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MBA'S NATIONAL MORTGAGE SERVICING

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

CONFERENCE & EXPO 2008

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FHA UPDATE 2008

Vance T. Morris

Director, Office of Single Family Asset Management



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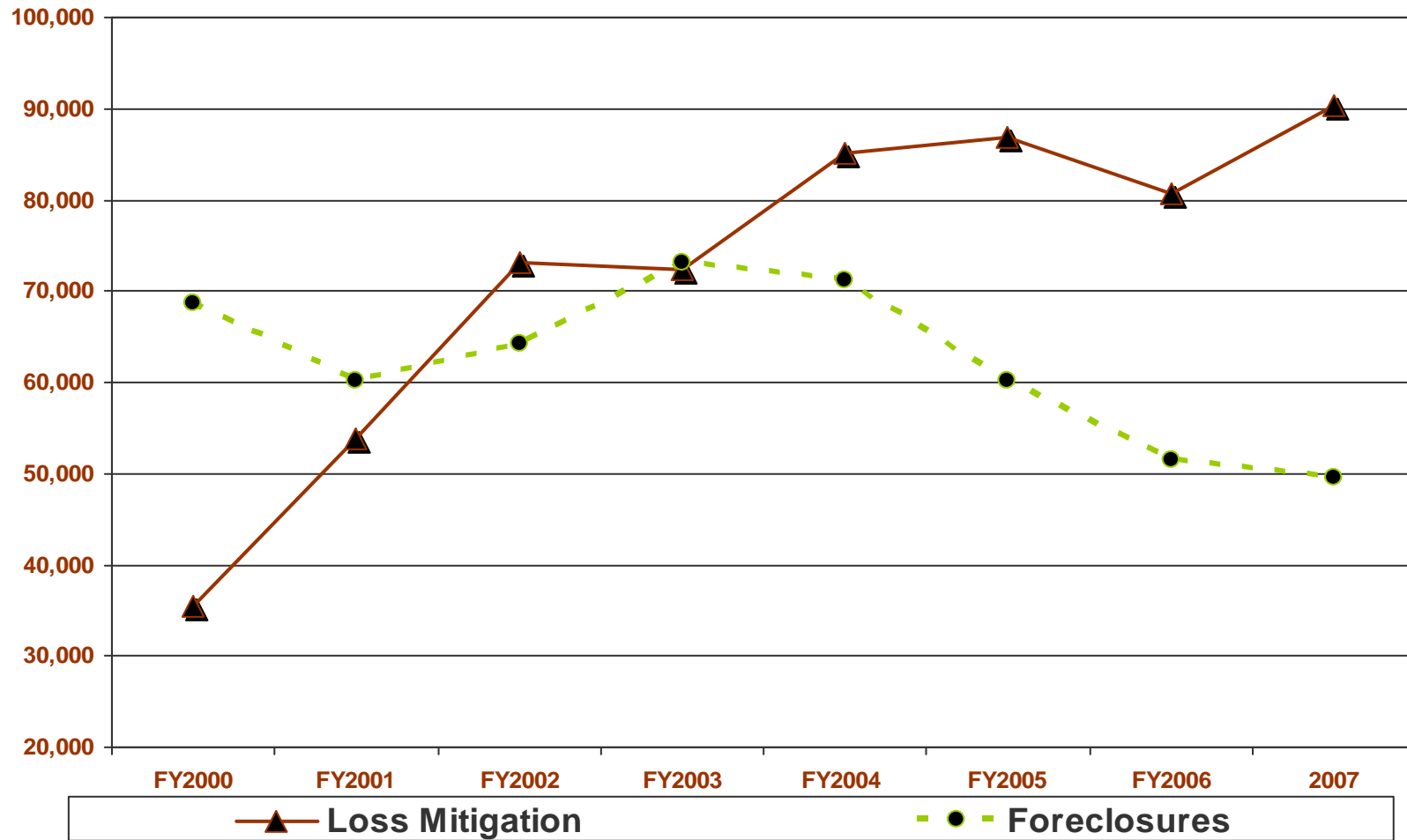
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Loss Mitigation Success

FY	L.M. Retention	L.M. Non-Retention	Total L.M.	FC	Work Out Ratio
January 2008	28,566	1,303	29,869	17,725	62.76%
2007	86,527	4,480	91,007	49,336	64.85%
2006	75,528	5,244	80,607	53,097	60.01%
2005	81,037	5,832	86,869	60,134	59.09%
2004	78,528	5,694	84,222	71,273	54.16%

Foreclosure vs. Loss Mitigation



156 Servicers ranked for loss mitigation attempts:

- Tier 1 – **99**
- Tier 2 – 43
- Tier 3 – 9
- Tier 4 - 5



- Modification and Partial Claim ML - allow capitalization of foreclosure costs
- Pre-Foreclosure Sale ML – Reduce Barriers / Control Potential Misuse
 - Streamline paper work
 - Eliminate debt to value ratio
 - Allow sale of damaged properties (subject to surchargeable damage offset)
 - Change in minimum net return – tiered minimum based on time on market
 - Servicer accountable for accuracy of appraisal
- Deed-In-Lieu Changes being considered
 - Cash for keys tied to area housing costs
 - Possible servicer incentives
- Expansion of Market Value Bid Pilot



- New Secretary Held Servicing Contractor

C&L Service Corp./Morris-Griffin Corp.

2488 East 81st Street, Suite 700

Tulsa, Oklahoma 74137

Toll Free: (866) 377-8667

- Planned Changes in Property Disposition Services
 - Separation of Compliance Function from M&M Function
 - Expanded Use of Technology

- **Future National Servicing Center Training**
 - **May 14-15, 2008 May 7, 2008**
 - **August 20-21, 2008 August 13, 2008**

- Coalition of 25 leading servicers, all HUD counseling intermediaries plus investors and industry trade associations
- Committed to creating a unified plan to reach and help homeowners avoid foreclosure. Major goals:
 - Creation of a single point of contact for foreclosure assistance
886-995-HOPE
 - Reach “no-contact” borrowers through targeted mailings and a national advertising campaign
 - Streamline communication between non-profit counselors and loan servicers
 - Use technology to standardize loss mitigation decision making and provide fast consistent workout options for borrowers.

- **Fast Track** Modification of Sub Prime Loans
- **FHA Secure** – more than 250,000 conventional to FHA applications received – currently available to subprime interest rate reset borrowers only – may soon be expanded to other borrowers
- **Project Lifeline** – 30 day foreclosure “pause” for severely delinquent borrowers who respond to servicers request for financial information
- **One Million letters** to no contact borrowers
 - 21% response rate



FHA Secure

**Make Refinancing to an FHA-insured Loan
Part of Your Loss Mitigation Strategy**



FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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1-800-CALL-FHA (225-5342)

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Do you need help with your mortgage?

Your area may be experiencing a disturbing home foreclosure rate that has accelerated in recent months. News reports cite the damaging effects of "sub prime loans" as a major factor in the unsettled market.



By focusing on education and safe mortgage alternatives, though, the Federal Housing Administration (FHA) of the United States Department of Housing and Urban Development (HUD) is working diligently to address this unacceptable foreclosure trend.

[FHASecure Program](#)

Over the past few months, FHA has worked with mortgage loan servicers to identify solutions for the crisis facing current homeowners. Your current mortgage does not have to be FHA insured for you to benefit from our help. If you are facing financial difficulties due to a recent or imminent mortgage reset, or other housing-related difficulty, I urge you to contact us at **1-800-CALL-FHA** or to visit www.fha.gov/fhasecure. There you will have the opportunity to learn about foreclosure prevention, legal rights, and credit counseling, among other topics.

Many homeowners may also be able to take advantage of our recently announced *FHASecure* program. This new

HOT TOPICS

[Remarks of Secretary Jackson at the Announcement of Project Life-Line](#)

[Foreclosure Prevention Events for Homeowners](#)

[Foreclosure Prevention Events for Industry Partners](#)

[Enjoinder Prohibits Implementation of Downpayment Assistance Rule](#)

POLICY ALERT!!
[Regarding non FHA-Approved Mortgage Broker Fees](#)

[HUD's Disaster Assistance for Southern California Families](#)

HOPE NOW:
[Housing Industry Alliance to Help Struggling Homeowners](#)