

MBA'S NATIONAL MORTGAGE SERVICING

**BUILDING
TOGETHER**
for **TOMORROW**

CONFERENCE & EXPO 2008

Loan Servicing Updates

USDA Rural Development

Single Family Housing Guaranteed Loan Program



Committed to the future of rural communities.

Training Opportunities

Studies, Surveys and Valued Feedback

Program Outlook

Policy Highlights and Pilot Programs

Automation and Reporting

Communications

Customer Service

Comprehensive eLearning Modules

- Loss mitigation – walks through entire USDA loss mitigation process
- Loss claim module – provides steps to submit claims via manual or automated process
- Training modules are offered on USDA Linc
<https://usdalinc.sc.egov.usda.gov>
- Training and Resource Library
<https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.asp>

USDA Linc

 **United States Department of Agriculture**
USDA LINC Lender Interactive Network Connector

[USDA LINC Home](#) [FSA LINC Home](#) [RBS LINC Home](#) [RHS LINC Home](#) [RUS LINC Home](#) [Help](#) [Site Map](#)

NOTE: New User button and Log On hyper link for EDI have been moved to the EDI menu.



Farm Service Agency



Rural Housing Service



*****NOTE*****

This site requires Secure Socket Layer. Therefore, you use [Internet Explorer 4.0 and higher](#) (**Internet Explorer 6.0 and higher recommended.**)

To view the help documentation you must use [Adob](#)

Your participation in studies, surveys and pilot programs

- Provides valuable feedback
- Leads to improved policies and procedures
- Supports system enhancements
- Aligns program with industry best practices
- Continually improves program delivery

New Regulation and Handbook

Guaranteed Underwriting System (GUS)

Volume

Delinquency Rates

Performance Measurements

New and revised guidance released in a recent Administrative Notice (AN#4321) “Loss Mitigation Comprehensive Policy Clarification” and Guide.

- Eliminate the requirement that a loan must be seasoned for 12 months before a loan modification can be extended to the borrower thereby increasing the possibility of home retention
- Early intervention is fundamental

The Loss Mitigation AN also announced the payment of loss mitigation incentives for successfully closed pre-foreclosure sales and deeds-in-lieu of foreclosure.

- \$1000 for a pre-foreclosure sale workout alternative
- \$400 for a deed-in-lieu of foreclosure
- These payments may be made to the lender in the loss claim payment
- The payments were added to assist servicers in the administrative cost of successfully completing these loss mitigation alternatives

Loss Mitigation Pilot Program

- Delegation of authority for Loss Mitigation is a critical area of focus for 2008.
 - ✓ Planning a pilot to extend limited delegation of authority to certain servicers for specific loss mitigation workout alternatives.
 - ✓ At the conclusion of our pilot program we'll analyze the results and consider extending the program to a broader base of loan servicers.

The Program strives to reduce the amount of time and paperwork required to process loss claims thereby providing better service.

- The Centralized Servicing Center (CSC), in St Louis, began processing loss claims submitted on-line by fully approved servicers over a year ago.
 - ✓ Fully approved servicers provide documentation to support only those edits hit prior to claim payment
 - ✓ Quarterly Quality Control of a full claim package for a targeted claim sample
- We'll be reaching additional loan servicing partners in 2008 to expand the numbers of conditionally approved and fully approved servicers.

Working with your CSC Team to complete your Servicing Actions Effectively and Efficiently

- Submit all supporting documentation for manual or conditionally approved loss claim processing
- Provide documentation and information within timeframes
- Give us a call and let us know your contact information

Administrative Notice 4326 “Loss Claim and Future Recovery Processing” dated January 9, 2008 was updated

- Incorporates guidance for on-line processing of loss claims
- Includes guidance for new loss mitigation incentives

Administrative Notice 4320 “Liquidation Value Appraisals Definition of Value Type and Procedure” dated December 27, 2007

- Continues with established USDA policies on ordering liquidation value appraisals for processing loss claims

Loan Servicing Plan Automation

- We're streamlining the process for submitting loan servicing plans to the CSC.
 - ✓ System enhancement will allow submission of loan servicing plans via the web

- We're striving to align with reporting industry standards
 - ✓ Loan Servicing Quarterly Loan Status Reporting on a monthly cycle will be an initial improvement

 - ✓ We'll be working with our loan servicing partners to further improve this critical component of loan servicing

Program announcements to all of our loan servicing partners.

➤ **Subscribe to current News and Program Updates**

<http://www.rdlist.sc.egov.usda.gov/listserv/mainervlet>

➤ **Access current Regulation and Administrative Notices**

<http://www.rurdev.usda.gov/regs/>

Our goal is to work with you to better streamline processes and to reduce costs associated with loan servicing so that we can better serve rural homebuyers.

- Please find our contact information in our guides and training modules