laws.

STANDING in Illinois?

IL has no legal requirement that assignments need to be recorded.

Illinois has a statutory form complaint, that includes attachments of both the Note and Mortgage. Part of which enables the plaintiff to choose its capacity in which it is bringing suit:

Examples include legal holder, agent, pledgee, trustee, etc...

IMFL defines mortgagee:(i) the holder of an indebtedness or obligee of a non-monetary obligation secured by a mortgage or any person designated or authorized to act on behalf of such holder and (ii) any person claiming through a mortgagee as a successor.

Illinois Supreme Court Rule 113:

 This rule now requires Plaintiffs to file a copy of the note as it currently exists including all endorsements and allonges.

What's Happening in Illinois Continued....

In Illinois Standing is an affirmative defense.

- A plaintiff need not allege any facts to establish standing.
- The defendant has the burden to both plead and prove lack of standing.

Like most states, Defendant's constantly plead through affirmative defenses and or counterclaims: Plaintiff lack of standing, most of which are from, cookie-cutter pleadings that defense attorneys file ad-nauseum on every single case.

- Attempt to allege owner is not the plaintiff;
- Attempt to allege assignments of the mortgage are out of order;
- Attempt to shift the burden, denying Plaintiff is the mortgagee and DEMANDS strict proof thereof.

What's Happening in Illinois Continued...

At least in IL, the Defendant has to prove that Plaintiff lacks standing. They simply cannot say that Plaintiff doesn't OWN the note....They have to prove Plaintiff cannot ENFORCE the note!

Well the enforcers...

- Lebron
- Duncan
- Kobe
- Carmello
- D. Rose
- Spurs

So where does that leave us?

Defendants continue to plead standing as affirmative defenses and motions to dismiss, without providing any real context to conclude Plaintiff's cannot enforce the note. Such pleadings may either be frivolous or solely for the purpose of creating delay.

Courts are now beginning to change tune and recognize this.

- In Michigan, a federal court recently sanctioned an attorney, demanding a return of attorney fees to his client for alleging the same cookie-cutter pleadings on all cases.
- An appeals court of MI also granted sanctions for the same reason.
- Recommend Documenting the cookie cutter.

So where does that leave us Continued?

- In IL, a Court of appeals recently issued sanctions sua sponte on an appeal, concluding Defendant's pleadings and appeal of a foreclosure case were solely for the purposes of stalling tactics.
- Another appellate court in Illinois granted sanctions stemming from a standing defense whereby the Defendant argued Plaintiff failed to "Show [him] the Note".
- Recommend compiling pleadings from repeat practitioners and send them letters asking them to withdraw pleadings or face sanctions.

MEDIATION LITIGATION

Presented by:



Joseph A. Camillo, Jr., Esq.

COMMON MEDIATION REQUIREMENTS

- 1-4 Family residential property
- Primary residence (occupied in whole or in part)
- Owner Occupied
- Initiated by borrower receiving notice of right to mediation
- Mediator is a 3rd party either selected by the parties or the court
- Requires parties to make a "Good Faith" effort to mediate
- Mortgagee or representative must attend (in person or by phone)
- Must have authority to settle or otherwise approve alternatives to foreclosure
- Must be able to perform Net Present Value analysis.

GOOD FAITH

Definitions:

Black's Law Dictionary 822 (Rev. 4th ed. 1968).

Good faith: "(h)onesty of intention, and freedom from knowledge of circumstances which ought to put the holder upon inquiry." *Black's Law Dictionary 822 (Rev. 4th ed. 1968)*.

The U.C.C., :Article 3 of the U.C.C. adds to this an objective standard for good faith: "honesty in fact and the observance of reasonable commercial standards of fair dealing." U.C.C. § 3-301(1)(d).

Maine/New York:

Good faith has been defined as "an honest belief, the absence of malice and absence of design to defraud or seek an unconscionable advantage." Geary v. Stanley Medical Research Institute, 939 A.2d 86, 92 n.9(Me. 2008)(quoting Nicoletta v. Rochester Eye & Human Parts Bank, Inc. 136 Misc.2d 1065, 519 N.Y.S.2d 928 (N.Y.Sup.Ct. 1987)).

Rhode Island: R.I. Gen. Laws § 34-27-3.2"

- (i) mortgagee provided the Mediation Notice;
- (ii) mortgagee designated an agent with authority to participate in the mediation conference on the mortgagee's behalf;
- (iii) mortgagee made reasonable efforts to respond in a timely manner to requests from the parties;
- (iv) mortgagee declines to accept the mortgagor's work-out proposal, if any, and the mortgagee provided a detailed written statement of its reasons for rejecting the proposal;
- (v) where mortgagee declines to accept the mortgagor's work-out proposal, the mortgagee offered to enter into an alternative work-out/disposition resolution proposal that would result in net financial benefit to the mortgagor as compared to the terms of the mortgage.

OBLIGATION TO NEGOTIATE IN GOOD FAITH

Nevada: See e.g. Nev. Rev. Stat. § 107.086(5), text quoted in Appendix A. appearance by a representative with appropriate authority or the timely production of specific documents.

New York. "[b]oth the plaintiff and defendant shall negotiate in good faith to reach a mutually agreeable resolution, including a loan modification, if possible." N.Y. CPLR § 3408(f).

Maine: "[e]ach party and each party's attorney, if any, must be present at mediation as required by this section and shall make a good faith effort to mediate all issues. If any party or attorney fails to attend or to make a good faith effort to mediate, the court may impose appropriate sanctions." 45

- Vermont. "The parties to a mediation must cooperate in good faith to produce information required by subsections (a) and (b) of this section in a timely manner so as to permit the mediation process to function effectively." 12 Vt. Stat. Ann § 4633(c).
- District of Columbia: authorize courts to enforce good faith participation in mediation and impose civil penalties upon a lender who does not participate in good faith.
- Rhode Island: requires that servicers enter into a conciliation process with homeowners before a foreclosure sale takes place.

BAD FAITH PRACTICES

- Changing the reason for a loan modification denial each time the homeowner disproves a servicer's stated reason;
- Claiming that a homeowner's documents were never received when in fact they were received many times;
- Repeatedly requesting new documentation due to staleness
- Claiming an investor restriction on modification when none exists.
- Failure of representative to have authority to settle claims, including authority to approve or deny requests for a loan modification.
- Failure to follow HAMP guidelines
- Failing to give a permanent modification after trial payment plan is successfully completed.
- Delays in responding to, or providing decisions on modifications, deed-in-lieu or other loss mitigation.
- Failure to appear at a mediation
- Failure to have real time access to mortgagor account and/or ability to perform HAMP "net present value" calculations

BAD FAITH PRACTICES

Inability to perform a "waterfall analysis":

Attempt to reach a target mortgage payment (inclusive of P&I, T&I) of 31% of a borrower's income using tools such as a reduction of interest to 2%, spreading the terms of the loan 40 years and/or a forbearance or balloon at the end of the term of the loan.

APPLICABLE SANCTIONS FOR NON-COMPLIANCE WITH GOOD FAITH REQUIREMENTS

- Tolling/forgiveness of accrual of interest and fees: Whereby the accrual of same is prohibited for a period of time in the past or until a specific action is taken by the servicer.
- Monetary sanctions: Court ordering bank to pay attorneys fees and costs as well a punitive damages; lost wages and travel expenses.
- Court orders to execute a loan modification agreement
- Orders directing the servicer's representative with full settlement authority to appear.
- Dismissal of the foreclosure action: Could be with or without prejudice.
- Combination of any of the above

DEFENDING A REPORT OF NON-COMPLIANCE

- Any Report of Non-compliance (RON) should be responded to by the servicer:
 - Most RON's are forms that do allow for much mitigating information and are often check-the-box.
 - Judge's are inclined to assume worst-case scenarios with regard to bank conduct
 - There are two sides to every story, and often a servicer has gone the extra mile to work with a borrower over the years. This should be pointed out to the Judge.
 - Logistical failures should be explained such as when a representative fails to dial in or appear.
 - Non-response by the bank creates the perception of indifference towards the mediation process, borrower and the court.
 - A well presented brief can usually diffuse a situation quickly before severe sanctions are issued.

RESPONDING TO A SANCTIONS THREAT/ORDER

- Determine response deadlines under the applicable order or rules of procedure. Responses must be timely.
- Always respond to a sanctions Order or show of cause
- Know the history of the account and be prepared to illustrate all loss mitigation efforts and successes during the life of the loan.
- Simultaneously reach out to opposing counsel to determine whether there is a possibility to toll the proceedings in order to resume meaningful loss mitigation efforts.
- Know the case law and distinguish the conduct being sanctioned.
- Be prepared to file a Motion to Reconsider (MTR) and/or Appeal as applicable.
- Know when and if a MTR tolls the time to file the Notice of Appeal
- When is doubt, file a MTR or in the alternative NOA to preserve procedural deadlines.

MISCELLANEOUS ISSUES

- <u>Service Transfers</u>: Pose a logistical break in continuity that can lead to sanctions.
- Mediation Eligibility: If a borrower is not eligible for mediation or fails to cooperate motion to have the mediation terminated.
- HAMP: Understand HAMP guidelines and eligibility. Many mediators, judges and borrower counsel have limited knowledge of loss mitigation programs and will assume they all apply.
- Lack of Knowledge: Some mediators are not extremely familiar with HAMP guidelines, lender policies and the foreclosure process. This sometimes results in the misapplication of the statute and HAMP guidelines.
- Mediator Selection: If the jurisdiction allows for parties to selection of mediators, be proactive and choose the mediator that has the best track record with resolving cases and understanding HAMP.
- Beware of Mediators acting as advocates for borrowers and their attorneys with completing applications and getting documentation together.

MISCELLANEOUS ISSUES

- Be proactive before the first mediation to collect documentation. The first mediation rarely accomplishes much as borrowers often have not submitted any documentation
- In most jurisdictions, Mediation fees of the lender are not recoverable from the borrower.
- There should be continuity with respect to bank representatives who attend multiple mediations. One loan One Rep.
- Constitutional Challenges: Some mediation programs are run by the administrative offices of the court system. In Nevada, there is a Constitutional Issue because there is no actual case or controversy giving rise to judicial authority. Question is currently before the Nevada Supreme Court and pending since October 2012.



LIEN PRIORITY

- Liens that have attached to title before the mortgage lien are said to be senior to the mortgage lien.
- Those attaching afterward are said to be junior or subordinate.
- This priority establishes the order in which lien holders are entitled to foreclose their liens to recover their debts.
- General Rule: "First in Time, First in Right"

MUNICIPAL LIENS

- Generally a lien for unpaid real estate taxes, water, sewer, condemnation etc. is granted a super priority status.
- A municipal lien jumps ahead of any and all mortgages or other liens, even those taken out years before the municipal liens are assessed.
- If the taxes remain unpaid, the property can be deeded/sold by the collector to the municipality or third party, and the lien of the mortgage is extinguished.
- That is why many financial institutions escrow for taxes and why a failure to pay municipal charges when due is a breach/default of the mortgage covenants.
- Each jurisdiction has different requirements regarding what notice of these proceedings is required to be given.

HOA/CONDOMINIUM

- The downturn in the real estate market in the late 1980's left many mortgagees undersecured.
- In the 1980's the HOA / condominium lien was junior to the mortgage interest and was meaningless. Associations were unable to collect necessary fees to ensure the upkeep and maintenance of the buildings and common areas.
- Few lenders understood HOA / condominium financing and many were unwilling to make these types of loans.
- Condominiums were considered high risk collateral due to their deteriorating conditions.

THE "SUPERLIEN"

- The high risk collateral classification began to change when variations of "Super Lien" statutes were enacted throughout the country.
- The strength in lending to unit owners lies in the association's ability to collect fees on a timely basis.
- With the help of the Superlien, most associations began to have healthier cash flows, stronger balance sheets and better maintained buildings.

GENERAL ANATOMY OF HOA SUPERLIEN

- Created by Statute
- Grants lien priority over <u>all</u> other liens and encumbrances except municipal liens.
- Priority over a first mortgage is typically limited to six (6) months of regular common expense payments including attorneys fees and costs associated with enforcement.
 - Prioritization of attorneys fees usually requires some additional action (i.e. pre-enforcement notice to 1st Mortgagee).
 - In some jurisdictions attorneys fees are capped.

Rolling Lien:

Depending upon the jurisdiction and statutory interpretation, a Superlien may be considered "rolling". A rolling lien can be obtained for successive periods. Thus each periodic interval (6 months) would have priority over the first mortgage.

In some jurisdictions this practice has been contested, and in Massachusetts, an appellate court decision which upheld denial of a "rolling lien", is on appeal (See *Drummer Boy Homes Association, Inc. V. Carolyn P. Britton*, 2011 Mass. App. Div. 186.)

- The priority amount usually shall not include:
 - a. Late charges
 - b. Fines
 - c. Penalties
 - d. Interest
 - Special assessments (unless adopted in the annual budget)

PRIORITY vs. NON-PRIORITY

- Priority amounts are senior to a 1st mortgage but junior to municipal liens.
- Non-priority amounts are junior to 1st mortgage interest, but senior to 2nd mortgage interests and all other junior liens.
- Order of priority:

Municipal liens

HOA priority Superlien

First mortgage

HOA non-priority lien

All other liens in order of time

MITIGATION AND SATISFACTION OF THE PRIORITY LIEN

- The earlier the priority amounts are determined and paid, the less association legal fees and costs are included. Needless to say, these fees and costs add up quickly.
- A written request to the association should be made for a statement or ledger identifying all amounts owed.
- Some statutes require the association to respond to a written request within a specific period of time.

- The ledger from the association or its attorney guards against future allegations that additional priority amounts were not paid.
- The ledger should be carefully reviewed to identify any amounts that are not deemed priority by statute:
 - a. Late charges
 - **b.** Fines
 - c. Penalties
 - d. Interest
 - e. Special assessments
 - f. Unperfected/prioritized legal fees and costs

- In most jurisdictions, payment of the priority Superlient protects the first mortgage interest.
- In most jurisdictions, payment of the "non-priority" amounts protects junior mortgagees and other lien holders.
- After the amounts to be paid are agreed upon between the association and the bank, copies of all checks and transmittal letters should be saved for future reference.
- Upon payment of the priority lien amounts, steps should be taken to ensure that the lien is documented as satisfied. This includes a dismissal of any court action with prejudice.

REDEMPTION VS. SATISFACTION

- In some jurisdictions a mortgagee has the choice to either redeem the property for the priority amounts or pay the entire outstanding lien any time prior to the redemption date.
- If the mortgagee desires to take title to the property, it would REDEEM by paying the priority amounts. Title will then vest in the mortgagee free and clear of all encumbrances (except those having priority to the condominium lien) by virtue of the satisfaction of judgment in the Mortgagee's name.
- If the mortgagee does not wish to take ownership of the property, it can SATISFY the full amount of the outstanding association lien, which will terminate/dismiss the foreclosure action.

FORECLOSURE SALE

- Usually various statutes require that the association publish notice in a newspaper with circulation in the town where the land is located.
- Usually, as a matter of courtesy, the association will send the lien holders notice of the sale.
- HOWEVER, many statutes do not require notice other than publication, and there should be no reliance on receiving a mailed notice to trigger action to protect the first mortgage interest.

Post-Sale Distribution of Sales Proceeds

From the sales proceeds, the Association will:

- retain all sums comprising the priority lien
- pay over to the first mortgagee surplus if any;
- retain any additional surplus to be applied to its non-priority lien
- disburse additional amounts, if any, to junior lienholders, in order of priority and then to the former unit owner.

LITIGATION

- In some priority lien states, litigation is filed by condominium associations to secure a priority lien on the property, as well as place lien holders on notice of the lien's existence.
- Though lenders can choose to litigate aspects of the priority lien, deciding whether to contest the lien in court or simply pay the lien often becomes a cost/ benefit analysis.

Who's In First?

- Nevada's super-priority lien rights and the non-judicial HOA lien sale.
- Approximately 100 cases currently on appeal before the Nevada Supreme Court to determine super-priority lien rights between purchasers at HOA lien sales and 1st Deed of Trust holders.



Super-priority litigation

Different theories:

- Plain Language says it is senior to the first deed of trust.
 - If true it renders the priority language immediately preceding pointless.
- "Action" argument.
 - Statute provides that there is priority for ". . . the 9 months immediately preceding institution of an action to enforce the lien, . . ."
- Payment priority argument.
 - Argument that the super-priority portion is not actually a lien but a simple payment priority due to the HOA upon completion of a sale by a lender.
- Due Process Arguments.
 - Statute does not adequately provide for service of notice to first deed of trust holders.
 - Statute does not provide adequate information for first deed of trust holders.
- Not Commercially Reasonable HOA lien sales.
 - Huge profits for speculators at the expense of borrowers are not contemplated by the statute.

QUESTIONS AND ANSWERS

list	
ted	
npqa	
for	
org	
ers.	
SWE	
alfnan	
ee ah	
See	
1	
4	
23/1	
f 6/23,	
o	
's as or	
ee's	
end	
atte	
0	
ř	
G	
S	
-	
egi.	

Newport Beach, CA

St. Louis, MO St. Louis, MO

Commerce, CA

Washington, DC

	_	Registered attendee's as of 6/23/14 - See alfnanswers.org for updated list			
18	-	Company/Organization	Name	Job Title	Location
*	0	ALFN	Ashleigh Bouselli	Administrative Coordinator	St. Louis, MO
	ALFN Executive	ALFN	Cade Holleman	AVP, Government Affairs & Communications	Washington, D
	ALFN Executive	ALFN	Christina Danovsky	SVP, Business Development	Newport Beach
	ALFN Executive	ALFN	Matt Bartel	000	St. Louis, MO
	ALFN Executive	ALFN	Wesley Kozeny	President & CEO	St. Louis, MO
	Associate Member	Affinity Consulting Group	Debbie Foster	Partner	Largo, FL
	Associate Member	Affinity Consulting Group	Erica Fujimoto	Director Default Services	Largo, FL
	Associate Member	Affinity Consulting Group	Liz Potter	Director Law Firm Managment /Business Development Service Largo, FL	se Largo, FL
	Associate Member	Affinity Consulting Group	Majenica Springer	Business Development/ Management Consultant	Largo, FL
	Associate Member	Auction.com	Deborah Sullivan	Vice President of Business Development	Irvine, CA
	Associate Member	Auction.com	Eva Tapia	Senior Vice President	Irvine, CA
	Associate Member	Auction.com	Rick Sharga	Executive Vice President	Irvine, CA
	Associate Member	CaseAware	David Shirley	National Account Manager	St. Louis, MO
	Associate Member	Court Appearance Professionals	Bianca Nickols	Marketing Manager	Commerce, CA
	Associate Member	Firefly Legal	Jennifer Dlugolecki	Director, Client Relations + Business Development	Mokena, IL
	Associate Member	Firefly Legal	Matthew Massa	Vice President	Mokena, IL
	Associate Member	Firm Solutions	Harrison Tropp	New Business Development	Tampa, FL
	Associate Member	Firm Solutions	Heather Newman	New Business Development	Tampa, FL
	Associate Member	Firm Solutions	Jan Duke	President	Tampa, FL
	Associate Member	Firm Solutions	Jodi Lokay	Business Development	Tampa, FL
	Associate Member	KMCIS	Dan Cannon	000	St. Louis, MO
	Associate Member	KMCIS/CaseAware	Chris Lynas	National Sales Mgr.	St Louis, MO
	Associate Member	LenderLive Network, Inc.	Deb Holm	VP-Client Relations	Glendale, CO
	Associate Member	MSI	Gary Tolbert	VP	Hurst, TX
	Associate Member	MSI	Jim Shivers	CEO	Hurst, TX
	Associate Member	MSI	Stacey Baumann	VP	Hurst, TX
	Associate Member	MyMotionCalendar.com	Amy Cooper	Dir. of Business Development	Ft. Lauderdale
	Associate Member	MyMotionCalendar.com	Jonathan Broder	CEO	Ft. Lauderdale
	Associate Member	NBI	Ruth Campbell	Operations Coordinator	Altoona, WI
	Associate Member	NetDirector	Anthony Box	VP of Sales	Tampa, FL
	Associate Member	NetDirector	Gretchen Borer	National Account Manager	Tampa, FL
	Associate Member	Nexus Consulting Consortium LC	Paul Kooima	President	Sioux Center,
	Associate Member	Nexus Consulting Consortium LC	Stephanie Saunders	VP of Marketing & Client Relations	Sioux Center,
	Associate Member	Perfect Practice	Monty Helin	Director	Orlando, FL
	Associate Member	ProVest LLC	Victor Draper	Exec Vice President	Tampa, FL
	Associate Member	Red Vision Systems	Tucker Ryals	Managing Director, Strategic Solutions	Gainesville, FL
	Associate Member	Safeguard Properties	Wendy Anderson	Attorney	Valley View, O
	Associate Member	ServiceLink	Amy Borsi	Vice President Client Relations	Irvine, CA
	Associate Member	ServiceLink	Bob Thornton	SVP	Windermere, F
	Associate Member	Servicelink	Marco Brenes	Senior Vice President Servicelink Default Sales	Henderson, N
3	Associate Member	ServiceLink A Black Knight Company	Vivian Walker	National Sales Executive	La Canada, C/
37	Associate Member	ServiceLink, A Black Knight Company	Kris Harvick	National Sales Executive	Jacksonville, F
	Associate Member	ServiceLink, A Black Knight Company	Nathan Ehinger	National Account Executive	Moon Townshi
	Associate Member	ServiceLink, A Black Knight Company	Steve Crocker	SVP-Default Abstract Solutions	Irvine, CA
	Associate Member	Shea Barclay Group	Vern Barclay	Founder/ partner	Tampa, FL

Ft. Lauderdale, FL Ft. Lauderdale, FL

St Louis, MO Glendale, CO

Sioux Center, IA

Sioux Center, IA

Valley View, OH

Gainesville, FL

Windermere, FL

Henderson, NV La Canada, CA Moon Township, PA

Jacksonville, FL

list
updated
10
org
nanswers.
Seealf
- 4
6/23/
s as of
S
f attendee'
Registered
T.

Registered attendee's as of	Registered attendee's as of 6/23/14 - See affnanswers.org for updated list			
Registration Type	Company/Organization	Name	Job Title	<u>Location</u>
Associate Member	Springboard LLC	Kathleen Guerrette-Mitchell	Managing Partner	Lovettsville, VA
Associate Member	Stewart	Jane Woll	Senior Vice President, Strategic Relationship Manager	Houston, TX
Associate Member	Stewart	Jennie Craig	VP, Marketing Programs & Media Relations	Houston, TX
Associate Member	Stewart	Scott Gillen	Sr. Vice President	Houston, TX
Associate Member	Thompson Flanagan & Company	Casey Stalter	Partner	Chicago, IL
Associate Member	Thompson Flanagan & Company	John Farris	Broker	Chicago, IL
Associate Member	Walz Group	Matt Johnson	VP, Business Development	Temecula, CA
Attorney-Trustee Member	Albertelli Law	Clay Cornett	Partner	Houston, TX
Attorney-Trustee Member	Albertelli Law	Jonathan Sawyer	Attorney	Tampa, FL
Attorney-Trustee Member	Aronowitz & Mecklenburg	Stacey Aronowitz	Managing Attorney	Denver, CO
Attorney-Trustee Member	Aronowitz & Mecklenburg, LLP	Joel Mecklenburg	Attorney	Denver, CO
Attorney-Trustee Member	Aronowitz and Mecklenburg, LLP	Kyle Williams	Industry Relations	Denver, CO
Attorney-Trustee Member	Baker Donelson	Andrea Decker	Associate	Hollywood, FL
Attorney-Trustee Member	Baker, Donelson, Bearman, Caldwell & Berkowitz, PC	Linda Finley	Shareholder	Atlanta, GA
Attorney-Trustee Member	Brock & Scott	Graham Kidner	Managing Partner	Statesville, NC
Attorney-Trustee Member	Brock & Scott, PLLC	Kevin Frazier	Marketing & Client Relations	Winston-Salem, NC
Attorney-Trustee Member	Brooks Hubley	Michael Brooks	Senior Partner	Las Vegas, NV
Attorney-Trustee Member	Burke Costanza & Carberry LLP	Diana Carpintero	Compliance Attorney	Chicago, IL
Attorney-Trustee Member	Butler & Hosch	Jim DeLoach	Executive Vice President	Dallas, TX
Attorney-Trustee Member	Butler & Hosch	Michelle Mierzwa	National Managing Attorney - Non-Judicial	Dallas, TX
Attorney-Trustee Member	Butler & Hosch	Telea Stafford	Director of Corporate Communications	Dallas, TX
Attorney-Trustee Member	Butler & Hosch PA	Amanda Buffington-Gunderson	Vice President of Business Relations	Dallas, TX
Attorney-Trustee Member	Butler & Hosch PA	Joe Sipavich	Business Development	Dallas, TX
Attorney-Trustee Member	Butler & Hosch PA	Robert Hosch	Senior Partner	Dallas, TX
Attorney-Trustee Member	Carlisle, McNellie, Rini, Kramer & Ulrich	Herbert Kramer	Principal	Cleveland, OH
Attorney-Trustee Member	Carlisle, McNellie, Rini, Kramer & Ulrich	Veronica Medrano	Director of Marketing	Cleveland, OH
Attorney-Trustee Member	Carter, Conboy, Case, Blackmore, Maloney & Laird, P.C.	Michael Catalfimo Esq.	Director	Albany, NY
Attorney-Trustee Member	Codilis & Associates P.C.	Adam Codilis	Attorney, Marketing Representative and Client Relations	Burr Ridge, IL
Attorney-Trustee Member	Codilis & Associates P.C.	Adam Wilde	Supervising Foreclosure Attorney	Burr Ridge, IL
Attorney-Trustee Member	Codilis & Associates P.C.	Becky Lambert	REO Manager	Burr Ridge, IL
Attorney-Trustee Member	Codilis & Associates P.C.	Emie Codilis	President	Burr Ridge, IL
Attorney-Trustee Member	Codilis & Associates P.C.	Mike Sullivan	Client Relations	Burr Ridge, IL
Attorney-Trustee Member	Cohn, Goldberg & Deutsch, LLC	Ronald Deutsch	Attorney	Towson, MD
Attorney-Trustee Member	Davidson Fink LLP	Maryann Mack	Director of Client Relations	Rochester, NY
Attorney-Trustee Member	Douglas C. Zahm, P.A.	Douglas Bales	Attorney/Partner	St. Petersburg, FL
Attorney-Trustee Member	Douglas C. Zahm, P.A.	Jodi Altwies	Chief Operating Officer	St. Petersburg, FL
Attorney-Trustee Member	Dyke, Goldsholl & Winzerling, PLC	John Dyke	Attorney	Little Rock, AR
Attorney-Trustee Member	Elizabeth Wellborn, PA	Elizabeth Wellborn	President	Deerfield Beach, FL
Attorney-Trustee Member	Fabrizio & Brook, P.C.	John Marecki	Chief Operations Officer	Troy, MI
Attorney-Trustee Member	Fabrizio & Brook, P.C.	Mary Zaryczny	Attorney/Partner	Troy, MI
Attorney-Trustee Member	Fabrizio & Brook, P.C.	Rose Marie Brook	President	Troy, MI
Attorney-Trustee Member	Felty & Lembright Co., L.P.A.	Mark Lembright	Partner	Cleveland, OH
Attorney-Trustee Member	Felty & Lembright Co., L.P.A.	Tony Scarlato	Managing Attorney	Cleveland, OH
Attorney-Trustee Member	Foutty & Foutty LLP	Andrew David	Attorney	Indianapolis, IN
Attorney-Trustee Member	Gemer & Kearns Co., L.P.A.	David Gerner	Managing Partner	Newport, KY

	list
	r updated
	Ď
	org
THE PARTY OF THE P	affnanswers.
	- See al
	6/23/14
	ð
	as
Contract of the Contract of th	attendee's
	egistered a

Registered attendee's as of t	Registered attendee's as of 6/23/14 - See althanswers.org for updated list			
Registration Type	Company/Organization	Name	Job Title	Location
Attorney-Trustee Member	Gilbert Garcia Group P.A.	Michelle Gilbert	Managing Partner	Tampa, FL
Attorney-Trustee Member	Gladstone Law Group	Roger Gladstone	Partner	Boca Raton, FL
Attorney-Trustee Member	Gladstone Law Group, P.A.	Andrea Tromberg	Managing Attorney/Senior Partner	Boca Raton, FL
Attorney-Trustee Member	Glasser and Glasser, P.L.C.	Kelly Gring	Attorney	Norfolk, VA
Attorney-Trustee Member	Glasser and Glasser, P.L.C.	Michael Glasser	Managing Partner	Norfolk, VA
Attorney-Trustee Member	HughesWattersAskanase, LLP	Carolyn Taylor	Partner	Houston, TX
Attorney-Trustee Member	HughesWattersAskanase, LLP	Phil Marquez	Client Relations	Houston, TX
Attorney-Trustee Member	Johnson, Blumberg & Associates, LLC	Andrew Houha	Senior Attorney	Chicago, IL
Attorney-Trustee Member	Johnson, Blumberg & Associates, LLC	Ken Johnson	Partner	Chicago, IL
Attorney-Trustee Member	Kass, Shuler, P.A.	Michael Kass	Managing Partner	Tampa, FL
Attorney-Trustee Member	Keith D. Weiner & Assoc. Co. LPA	Keith Weiner	President	Cleveland, OH
Attorney-Trustee Member	Keith D. Weiner & Assoc. Co. LPA	Kim Hammond	Managing Attorney	Cleveland, OH
Attorney-Trustee Member	Kizer, Hood & Morgan, LLP	Don Morgan	Partner	Baton Rouge, LA
Attorney-Trustee Member	Klatt, Odekirk, Augustine, Sayer, Treinen & Rastede, P.C.	Brian Sayer	Vice President	Waterloo, IA
Attorney-Trustee Member	Kluever & Platt, LLC	David Kluever	Managing Partner	Chicago, IL
Attorney-Trustee Member	Kluever & Platt, LLC	Matt Abad	Managing Attorney	Chicago, IL
Attorney-Trustee Member	KML Law Group, P.C.	Kristina Murtha	Partner	Philadelphia, PA
Attorney-Trustee Member	KML Law Group, P.C.	Sam Bready	Director of Compliance and Quality	Philadelphia, PA
Attorney-Trustee Member	Knuckles, Komosinski & Elliott, LLP	Jordan Manfro	Partner	Elmsford, NY
Attorney-Trustee Member	Knuckles, Komosinski & Elliott, LLP	Mark Knuckles	Managing PartnerMember	Elmsford, NY
Attorney-Trustee Member	Kozeny, McCubbin & Katz, LLP	Lauren Currie	Managing Attorney, Litigation Department	Melville, NY
Attorney-Trustee Member	Laurito & Laurito, LLC	Erin Laurito	Attorney	Dayton, OH
Attorney-Trustee Member	Laurito & Laurito, LLC	September Hall	Firm Manager	Dayton, OH
Attorney-Trustee Member	Law Office of John D. Clunk	Robert Hoose	Vice President	Stow, OH
Attorney-Trustee Member	Law office of Manbir Sandhu/Richard Squire & Assoc.	Toni Klysz	Business Development	santee, CA
Attorney-Trustee Member	LOGS Network	Amanda Green	Vice President National Operations	Bannockburn, IL
Attorney-Trustee Member	LOGS Network	David Van Ess	Chief Operating Officer	Bannockburn, IL
Attorney-Trustee Member	LOGS Network	Holly Baya	Client Relations Director	Bannockburn, IL
Attorney-Trustee Member	Mackie Wolf Zientz & Mann, P.C.	J. P. Sellers	Associate	Little Rock, AR
Attorney-Trustee Member	Malcolm Cisneros, A Law Corporation	Bernie LoVerde	Director of Client Relations and Strategic Planning	Irvine, CA
Attorney-Trustee Member	Manley Deas Kochalski LLC	Megan Spanner	Director of Client Account Management	Columbus, OH
Attorney-Trustee Member	Manley Deas Kochalski LLC	Ted Manley	President	Columbus, OH
Attorney-Trustee Member	Marinosci Law Group, P.C.	Phillip Norman	Managing Partner, Indiana	Valparaiso, IN
Attorney-Trustee Member	McCalla Raymer	Robyn Katz	Partner	Atlanta, GA
Attorney-Trustee Member	McCalla Raymer LLC	Brian Vaughn	Director of Marketing	Tampa, FL
Attorney-Trustee Member	McCalla Raymer LLC	Carl McGehee	Partner	Roswell, GA
Attorney-Trustee Member	McCalla Raymer LLC	Judy Mattingly	Director of Client Relations	Roswell, GA
Attorney-Trustee Member	McCalla Raymer, LLC	Jane Bond	Managing Partner, FL Litigation	Orlando, FL
Attorney-Trustee Member	McCalla Raymer, LLC	Kent Altom	Managing Partner	Roswell, GA
Attorney-Trustee Member	McCalla Raymer, LLC	Michael McCormick	Senior Partner - BK Department	Roswell, GA
Attorney-Trustee Member	McCarthy & Holthus	Katie Jo Keeeling	Managing Partner	San Diego, CA
Attorney-Trustee Member	McCarthy & Holthus LLP	Matthew Podmenik	Managing Partner	San Diego, CA
Attorney-Trustee Member	Mickel Law Firm, P.A.	Stephen Lowman	Attorney	Little Rock, AR
Attorney-Trustee Member	Millennium Partners	Daniel Heredia	CEO	Aventura, FL
Attorney-Trustee Member	Millennium Partners	Marisol Morales	President	Aventura, FL

list
pete
pdn
for
org fe
wers
ans
affr
Seea
4
3/1
6/23
of (
S
Sa
lee
enc
affe
red
æ
gis
Se
0.00

	Registered attendee's as of t	Registered attendee's as of 6/23/14 - See alfnanswers.org for updated list		
	Registration Type	Company/Organization	Name	Job Title
	Attorney-Trustee Member	Morris Hardwick Schneider	Matthew Kahl	Senior Associate Attorney - Co
	Attorney-Trustee Member	National Attorney Network, LLC	Michael Goldstein	President
	Attorney-Trustee Member	Noonan & Lieberman, Ltd.	James Noonan	Attorney
	Attorney-Trustee Member	Pendergast & Associates, P.C.	Jared Anderson	Director, Client Relations
	Attorney-Trustee Member	Pendergast & Associates, P.C.	John Pendergast Jr.	Managing Partner
	Attorney-Trustee Member	Phelan Hallinan & Diamond	Mary Ann Decker	Director of Client Services
	Attorney-Trustee Member	Phelan Hallinan & Diamond	Rosemarie Diamond	Managing Partner
	Attorney-Trustee Member	Prober & Raphael, ALC	Lee Raphael	Managing Partner
	Attorney-Trustee Member	Prochaska Thompson Quinn & Ferraro, P.C.	Victoria Ferraro	Partner
	Attorney-Trustee Member	Randall S. Miller & Associates	Dawn Allil	Operations Consultant
	Attorney-Trustee Member	Randall S. Miller & Associates	Randy Miller	President
	Attorney-Trustee Member	Regional Trustee Services	Deborah Kaufman	Vice President
	Attorney-Trustee Member	Reimer, Arnovitz, Chernek & Jeffrey	Michael Arnovitz	Attorney
	Attorney-Trustee Member	Reimer, Amovitz, Chernek & Jeffrey	Nicole Alling	Director of operations
	Attorney-Trustee Member	Reisenfeld & Associates	Brad Reisenfeld	Managing Partner
	Attorney-Trustee Member	Riley, Pope & Laney, LLC	Heidi Carey	Attorney
	Attorney-Trustee Member	Robertson Anschutz & Schneid	Corey Lewis	Managing Attorney
	Attorney-Trustee Member	Rosicki, Rosicki & Associates PC	Susan West	Senior Associate
	Attorney-Trustee Member	Rubin Lublin, LLC	Peter Lublin	Senior Partner
	Attorney-Trustee Member	Scalley Reading Bates Hansen & Rasmussen, P.C.	Marlon Bates	Supervising Partner
	Attorney-Trustee Member	Schiller & Knapp, LLP	Lisa Gadomski	Bankruptcy Supervisor
	Attorney-Trustee Member	Schiller & Knapp, LLP	Ryan Ruuska	Attorney
	Attorney-Trustee Member	Schneiderman & Sherman, P.C.	Neil Sherman	Managing Attorney
	Attorney-Trustee Member	Schneiderman & Sherman, P.C.	Peter Schneiderman	President
	Attorney-Trustee Member	Shapiro & Ingle	Elizabeth Ells	Director of Operations
	Attorney-Trustee Member	Shapiro & Ingle	Grady Ingle	Managing Partner
	Attorney-Trustee Member	Shapiro & Kirsch, LLP	Jeremy Lipford	Director of Operations
	Attorney-Trustee Member	Shapiro & Kirsch, LLP	Sharon Fewell	Managing Attorney
	Attorney-Trustee Member	Shapiro, Van Ess, Phillips and Barragate, LLP	Christopher Phillips	Partner
	Attorney-Trustee Member	SHD LEGALGROUP P.A.	ROY DIAZ	SHAREHOLDER
	Attorney-Trustee Member	Shechtman Halperin Savage, LLP	Joseph Camillo, Jr.	Managing Partner - Default Se
	Attorney-Trustee Member	Shechtman Halperin Savage, LLP	Michael Robinson	Partner
	Attorney-Trustee Member	Stern & Eisenberg, PC	Jackie McNally	Attorney
	Attorney-Trustee Member	Stern & Eisenberg, PC	Kristen Palumbo	Director of Client Relations
	Attorney-Trustee Member	The Fisher Law Group, PLLC	Jeffrey Fisher	Attorney
	Attorney-Trustee Member	The Geheren Firm, PC	Bob Woods	Director of Business Developn
	Attorney-Trustee Member	The Geheren Firm, PC	Kate Meyer	Chief Operating Officer
	Attorney-Trustee Member	The Geheren Firm, PC	Patrick Geheren	Managing Partner
	Attorney-Trustee Member	The Hunoval Law Firm, PLLC	Colleen Beckett	Business Development
	Attorney-Trustee Member	The Hunoval Law Firm, PLLC	Mathias Hunoval	Founder
34	Attorney-Trustee Member	The Law Firm of Douglas C. Zahm	David Mitchell	Client Relations Manager
40	Attorney-Trustee Member	Trott & Trott, P.C.	Jeffrey Weisserman	General Counsel
	Attorney-Trustee Member	Trott & Trott, P.C.	Suzanne Bologna	Director of Business Developn
* 2	Attorney-Trustee Member	Trustee Corps	Cathe Cole Sherburn	VP Foreclosure Ops
21	Attorney-Trustee Member	Trustee Corps	Robert Ruelas	VP Client Relations

Peachtree Corners, GA FT. LAUDERDALE, FL Upper Marlboro, MD Farmington Hills, MI Farmington Hills, MI Farmington Hills, MI Farmington Hills, MI Woodland Hills, CA Woodland Hills, CA Sandy Springs, GA Bloomfield Hills, MI Bloomfield Hills, MI Salt Lake City, UT St. Petersburg, FL Boca Raton, FL Pawfucket, RI Pawfucket, RI Warrington, PA Cherry Hill, NJ Cincinnati, OH Cincinnati, OH Mt. Laurel, NJ Columbia, SC Plainview, NY Charlotte, NC Charlotte, NC Mt. Laurel, NJ Charlotte, NC Memphis, TN Memphis, TN Nashville, TN Charlotte, NC Seattle, WA Latham, NY Latham, NY Atlanta, GA Atlanta, GA Atlanta, GA Atlanta, GA Chicago, IL Atlanta, GA Solon, OH Solon, OH Irvine, CA Irvine, CA Compliance Director Servicing pment pment

list
updated
ίο
3/14 - See alfnanswers.org
6/23/
as of
affendee's as
Registered

2	הפעואופן פע מוופוועפפא מא טו עובטו וא	723/14 - See allitalismers. Ug tot updated list			
22	Registration Type	Company/Organization	Name	Job Title	Location
*	Attorney-Trustee Member	Udren Law Office, P.C.	TJ Smith	Office Manager	Cherry Hill, NJ
	Attorney-Trustee Member	Udren Law Offices	Janet Farley	Client Development	Louisburg, NC
	Attorney-Trustee Member	Udren Law Offices, P.C.	Stuart Winneg	Attorney	Cherry Hill, NJ
	Attorney-Trustee Member	Woods Oviatt Gilman LLP	James Pronti	Partner	Rochester, NY
	Attorney-Trustee Member	Woods Oviatt Gilman LLP	Natalie Grigg	Partner	Rochester, NY
	Attorney-Trustee Member	Wright, Finlay & Zak, LLP	Jonathan Zak	Partner	Newport Beach, CA
	Attorney-Trustee Member	Wright, Finlay & Zak, LLP	Robert Finlay	Partner	Newport Beach, CA
	Attorney-Trustee Member	Wright, Finlay & Zak, LLP	Robin Wright	Partner	Newport Beach, CA
	Attorney-Trustee Member	Zucker, Goldberg & Ackerman, LLC	Jann Okerlund	Director of Marketing	Mountainside, NJ
	Attorney-Trustee Member	Zucker, Goldberg & Ackerman, LLC	Michael Ackerman	Managing Member	Mountainside, NJ
	GSE	Fannie Mae	Kathy Rentas	Associate General Counsel	Fort Lauderdale, FL
	GSE	Fannie Mae	Mark Palim	Vice President of Applied Economic and Housing Research	Washington, DC
	GSE	Freddie Mac	Benjamin Gottheim	Servicing Policy Director	McLean, VA
	GSE	Freddie Mac	Shannon Pastras	Associate General Counsel	Woodstock, MD
	Guest Speaker	Federal Reserve Bank of St. Louis	William (Bill) Emmons	Assistant Vice President	Saint Louis, MO
	Judicial Branch	US Bankruptcy COurt	Michael Kaplan	Judge	Trenton, NJ
	Association Executive	NARCA	Joann Needleman	President	Sarasota, FL
	Rating Agency	MORNINGSTAR	RICHARD KOCH	SENIOR VICE PRESIDENT	NEW YORK, NY
	Servicer	Ameriprise Financial	Tasha Kirk	Team Lead - Servicing & Loss Mitigation	Minneapolis, MN
	Servicer	Bank of America	Hal Miller	SVP - ReconTrust	Jacksonville, FL
	Servicer	Bank of America	Jon Kuretich	Vice President - Business Support Manager	Pittsburgh, PA
	Servicer	Bayview Loan Servicing, LLC	Sasha Cohen	Vice President and Corporate Counsel of Default Administration Coral Gables, FL	o Coral Gables, FL
	Servicer	BSI Financial Services	Jordan Dorchuck	EVP & General Counsel	Irving, TX
	Servicer	BSI Financial Services Inc	Jerry Azure	SVP	Irving, TX
	Servicer	BSI Financial Services Inc	Karin Murphy	AVP default	Irving, TX
	Servicer	Central Mortgage Company	Ben Coleman	Foreclosure/Bankruptcy Manager	Little Rock, AR
	Servicer	Central Mortgage Company	James McPherson	Litigation Supervisor	Little Rock, AR
	Servicer	Central Mortgage Company	Natalie McClendon	Foreclosure Supervisor	Little Rock, AR
	Servicer	FCI Lender Services	Brett Behrens	Managing Director	Beaverton, OR
	Servicer	JPMorgan Chase Bank	Anita Warner	AGC	Lewisville, TX
	Servicer	LenderLive Settlement Services, Inc.	Berry Laws	Director, Strategic Initiatives	Kansas City, MO
	Servicer	LoanDepot	Kelli Kysela	Customer Relations Manager	Plano, TX
	Servicer	M&TBank	Karen Clark	Banking Officer	Getzville, NY
	Servicer	M&T Bank	Candice Archibald	Attorney Oversight	Getzville, NY
	Servicer	M&T Bank	Heidi Bishop	Banking Officer	Getzville, NY
	Servicer	Madison Management Services, LLC	Kevin Cordell	President & CEO	Denville, NJ
	Servicer	Ocwen Financial Corporation	Megan Johnson	Counsel	Coppell, TX
	Servicer	Pioneer Bank	Charlotte Gipson	VP Servicing Manager	Roswell, NM
	Servicer	Residential Credit Solutions, Inc.	Alicia Wood	Vice-President	Fort Worth, TX
	Servicer	Residential Credit Solutions, Inc.	Kelly O'Bannon	Executive Vice President Servicing Operations	Forth Worth, TX
3	Servicer	Reverse Mortgage Solutions, Inc.	Ken Frye	EVP Loan Servicing	Tempe, AZ
41	Servicer	Riversource	Stacy Weidner	Sr Manager Lending	Minneapolis, MN
	Servicer	Rushmore Loan Management Services LLC	Gloria Rocha	AVP Default Management	Irvine, CA
	Servicer	SLS	Bryan Sullivan	Vice President	Highlands Ranch, CO
	Servicer	SN Servicing Corporation	Julie O'Hara	Bankruptcy Supervisor	Eureka, CA

list
ted
po
in .
2
org 1
ers
NSU
nar
alt
See
1
4
3/1
6/23
of
s as
se's
nde
affe
pa
ter
gis
A.

Registration Type	n Type Company/Organization	Name	Job Title	Location
Servicer	Specialized Loan Servicing	Justin Edwards	Manager	Higlands Ranch, CO
Servicer	Specialized Loan Servicing	Mark McCloskey	Assistant Vice President	Higlands Ranch, CO
Servicer	Specialized Loan Servicing	Ryan Eloe	Supervisor	Higlands Ranch, CO
Servicer	Specialized Loan Servicing LLC	Margaret Brumfield	Corporate Counsel	Highlands Ranch, CO
Servicer	Specialized Loan Servicing LLC	Samantha Gramsas	AVP, Business Controls	Highlands Ranch, CO
Servicer	Statebridge Company	David McDonnell	Managing Director	Denver, CO
Servicer	Statebridge Company, LLC	Leesa Logan	Corporate Counsel	Greenwood Village, CO
Servicer	Statebridge Company, LLC	Steven Higgins	Litigation Team Lead	Denver, CO
Servicer	Wells Fargo Home Mortgage	Chandra Tafolla	Vice President	Fort Mill, SC
Servicer	Wells fargo Home Mortgage	Chris Arnoldy	Vice President	Fort Mill, SC
Servicer	Wells Fargo Home Mortgage	William Patterson	Analytics Consultant	Raleigh, NC
Spouse/Guest	est Baker Donelson	Jeremy Decker	Guest	Hollywood, FL
Spouse/Guest	est Baker, Donelson, Bearman, Caldwell & Berkowitz, PC	Andy Weathers	Guest	Atlanta, GA
Spouse/Guest	est Brock & Scott	Vickie Kidner	Spouse	Statesville, NC
Spouse/Guest	est Brooks Hubley	Kathleen Brooks	Spouse	Las Vegas, NV
Spouse/Guest	est BSI Financial Services	Christy Dorchuck	esnods	Parker, CO
Spouse/Guest	est Carter, Conboy, Case, Blackmore, Maloney & Laird, P.C.	P.C. Grace Catalfimo	Guest	Albany, NY
Spouse/Guest	est Carter, Conboy, Case, Blackmore, Maloney & Laird, P.C.	P.C. Kris Moy	Guest	Albany, NY
Spouse/Guest	est Gilbert Garcia Group P.A.	Marcel Gilbert	Spouse	Tampa, FL
Spouse/Guest	est Gladstone Law Group, P.A.	Jeffery Tromberg	Spouse	Boca Raton, FL
Spouse/Guest	est LenderLive Settlement Services, Inc.	Meredith McCrory	Guest	Kansas City, MO
Spouse/Guest	est Mackie Wolf Zientz & Mann, P.C.	Eli Sellers	Guest	Little Rock, AR
Spouse/Guest	est Mackie Wolf Zientz & Mann, P.C.	Kristen Sellers	Guest	Little Rock, AR
Spouse/Guest	est Prober & Raphael, ALC	Jennifer Raphael	Spouse	Woodland Hills, CA
Spouse/Guest	est Reimer, Arnovitz, Chernek & Jeffrey	Deynse Arnovitz	esnods	Solon, OH
Spouse/Guest	est Reisenfeld & Associates	Connie Reisenfeld	Spouse	Cincinnati, OH
Spouse/Guest	est Riley, Pope & Laney, LLC	Ken Carey	Spouse	Columbia, SC
Spouse/Guest	est Rubin Lublin, LLC	Michele Lublin	Guest	Peachtree Corners, GA
Spouse/Guest	est Spouse	Deborah Cornett	Spouse	Houston, TX
Spouse/Guest	est The Geheren Firm, PC	Becky Geheren	Spouse	Atlanta, GA
Spouse/Guest	est The Geheren Firm, PC	Deedee Harless	Guest	Atlanta, GA
Spouse/Guest	est Trustee Corps	Scott Sherburn	Spouse	Irvine, CA
Spouse/Guest	est Zucker, Goldberg & Ackerman, LLC	Barbara Muller-Ackerman	Spouse	Mountainside, NJ

SCAN TO ACCESS
THE CONFERENCE
NOTEBOOK WITH
PRESENTATION
MATERIALS, UPDATED
ATTENDEE LIST, AND
OTHER EXCLUSIVE
INFORMATION



SAVE THE DATE



ONLY ONE QUESTION HAS A BLACK OR WHITE ANSWER IN TODAY'S MORTGAGE SERVICING INDUSTRY.

WILL YOU BE THERE?

