

MORTGAGE BANKERS ASSOCIATION

**MBA'S NATIONAL MORTGAGE
SERVICING
CONFERENCE & EXPO 2009 / TAMPA**

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Blending of Lending

MORTGAGE BANKERS ASSOCIATION

Troy Andersen

President



Monica Orluk

Executive Consultant



Ray Morris

Director Sales and Marketing



SUBSERVICING

- Wholly owned subsidiary of



- Trade Desk
- Servicing Analytics
- Risk Advisory
- Whole Loan and MSR Sales and Brokerage

- Specialty Servicer for Private Whole Loan Investors
- Default Resolution and Liquidation
- Low Loans-per-FTE ratio
- Highly Skilled Agents
- Ability to put “Skin in the Game” with Investors

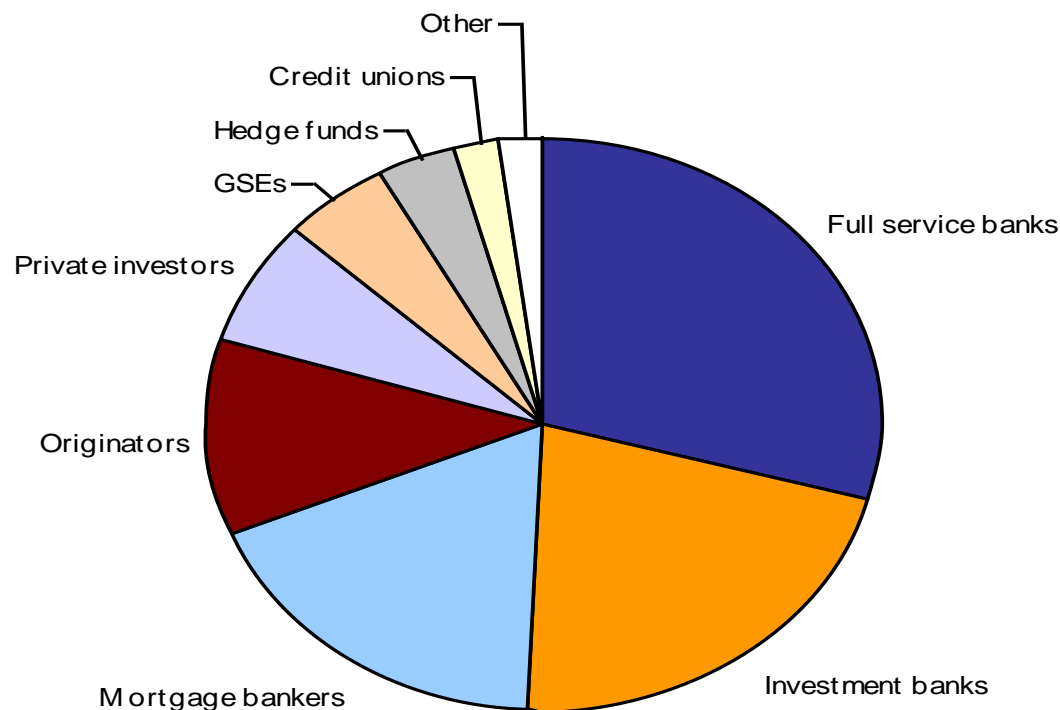


Background

Dec. 24, 2008: Received federal approval to become a bank holding company

Debt service utility (DSU): platform services nearly 3.2 million customers; 170,000 of which are under subservicing

Clients: We manage portfolios on behalf of full-service banks, credit unions, investment banks, mortgage bankers, originators, & hedge funds



GMAC Mortgage

SUBSERVICING

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Products & Services

We have the unique ability to support any product, brand, requirement, and asset type.

Core subservicing: (*i.e.*, all customer service activities, investor reporting, and default administration)

- First mortgages
- Closed-end second mortgages
- Home equity lines of credit
- Scratch and dent
- Unsecured consumer credit
- Subprime
- Nonperforming

Special Operations: Customized solutions and strategy for clients from asset due diligence process to disposition

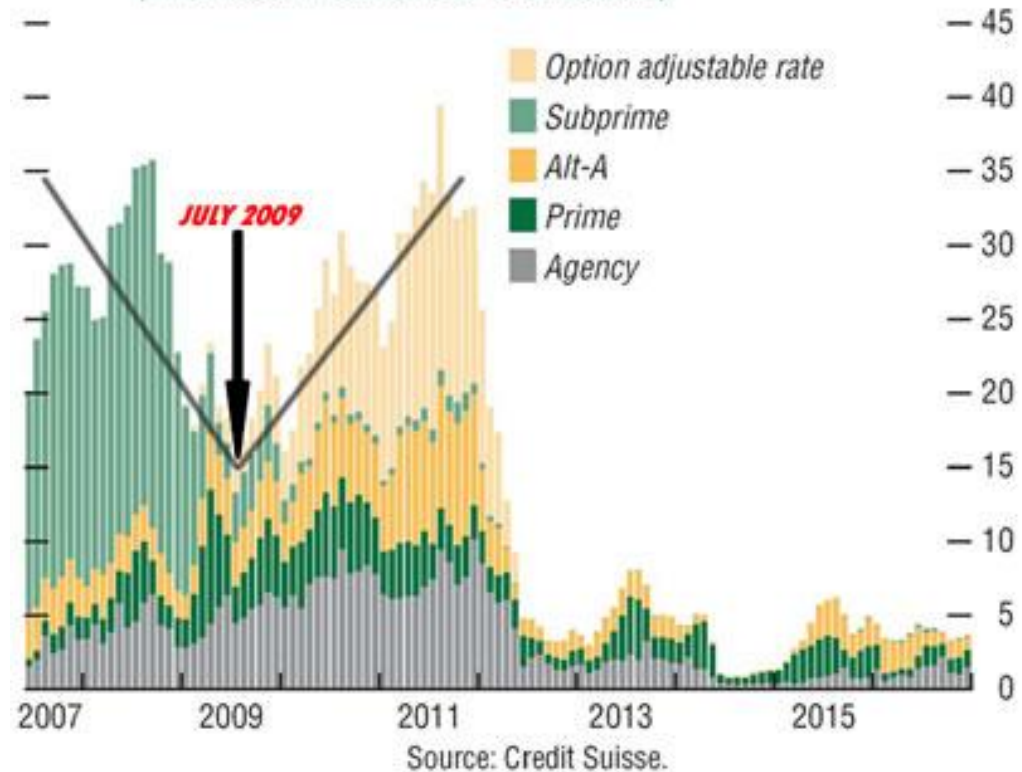
Lending: Created for clients whose needs include an additional strategy for portfolios

Recovery operations: Responsible collection and loss mitigation services

Trustee services: Non-judicial foreclosure services in AZ, CA, ID, NV, OR, TX & WA

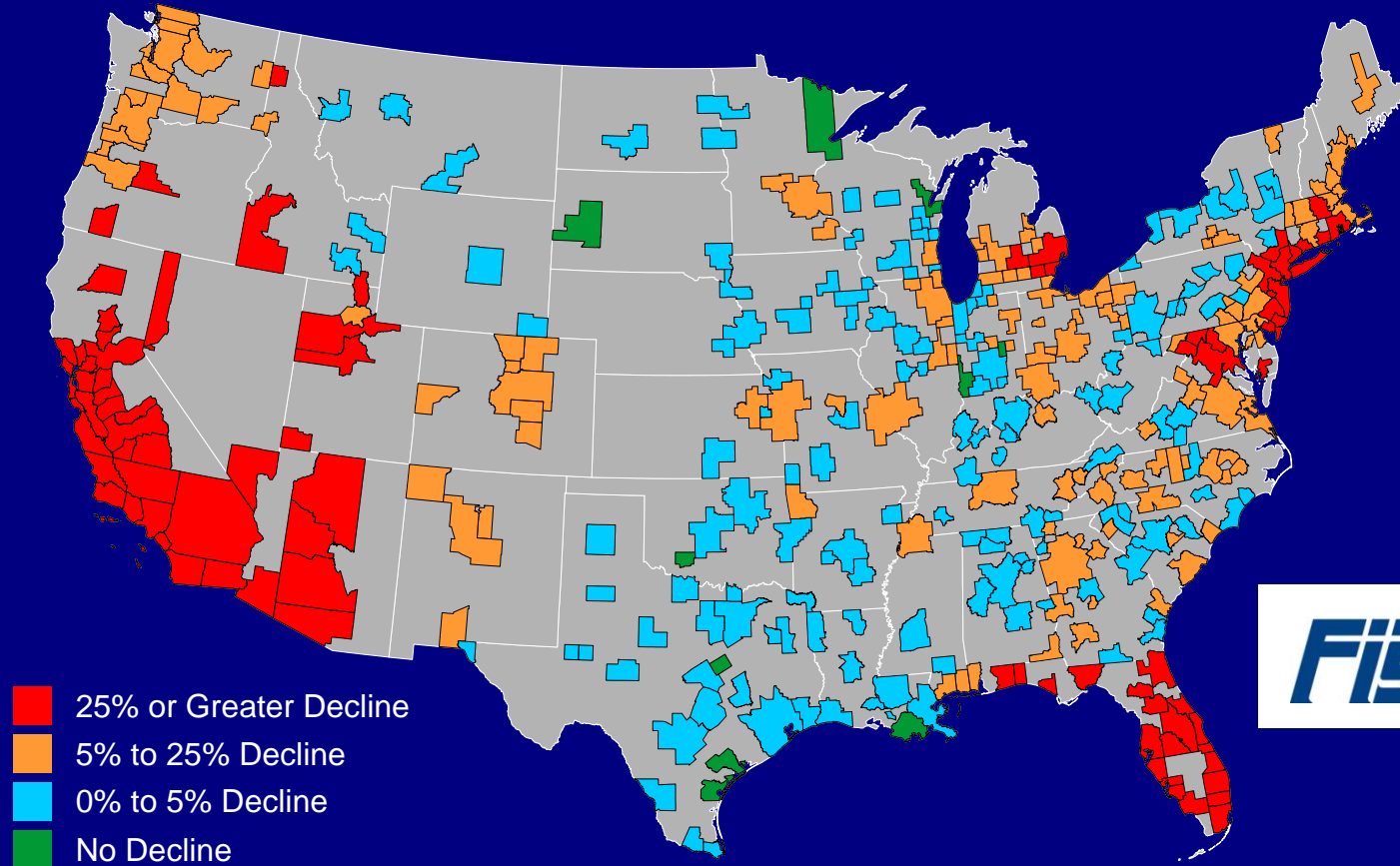
ARM Resets

Figure 1.7. Monthly Mortgage Rate Resets
(First reset in billions of U.S. dollars)

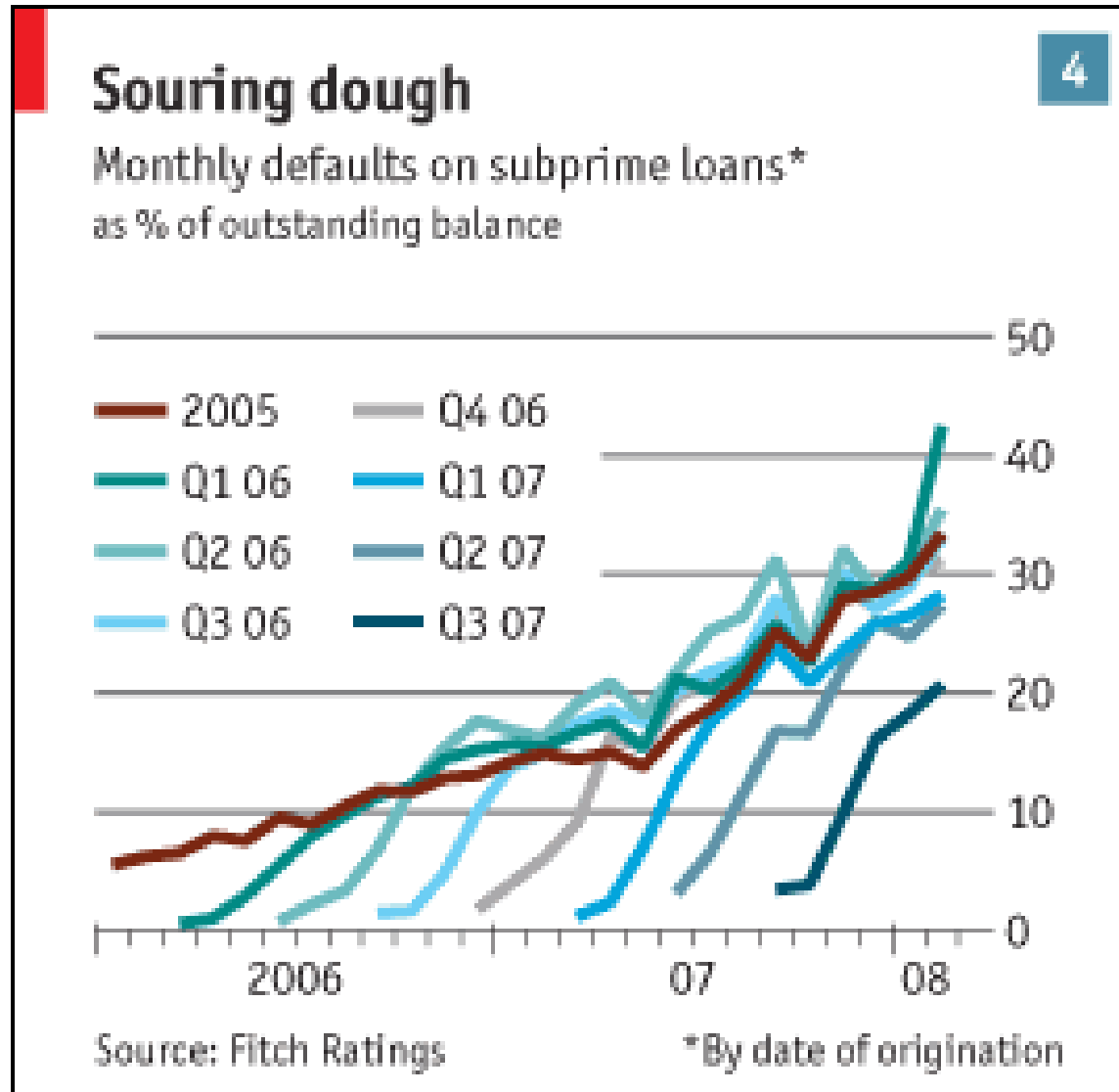


Metro Area Home Price Forecast

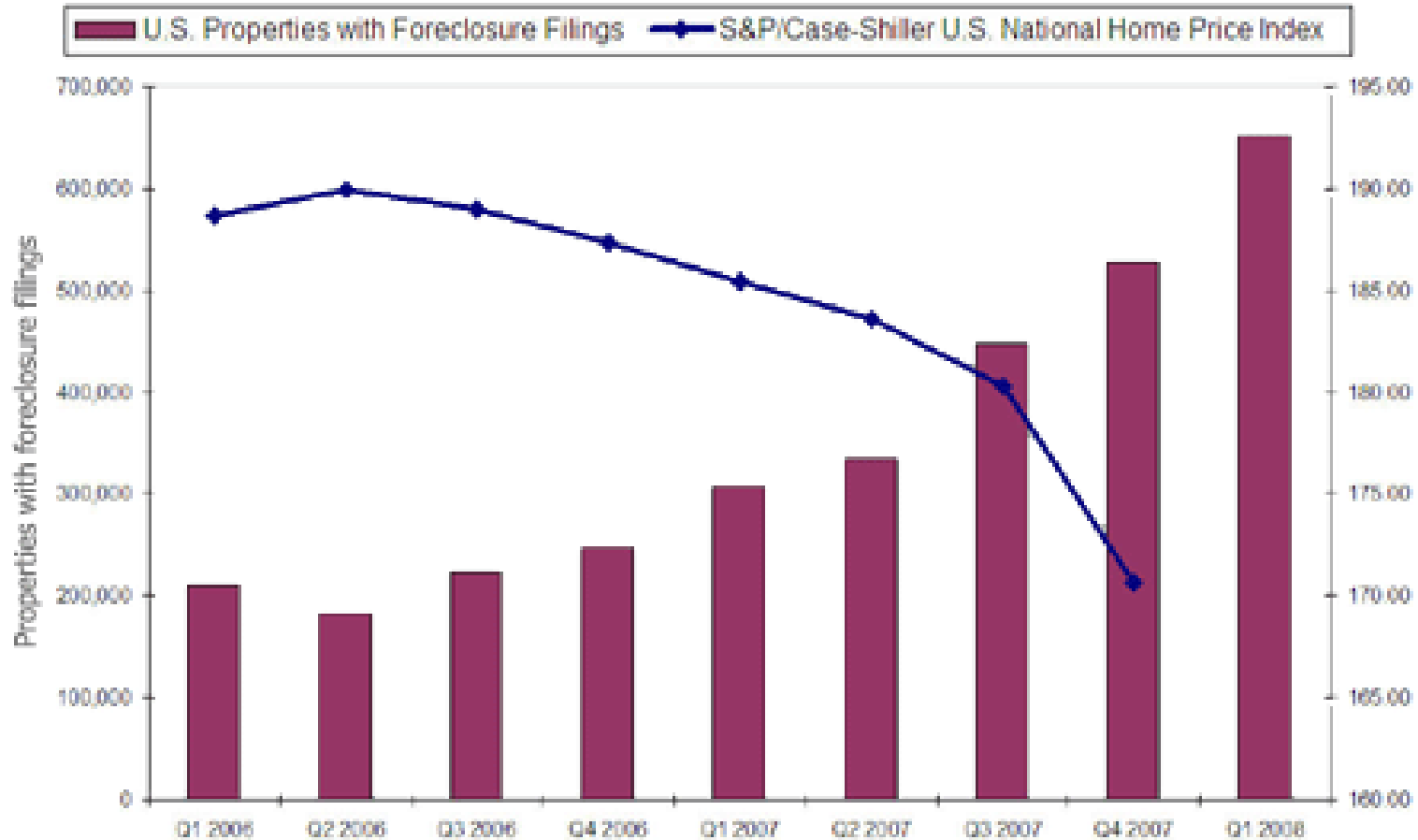
Forecast Declines in Single-Family Home Prices (Peak-to-Trough)



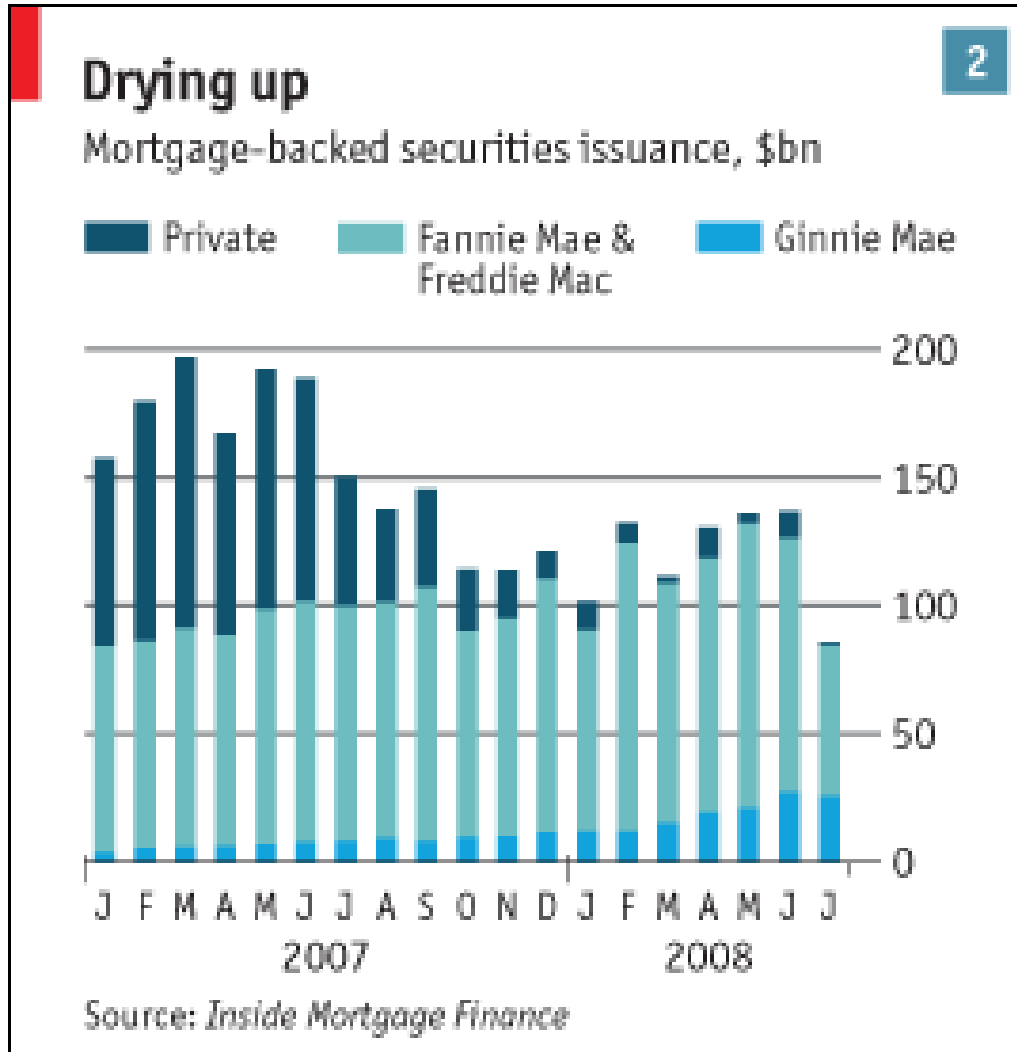
Source: Fiserv Lending Solutions, Moody's Economy.com



Foreclosure Activity and Home Prices



Source: RealtyTrac



In the past you serviced loans,
and you collected on individual accounts.

Customer Service

Collections

Loss Mitigation

Liquidation

Today, you are no longer just servicing the loan,
you are counseling the borrower.

MORTGAGE



HE/HELOC

Important to understand all loan relationships

Mortgage
2nd Lien
Consumer
Indirect

A silhouette of a person in a suit walking away from the viewer, positioned centrally behind the text.

Automation

- Rules
- Process Mapping Scripts
- Regulatory Compliance



- FHA
- Fannie
- Freddie
- Ginnie



**UNCLE SAM WANTS YOU
TO MAKE MORTGAGES WORK!**

- Alignment of interests
- Remove what causes conflicts of interest
- Skin in the game
- Creative fee structures
- Little to no ancillary fees
- Unlimited reporting, access to comments
- Servicer to be pro-active, entrepreneurial, and incentivized down to agent level

Contact



High Touch



Relationships



RECIDIVISM

Is a loan mod the answer?

“Your group has the challenging task of fixing the securitization business model”

Sandra Thompson, FDIC Director,
2/9/09 address to the Asset Securitization Forum

1. Aligning Incentives...
“Everyone needs some skin in the game”
2. Simplifying pooling structures
3. Improving credit analysis
4. Strengthening servicing arrangements

- Interest Rate Changes
- Joblessness
- Housing Inventories
- A Return to Normalcy?



Questions?