



DEFAULT DOCUMENTATION Getting It Right!



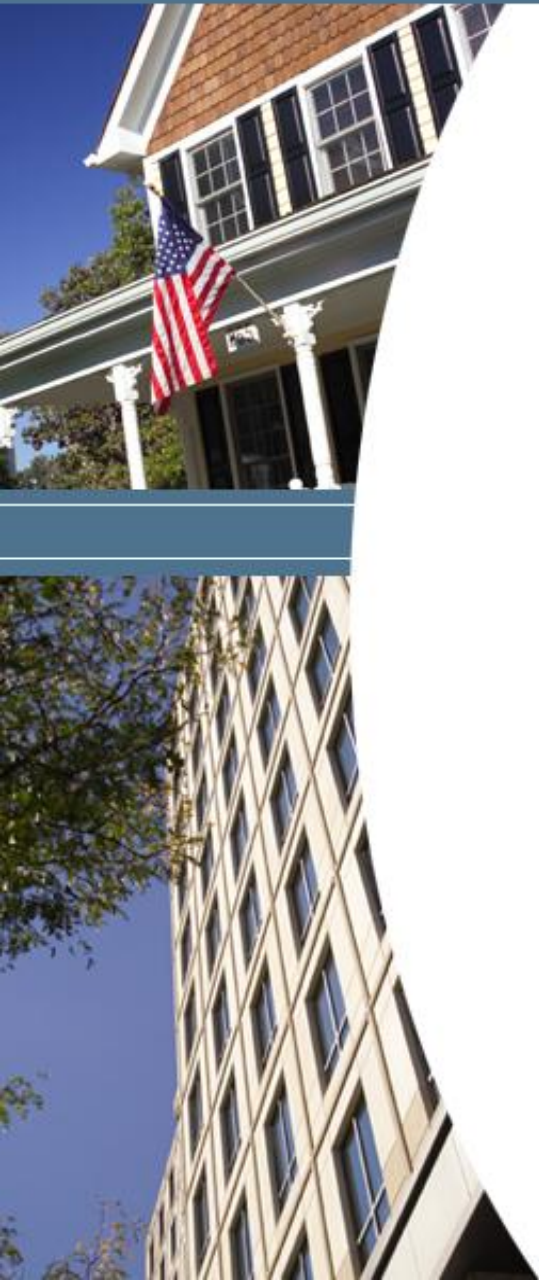
Moderator: Marilyn Foody, VP – National Sales
Stewart Lender Services

Panelists: Michael Ellis, VP – Risk Operations
Bank of America

Steve Dunn, VP – Loss Mitigation
SunTrust Mortgage

Chuck Newcomb, COO
Stewart Home Retention Services

With delinquent and default loans on the rise, mortgage bankers have new management challenges that effects all areas of the industry. Experts will discuss how defaults are being handled, what options are being used to work out delinquent loans, the documentation associated with these work outs and the collateralize requirements. Additionally, we'll review the critical time tables in processing these files and the surprises that may be encountered along the way.

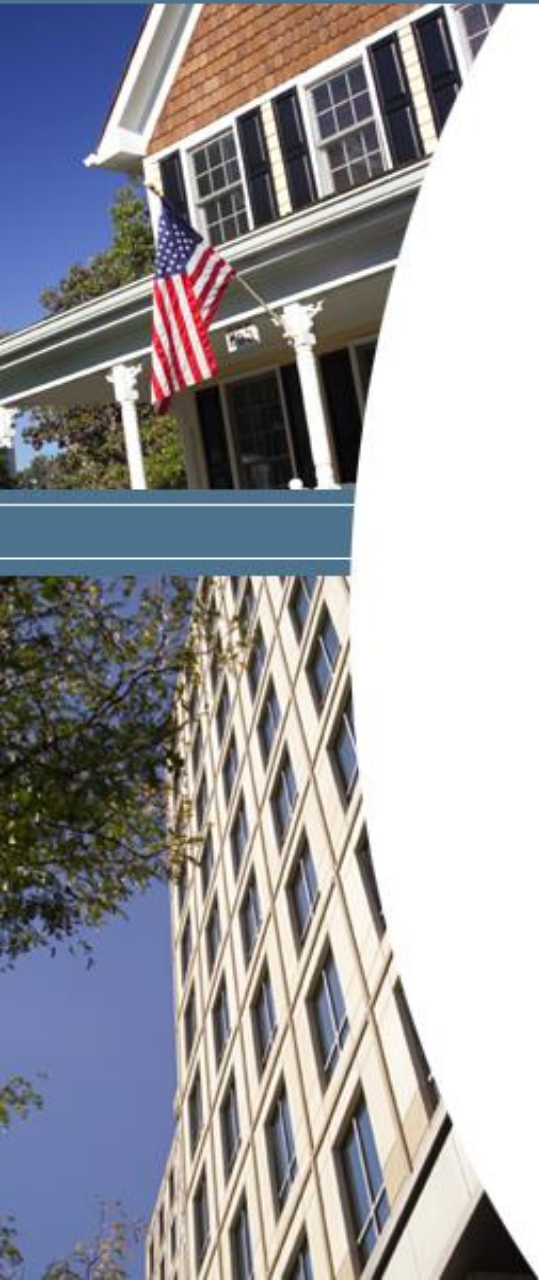


Michael Ellis
Vice President – Risk Operations
Bank of America

- Loss and/or reduction of equity
- Owner occupied versus Investors
- Variation by MSA (California, Florida, Nevada, and Arizona are leading the deterioration)
- Customer fears preventing them from reaching out to lenders
- Media fueling fears and helping to drive consumer behavior
- Internet feeding consumer behavior with inaccurate information
- Continued deterioration in home values without fully understanding when the trend will cease or reverse

- Reduced income for most fields/businesses associated with real estate market
- Gas prices rising
- Inflation rising
- Unemployment rising
- Blocked and/or reduced Lines of Credit hindering ability to utilize lines to pay bills
- Credit cards balances fully utilized limiting flexibility as option to keep other bills current

- Record volume of customers seeking assistance
- Increased staffing requiring additional resources and training
- Creative workout solutions developed and managed at record pace and volume
- Risk models being updated and tested with additional rigor
- Stress on staff and infrastructure due to record pace and volume creating heightened sense of urgency and driving innovation
- Consumer behavior has evolved to point where the ‘walk away’ effect is now considered a viable option for many



Steve Dunn
Vice President – Loss Mitigation
SunTrust Mortgage

– How Do We Reach Homeowners?

- All campaigns
- Conversions from collection calls...

move over to Loss mit

- Hierarchy based on
- Reason for delinquency
- Customer's willingness and capacity to pay
- Occupancy status
- Past performance
- Investor/insurer guidelines

- With 300 Private Investors—we must follow their guidelines
- Default management leverages investor/insurer relationships to secure enhanced delegated authority

What is the Role of the Loss Mitigation Team during the Workout Process?

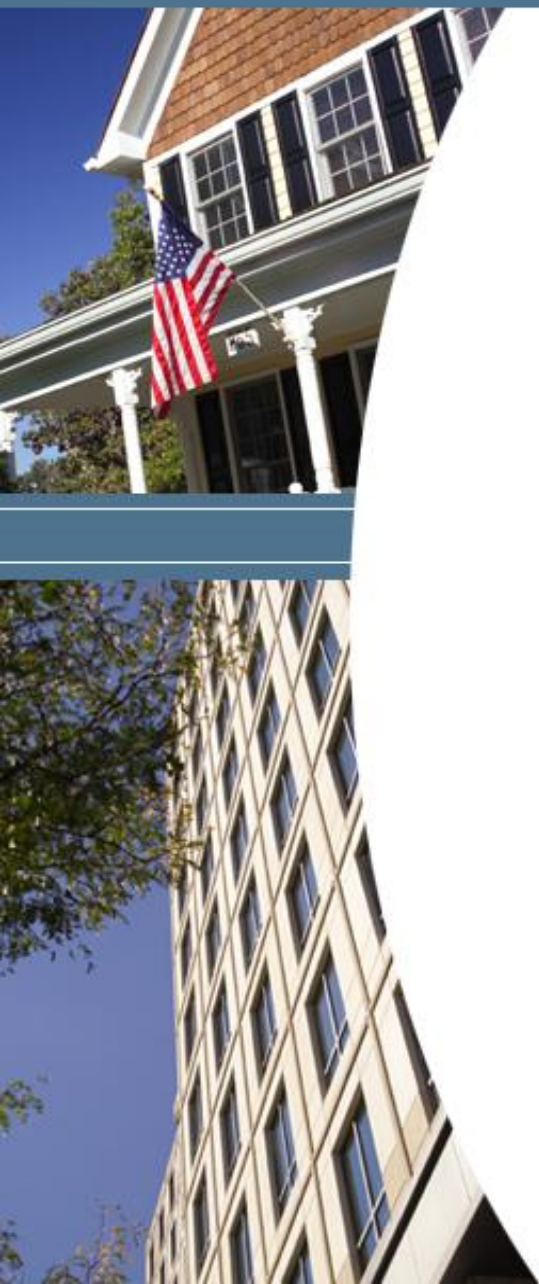
Fulfillment center, documenting and validating the pre-qualification discussion in collections through a detailed analysis of the borrower's financial status.

Changes in Documentation Requirements and Workflow Process Changes:

- Train Collections and customer service staff to trigger statements for Loss mit workout
- Warm transfer calls from collections to loss mit
- Accept verbal documentation of borrower's financials to reduce fallout
- Refer when necessary to CCCS for debt restructure, the excess income to be used for workout

Mobile SWOT Team for face to face meetings at HOPE NOW, GSE, and local housing authorities:

- Provide borrowers with alternative ways to express interest in Loss mit via the internet
- Chat Room capabilities
- Targeted dialing and marketing campaigns
- Remember the earlier you reach a borrower in the default cycle the more likely you will be in finding a resolution



Chuck Newcomb
Chief Operating Officer
Stewart Home Retention Services

- Communication is the key
- Organized phone and mail campaigns.

- Are you properly staffed and trained?
- Do you utilize third party relationships?

- Making the borrower understand their options.
- Your team must be able to make decisions quickly.

- Interactive website for borrower.
- Needed documentation for workout solutions.

- Needed documents for foreclosure process
- When the process is slowed due to document deficiencies