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MortgagePoint Magazine

OCTOBER 2024

The Industry Leaves Its Mark at Five Star Conference

Exclusive coverage from this year's Five Star Conference, including profiles of the Lifetime Achievement honoree, the Women in Housing Leadership Award recipients, and more.

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"I love that AMDC is helping our industry enhance, embrace and educate people on Diversity, Equity and Inclusion. I am so passionate about DEI because I KNOW we are truly better together. I am honored to be a part of both Mr. Cooper and AMDC DEI journeys."

—**Toniqua Green**, VP Corporate Social Responsibility, Mr. Cooper

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FIVE STAR CONFERENCE 2024 IS A WRAP

The 2024 Five Star Conference and Expo was held September 24-26 at the Omni Hotel in Dallas, bringing together subject matter experts, exhibitors, and thousands of professionals under one roof working towards the common goal of a stronger and united mortgage industry. Mortgage servicers, lenders, federal government agencies, financial services law firms, service providers, investors, and real estate organizations gathered at the event's new venue, for three days of education, networking, and recognition of a group of individuals who have left their indelible mark on the industry.

Educational offerings were held throughout the event, with classes and sessions covering the REO space, marketing, foreclosure, legal issues, technology, and the single-family rental market, among others. Networking sessions offered the opportunity for old friends to catch up with one another, and for new contacts to be established throughout the Five Star Conference.

Recognition of many of the women pioneers and trailblazers in the industry was also a highlight of the event, as the 2024 Lifetime Achievement Award was presented to Jocelyn Martin-Leano, Founder of Enizio Strategies LLC and former Chair of Five Star's National Mortgage Servicing Association (NMSA) from 2022-2024. *MortgagePoint* had the opportunity to chat with Martin-Leano during the event, as she looked back on her career, being a female in a male-dominated industry, the importance of mentoring, and finding a solid work-life balance.

In addition to Jocelyn being honored, the Five Star Institute closed out the Conference with the Women in Housing Leadership Awards Luncheon, recognizing the tremendous achievements of remarkable businesswomen whose contributions will continue to impact the housing and mortgage servicing industry for years to come.

In this month's issue of *MortgagePoint*, we meet this year's five Women in Housing Leadership Award recipients and learn how they are making waves in today's marketplace and what advice they have for the next generation of women executives.

All this coverage of the 2024 Five Star Conference and much more can be found in the pages of this month's issue of *MortgagePoint*. And for your daily fix of industry news, visit MortgagePoint.com for all the latest as it breaks.

David Wharton
Editor-in-Chief

2024 Five Star Conference & Expo

SURVEY REVEALS OPPORTUNITIES FOR EXPANDING DIGITAL VERIFICATION TOOLS

As the mortgage industry increasingly embraces technology to streamline the homebuying process, a recent survey reveals a significant opportunity for broader adoption of digital verification tools. Despite the efficiency and simplicity these tools offer, many homebuyers remain unaware or hesitant to use them, indicating a need for greater industry outreach and education.

The survey, conducted earlier this year, focused on homebuyers who purchased a property with a mortgage acquired by Fannie Mae between January and November 2023. By comparing this data to a similar survey conducted three years ago, the study highlights key trends in consumer behavior and preferences regarding digital mortgage technology.

Growing Interest in Digital Mortgages

The survey found that interest in a more or fully digital mortgage process has surged, with many recent homebuyers expressing a strong preference for online channels. This trend spans all demographic groups and marks a significant shift from 2021 when such preferences were less pronounced.

Homebuyers value the speed and simplicity digital tools bring to the mortgage process. According to the survey, 75% of respondents cited accelerated processing as a top benefit of digital mortgages, while 71% appreciated the ease of completing steps online.

Underutilization of Digital Verification

Despite the enthusiasm for digital solutions, the survey revealed that many homebuyers were not offered the option to use digital verification tools during their mortgage process. Digital verification allows borrowers to grant lenders or third-party service providers (TSPs) access to their online bank accounts to verify employment, income, and assets, eliminating the need for manual submission of financial documents.

Only about one-third of respondents reported being asked to use digital verification for closing or down payment fund verification. Among those offered the option, most agreed to grant access. However, 4% declined, citing data security concerns as their primary reason for opting out.

Interestingly, experience with digital verification seems to play a significant role in future adoption. Slightly more than half of those who used digital verification for their current mortgage said they would use it again. In contrast, only 15% of those not offered the option indicated they would use it in the future.

Experience Matters for Adoption

The survey results suggest that familiarity with digital verification technology can help alleviate concerns about privacy and data security. Respondents who had positive experiences with the technology were less likely to worry about these issues and more inclined to use digital channels for other homebuying tasks.

"Effective communication between loan officers and homebuyers is key to driving greater adoption of this technology," the survey report noted. "Potential borrowers need to clearly understand what digital verification is, how it works, its benefits, and how its risks are managed and mitigated."

Call for Broader Adoption

The findings indicate a strong potential for expanding the use of digital verification tools across the mortgage industry. By proactively offering these options and educating consumers about their benefits, lenders can help normalize the use of digital tools and further streamline the homebuying process.

As technology continues to evolve, the industry stands at a pivotal moment where embracing digital verification could enhance efficiency, reduce costs, and improve the overall borrower experience. The survey suggests that with the right approach, more homebuyers could soon take advantage of these modern solutions, making the often-complicated mortgage process simpler and more secure.

MORTGAGE MACHINE SERVICES ENHANCES AI-POWERED DOCUMENT MANAGEMENT SYSTEM

Mortgage Machine Services has announced the launch of Auto Split, an enhancement to the Click n' File document management system embedded into the Mortgage Machine loan origination system (LOS). Specifically designed to extract and store loan documents, Auto Split enables lending staff to improve loan processing efficiency, enabling mortgage lenders to optimize speed to close.

"With the introduction of Auto Split, we're taking a significant step forward in streamlining loan processing for our clients," said Jeff Bode, Founder and CEO of Mortgage Machine Services. "This enhancement reflects our commitment to innovation, ensuring that mortgage lenders can operate with greater efficiency and precision. By automating document management within the Mortgage Machine LOS, we're empowering our clients to reduce processing times and improve overall productivity, ultimately helping them achieve faster closings."

Using artificial intelligence (AI), Auto Split seamlessly dissects large PDF loan files uploaded to Mortgage Machine into their individual components, automatically classifying each extracted document. From there, Click n' File identifies, categorizes, and indexes the information from these documents to sort them into the appropriate folders.

"Our goal with Auto Split is to empower lenders by reducing the time and effort required for document management," said Dan McGrew, Director of Sales at Mortgage Machine. "By leveraging AI to automate the extraction, classification, and organization of loan documents, we're providing our clients with a powerful tool that enhances operational efficiency and ensures accuracy throughout the loan processing workflow."

90-DAY SALES MANAGER LAUNCHES NEW CRM SOFTWARE FOR MORTGAGE TEAMS

90-Day Sales Manager launched its activity-based CRM with built-in coaching and accountability for mortgage teams at credit unions and community banks. The platform provides mortgage departments with an affordable solution to help loan officers stay productive during challenging times.

"Accountable CRM was born out of necessity," says Dr. Bruce Lund, Founder and CEO. "We initially sought to integrate our accountability software into existing CRMs for our credit union clients. However, we quickly discovered that many mortgage departments either lacked a dedicated mortgage CRM or rely on organizational CRMs that don't meet the needs of their mortgage departments. Accountable can plug into existing CRMs or serve as a standalone mortgage-specific CRM."

Once the accountability tools were established, the next critical step was to develop mortgage-specific features and integrations. To lead this initiative, Dr. Lund brought on board Maggie Mae, a former Director of Product at a leading mortgage CRM, renowned for her expertise in CRM development and her deep understanding of the mortgage industry.

"Maggie's impressive track record in CRM development and her comprehensive understanding of mortgage processes made this platform the perfect playground for her expertise," Dr. Lund said. "With her insights, we've built a platform that not only fulfills all the expectations of a mortgage CRM but also integrates our unique accountability software to truly set us apart."

Accountable CRM includes a host of functionalities such as Loan Origination System (LOS) integrations, automated email marketing, and a mortgage marketing suite with hundreds of templates. The marketing suite offers one-click access to company-branded fliers, postcards, social posts, and more—all approved and managed by the marketing department.

"Accountable CRM's emphasis on activity tracking and its commitment to supporting loan officers resonated deeply with me," said Maggie Mae, Chief of Product. "The software is built on new technology which allows for continuous innovation and seamless integration with industry standards, making this software truly unique in the mortgage CRM space."

VEROS LAUNCHES NEW INTERACTIVE TOOL IVALUATION

Veros Real Estate Solutions has introduced iVALUATION—a new platform that provides housing finance professionals with insights to be confident in the accuracy of a property valuation.

Engineered to help validate property valuations, iVALUATION empowers users to interact with the data and refine property characteristics, enhancing the accuracy and reliability of property value estimates. This tool simplifies research, streamlines the selection of comparable sales, and expedites verification of property valuations—all while producing detailed, professional reports to help drive well-informed decisions across the real estate landscape.

Designed with the needs of mortgage originators, home equity lenders, appraisal reviewers, investors, and a wide array of other housing finance professionals, iVALUATION is a resource, particularly for navigating the complexities of Reconsideration of Value (ROV) claims processes. The platform's capabilities offer the ability to cross-reference detailed property data with multiple listing services and public records, selecting from up to one hundred comparable properties and refining valuations by adjusting or adding property characteristics.

"Given the 2024 ROV policy changes from HUD and the GSEs, the timing of iVALUATION couldn't be better," said Sarah Acosta, SVP of Product and Data Operations at Veros Real Estate Solutions. "Appraisers and other housing finance professionals now have a powerful tool that not only simplifies the ROV research process but also provides a central hub for accessing nationwide data, selecting and adjusting comparables interactively, generating accurate property valuation estimates, and documenting items researched. iVALUATION is poised to transform property analysis in the industry."

AIDIUM LAUNCHES EXCLUSIVE MORTGAGE DATA WAREHOUSING AND BUSINESS INTELLIGENCE SUITE

Aidium Mortgage CRM has introduced its Reporting Suite, featuring three solutions: Out-of-the-Box Reporting, Custom Reporting, and Data Warehousing. These tools are crafted to unify and visualize mortgage data from multiple sources, providing professionals and enterprises with the insights needed to make data-driven decisions and drive revenue growth.

The Aidium Reporting Suite provides lenders and mortgage executives with analytical tools, enabling access to data from multiple sources in one centralized location. Its metrics and user-friendly interface help users uncover insights, identify trends, and explore new opportunities.

Key Features:

- Comprehensive Data: Integrates with 100+ data sources.
- Measure Engagement Rates and ROI: Provides insights into marketing campaign performance.
- Forecast Business Performance: Enterprise-level reports help measure and forecast operational capacity and profitability by branch.
- Data Warehousing: Centralized cloud storage allows enterprises to unify data in one place, enabling comprehensive reporting.
- Business Planning: Loan officers and branch managers can track goals and identify areas for improvement.
- Reporting Flexibility: Choose from ready-to-use reports or have Aidium's expert team create custom reports tailored to your business.

"Our customers should be able to make strategic decisions with confidence," said Spencer Dusebout, CEO of Aidium. "The Aidium Reporting Suite ensures every enterprise has the data they need at their fingertips. Whether it's improving conversion rates, optimizing campaigns for ROI, or forecasting for the upcoming quarter, Aidium supports every level of the organization."

Aidium's Reporting Suite addresses the mortgage industry's need for comprehensive and up-to-date data insights, giving users a competitive edge. The suite's ability to integrate quickly with other mortgage software highlights Aidium's commitment to operational efficiency and user convenience.

CORELOGIC ANNOUNCES NEW AI IMAGE SEARCH IN ONEHOME CLIENT PORTAL

CoreLogic announced the addition of a new AI Image Search to its OneHome client engagement platform. This innovation allows homebuyers and their agents to discover listings that match their visual lifestyle goals and aspirations for their next home within their preferences for location, price, size, and more. First MLS, the fifth largest MLS in North America and the largest MLS in Georgia, is the first MLS to launch OneHome AI Image Search, making it available to its 57,000 agents. With the new AI Image Search feature, buyers and their agents have another tool that significantly improves the home

> "It can be a challenge for buyers to define what they're looking for, but they know what they like when they see it."
>
> —**Kevin Greene**, General Manager of Real Estate Solutions, CoreLogic

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buying journey.

"The new, powerful image search feature in OneHome is a game changer in home search," said Kevin Greene, General Manager of Real Estate Solutions at CoreLogic. "It can be a challenge for buyers to define what they're looking for, but they know what they like when they see it. This allows buyers to show, visually, what they want and find the closest matches. It reflects our commitment to constantly innovate and differentiate our OneHome platform, creating a more competitive offering for real estate agents and a better search experience for their clients."

"This new feature empowers our members and their buyers to search using pictures they upload, whether it's a home's exterior, a perfect kitchen, or any picture of their dream home. This completely transforms the way they can search for matching properties," said Jeremy Crawford, CEO of First MLS. "CoreLogic ensures that our agents are equipped with tools that truly make a difference. OneHome AI Image Search is a prime example of that. It enables our members to deliver more value to their clients and form stronger connections with prospects."

INFORMATIVE RESEARCH ENHANCES ITS SUITE OF MORTGAGE PORTFOLIO MONITORING ALERTS

To improve the portfolio monitoring service provided by Informative Research Data Solutions, Informative Research announced the introduction of additional alert kinds.

One of the most significant additions is the PMI removal alert, which notifies the lender when their borrower's equity position reaches the appropriate level to eliminate PMI and ultimately reduce the borrower's monthly mortgage payment. Other newly introduced alert types include:

- Rate watch, which notifies when the rate changes by a specified threshold
- Early payoff warning
- Equity watch alert for changes in a borrower's equity position
- MLS alerts for properties listed as active on the MLS

The new alerts can be seamlessly integrated into existing systems for daily updates to loan officers, allowing for proactive outreach to existing borrowers. Informative Research's advanced suppression logic ensures a seamless borrower experience by preventing duplicate alerts.

These enhancements are aligned with the four key pillars of Informative Research Data Solutions: Customer Acquisition, Risk and Retention, Upsell/Cross-sell, and Custom Data Analytics.

SNAPDOCS AUTOMATES DIGITAL CLOSING REVENUE MANAGEMENT WITH BILLINGPLATFORM

BillingPlatform announced that Snapdocs, a digital closing provider, has gone live with its Billing solution. Under the agreement, Snapdocs will digitally transform its billing and revenue management.

"The mortgage closing process can be long, stressful, and still mostly manual. Snapdocs automates the interactions between lenders and title companies with a unified platform that simplifies the process from beginning to end," said Jason Anderson, Head of Finance at Snapdocs. "As a result of our steady growth, we needed to streamline our revenue management processes. BillingPlatform offers us the automation, scale, and flexibility to launch and bill for our core and new products as our business continues to expand."

With global customers serving multiple industries, including software, finance, media, and entertainment and communications, BillingPlatform enables enterprises to monetize any type of product offering, from simple subscriptions to sophisticated usage-based pricing models and everything in between. BillingPlatform provides full lifecycle support of the monetization process—from product setup, quoting, billing and invoicing, and revenue recognition, through payment and collections—all on a secure, next-generation cloud platform. The flexibility of the platform puts enterprises in control of how they differentiate in the market, maximize profitability, reduce operational costs, and improve the customer experience.

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convenient, and error-free digital closing every time, which is why the company is the market leader," said Dennis Wall, CEO of BillingPlatform. "Snapdocs also highlights the importance of our platform and the ability to support their existing business as well as new products."

POINT PREDICTIVE LAUNCHES IEVALIDATE TOOL

Point Predictive announced the launch of IEValidate, a tool enabling companies to reduce the use of paystubs and costly database checks with a more accurate and cost-effective approach.

IEValidate offers lenders a frictionless and reliable way to validate an applicant's income, occupation, and employment through an API using as little as one field of information about the borrower—the Social Security number. IEValidate provides a comprehensive validated income and employment report for each matched borrower in less than 500 milliseconds. Lenders can use this report instead of paystubs and as an alternative to costly database checks.

The solution solves many of the critical pain points lenders grapple with when verifying a borrower's income and employment: the low hit rates of existing methods, the high cost of database checks, and the enormous friction placed on borrowers by requests for paystubs or bank statements.

"IEValidate represents a transformation in the way companies will verify income and employment for borrowers," says Tim Grace, CEO of Point Predictive. "Paystubs are an outdated approach to verifying a borrower's income because they put too much friction in the lending process, and forgeries are commonplace. Bank statement requests are met with significant consumer resistance and even then, can only be used to estimate income using standard, error-prone formulas. Existing employer-contributed database checks, while frictionless, have fraudulent employers contributing data, are often out of date, and are expensive to use in an automated way on all applications."

The solution is designed to work across any sector that requires income and employment verification, including credit cards, rental applications, consumer lending, auto lending, mortgage lending, and account origination.

"With our solution, companies can eliminate or replace those methods with a simple, frictionless, validated income and employment report for up to 80% of their borrowers—provided in less than a second and at a fraction of the cost of their current solutions," Grace said.

HOMELIGHT LAUNCHES NEW AI-POWERED PRODUCT FOR LENDERS AND AGENTS

In order to promote the growth of its flagship financial product—Buy Before You Sell—to lenders and agents in 40 additional states, HomeLight announced the addition of $20 million in investment. Zeev Ventures led the Series D expansion, and Stereo Capital and Menlo Ventures were among the participants.

HomeLight Buy Before You Sell is designed to solve a significant problem that millions of homebuyers face: needing to sell their existing home in order to buy their new one. Buy Before You Sell uses AI technology to allow these individuals to unlock up to 70% of the equity from their existing home and begin making offers the same day.

"The contingent nature of homebuying for the majority of buyers is a big factor keeping more people from being active in the market," said Phil Shoemaker, CEO of The Loan Store, a flagship Buy Before You Sell partner. "The lack of control can be a major turnoff for contingent buyers, knowing they can only afford a new home if they sell their current home first, and understanding that the timeframe for selling is completely reliant on other buyers. Empowering homeowners to buy a new home with the certainty that comes from Buy Before You Sell is immensely valuable."

Buy Before You Sell offers top loan officers who are trained on the product several unique advantages:

- Review and approve clients' property condition and eligibility for the program using HomeLight's proprietary AI-driven algorithm in minutes.
- Instantly unlock up to 70% of an approved client's existing equity in their home.
- Empower clients to make a stronger, noncontingent offer on their dream home, with no home sale contingency.
- Allow clients to move on their timeline and sell their old home prepped and staged to maximize its sales price.

"We are deeply focused on building the tools and technology that solve the hardest problems that lenders face today in closing transactions," said Drew Uher, Founder and CEO of HomeLight. "So far, the response to Buy Before You Sell has blown away our expectations, and we're thrilled to add so much value to both our lender and agent partners as well as their clients."

HomeLight has partnered with over 10,000 top loan officers and over 28,000 top real estate agents and unlocked over $655 million in equity from clients' existing homes across the country with Buy Before You Sell. Top agents are now able to invite their preferred lenders to the platform to seamlessly help clients sell their current home to afford their next one.

"With Buy Before You Sell, we were able to accomplish my buyer's goal: submitting a noncontingent offer, pulling equity out now for the down payment at closing, and only having to move once, with no rent payments in the middle," said Lisa Shapiro, Senior Mortgage Advisor at NEO Home Loans, a subsidiary of Luminate. "It was a very smooth process. Other programs have either cost more or didn't communicate well; at HomeLight, everyone has been incredibly thoughtful, efficient, and communicative. We're grateful this option exists."

CALQUE LAUNCHES NEW AFFORDABLE BUY-BEFORE-YOU-SELL PROGRAM

Calque declared the opening of the Contingency Buster, their newest "buy before you sell" initiative. At any stage of the house-buying process, homeowners who wish to swiftly eliminate debt-to-income ratios and contingency clauses in their home sale can use the Contingency Buster.

Calque's flagship program, The Trade-In Mortgage, was created for homeowners who want to tap their current home equity before they sell to make a bigger down payment, pay off debt, or increase cash reserves. Over the years, Calque saw a growing market opportunity for a lighter "buy before you sell" product that does not need to accommodate a second mortgage because many borrowers have enough cash on hand to make a down payment on their new home. As a result, Calque created the Contingency Buster, a faster and more affordable option for homeowners who do not need to access their home equity to purchase their next home.

The Contingency Buster leverages Calque's Purchase Price Guarantee (PPG), a binding backup contract that ensures that if a homebuyer's current home does not sell within 150 days, Calque will step in and purchase it at an agreed-upon price. The Calque PPG enables established lenders to provide noncontingent financing on the new home and remove the original home from debt-to-income while also providing peace of mind and minimizing financial risks for homeowners.

Key Features of the Contingency Buster:

- **Quickly Eliminate Home Sale Contingencies:** Calque offers homeowners a Purchase Price Guarantee that covers the existing mortgage balance, Calque's fees, and estimated closing costs in an exceptionally fast time frame. With a Calque PPG in hand, homebuyers can confidently make noncontingent offers on new homes or upgrade an existing bid into a noncontingent offer to win a bidding war.
- **Current Residence is Removed from DTI:** Purchase Price Guarantees are binding backup contracts that enable loan officers to remove their borrower's current home from their debt-to-income (DTI) ratio. This makes it easier for their client to qualify for the new home they want before they sell.
- **Expedited 48-Hour Approval Process:** Within 24 hours of applying, the homeowner receives a call to discuss the program and schedule a virtual walk-through (VWT). Using proprietary workflows and evaluation processes, Calque can typically provide a binding offer decision within 24-48 hours after the VWT is complete. Once the offer is accepted, homeowners have up to 150 days to sell their home on the market, with Calque serving as the backup buyer, if necessary.
- **Reduced Fees:** The Calque Purchase Price Guarantee (PPG) for Contingency Buster transactions is always the minimum amount required to remove the home sale contingency. Because Calque's fees are based on the PPG amount, lower PPGs for Contingency Buster properties significantly reduce program fees.

"Calque has consistently delivered exceptional service, meeting the demands of lenders and real estate professionals who seek innovative solutions for their clients in today's competitive

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FSC24 2024 FIVE STAR CONFERENCE & EXPO SEPTEMBER 24-26, 2024 | DALLAS, TEXAS market," Calque CEO Michael Bremer said. "With the introduction of the Contingency Buster, we are elevating our commitment to providing faster, more cost-effective options that pave the way for seamless home buying and selling experiences."

AFFORDABLE HOUSING.COM AIDS LEASE MANAGEMENT FOR RENTERS, PROPERTY OWNERS

AffordableHousing.com has unveiled eLeases—an automation tool designed to simplify lease management for renters, property owners, and housing agencies.

"Manual affordable housing lease management suffers from inefficiencies, lack of transparency, and heightened administrative burdens, which causes delays and errors. Leveraging data-driven technology to tackle complex challenges in the U.S. housing market, we developed a comprehensive tool that automates tasks like lease generation, e-signature collection, and reminders," said Richard Cupelli, Founder and CEO of AffordableHousing.com. "By streamlining lease management, we are revolutionizing the industry standard and enhancing access to quality housing for everyone."

The integration of eLeases into AffordableHousing.com's centralized platform offers a solution to streamline lease management:

- Automation: eLeases automate essential tasks, reducing administrative workloads for property owners and renters.
- Central Location: All lease information is consolidated in one location, ensuring consistency, and preventing the loss of important documents.
- Accessibility and Transparency: Renters can access their leases anytime, promoting transparency and trust. Legal binding signatures on leases enhance security and reliability.
- User-Friendly Experience: The intuitive design and enhanced communication tools simplify the leasing process, providing a seamless experience for all parties involved.

For Property Owners and Property Managers:

- Automate lease-related tasks, saving time and reducing costs.
- Centralize all lease information for better consistency and security.
- Enhance communication with renters through text and email notifications.

For Renters:

- Sign leases electronically from any device, anytime.
- Stay informed about the status of lease agreements via notifications.
- Access fair and transparent lease templates with legally binding signatures.

For Housing Authorities:

- Improve efficiency and compliance with automated lease tasks and compliance checks.
- Centralize data management to streamline operations and improve service delivery.
- Enhance owner retention with customizable forms and proactive reminders for tenants.

LENDERLOGIX INTEGRATES INCOME, EMPLOYMENT VERIFICATION SERVICES FROM TRUV

LenderLogix announced its integration with automated employment and income technology provider Truv. Through the integration, lenders can now access Truv's consumer-permissioned data platform through LenderLogix's point-of-sale (POS) LiteSpeed to obtain direct-to-source income and employment verification for mortgage applicants.

"With the integration of Truv's verification capabilities and LiteSpeed, lenders can now enjoy a streamlined workflow that reduces administrative tasks and frees up resources for improved customer service," LenderLogix Co-Founder and CEO Patrick O'Brien said. "This powerful combination eliminates the need for third-party verification services, leading to significant cost savings and lower overall loan processing expenses. Additionally, the automation speeds up loan approvals, allowing lenders to close loans faster and optimize their operational throughput.

With immediate access to accurate income and employment data from Truv inside LiteSpeed, lenders can eliminate delays caused by manual document collection and improve review speed by obtaining more complete loan files from the point of application. Borrowers can benefit from a simplified and quicker application process, reducing the number of touchpoints and providing a more user-friendly experience.

"Our integration with LenderLogix marks a significant advancement in our mission to revolutionize the mortgage origination process," said Kirill Klokov, CEO of Truv. "By combining our strengths, we are providing mortgage lenders with the tools they need to deliver exceptional service to their clients while improving operational efficiency."

EAB Outlook

Members of *MortgagePoint*'s Editorial Advisory Board share their insights into the trends and challenges shaping the industry landscape.

Michael Merritt serves as SVP, Customer Care & Mortgage Default Servicing for BOK Financial. Merritt oversees mortgage servicing contact centers and default servicing divisions at BOK Financial, encompassing Customer Service and Default contact centers, as well as managing the Loss Mitigation Processing, Foreclosure, Bankruptcy, Claims, Post-Sale, and Loss Analysis teams. He previously managed mortgage subservicers at Goldman Sachs and played integral roles at Mr. Cooper Mortgage, primarily in Customer Care, Loss Mitigation, and First Line of Defense. Merritt holds an MLS in Risk Management from Texas A&M School of Law, an MBA from Texas Tech University, and a BA in organizational leadership from Arizona State University.

Q: What risks are keeping you up at night?

Merritt: The main risk that keeps me up at night is the rapidly evolving cybersecurity risks we face as an industry. It seems like every aspect of our industry is under attack by bad actors from servicers themselves to key vendors and partners. Bad actors are becoming more and more advanced by the day with social engineering and other types of attacks.

Servicing leaders need to understand their control environment to gauge the risk they face. Training every employee is a critical step to minimize the risks as much as possible. The message has to be that every employee, regardless of position, has to be focused on protecting the company and our customers.

Q: What is one area where servicing should be focused on innovating or improving, and why?

Merritt: Artificial Intelligence has the chance to disrupt our industry more than any other technological advancement in recent memory. Servicers, vendors, and regulators have struggled with how to incorporate these advances into our industry in a thoughtful and ethical manner. I think an important step is to define what constitutes AI and to educate about the differences in different types of AI. For example, generative AI that produces decisions should be viewed from a different lens than an automated workflow that simply completes a defined task.

While there are risks with AI, the benefits outweigh those risks. AI is a tool that can greatly improve customer experience and back-office functions to improve efficiencies across mortgage servicing. To ensure this is done the right way, you need to define how AI will be used, test the outputs through development, and have ongoing oversight of the process after implementation. The industry has spent the last 15 years building robust control frameworks and enhancing reporting to show every aspect of our business. These improvements can help monitor AI-driven processes to ensure fair treatment of all customers, the same way they do for vendors and other third-party providers. As margins tighten, AI can help ensure we are meeting our customers' needs in the most efficient manner.

Kim Yowell serves as EVP of Servicing at Fairway Independent Mortgage Corporation. Yowell, CPA, holds a BBA in accounting from Texas Christian University and has over 30 years of management experience in the financial services industry. She started her career in the accounting and finance side of the mortgage business and has been focused on servicing and operations for the past 20 years. Yowell has held key leadership positions at CTX Mortgage Company, First Horizon Home Loans, Metlife Bank, and BoK Financial and is currently the EVP of Servicing at Fairway Independent Mortgage Corporation. Yowell has also served on the Freddie Mac Advisory Board, the MBA Loan Administration Committee, the Black Knight Servicer Advisory Board, and the Fiserv Servicing Advisory Board. Currently, she is a Five Star National Mortgage Servicing Association member and serves on the Texas Mortgage Bankers Association Board and the MortgagePoint Editorial Advisory Board.

Q: What is a recent "win" you or your team have celebrated? What lessons did you take away from this achievement?

Yowell Recently, after exhausting efforts providing documents and loan-level data covering multiple years, we (Fairway as servicer, utilizing a subservicer) achieved a 0 finding audit result from (what is fair to say) one of the most historically toughest servicing audits. The experienced exit auditor, having only witnessed one previously, congratulated us and noted that 0 finding results are very rare.

Our oversight team, being primarily based in Texas, immediately took that as deserved "bragging" rights. Your chest swells up with pride, you can't contain your smiles, and you have to tell everyone about it, whether they care or can appreciate it.

Remain vigilant. Strong controls, experienced talent, and high expectations provide peace of mind and protection for your company, your customers, and your investors.

Movers & Shakers

Government

FREDDIE MAC NAMES DIANA REID NEW CEO

The Board of Directors of Freddie Mac has announced the selection of real estate and financial services industry veteran **Diana Reid** to serve as the company's new CEO, effective immediately. Reid will also serve as a member of Freddie Mac's Board of Directors. President and Interim CEO Michael Hutchins will continue as the company's President.

Reid brings more than four decades of banking, real estate, capital markets and affordable housing experience to Freddie Mac. She spent nearly 12 years leading PNC Financial Services Group's real estate business division through the financial crisis and on to a period of significant growth.

"I am pleased to announce that Freddie Mac's Board of Directors concluded its comprehensive search and selected Diana Reid as the company's next CEO," said Lance Drummond, Non-Executive Chair of Freddie Mac's Board of Directors. "Diana's proven track record and vast experience in housing finance, real estate and capital markets make her an excellent choice to further Freddie Mac's mission-driven work. I have the utmost confidence that she is the right person to take Freddie Mac into the future."

Prior to her executive role at PNC, Reid founded Beekman Advisors, where she provided real estate finance company owners, CEOs, and boards strategic advice and M&A execution. She spent nearly 20 years at the investment bank formerly known as Credit Suisse First Boston in Mortgage Trading, Debt Capital Markets, and Financial Institutions Advisory.

"It is an honor to join Freddie Mac and lead the company as it carries out its vital role in the housing finance market," Reid said. "I look forward to working with the Board, management, and my colleagues at Freddie Mac to continue and expand the company's contributions in providing liquidity, stability, and affordability for housing in communities across the country, and to ensure the company's safety and soundness for the next generation."

Reid is a member of the Board of Directors of Welltower Inc., the advisory board of Pittsburgh Opera, and a founding board member of The Denyce Graves Foundation.

"I am delighted that Freddie Mac has selected Diana Reid as its next CEO," Federal Housing Finance Agency (FHFA) Director Sandra L. Thompson said. "Diana brings with her decades of experience in mortgage banking and capital markets, as well as a proven track record of executive leadership. I look forward to working with her to build upon Freddie Mac's mission to promote affordable housing throughout the country in a safe and sound manner. I am also grateful to Mike Hutchins for his leadership during this interim period as Freddie Mac completed its search for a permanent CEO. I look forward to working with the Freddie Mac team to ensure a smooth transition."

Back in March, Freddie Mac appointed Hutchins to the additional role of Interim CEO as the company continued its search for a permanent CEO. Hutchins was named to the Interim CEO role following the departure of then CEO Michael J. DeVito, who stepped down March 15.

"On behalf of the Board, I thank Mike Hutchins for his leadership as Interim CEO, which provided necessary stability and continuity for Freddie Mac's important work," Drummond added. "We are delighted to benefit from his continued leadership as the company's President."

DOUG DUNCAN TO STEP DOWN AS FANNIE MAE CHIEF ECONOMIST

Douglas G. Duncan, current SVP and Chief Economist at Fannie Mae, has officially announced his retirement via a LinkedIn post. Duncan's post on his LinkedIn page ended speculation of an impending retirement and exit from the GSE.

"I noticed someone ran a story about me retiring, so I thought I had better do it," said Duncan in his post. "Details include stepping down as Chief Economist September 22, and then packing up all great memories and artifacts and people contact information for the next three months before turning in my ID badge at Fannie at the end of December."

In his role as SVP and Chief Economist at Fannie Mae, Duncan is responsible for forecasts and analyses of the economy and the housing and mortgage markets. He also oversees strategic research regarding the potential impact of external factors on the housing industry. Duncan is Fannie Mae's source for information and analyses on demographics and the external business and economic environment; the implications of changes in economic activity on the company's strategy and execution; and for forecasting overall housing, economic, and mortgage market activity.

Under his leadership, Fannie Mae's Economic & Strategic Research (ESR) Group earned the 2022 Lawrence R. Klein Award for Blue Chip Forecast Accuracy recognizing their industry-leading work over a four-year period. In both 2015 and 2016, Duncan and the ESR Group won the NABE Outlook Award, presented annually for the most accurate GDP and Treasury note yield forecasts, becoming the first recipient in the award's history to capture the honor two years in a row.

In his post, Duncan eluded to his continued industry involvement and not completely stepping away from serving as a trusted source for all factors related to the housing market.

Prior to joining Fannie Mae, Duncan was SVP and Chief Economist at the Mortgage Bankers Association (MBA). His experience also includes work on the Financial Institutions Project at the U.S. Department of Agriculture and service as a LEGIS Fellow and staff member with the Committee on Banking, Finance, and Urban Affairs for Congressman Bill McCollum in the U.S. House of Representatives. Previously, Duncan was a Board member of the National Association of Business Economics (NABE) and a Board member and Chair of Strategies to Elevate People (STEP).

Duncan is a Hoyt Professional Fellow at the Homer Hoyt Institute. He was chosen as the North Dakota State University College of Agriculture Alumni of the Year in 2018. He was also elected as a Trustee of North Dakota State University in 2022.

According to Duncan's LinkedIn post, **Mark Palim**, current VP and Deputy Chief Economist for Fannie Mae, will be taking over the role as Fannie Mae Chief Economist upon Duncan's departure.

"Incidentally, you will need to get to know Mark Palim who will be stepping into the Chief role," Duncan added. "You will quickly figure out it was Mark and the rest of the team doing the work. He will impress you with his intellect and demeanor. The insights you have come to expect from Fannie research will only increase under Mark's leadership."

In his role as Fannie Mae's VP and Deputy Chief Economist, Palim focuses on the impact of trends in the financial services sector on the economy and on the GSE. Prior to joining Fannie Mae in 2009, Palim worked as a Senior Associate, Manager, and Director for PricewaterhouseCoopers, and served as Principal at LECG. He has been a consulting and testifying expert in antitrust cases and disputes in the financial services industry. Palim was first involved with economic forecasting and mortgage securities in 1988, when he was 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).

» *Lenders/Servicers*

FORMER SAGENT CEO NAMED HEAD OF ROCKET PRO TPO

Rocket Companies has named **Dan Sogorka** as General Manager of Rocket Pro Third Party Origination (TPO), the mortgage broker business of Rocket Mortgage. In this newly created role, Sogorka will be responsible for establishing the end-to-end vision and growth of Rocket's broker business. Sogorka will ensure the lender's products and processes align best with the needs of the mortgage broker community and plans to leverage Rocket Mortgage's significant AI technologies and platform to push well beyond the tools currently available to this important market segment.

"Mortgage Brokers play a critical role in the homebuying process and are a vital part of helping millions of clients reach their dreams," said Heather Lovier, COO of Rocket Companies. "There has not been truly significant evolution in this space for decades. Dan comes to Rocket with a proven track record of success with both large tech companies and scrappy start-ups, paired with an appetite to revolutionize the broker space by leveraging Rocket's quickly expanding data, technology and AI capabilities."

Sogorka will collaborate with Rocket's technology and product development teams to ensure the experience Mortgage Brokers have in Rocket's suite of comprehensive tools is unlike anything they've

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>
> —**Heather Lovier**, COO, Rocket Companies

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experienced before—bringing value to them and the clients they serve.

"I've spent decades leveraging technology to simplify the complex home financing process. Now, I'm eager to tap into that skillset to bring the broker community into the future," Sogorka said. "With mortgage brokers being such a large part of the market, my role will be to supercharge brokers to educate, engage, and help their clients be successful homebuyers and owners."

Sogorka previously served as CEO and President of Sagent, a well-known fintech company that designs and builds digital mortgage servicing platforms. His leadership helped drive a period of intense growth for the company. He and his team modernized Sagent's technology by bringing its platforms to the cloud and building a single data and user experience across the servicing lifecycle. Sogorka fostered strong relationships with many large mortgage servicers, gaining an in-depth view of the home loan process from origination through servicing.

Before his time at Sagent, Sogorka was CEO of Cloudvirga—a digital mortgage point-of-sale system. Cloudvirga focused on automating manual tasks that save brokers and loan officers hours and days in the critical early stages of the mortgage process.

Sogorka was also a business unit President at Black Knight, where he spent nearly 15 years. During his time at Black Knight, Sogorka and his team touched nearly 70% of all mortgage loans processed in the U.S. and managed global data and teams, all while delivering multiple "industry first" transaction platforms. Throughout this period, Sogorka built and maintained relationships with some of the most prominent leaders in the mortgage industry.

"This is an exciting milestone for Rocket and deeply strengthens our commitment to brokers for the long term" said Varun Krishna, CEO of Rocket Companies. "After getting to know Dan and the wealth of experience he brings to Rocket, I'm confident he will accelerate our strategy and impact."

FORMER VENMO AND PAYPAL EXECUTIVE JOINS ROCKET COMPANIES

Rocket Companies has named Venmo Chief Technology Officer (CTO) and former PayPal Technology Executive **Papanii Okai** as its new EVP of Product Engineering. In this newly created role, Okai will work with the company's senior technology leaders to create artificial intelligence (AI)-driven products at an even greater velocity.

"We've all experienced technology that drives real impact in the world through Papanii's work with Paypal and Venmo. Now, he will be using that skill to help revolutionize the homeownership journey," said Shawn Malhotra, CTO of Rocket Companies. "After serving in roles from a hands-on-keyboard engineer all the way to a CTO at both startups and large international tech companies, Papanii's technical depth and track record for building high-performing and highly engaged teams makes him a valuable asset for us at Rocket. I'm looking forward to working closely with him as he helps us continue to evolve and elevate our technology teams."

Okai joins Rocket at a time when the company has created its own loan origination system—Rocket Logic—that uses AI to identify and automatically extract data from the documents Rocket clients submit. A related tool, Rocket Logic–Synopsis, presents team members with searchable transcripts from calls, chats, relevant documents, and data from Rocket Logic. With the company's AI-powered tools, Rocket is projected to save more than 700,000 hours of time this year.

"Homeownership is one of the most impactful things that can happen in someone's life. It brings security, stability and can build generational wealth—which is exactly why I jumped on this opportunity," Okai said. "The best way we can use technology is to make the path to homeownership easier, faster and more accessible. I'm looking forward to bridging the gap between technology and human experience, so people across the country, no matter where they are from, feel confident taking this life changing step."

Okai spent nearly 11 years in technology leadership roles at Venmo, most recently as CTO and VP of Engineering. He led the technology and engineering teams who built and scaled products used by Venmo's 90 million users, while driving strategic initiatives that solidified Venmo as a leader in peer-to-peer payments. Okai also led the engineering teams at PayPal, the global payments company serving more than 400 million accounts, holding many roles ranging from Platform Engineer to CTO for Branded Checkout and VP of Engineering for PayPal Giving. He oversaw the engineers, developers, and product managers worldwide who powered PayPal's payments platform used by both customers and merchants.

LOANDEPOT CONTINUES ITS DEDICATION TO U.S. VETS

loanDepot Inc. has bolstered its strength in the Veterans Administration (VA) lending department with the appointment of U.S. Navy Veteran and VA lending expert **Bryan Bergjans** as National Director of Military Growth and Strategy. Bergjans, a highly respected national advocate for the military community, has nearly two decades of military experience and a passion to serve the active-duty military and veteran community.

Over the last several years, loanDepot has made a series of strategic investments in its VA lending program, all designed to build a best-in-class VA lending capacity with unparalleled expertise and outreach capabilities.

"Today's announcement reinforces our strength and commitment to VA lending," loanDepot EVP John Bianchi said. "Bryan is well known as a trailblazer in the military and veteran lending space who has spearheaded countless industry-first initiatives that fueled impressive

growth, brand equity and awareness. Our ultimate goal is to ensure more of our nation's servicemen and women can benefit from the advantages offered by VA mortgage products, and with Bryan on our team we are poised to become the premier home loan provider for the servicemembers and Veterans of the Armed Forces." Bergjans, who joins loanDepot after eight years at Caliber Home Loans, is currently serving in the Navy Reserves as the Readiness Officer for Navy Cargo Handling Battalion 11 HQ in Jacksonville, Florida. Among his many accomplishments, Bergjans created and taught a VA Home Loan Benefit curriculum for the St. Louis Association of Realtors, taught the National Association of Realtors' Military Relocation Professional Designation Course, established a Military Spouse Advisory Council, and served as the host of Mortgage News Network's "Homeownership Heroes" and "Military Spouse Mondays" programs.

"We owe our military more than a thank you; we owe them an opportunity to achieve the dream of homeownership," Bergjans said.

Headquartered in Southern California with local market offices nationwide, loanDepot and its sister real estate and home services company, mellohome, are dedicated to helping customers put down roots and bring dreams to life—all while building stronger communities and a better tomorrow.

AFR ANNOUNCES KEY LEADERSHIP APPOINTMENTS


MacPherson


Hamman


Lopez

Residential mortgage lender American Financial Resources (AFR) has announced a series of key leadership appointments, including the addition of **Bobbi MacPherson** as the new Head of Operations, **Shaun Hamman** has as SVP of Strategic Accounts, and the promotion of **Kayla Lopez** to Head of People.

With a diverse background in credit policy, operations, and technology development, MacPherson will provide an immediate impact as AFR's new Head of Operations. Reporting directly to AFR's COO Robert Pieklo, MacPherson 's expertise and innovative approach are expected to drive operational excellence and enhance service delivery.

"Bobbi's arrival marks an exciting new chapter for our operations team," Pieklo said. "Her diverse experience and passion for client-centric solutions will undoubtedly elevate the way we serve our clients, ensuring they continue to receive the best possible experience."

AFR welcomes back Hamman, who returns to the company as SVP of Strategic Accounts. Shaun's deep understanding of the industry and his longstanding relationship with AFR make him an invaluable asset as the company continues to grow. In his new role, Shaun will focus on developing strategic accounts while also contributing to the growth of AFR's One-Time Close (OTC) Construction and Renovation programs within the Wholesale & Non-Delegated Channels.

"We have been adding to our amazing team here at AFR, and I couldn't be more excited to welcome Shaun back," Pieklo said. "Having grown up together at AFR, this feels like a full-circle moment for us. When the opportunity arose to bring Shaun back, we knew we had to make it happen. His leadership and industry knowledge will be key to our continued success."

In a move that highlights AFR's commitment to internal growth and development, Lopez has been promoted to Head of People. Kayla joined the company in March 2024 as VP of Strategic Planning, with a clear path towards greater responsibilities. Her exceptional performance and dedication over the past five months have accelerated her journey, leading to this well-deserved promotion.

"When we brought Kayla on board, we had a plan for her growth over a couple of years. But within just five months, it was clear that she was ready to take on an even larger role within the organization," Pieklo added. "Kayla is the right person, in the right seat, at the right time. We are beyond grateful to have her leading this crucial part of our organization."

FAY SERVICING ADDS SVP OF DATA SCIENCE

Fay Servicing has announced that **Josh Balson** has joined the company as SVP of Data Science. In this newly created role, Balson will lead Fay's data science initiatives, focusing on leveraging advanced analytics and artificial intelligence (AI) to enhance the overall borrower experience and drive internal operational efficiencies.

"I'm excited to build and execute Fay's data science strategy from the ground up," Balson said. "This role allows us to explore new ways of using data to improve our internal operations. By leveraging AI and data science, we aim to provide more personalized, proactive service to our clients, ensuring we meet their needs before challenges arise."

Balson brings more than 15 years of experience in analytics within the mortgage industry, specializing in servicing, originations, and asset management. His expertise spans database architecture, operational reporting, and predictive an-

"In a rapidly evolving technological landscape, it's critical to differentiate between hype and substance."

—**Dallas Vit**, Chief Information Officer, Fay Servicing

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alytics. Balson earned a master's degree in data science from Southern Methodist University in 2021 and a bachelor's degree in economics and mathematics from the University of California, San Diego. A U.S. Navy veteran and Ohio native, Balson lives in Celina, Texas.

"I have known Josh for a long time and bringing him on board is an essential step in laying the groundwork for our long-term data strategy," said Dallas Vit, Chief Information Officer for Fay Servicing. "We are focused on building a solid infrastructure that will allow us to effectively leverage data science solutions. Our efforts in this space are aimed at planning, preparing, and ensuring we are making the right investments in people, technology, and security."

Vit also underscored the importance of maintaining a deliberate approach to data science.

"In a rapidly evolving technological landscape, it's critical to differentiate between hype and substance," Vit added. "We are committed to making thoughtful, strategic investments in this space, not only to enhance productivity but also to ensure we're protecting our data and our borrowers' information in a secure and controlled manner."

Based in Tampa, and with offices in Chicago; Charlotte, North Carolina; and Farmers Branch, Texas, Fay Servicing is a nationwide, diversified mortgage servicer that provides an array of services, including loan origination, loan underwriting, managing payments, and providing loss mitigation services for loans in default.

» *Service Providers*

OPENDOOR NAMES FORMER FANNIE MAE PRESIDENT TO ITS BOARD

Opendoor Technologies, an e-commerce platform for residential real estate transactions, has announced that **David Benson**, former President of Fannie Mae, has been appointed to its Board of Directors. Benson will also serve on the Audit Committee of the Board.

"I am thrilled to welcome David to our Board," said Carrie Wheeler, Opendoor CEO and Board Director. "He is a deeply respected executive who brings to our team three decades of leadership in the single-family residential real estate space, along with deep understanding of the capital markets and regulatory landscape. I know that we will benefit from his industry insights and operating expertise as we continue building the largest, most trusted e-commerce platform for residential real estate transactions."

Benson recently served as President of Fannie Mae, a provider of mortgage credit in the U.S. with more than $4 trillion in assets, from August 2018 until his retirement in May 2024. As President, Benson oversaw each of Fannie Mae's business units, single-family residential and multifamily, as well as several corporate functions, including Finance, IT, Operations, Strategy, Human Resources and Communications. During his time at Fannie Mae, Benson played a critical leadership role in modernizing the company's business model and leading it to record levels of profitability.

"I am pleased to join the Board of Opendoor," Benson said. "Opendoor has an impressive track record of bringing innovative and customer-centric solutions to residential real estate. I am eager to collaborate with the Board and management team to build further on Opendoor's progress in bringing certainty and efficiency to the home buying and selling process."

In addition, Benson pioneered the formation of Common Securitization Solutions, a cloud-native platform that enables the $7 trillion mortgage-backed securities market to achieve enhanced levels of liquidity and standardization. Benson joined Fannie Mae in 2002, and prior to his role as President served in a range of leadership roles, including as EVP and CFO, EVP of Capital Markets, Securitization & Corporate Strategy, and as Treasurer. Benson also served as Interim CEO and a member of the Board of

Directors during part of 2022, as Interim Chief Financial Officer during part of 2021, and as the interim head of Fannie Mae's Single-Family business earlier in 2021. Prior to joining Fannie Mae, Benson was Managing Director in the Fixed Income Division of Merrill Lynch & Company where, from 1988-2002, he served in several capacities in the areas of risk management, trading, debt syndication and e-commerce.

INCENTER APPOINTS NEW CHIEF LEGAL COUNSEL

Kathleen Dutill, an experienced mortgage industry attorney, has joined Incenter Lender Services as Chief Legal Counsel.

Dutill, who was previously Associate Counsel with Cenlar FSB and managed litigation at Ocwen Financial Corporation and GMAC Mortgage, will advise Incenter and its member firms on legal and compliance issues.

"As Incenter kickstarts its next phase of growth, Kate is already proving her value," said Sara Parrish, President at CampusDoor and COO at Incenter Lender Services. "She embodies our collaborative culture, matches our leaders' mortgage expertise, and is enabling us to expand our solution portfolio swiftly and responsibly."

Dutill earned her J.D. from Penn State Dickinson Law, her LL.M. in taxation from Villanova University Charles Widger School of Law, and a Bachelor's Degree in political science from La Salle University.

"The minute I met Incenter's leadership, I was ready to join," Dutill said. "This is a company that's determined to make a wider impact and isn't bogged down by bureaucracy. It's exciting to work with people with a common vision, and to have a meaningful role in moving our clients forward."

Incenter is a family of companies committed to helping lending and depository institutions maximize their financial and operational performance and leverage new pathways to growth. Incenter's offerings include capital markets, loan diligence, student lending, insurance, property tax, accounting and marketing solutions, which clients can leverage on a variable-cost basis.

NEW DIRECTOR OF OPERATIONAL INITIATIVES JOINS BROOKSTONE

Brookstone Management has announced the appointment of **Kerrie Crace** as new Director of Operational Initiatives.

Crace brings more than two decades of experience in mortgage, banking, and default servicing to her new role with Brookstone, with long tenures at both Wells Fargo and Key Bank.

"We're so excited for Kerrie to bring her talents and experience to Brookstone and help us continue building the Brookstone of the future," said Sam Ingber, CEO of Brookstone Management.

In her new role at Brookstone, Crace will oversee strategic initiatives, implementation management, and operational components for both new and existing client projects. Her expertise will ensure that performance and quality standards not only meet, but exceed client expectations. Crace's ability to manage and refine complex processes will play a crucial role in Brookstone Management's continued growth and success.

Throughout her career, Crace has managed hundreds of team members and held numerous senior leadership roles, where she was instrumental in building out new processes, teams, and functions. Her proven track record in leading large-scale initiatives and driving organizational growth aligns perfectly with Brookstone's vision for the future.

Abraham Goodman, President of Brookstone Management, added, "Kerrie joins our efforts to go from good to great, and we're thrilled to have her aboard."

Founded in 2005, Brookstone Management is a provider of mortgage field services, and the preservation and maintenance of vacant, pre-foreclosure, and REO assets nationwide. Brookstone Management is headquartered in New Jersey with offices throughout the country.

Pat Pannkuk, SVP of Business Development for Brookstone Management, added, "Kerrie brings a wealth of knowledge and tenure to our leadership team, and I am so excited to have her join our institution and make a day-one impact."

SERVICELINK BOLSTERS ITS NATIONAL SALES TEAM

ServiceLink has announced the promotion of **Antonio Little** to VP, National Sales Manager in the company's Origination Division, where he will oversee Account Executives across the country.

Little has 24 years of industry experience, eight of which he has spent at ServiceLink. He has been a part of the Fidelity National Financial (FNF) family of companies for nearly 10 years. Little is a customer-centric visionary, with a background in operations, training, business development and management across nearly all channels of the mortgage services industry. He spent the bulk of his career in management, focusing on strategy and implementation of new processes, with a stint as Chief Revenue Officer at an IT consulting firm. Over the course of his career, Little has helped companies expand their operations throughout the United States and into both Canada and Australia. He has an expansive knowledge of the industry and has spent most of his career working with top-tier clients, always striving to marry ServiceLink's rich skillset and expertise to the needs of industry clients.

ServiceLink has also welcomed two National Sales Executives to its Default and Origination Divisions, each responsible for driving client growth and new business development in their respective divisions.

THE LEGAL LEAGUE
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LEGAL LEAGUE

Raquel Pasala brings more than 15 years' experience in the mortgage servicing and financing space to ServiceLink's Default Division, where she will serve as VP, National Sales Executive. She is known for her meticulous attention to detail, adaptability, dedication, and a comprehensive understanding of financial processes. Pasala also has extensive experience in real estate, law, origination, insurance, and client relations, along with a deep knowledge of property preservation and the single-family rental market. Pasala comes to ServiceLink after a stint at First Allegiance, where she served as senior vice president in strategy and business relations. Pasala is also a member of the American Mortgage Diversity Council (AMDC) and has held significant executive leadership roles within the mortgage industry, including serving as Senior VP of Operations. She served as Senior Default Manager at Ameriquest Mortgage, where she developed and led the loss mitigation, bankruptcy, and property preservation divisions.

In addition, **Kevin Ziolkowski** joins ServiceLink's Origination Division as a National Sales Executive, bringing decades of industry experience with a background in sales, operations, insurance, account management, and technology to his new role. Ziolkowski has a proven track record of success in developing and implementing complex initiatives to drive improved customer satisfaction and growth. He comes to ServiceLink from Magellan Solutions USA, where he was director of business development. Previously, Ziolkowski spent nearly a decade as VP of Sales at Black Knight, where he focused on data and analytics partnerships nationwide. He also helped create a startup and tech-forward organization by leading sales at Mortgage Harmony, now Finofr. He has extensive experience in the mortgage insurance sector, where he created and grew strategic partnerships and has received multiple top sales performer awards throughout his career.

"We are excited to welcome AJ during such a pivotal time for our company. His expertise in helping high-volume mortgage lenders and his customer-first mentality will be invaluable to Reggora as we continue to build partnerships with lenders across the country to drive appraisal innovation."

—**Brian Zitin**, CEO, Reggora

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APPRAISAL SOFTWARE PROVIDER REGGORA ADDS NEW DIRECTOR OF BUSINESS DEVELOPMENT

Reggora, an appraisal management software company, has announced that **AJ Samadani** has joined the company as Director of Business Development and Partnerships, where he will oversee all business development and partnership functions.

"We are excited to welcome AJ during such a pivotal time for our company," CEO Brian Zitin said. "His expertise in helping high-volume mortgage lenders and his customer-first mentality will be invaluable to Reggora as we continue to build partnerships with lenders across the country to drive appraisal innovation."

A seasoned mortgage software executive, Samadani brings to Reggora 20 years of experience and a proven track record of helping leading mortgage lenders successfully leverage technology and operational efficiencies to exceed their business goals. He joins Reggora from CoreLogic, where he was Principal, Mortgage Solutions Technology for CoreLogic's Collateral Technology business. Prior to the last 10 years at CoreLogic, he held various leadership sales roles at Capsilon, RPM Mortgage, and others. Samadani is also a former professional baseball player for the Atlanta Braves organization.

"I am consistently impressed with the pace at which Reggora has innovated in the mortgage collateral space," Samadani said. "The opportunity to join a company with such a forward-thinking approach in appraisal innovation, automating the end-to-end collateral workflow, and a commitment to excellent customer service is something I am excited to be a part of."

FIGURE TECHNOLOGY ADDS NEW CHIEF LEGAL OFFICER

Ronald Chillemi has been appointed Chief Legal Officer and Corporate Secretary of Figure Technology Solutions. He will oversee the legal and compliance departments of the business in this capacity. Chillemi has more than 25 years of experience in government relations, compliance, and regulatory affairs from her time as a federal and state prosecutor, at top law firms, and in the fintech industry. Chillemi was Deputy General Counsel at Better, a mortgage lender, and General Counsel at Aven before coming to Figure. In addition, Chillemi worked as a partner at Robins Kaplan LLP, Deputy General Counsel, and Senior VP at Fanatics.

"We are thrilled to welcome Ron to our executive team. Throughout his career, Ron has built an exceptional track record, overseeing robust legal and compliance functions and helping to shape important state and federal legislative frameworks," said Michael Tannenbaum, CEO of Figure. "In just a few years, Figure has become the number one nonbank HELOC provider, largely because the capital markets and regulators are supportive of our modern approach. Having a CLO of Ron's caliber will be invaluable to Figure as we enter our most ambitious chapter yet."

Earlier in his career, Chillemi worked as a prosecutor for 17 years at three different levels of government: the Department of Justice as an Assistant United States Attorney, the Attorney General of New Jersey as a Division Director, and the Philadelphia, Pennsylvania, district attorney in his hometown. He was honored for his efforts on all fronts.

Chillemi stated, "I'm excited to join Figure because I've been impressed by the company on multiple levels—from the exceptional Board and management team to the technology that's fueled its growth as the nation's largest HELOC origination platform, to its capital markets prowess, to its innovative plans regarding the infrastructure of lending. I look forward to working with our team, partners, investors, regulators, and all stakeholders to build upon the company's strong foundation and help take its capital markets ecosystem to new heights."

BAYVIEW ASSET MANAGEMENT APPOINTS HEAD OF CRE DEBT

Bayview Asset Management LLC, an investment management firm focused on investments in mortgage and consumer credit, has named **Andrew Smith** as Managing Director, Head of Commercial Real Estate (CRE) Debt. Smith joined Bayview in July 2024 and is leading Bayview's investment initiatives related to CRE debt, with a focus on expanding the firm's capabilities in response to increasing market opportunities.

"I am confident Andrew will help further develop Bayview's capabilities to create a leading CRE Credit platform," said David Ertel, Chair and CEO of Bayview.

Smith brings more than two decades of experience in real estate debt and securities. Most recently, he served as Senior Managing Director and Head of Real Estate Debt at Kayne Anderson Real Estate, where he joined in 2014 to help launch the CRE credit platform and was integral to its growth with exceptional performance across over $10 billion of invested capital. Smith will be based in the Bayview New York office.

"This is a pivotal time in the real estate debt markets and a unique opportunity to join Bayview as it looks to increase its presence in the CRE space," Smith said. "Bayview has had a presence in the commercial real estate sector for over 25 years, having developed a strong reputation in the marketplace, and I look forward to contributing to the expansion and continued growth of the platform."

Bayview has been investing in CRE debt for more than 25 years. Currently, Bayview's CRE credit business includes 40 professionals in North America and 25 professionals in Europe across loan originations, underwriting, valuation, and includes a rated commercial mortgage special servicer. Bayview possesses lending capabilities in the United States, Europe, and Canada, has CMBS loan origination capabilities, and is an active investor in the CMBS bond market. In addition, Bayview has a strong presence in CPACE loan origination, a fast-growing market for financing new construction or upgrades to enhance energy efficiency. Looking ahead, Bayview plans to launch a dedicated commercial real estate credit fund, designed to deploy capital across a wide range of commercial real estate debt and securities opportunities.

AMERICAN MORTGAGE DIVERSITY COUNCIL ADDS SEVERAL ADVISORY COUNCIL MEMBERS

The Five Star Institute's American Mortgage Diversity Council (AMDC) promotes diversity and inclusion throughout the mortgage industry. The organization provides a platform for the collaboration of mortgage industry leaders for the advancement of diversity and inclusion dialogue. It develops and provides tools and strategies to create an understanding and appreciation of individual differences in thought, experience, race, ethnicity, culture, religion, style, sexual orientation, and gender identity.

The AMDC Advisory Council (AC) recently added three new members to its lineup, and you can see those new members profiled below. They join the existing AC membership that includes:

- **Tai Christensen**, Chair; Co-Founder and Chief Diversity Officer, Arrive Home
- **Toniqua Green**, VP, Corporate Social Responsibility, Mr. Cooper
- **Michael Ruiz**, Director, Supplier Diversity, Fannie Mae

The Advisory Council's new additions include:

Raquel Pasala

SVP of Strategy & Business Relations, ServiceLink

Raquel Pasala is SVP of Strategy & Business Relations at ServiceLink and a proud first-generation Hispanic American. She is a member of the American Mortgage Diversity Council and has built an impressive and diverse career spanning real estate sales, marketing, and operations across loan servicing, real estate, law, insurance, and correspondent lending sectors. She previously managed her own real estate firm and has also held significant executive leadership roles within the mortgage industry, including serving as SVP of Operations. She served as Senior Default Manager at Ameriquest Mortgage, where she developed and led the loss mitigation, bankruptcy, and property preservation divisions.

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Ashley Shepherd

Creative Manager, Brands & Marketing, Safeguard Properties

Ashley Shepherd began her career in the property preservation industry over 13 years ago at Safeguard in the Vendor Management department as Vendor Account Manager and Supply Chain Manager. In 2021, she transitioned into the Marketing department, where she drives the creation and implementation of innovative marketing strategies to enhance company visibility and client engagement. Through strategic insights and a creative approach, Shepherd utilizes her proficiency in digital marketing and brand development to support Safeguard's position as an industry leader. Shepherd is responsible for the creation and scheduling of the Safeguard Properties Industry Webinar Series, as well as the creation and distribution of the Safeguard Properties Newsletter. She also leads the committee responsible for planning and executing the National Property Preservation Conference each year. Shepherd graduated from Bowling Green State University with a Bachelor of Science in broadcast journalism and a minor in marketing.

Maria Tsagaris Starks

Chief Diversity Officer and Bankruptcy Partner, McCalla Raymer Leibert Pierce

Maria Tsagaris Starks manages McCalla Raymer Leibert Pierce, LLC's national proof of claim portfolio. Tsagaris Starks routinely advises real estate and mortgage banking professionals regarding laws affecting creditor rights in the areas of bankruptcy, loss mitigation, and other areas of the default servicing industry. She works with top servicers and lenders to provide on-site training courses on bankruptcy laws affecting the mortgage industry.

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AMDC

CFPB UNVEILS HIGHLY ANTICIPATED UPDATES TO REGULATION X

By **ROBERT D. FORSTER, II**

On July 10, 2024, the Consumer Financial Protection Bureau (CFPB) introduced a proposed regulatory amendment aimed at intensifying the obligations of mortgage servicers to assist borrowers prior to initiating foreclosure proceedings. This proposal represents a substantial modification of existing regulations mandating that servicers exhaust all potential loss mitigation options before commencing foreclosure. The proposed rule introduces significant procedural safeguards that activate upon a borrower's request for loss mitigation assistance. These include prohibitions against dual tracking, a practice where servicers pursue foreclosure while simultaneously engaging in loss mitigation and restrictions on the fees servicers may impose during the review process. Additionally, the rule mandates enhanced disclosure requirements and obligates servicers to offer communication options in multiple languages.

The CFPB then solicited industry feedback on several aspects of the proposed rule, including its implications for the use of borrower credit data, the reporting practices of servicers, and the potential introduction of a special code to flag mortgages under loss mitigation review.

ROBERT D. FORSTER, II, *is the Managing Partner/CEO of the BDF Law Group and is based in the Addison, Texas, location. The BDF Law Group provides a range of legal services to creditors on defaulted commercial and residential mortgage loans and is comprised of the following firms: Barrett Daffin Frappier Turner & Engel, LLP, (Texas & Georgia); Barrett Daffin Frappier Treder & Weiss, LLP (California, Nevada & Arizona); and Barrett Frappier & Weisserman, LLP (Colorado). He is licensed to practice law with the State Bars of Texas, Arizona, and Georgia, all United States District Courts in Texas and Arkansas, and the United States Supreme Court.*

Background and Evolution of the Regulatory Framework

The proposed regulation is derived from the demonstrated efficacy of streamlined loan modifications observed during the COVID-19 pandemic, aiming to establish these processes as a permanent fixture. This initiative extends the regulatory framework developed in response to the foreclosure crisis between 2006 and 2014, during which the CFPB enacted the 2013 Mortgage Servicing Rules under the Real Estate Settlement Procedures Act (RESPA) and Regulation X. These rules mandated that mortgage servicers assess borrowers for all viable loss mitigation options within a reasonable period following the receipt of a complete loss mitigation application.

During the COVID-19 pandemic, mortgage delinquencies surged to levels not witnessed since the foreclosure crisis. In response, the CFPB issued an interim final rule on June 30, 2020, allowing servicers to offer loss mitigation options without the need for a complete application. This regulatory flexibility was further extended with additional rules in 2021, which enabled quicker enrollment of borrowers into streamlined loan modifications without the prerequisite of a full application process.

Expanded Obligations for Mortgage Servicers

The proposed rule seeks to amend and expand the 2013 regulations by imposing new requirements on servicers when borrowers seek assistance during periods of financial distress. Once a borrower requests loss mitigation assistance, the servicer must ensure one of the following procedural safeguards is satisfied before proceeding with foreclosure or imposing certain fees: (1) the borrower is deemed ineligible for any loss mitigation options; or (2) the borrower has failed to communicate with the servicer for at least 90 days despite the servicer's efforts.

A notable aspect of the proposal is the extension of foreclosure and fee protections throughout the loss mitigation review cycle, until either the borrower has become current on their payments or one of the procedural safeguards has been met. The CFPB anticipates that these measures will incentivize servicers to conduct loss mitigation reviews with greater expediency and accuracy.

Clarifications and New Definitions

The proposed rule introduces and defines the term "loss mitigation review cycle," delineating it as the con-

"The proposed rule introduces significant procedural safeguards that activate upon a borrower's request for loss mitigation assistance."

tinuous period starting when a borrower requests loss mitigation assistance, provided such a request is made at least 37 days before a foreclosure sale. This cycle continues until a servicer implements a solution that brings the borrower's loan current or satisfies one of the procedural safeguards. The rule also broadens the scope of what constitutes a "request for loss mitigation assistance," ensuring that any communication from a borrower, oral or written, through customary channels, can trigger the procedural protections against foreclosure.

Prohibition on Dual Tracking and Additional Fees

The rule explicitly prohibits the practice of dual tracking, mandating that foreclosure activities cease as soon as a borrower requests loss mitigation assistance and continues throughout the entire review cycle. Moreover, with the exception of late fees, servicers would be barred from accruing additional charges or penalties during this period, which could result in servicers bearing the cost of third-party services related to delinquency management, such as property inspections.

Language and Communication Requirements

In recognition of the diverse linguistic needs of borrowers, the proposed rule requires servicers to provide translated communications in Spanish and other languages, both in written and oral form, upon request. This provision extends to borrowers who were marketed loans in a language other than English, ensuring they receive relevant loss mitigation communications in the same language.

Conclusion

The proposed rule, if adopted, would significantly enhance the obligations of mortgage servicers in assisting distressed borrowers by requiring them to exhaust all loss mitigation avenues before proceeding with foreclosure. It also aims to provide borrowers with meaningful opportunities for relief but may also impose additional costs on servicers and potentially delay foreclosure proceedings, thereby affecting the enforcement of mortgage obligations. Considering that these are the first substantial revisions to the Mortgage Servicing Rules in eight years, the proposed rule could lead to significant shifts in industry practices, necessitating the investment of time and resources as servicers work toward compliance with the new requirements.

With the public comment period still open, it is crucial for servicers, investors, trade associations, and their counsel to thoroughly review the CFPB's proposal to assess its potential impact on their operations. Additionally, these parties should strongly consider whether they should contribute public comments or provide data that could assist the CFPB in refining the amendments to Regulation X. Submitting comments could be a vital step in ensuring that the CFPB receives the necessary feedback on the proposed rule and its calls for data and other pertinent information. The CFPB's call for comments reflects the agency's ongoing efforts to balance borrower protections with industry concerns and it is anticipated the CFPB will take several months to review public comments and make revisions before issuing the final rule later this year or in early 2025. The implementation of the Regulation X changes is expected to become effective nine to 12 months following the finalization of the rule. MP

MAXIMIZING EFFICIENCY AND EXPERTISE: IS OUTSOURCING THE KEY?

By CONSOLIDATED ANALYTICS

The mortgage industry is under constant pressure due to ever-changing market conditions, regulatory demands, and staffing challenges. Maintaining a competitive edge while managing compliance and operational costs is becoming increasingly difficult for many firms. So, how can companies manage these complexities without sacrificing quality?

The Answer Is Clear for Many Mortgage Firms: Outsourcing

Outsourcing offers a strategic path to streamline operations, access specialized expertise, and regain control of your bottom line. Consolidated Analytics provides solutions to address the unique challenges of the mortgage industry. Now is the ideal time to explore how outsourcing can transform your business.

Are You Keeping Up With Industry Challenges?

Mortgage lenders today face rising compliance costs, staffing shortages, and operational complexities. Between that and the pressure to stay updated with regulations, maintain quality control, and scale with fluctuating demand, there's a lot to detract focus from core business objectives.

By outsourcing to a partner like Consolidated Analytics, you can reduce operational strain, increase agility, and focus on driving growth and innovation.

Why Business Process Services (BPS) Are a Game Changer

Consolidated Analytics' Business Process Services can help with document management, underwriting support, or quality control, and outsourcing these functions allows you to optimize operations.

How BPS Benefits You

- **Cost Savings:** Outsourcing reduces labor and technology costs, avoiding the expense of maintaining a large in-house team
- **Scalability:** Easily scale operations up or down without fixed overhead costs
- **Accuracy & Efficiency:** Minimize errors and accelerate processes for faster loan approvals and reduced time-to-close

Consulting Services: Your Secret Weapon

Consolidated Analytics' Consulting Services help you stay ahead of industry challenges:

- **Regulatory Compliance & Risk Management:** Stay compliant with ever-changing agency regulations, reduce risk, and protect your business
- **Process Improvement:** Streamline workflows, reduce bottlenecks, and implement data-driven improvements to improve customer service
- **Technology & Automation:** Leverage AI and machine learning to reduce errors and improve decision-making

Why Industry-Specific Expertise Matters

The mortgage industry is complex, and a generic solution won't cut it. Consolidated Analytics understands mortgage companies' regulatory, operational, and market challenges. Their industry-specific expertise ensures customized solutions that directly address your unique needs—whether you're a lender, servicer, or investor.

Is It Time to Reimagine How You Operate?

The pressure to adapt will only increase as the mortgage industry evolves. Outsourcing, combined with expert consulting and data-driven insights, can help you stay nimble, compliant, and profitable.

By planning ahead now, you can stay ahead of fluctuating rates and demand. Consolidated Analytics can help you streamline operations, reduce costs, and tap into the team's expertise to drive long-term success.

Contact the experts at Consolidated Analytics to see how they can help you make more informed decisions. *(Please visit www.consolidatedanalytics.com/solutions/business-process-services)*

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About Consolidated Analytics

Consolidated Analytics is an end-to-end mortgage services platform that delivers value to clients in origination, servicing, and capital markets, from asset-level analysis to enterprise optimization. A leading provider of real estate valuation, risk management, and advisory services, our comprehensive suite of solutions encompasses due diligence, residential and commercial valuation, collateral risk assessment, and regulatory compliance, enabling our clients to stay ahead in today's dynamic market.

Outsourcing offers a strategic path to streamline operations, access specialized expertise, and regain control of your bottom line.

MEET OUR 2024 LIFETIME ACHIEVEMENT AWARD RECIPIENT

Jocelyn Martin-Leano looks back at her industry accomplishments and the challenges she has overcome during her career.

By **DAVID WHARTON**

During the 2024 Five Star Conference & Expo, held at the Omni Hotel in Dallas in late September, the Five Star Institute presented the 2024 Lifetime Achievement Award during the Keys for Life Opening Luncheon. This year's Lifetime Achievement Award recipient was Jocelyn Martin-Leano, Founder of Enizio Strategies LLC.

Martin-Leano, who also served as the Chair of Five Star's National Mortgage Servicing Association (NMSA) from 2022-2024, established Enizio Strategies as a professional services company focused on equipping leaders with solutions that align strategy, capital, operations, risks, talent, and culture. Before founding Enizio Strategies, she was President of Rushmore Loan Management and served on both public company and nonprofit boards. Other industry roles Martin-Leano held include serving as COO of a mortgage insurance company, president of a home equity bank subsidiary, and progressive leadership roles at several banks. She graduated from Harvard's Advanced Management Program, obtained her Executive MBA from St. Mary's College (California), and has an undergraduate in industrial engineering.

MortgagePoint had the opportunity to chat with Martin-Leano during the Five Star Conference to discuss her accomplishments and the state of the industry.

Q: How do you go from being an industrial engineer at Timex to working at Citibank in an executive capacity?

Jocelyn Martin-Leano: I never thought, in my wildest dreams, I would be in the mortgage business. I worked on assembly lines doing productivity, process design, etc., and answered an ad from Citibank seeking a "process engineer to help figure out the origination process." I grew up on the origination side of the fence, and from there, started to work on different parts of the business, like time and motion studies for appraisers. I did all kinds of nuts-and-bolts work, including capacity planning and all of that for Citibank's business.

There are two important things I learned from my time at Citibank. One, there is no degree that I know of in any university about mortgages. Everybody gets into the mortgage industry through a different path. This path was very helpful to me in the sense that I understood what it took to build and how to put parts together. When you have a breakage in the flow, I know where to find it and fix it. I find those skills to be very helpful in everything that I did, building different corporations and businesses. It was great preparation for what was to come.

The second thing is that engineers are critical thinkers, so you can dispassionately and objectively look at things because you know how to look at things from a clinical lens.

The third thing that is interesting about engineering is that it requires you to understand what your "givens" are and then work the best out of what you have been given, and so much of that is needed in decision-making. You may not always know all the factors, but then you understand, okay, here is what is given, and how do I solve the problem given what I have?

The final part about engineering is that it's really helpful in optimizing for solving variables. It gives you focus because if you are trying to solve for "X, Y, and Z" all at the same time, that's hard to do. So, when you focus on one, you get that done, and then you solve for the next one, and the next one, and so on. It just gives you a nice frame for approaching and mentally looking at things.

Q: We have some amazing women leaders in today's industry, but the industry remains very male-dominated. What are some of the difficulties you encountered or had to deal with coming up in a very male-dominated industry? What advice would you offer to women who are coming up the ranks behind you?

Martin-Leano: The first one is ambidexterity because sometimes you must

consciously think of your lenses and what you are using. For example, when you are working with a lot of men, it's less about the emotion, and more about setting expectations because they like to fix things. It's very cut and dry … if something's broken, let's go fix it. The engineering aspect helps me translate things better.

If you are talking with women, it is more about the shared experience. How are we all sensing things? How are we processing the world? It may not be fixing. The art of fixing is in the talking … it's two different things.

I learned at an early age that when you are talking to people in senior management, especially men, you must have your act together in terms of being able to clarify a problem and what the givens are. If you are running around in circles, it just does not make sense. Women tend to think more holistically. We go around, we come back, and we also know how to navigate. We get to the same endpoint, it's just a different path.

You must understand the audience and how to best operate with them. I gave you stereotypes, but not everybody is like that. Some males like to go around and be different that way. And there are females who are very much like men and worse than men in terms of being cut and dried. It doesn't cut across genders necessarily, but more like how they frame their thinking. So that's number one.

The second thing about males is making them comfortable enough where you find an advocate for you. There are male sponsors and female sponsors, and you need both. It gives them the comfort that they do not have to do extra work for you, that you blend in and you're smooth, frictionlessly able to work with them.

Q: What advice can you pass on to people who may be coming up in the industry? Are there people you have mentored? How do you feel like your experience has helped those people?

Martin-Leano: There is a question here about legacy, and I think my legacy will be measured in terms of not how many businesses I helped build, and how much money I help people make, but in terms

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What Jocelyn's Colleagues Have to Say:

"She's the smartest person in the room—maybe because she's just that smart, but also because she's always so prepared."

—**Linda Noah,** Executive Director, Petros Network

What Jocelyn's Colleagues Have to Say:

"Jocelyn is an incredibly thoughtful, insightful leader who participated fully in the program. She does the work. She puts her time in. She doesn't take shortcuts. And she devotes herself 100 plus percent to whatever she's doing."

—**Vicki Good**, Educational Portfolio Director, Harvard Business School

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of how many people I have helped get to their highest potential. I know of a few that I was able to be part of their growth, and they have reached positions even higher than mine. The most important thing to me is being able to give back.

For women, I think actually going out and being seen is important, otherwise, we just think the system sees us, and we are not seen. There is an art to that because you do not want to be the aggressive feminine type. That's always an issue … looking like you are aggressive and self-promoting, but there is a way to network, be seen, and be comfortable describing your value. It's not natural for women, so I would teach them how to do that.

The third thing is continuous learning, because we run out of time, we do not keep current with the times.

In general, mentorship is one thing that I would change if I was talking to my younger self to understand business models. In my consulting job, I go around, I see different companies, and the value lies in people understanding your business model. It should go all the way to the lowest level, the lowest-ranked person needs to understand the vision.

Many leaders are lazy about casting vision. It should start from the top, and what you are trying to do, and cascade that down. There is a book by Patrick Lencioni, *The Four Obsessions of an Extraordinary Executive: A Leadership Fable*, that affected me. The book explains that you must be obsessive about casting vision and then making sure the people all understand it because it's much easier for them to rally around the vision if they know it.

In general, when giving mentorship advice, that would be the number one lesson, always to paint the vision. What are you trying to do first? And then what are you asking individuals to do to support this vision? Being very passionate about vision is important.

The second thing is to understand your business model. How are you making money? A lot of people do not know why you are here. This is a corporation, we make money, and if we make money, we have jobs for people and have a sustainable business. Many will come in and just say, "This is what I'm supposed to do today." But how does it fit the overall strategy?

Q: You served as Chair of the National Mortgage Servicing Association (NMSA) from 2022-2024, a nonpartisan organization driven by senior executive representation from the nation's leading mortgage servicing organizations. What were some of your greatest accomplishments during your time with NMSA?

Martin-Leano: My time at the NMSA was great in terms of being able to connect different leaders in different industry groups. If I was running for president, I would sponsor a coalition group that includes the Mortgage Bankers Association (MBA), the NMSA, Urban League, and everybody connected with housing policy and maybe even just sponsor a once-a-year get together and get people connected because together as an industry, we are better. That sounds trite, but it's true.

Look at the topic of artificial intelligence (AI). That's another thing I'm passionate about because of the adoption rate. Some may already be using a smartwatch, some ChatGPT, some a Ring doorbell system, and some an Alexa. The personal adoption of AI tools is there, but then in our business world, adoption is slow. Why is that? One reason is fear.

There's a thing called containment. When nuclear arms came into being, America and Russia said, "Oh, we can mutually destroy ourselves with this, so let's look at containment because too many of these are not going to do anybody any good." Sometimes with AI, there's that concept of containment, which is okay. We don't want it to be off the skids where it's doing harm. We want it to do good, and how we can make it do good for our business.

I'll give you an example … call centers. Call centers are not unique

What Jocelyn's Colleagues Have to Say:

"Professionally, Jocelyn's thoughtful and diligent work made my tenure as the CEO of Rushmore Loan Management Services very successful. Everyone should have a Jocelyn in their life."

—**Terry Smith**, CEO, Rushmore Loan Management Services, LLP

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to mortgages. There are call centers for credit cards, for anything, help desk, and insurance claims. There's so much maturity now in the use of AI and call centers that we should be in a coalition and say, "Okay, where do we feel comfortable doing this?" And then regulators could also weigh in and say, "Okay, here's our perspective." If you look at the FHFA, they have their own AI thing, as does Freddie Mac, Fannie Mae, and HUD, but who is bringing it all together to tie it in? Why are we all reinventing the wheel?

From an NMSA perspective, if I had stayed longer, I would have brought on more coalitions.

Q: Looking back on your career, what is some advice you have for balancing professional success versus personal commitments? How do you find that balance especially when, as you pointed out, women have more tasks than their male counterparts?

Martin-Leano: When I first started in the industry, you had to be in the office. You had to ask permission to pick up a sick kid. Today, work and life have blended where you do not see the blurred lines, which works to our advantage and our disadvantage. It's a disadvantage because your life and your work are permeating each other and sometimes you don't know where to begin and where to end. But it's also good because when you need it, you can make it blend.

I know people who would stop at 4:00 p.m., pick up their child, and then resume the workday, and that's okay. In the old world, it would not have been. There were times in my life when I took pay cuts, and I requested to work part time depending on the age of my kids because I have four kids, so imagine.

The second thing is just knowing your priorities and who you are. One day, I was driving with my kids, and I was having a bad day and I said something like, "If I didn't have you kids, I would have been further in my career." That was something I'll regret saying for the rest of my life. My kids replied, "Well, stop thinking about us and just do whatever you want to do, Mom." So, there will always be trade-offs.

It wasn't like that before. This is so much easier now. It's taxing on you because there are no lines. Before, when you were driving home, you used the drive time to decompress and put on your mom hat. Now all the hats are just simultaneously being put on and off.

Q: Do you think that change was primarily just a result of the disruption of COVID-19? Or did that just accelerate the process?

Martin-Leano: I think it accelerated the process. People were already starting to become more aware of work-life balance. The prevalence of mental health issues has caused people to think more about what is important. Our children, the generations after us, are less about driving for ambition than we are. In a way, we have given them a better life.

When you hear the story about "walking five miles in the snow," they don't walk five miles in the snow. So, we had to overcome much more than they did, and life is easier for them. But at the same time, they are a generation that is not used to relationships. They are a generation tethered to a phone. They don't have the benefit of large families and large communities. So, there's always a trade in a generation. That's what they have instead. Their cards are different, just as our cards were different when we were growing up.

Q: Looking back on your career as a whole, what are some of the things you're most proud of? What are your greatest wins, the things that you'd put up on your wall and look back on if you could?

Martin-Leano: Some of them were good, and some were bad. The good thing is that I have known enough people who have progressed in their careers, and I would like to say I played a role in that.

The second thing is that I've created tribes. The workforce is a family. It's a tribe and you belong, and when you come to work every day, you belong. I've created large groups of people like that with lasting relationships.

For example, I recently attended a reunion with my former Rushmore Loan Management Services friends. Some other people wouldn't have that, but we created a strong tribe. When you create tribes like that which bleed into personal relationships, those are important. That's what remains in life ... having helped a lot of people in their career journey and creating social groups because we created families and tribes.

One thing that's been hard for me is unfortunately that I have been part of business model exits, and my pride there is that those exits were done as gracefully as possible. They're never easy. But I cannot remember a time when there was a backlash.

I think I raised good kids even though I was not a traditional mother. I have been married for 36 years, so somehow, I did something good there, and that is a very important legacy to look back on.

Q: Any final comments?

Martin-Leano: As I receive the Lifetime Achievement Award from the Five Star Institute, I am not done, and I am iterating that as we go along. Being a consultant is interesting, as you get to go to different places. I'd like to think that I bring light where light has to be, and I'm less deliberate about it. It is kind of fun watching things evolve. I am very structured, and this time, I am not structured. I am letting the universe or providence or whatever bring me to where I need to be sent. So, it is kind of fun.

I am a student of humanity. I love watching teams and watching people ... I learn so much from them. Some people are good examples, and some are on this Earth to serve as bad examples, and we can learn from them. MP

"Jocelyn listens 100% to what people are saying. She listens with her eyes, ears, all of herself. And because of that, she's able to draw really insightful thoughts, ideas, perceptions, whatever it may be."

—**Linda Noah,** Executive Director, Petros Network

"Jocelyn has been my friend, my coach, my supporter for the past 15 years. She's a giving, caring person ... she is a very godly, very good woman and deserving of any recognition. ... She's one of the hardest working people and most productive executives I've ever worked with in my life. She's worked in every facet of the industry, in banking, nonbanking, and mortgage-related companies."

—**Thomas Walsh**, EVP, Rocktop Technologies; formerly President, Rushmore Loan Management Services

"She ... enlightened our leaders on the need for change. These changes brought not only efficiencies and financial gain to Rushmore, but also provided a better customer experience."

—**Terry Smith**, CEO, Rushmore Loan Management Services, LLP

KEYS FOR LIFE LUNCHEON FORMALLY KICKS OFF 2024 FIVE STAR CONFERENCE

By **DAVID WHARTON**

Anchoring the first full day of the 21st annual Five Star Conference at the Omni Dallas Hotel, the Keys for Life Luncheon, hosted by Freedom Mortgage Corporation, brought together attendees for a ceremony that honored both the 2024 Lifetime Achievement Award winner and several U.S. military veterans, who were awarded mortgage-free homes that were donated by Wells Fargo.

The luncheon began with a fireside chat between Stanley C. Middleman, President and CEO of Freedom Mortgage Corporation, and Ed Delgado, Managing Director of Mortgage Policy Advisors and Chairman Emeritus of Five Star Global *(see photo #5 to the right)*. The two discussed a range of topics including current economic conditions, the potential impacts of the November elections, and his own career path and accomplishments with Freedom.

Next up, Five Star presented its annual Lifetime Achievement Award to Jocelyn Martin-Leano *(see image #4)*, Founder of Enizio Strategies LLC, a professional services company with the mission of equipping leaders with solutions that align strategy, capital, operations, risks, talent, and culture. Prior to founding Enizio Strategies, she was President of Rushmore Loan Management and served on both public company and nonprofit boards. Other industry roles include serving as COO of a mortgage insurance company, president of a home equity bank subsidiary, and progressive leadership roles at several banks. She graduated from Harvard's Advanced Management Program, obtained her Executive MBA from St. Mary's College (California), and has an undergraduate in industrial engineering.

Martin-Leano also previously served as the Chair of Five Star's National Mortgage Servicing Association (NMSA) from 2022-2024.

The final portion of the KFL ceremony honored the United States military as several U.S. veterans received mortgage-free homes donated by Wells Fargo *(see images #1-3)*. The new veteran homeowners included:

- U.S. Army Staff Sergeant Stephanie Moore
- U.S. Army Staff Sergeant Jonathan Nunemaker
- Tosha Phillips, on behalf of U.S. Army Sgt. Ronald Phillips, Jr.

The Keys for Life Luncheon was supported by Lead Sponsor Freedom Mortgage Corporation, Partners Property Masters and XOME, and Non-Profit Partner the Military Warriors Support Foundation (MWSF).

The event also included a Silent Auction benefiting the MWSF. MP

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USEFUL SOLUTIONS FOR SFR MARKET CONCERNS

BY ERIC C. PECK

Education continued Wednesday for attendees of the 2024 Five Star Conference at the Omni Hotel in Dallas, as investors, service providers, and subject matter experts took part in the Single-Family Rental Roundtable discussion.

After Monday's Broker Master Class and REO Certification session, and Tuesday's FORCE Rally and Property Preservation Forum, the Single-Family Rental Roundtable explored how volatile factors such as inflation, escalating interest rates, and affordability concerns are impacting the ongoing growth and investment opportunities in the single-family rental market.

Presented by Lead Sponsor Property Masters, and Partner Sponsors Black Dome Services, Inspectify, and Sphere Rocket VA, the Single-Family Rental Roundtable covered topics from lending strategies to property management, tech tools, build-for-rent demand, and much more throughout the afternoon.

Welcome Remarks were presented by Single-Family Rental Roundtable host, Kelly Brooks, CEO of Property Masters *(see image #2 to the right)*. Brooks joined Property Masters in 2005 after earning a degree in finance and quickly worked her way up in the organization. She was promoted to VP in 2010, COO in 2013, and CEO in 2016. During her first 10 years in management, she helped grow Property Masters from a team of three, to more than 150 employees covering 19 states. Brooks remains a leader in a male-dominated industry and has become a role model for other women looking to advance in the construction space.

Brooks outlined the agenda that lay ahead and welcomed to the stage, Keynote Speaker Gary Beasley, CEO of Roofstock *(see images #1 and 4)*. Beasley helped build Roofstock, an award-winning technology-enabled platform for investors in the single-family rental sector. Previously, Beasley was co-CEO of publicly traded Starwood Waypoint Residential Trust (now part of Invitation Homes) and is known as a pioneer in the development of the SFR sector as an institutional asset class. Between 2001-2007, Beasley was CFO of ZipRealty, where he led the innovative, internet-based residential brokerage through its IPO before eventually being named its President. Beasley also spent six years with KKR-backed KSL Resorts, where he was instrumental in acquiring and integrating over $800 million of resort properties.

Beasley's Keynote was followed by the first of three panel discussions, "The Business of SFR: Finding, Managing, and Exiting" *(see image #6)*. During this session, panelists explored the current SFR investment climate, discussing tips around due diligence, managing properties, and provided advice on selling or holding properties. Panelists for this session sharing their insight included Steven Horne, CEO of Black Dome Services; Alex Hemani, CEO/Founder of Ninety9 Capital; Josh Jensen, CEO/Co-Founder of Inspectify; Jorge Newbery, CEO of Own Easy Solutions LLC; and Paul Dinehart, VP Asset Services of Sylvan Road.

Next up was "The State of Property Management" session exploring the current state of the property management marketplace and offering tips and suggestions to find success in today's marketplace *(see image #5)*. Panelists for this session included Brian Flaherty, CEO of Global Strategic; Jay Berube, Co-Founder of BetterWho; Jasmine Dal-

beck, EVP of Operations for Black Dome Services LLC; Randall Henderson, COO of Rentvine; Bryan Lysikowski, CEO of ZVN Properties; and Kelli Segretto, Founder of K Segretto Consulting.

Closing out the Single-Family Rental Roundtable discussion, a panel of experts shared how to keep ahead of the curve through unconventional and forward-thinking real estate approaches during the "Real Estate Reinvented: Embracing Change and Driving Growth" session *(see image #3)*. Participants included Eric Delgado, Co-Founder & Managing Director of Izinga-MCM Capital; Louis Amaya, CEO of PEMCO Capital Management; Mike Huang, Head of Revenue and Operations for Avenue One; Barry Owens, CEO for End-to-End Solutions; and Joe Peterson, Founder and CEO of iList Tech. MP

DISASTER READINESS, RESPONSE TAKES CENTER STAGE AT PROPERTY PRESERVATION FORUM

By **ERIC C. PECK**

Day one of the 2024 Five Star Conference kicked off Tuesday at the Omni Hotel in Dallas, and featured an afternoon of education, highlighted by the Property Preservation Forum, presented by Forum Partners Brookstone Management and ZVN Properties Inc.

Property preservation remains a critical tool in helping prevent blight and ensuring that properties are returned to the market for future home buyers. Tuesday afternoon's Property Preservation Forum featured execs from top field services companies and their servicer clients sharing their expertise on current trends and challenges within property preservation space.

The Forum got underway with Welcome Remarks from Tony Maher, EVP of Business Development with Cyprexx Services *(see image #2 to the right)*. Maher has more than 30 years of experience in the mortgage industry, working at a large mortgage servicer, Fannie Mae, and now with Cyprexx for more than 14 years. His experience spans across the entire mortgage industry, including loan origination, secondary marketing and most of the facets of the mortgage default process. As EVP of Business Development, he is responsible for growth at Cyprexx through sales and marketing and manages client relationships for the company.

Maher introduced the first of several panels scheduled throughout the day, "From Deficiencies to Efficiencies." This panel explored ideas about modernizing the practices and processes involved in inspections, hazard claims and disaster response, and rural and urban necessities *(see image #7)*. Taking part in the discussion were Candace Russell, VP of Post-Sale Activities, Default Servicing at Carrington Mortgage Services LLC; Yvette Gilmore, SVP, Servicing Product Strategy with ServiceLink; Michael Greenbaum, COO of Safeguard Properties; Tyler Herndon, Co-Owner/President of R-Eyes Asset Management.com; Keith O'Donnell, National Account Director with iVueit; and Jason Williams, Director with Fannie Mae.

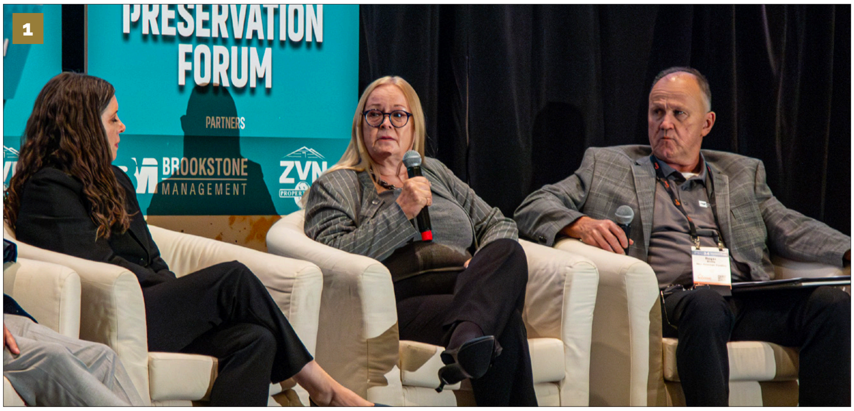
The impact of natural disasters on the housing market cannot be overstated, but it can be mitigated. "A Scout's Guide to Disaster Readiness" panel discussed all the current risks and challenges that investors face from the expanding threat of natural disasters. From increases in defaults, to decreases in property values, these economic impacts are all factors that come into play.

Panelists *(see image #3)* included Matt Pratt, Assistant VP with US Bank; Kerrie Crace, Director of Operational Initiatives with Brookstone Management; Johanna Granados, Account Executive with Verisk; Jason Myers, VP Business Development with MCS *(see image #4)*; and Mitch Patel, Director with First Allegiance.

Panelists covered how to overcome these challenges with powerful solutions—communication, damage discovery, disaster prep, and technology ... leaving all attendees with a better understanding of proper disaster readiness.

Panel three of the Property Preservation Forum, "Building Blocks: Property Preservation's Role in Community Resurgence," centered on the impact of vacant and distressed properties on their local communities *(see image #5)*.

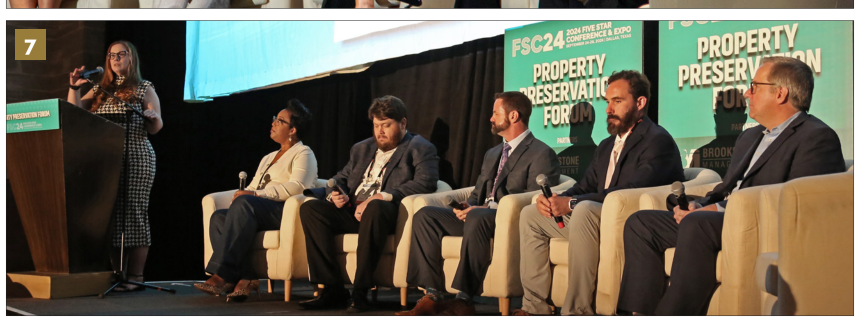
Panelists for "Building Blocks" included Micole Booker, VP, Mortgage Default Operations for VRM Mortgage Services; Melissa Bussey, Executive Principal with Xome; Talia Ramirez, SVP with Spectrum Solutions Acquisitions LLC; LaQuanda Sain, EVP of Servicing with Rocket Mortgage; Elizabeth Squires, AVP Client Account Management with Safeguard Properties; and Toby White, FVP, Director, Investor Claims with Flagstar Bank. The panel explained how lower property values, increased crime

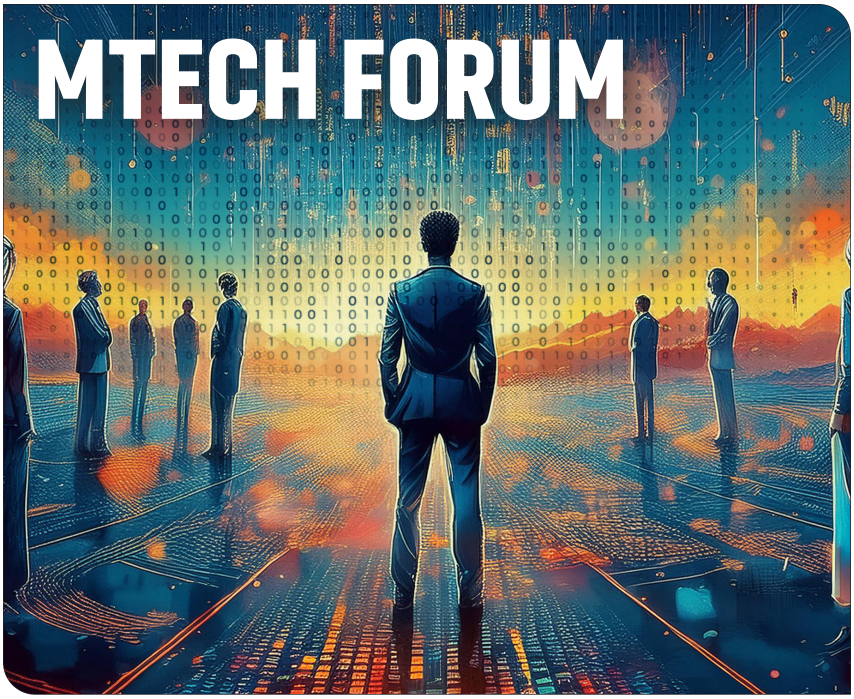


rates, and the propagation of blight could be avoided through property preservation initiatives. They discussed many of the existing challenges that hinder effective community revitalization efforts, including political red tape and a number of other factors.

In the fourth and final session, the aptly titled "Pol·i·cy (n), a course or principle of action," discussed how policy shapes every decision and outcome, while influencing every facet of our actions. The "Pol·i·cy" panel *(see images #1 and 6)* included Raquel Pasala, VP National Sales Executive with ServiceLink; Mike Blair, COO with LoanCare; Kimberly Dawson, SF Collateral Risk-Real Estate Asset Management Director with Fannie Mae; Denia Ray, VP, Property Preservation with ZVN Properties; Roger Stotts, Chief Servicing Officer with New American Funding; and Eric Will, REO Senior Director with Freddie Mac.

Panelists covered the strategies and principles guiding property preservation today, with a focus on solutions tailored for coverage in highly rural areas, diverse population aggregates, and the latest interpretation of the CFPB's regulations in "current." MP





MTECH FORUM TALKS AI, TECH ADVANCEMENTS IN THE INDUSTRY

By **DEMETRIA C. LESTER**

David Wharton, Editor-in-Chief at Five Star, gave the opening remarks to kick off this year's inaugural MTech Forum at this year's Five Star Conference & Expo. Numerous technology and subject matter experts go deeply into how technology is advancing the industry while also posing risks that need to be recognized and taken into consideration going forward. Panelists took a deep dive into subjects including cybersecurity, artificial intelligence, and technological advancements in mortgage servicing from speakers and panel experts.

Leah Price, Senior Financial Technology and Innovation Specialist for the Federal Housing Finance Agency (FHFA) gave the keynote address, sharing insights into FHFA's approach to Responsible Innovation, what the Office of Financial Technology is working on, the new Chief AI Office, and takeaways from FHFA's first Tech Sprint *(See image #2 to the right).*

Following the keynote, MTech transitioned into its first panel, "Guarding the Gates: The Critical Role of Cybersecurity." Safeguarding confidential financial information and making sure regulations are followed are critical in a time when digital revolution is changing the business landscape. Panelists included moderator Angel Hernandez, Chief Strategy Officer at Stavvy; Heather L. Beach, VP of Enterprise Risk & Compliance at Xome; David Callahan, EVP and CIO of LoanCare; and James Vinci, Chief Technology Officer for Selene Finance.

After an initial overview of the current regulatory landscape, David Callahan discussed the role of data governance in security, including the risks of unstructured data. James Vinci then led a discussion of vendor management, compliance, and oversight, including challenges organizations face when pushing down cybersecurity requirements to third-party vendors and the impact on cost to service loans that comes from enhanced security needs.

The vendor-focused discussion continued as Heather Beach from Xome discussed vendor optimization and data minimization strategies, including the biggest challenges service providers face in navigating cybersecurity requirements, particularly when clients have varying mandates. She also discussed how organizations can adopt data minimization practices while still meeting regulatory and operational needs.

The full panel then covered other topics including cultural shifts that may be necessary within organizations to enhance cybersecurity practices, how organizations can effectively educate employees against social engineering attacks, and future trends.

The second group of panelists took the stage to discuss how new technologies are transforming the way that mortgage servicing is done in the "Getting Ahead of Tomorrow: Innovations in Mortgage Servicing Technology" panel *(see images #1 and 5)*. Kevin Hamilton, CEO of Bron, moderated a panel that included Cyril Arokiadoss, SVP of Digital Engineering at LoanCare; James Curl, CTO of Xome; and Rida Sharaf, Chief Strategy Officer for USRES/RES.NET.

The initial discussion delved into how digital platforms are being leveraged within borrower communication, how to deliver customer experience capabilities quickly by utilizing proprietary digital channels, and personalization and digital tools. As the panel progressed, the discussion also included technologies and integrations for transparent asset management, data integration for better decision-making, automation in loan modification and foreclosure processes, and the impact of technologies such as AI, cloud real-time sharing, and others.

The topic of AI carried over into the final panel of the Forum, entitled "The Genie Unbottled: Implementing AI Solutions in Servicing" *(See images #3 and 4)*. Rodney Cadwell, CEO of Quandis, Inc., moderated a panel lineup that included

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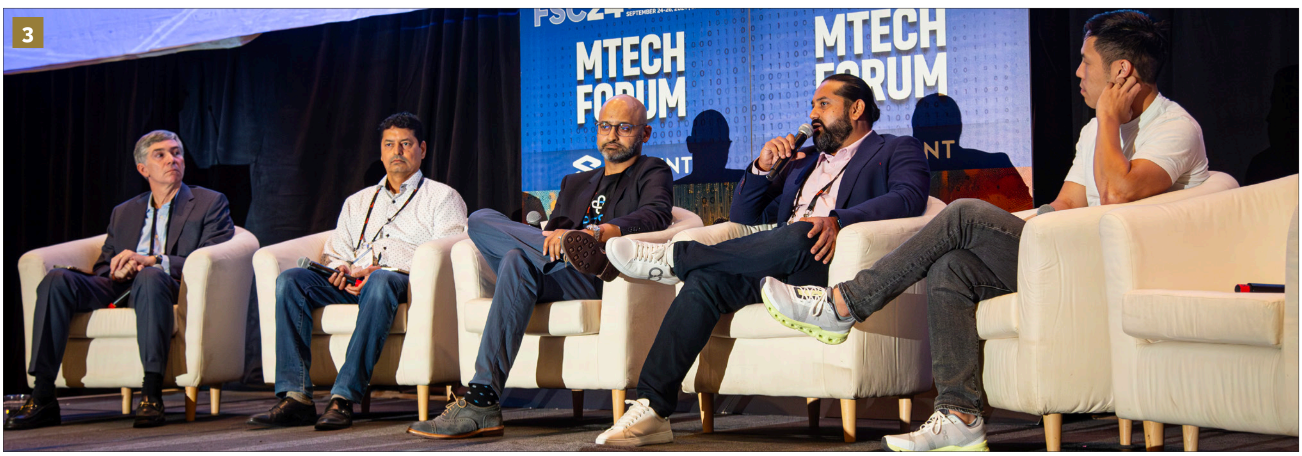

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Alec Crawford, Founder & CEO of Artificial Intelligence Risk, Inc.; Omer Farooque, CTO for Sagent; Bhupinder Mehta, SVP, Chief Transformation Officer and Operations Lead at BSI Financial Services; Mang-Git Ng, CEO of Anvil; and Ramesh Sarukkai, CPTO and Founder of Rate Inc. & Prajna Inc.

The discussion began with all the panelists breaking down how AI is currently being applied across their business operations and how that impacts mortgage servicing as a whole. The discussion then broadened to cover deploying AI solutions in real-world scenarios, what practical challenges and considerations should be top of mind to ensure successful integration in these situations, critical steps and considerations when implementing AI solutions from initial concept to proof-of-concept and full-scale deployment, and emerging trends in AI that may shape where the industry is headed. MP


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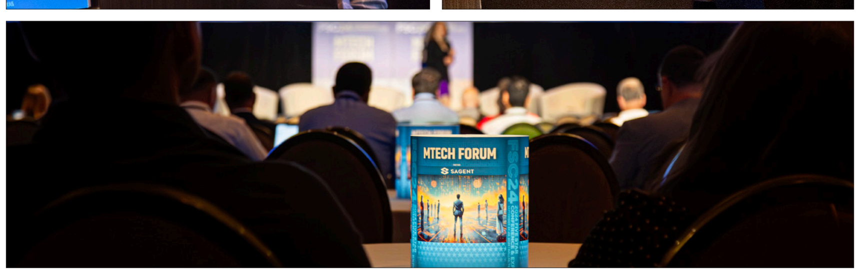

CHARTING A COURSE FOR THE FUTURE OF SERVICING

By **ERIC C. PECK**

One of the highlights Wednesday afternoon of the Five Star Conference at the Omni Hotel in Dallas was the Mortgage Servicing Forum, an event that brought together top mortgage servicing executives and government representatives to discuss the challenges facing the industry, while determining the best paths forward.

From loss mitigation to navigating compliance concerns and the potential industry impact in an uncertain election year, this year's Mortgage Servicing Forum was presented by Forum Partners Aspen Grove Solutions, Global Strategic, National General Lender Services, and R-Eyes Asset Management.

Stephen Hladik, Partner with Hladik Onorato & Federman LLP and Chair of the Legal League, welcomed attendees to the Forum and outlined the day's events, setting the stage for the Keynote Address & Fireside Chat.

David Sheeler, EVP, President of Mortgage Servicing of Freedom Mortgage delivered the session's Keynote Presentation. As SVP and President of Residential Servicing at Freedom Mortgage, the serving group has significantly grown over the years and helped hundreds of thousands of customers through loss mitigation. Sheeler has held various roles in the mortgage industry, including EVP of Correspondent Lending and Branch Operations at W.J. Bradley Mortgage Capital, as well as the positions of COO, CFO, and Pricing and Trading Operations Manager in the Correspondent Lending division of JPMorgan Chase. He also earned a CPA while working at Deloitte & Touche LLP in the financial services group.

Sheeler was then joined by Neil Sherman, President of Schneiderman & Sherman PC and Advisory Board Member for the Legal League for a Fireside Chat, where the two discussed the changing landscape of mortgage servicing, the economic impact on borrowers, the importance of understanding financial health, and the evolution of loss mitigation *(See image #2 to the right)*.

Next on the agenda was a session titled, "A High-Level Perspective of the Mortgage Servicing Industry," bringing together representatives from the servicer space, this panel broke down the current challenges faced in the servicing space. Panelists included Ryan Bourgeois, Partner with Barrett, Daffin, Frappier, Turner and Engel; Joshua Bishop, COO, Head of Servicing with NewRez; Rudy Casanova, President and Chief Revenue Officer from Global Strategic; Larry Goldstone, President, Capital Markets and Lending with BSI Financial Services; Ingrid Jaschok, SVP Default Servicing with Cenlar FSB; and Brandon Latman, SVP with Mr. Cooper *(See image #3 to the right)*. They delved into topics such as the looming CFPB amendments to Reg X and the effects of the "Show Me State" case on the foreclosure process.

One of the major highlights of the Five Star Conference is getting industry stakeholders in the same room as the industry's policy makers, and the "Key Conversations With Government Agencies and Enterprises" session was a major draw *(see image #1 to the right)*. During this session, attendees had the opportunity to hear from industry leaders on recent changes, including reporting requirements for cyberattacks, VASP implementation, FHA Payment Supplemental, and other current issues impacting the servicing industry. Panelists Jane Bond, Managing Partner, Litigation SE with McCalla Raymer Leibert Pierce LLC; William Collins, Director, Servicing and Loss Mitigation with the U.S. Department of Housing & Urban Development (HUD); Rita Falcioni, Loan Management Supervisor with the U.S. Department of Veterans Affairs (VA); Ben Gottheim, VP-Servicing Policy with Freddie Mac; Leslie Meaux Pordzik, SVP, Office of Issuer and Portfolio Management with Ginnie Mae; and Charlotte Ritz, Associate General Counsel with Fannie Mae all offered that the best solutions will come about through open communication between government agencies and enterprises, servicers, and law firm representatives.

The fourth session of the day, a new series from the Library of Mortgage Servicing: "Mapping the Loss Mitigation

Minefields," provided key overviews of mortgage servicing's most pivotal works *(see image #5)*. Panelists, including Clayton Gordon, Director, Default Mediation and Litigation with Carrington Mortgage Services LLC; Caren Castle, California Managing Attorney with The Mortgage Law Firm; Reg Shepherd, Executive Principal, Client Relations with Xome; and Shubha Shivapurkar, Senior Director, Loss Mitigation with Freddie Mac shared their "Tales From the Underwriter: Frighteningly Common Loss Mitigation Traps and How to Avoid Them." Also discussed by those on the panel was an outlined of "Best Practices for Communicating Needs and Outcomes," as well as "A Post-Chevron Regulatory World."

Wrapping up the Mortgage Servicing Forum was an exclusive chat with Naa Awaa Tagoe, FHFA's Deputy Director of Division of Housing, and Kent McPhail, Senior Partner with McPhail Sanchez LLC and Co-Host of the "What the M" podcast during the "Insight From the FHFA" session *(see image #4)*. The duo touched upon a number of topics, including the industry's current and imminent pivotal points, as Tagoe shared the experiences that provided growth and wisdom throughout her career. **MP**

HANDLING DISTRESSED ASSETS IN TODAY'S MARKETPLACE

By **ERIC C. PECK**

A new addition to the Five Star Conference, Thursday morning's NPL Forum, presented by Forum Lead Sponsor Altisource, tackled topics ranging from non-performing loans (NPLs), foreclosures, bankruptcy, and the buying and selling of distressed assets. Attendees listened to an array of speakers, ranging from servicing executives to economists as they guide you through the current headwinds and best practices within the non-performing assets arena.

The NPL Forum kicked off with Welcome Remarks from Mary Best-Brill, VP SaaS Sales for Altisource outlining the important topics that will be covered during the upcoming discussions *(see image #2 to the right)*. Best-Brill serves as the VP of SaaS Sales, specializing in the Equator Asset Management platform, RentRange, NestRange, and Hubzu sales for Altisource. She is an experienced industry partner who began her career in real estate as a Realtor with Coldwell Banker. She moved into institutional asset management, managing wholly owned portfolios of California assets, then on to managing a national portfolio with JPMorgan Chase & Company. She also specializes in complex litigation cases providing resolution and testimony when needed in Court. She spent six years managing US REO Partners as Director of Member and Client Relations, where she successfully created opportunities for the agent members and was responsible for raising over $500,000 for the St. Jude Children's Hospital.

Best-Brill introduced the first of three panel discussions of the day, "Non-Performing Loans: Best Strategies & Practices." During this session, panelists engaged in a broad discussion of the current state of the NPL landscape, with topics ranging from resolution strategies, compliance and regulatory considerations, collaboration among stakeholders, and foreclosure best practices. Panelists included Michael Merritt, SVP of Customer Care & Mortgage Default for BOK Financial; Clayton Gordon, Director of Default Mediation and Litigation for Carrington Mortgage Services LLC; Cheryl Marchant, SVP of Default form Freedom Mortgage Corporation; Shawn Miller, SVP from Xome; Allen Price, SVP, Business Development for BSI Financial Services; and Shubha Shivapurkar, Senior Director of Loss Mitigation for Freddie Mac *(see image #1 to the right)*.

With a presidential election just weeks away and the industry facing many questions and challenges regardless of who occupies the White House in 2025, the "Economic Update: Housing Market Outlook" panel discussion featured a panel of expert economists sharing their forecast of what they anticipate for the back half of 2024, and what lies ahead in 2025.

"Economic Update" panelists included Michael Waldron, President of Compliability Solutions; Daren Blomquist, VP of Market Economics for Auction.com; and Molly Boesel, Senior Principal Economist for CoreLogic, as the trio engaged in a lively dialogue of what lies ahead for the industry.

In the third and final session, with both commercial and individual bankruptcies having risen year-over-year throughout the first half of 2024, the "Navigating Bankruptcy" session assembled subject-matter experts discussing bankruptcy trends and challenges that within this sector have on their radar. A panel including Candace Russell, VP of Post-Sale Activities, Default Servicing for Carrington Mortgage Services LLC; Deloise Browne-Milner, Senior Operations Manager for Freddie Mac; Bill Bymel, CEO & Chief Investment Officer for First Lien Capital; Alicia Female Byrd, Senior Bankruptcy Manager for Flagstar Bank; and Jeffrey Fraser, Partner in the Bankruptcy Department for Albertelli Law took to the stage and detailed recent changes in bankruptcy laws, and what is trending in the market *(see image #3)*.

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NPL FORUM

FORCE RALLY TAKES A LOOK AT THE STATE OF THE INDUSTRY

By **DEMETRIA C. LESTER**

While the environment of the market is evolving and interest rates and inflation have decreased, there are still many unresolved problems regarding the direction the market will go in the coming months and years due to "election-year uncertainty."

With top-notch panel speakers, relevant and insightful content, and unique takes on the forecast of the future housing market, the 2024 FORCE Rally offered experts the opportunity to not only learn, but to take with them an experience that's applicable to their success.

Gina Gallutia, Executive Director of Membership at Five Star, opened the FORCE Rally by providing an overview and rundown of the subjects that will be discussed during the session. HUD, with its sizable asset portfolio, is a major factor propelling the REO market. The U.S. Department of Housing & Urban Development (HUD) asset managers and suppliers are to discuss an important source of business in the next market cycle at the panel.

Insights on HUD Assets and Opportunities

The United States Department of Housing and Urban Development (HUD), with its sizable asset portfolio, is a major factor driving the REO market. In this discussion, HUD asset managers and vendors shared their opinions and insights about critical sources of business in the next market cycle.

Panelists included:

- Jim Hastings, President of Hastings Brokerage, Ltd.
- Grace Feguer, Government Contract Manager at Raine & Company
- Vanessa Sanchez, Asset Manager at A TEAM REALTY
- Brynn Amaya, Portfolio Manager at PEMCO Capital Management

A Bird's Eye-View With GSEs and Government Entities

During the second panel, attendees learned from leading GSEs about what possibilities and opportunities await them in the future. This conversation between important housing market experts offered beneficial insights to agents hoping to succeed in REO.

The panel *(see image #1 to the right)* offered expert commentary from:

- Tiffany Fletcher, SVP of VRM Mortgage Services
- Brandon Lawler, Director, Real Estate Marketing & Sales at Fannie Mae
- Eric Will, REO Senior Director of Freddie Mac

The Challenges and Opportunities of Commercial REO

Some may say the Commercial REO industry has been simmering for far too long. When will the dam break, and how can you take advantage of this situation? In the REO market, every agent has the opportunity to find their specialty, and commercial offers a fresh and difficult opportunity. A panel of experts shared their thoughts on what the future holds for the market and agents alike in the "Challenges and Opportunities of Commercial REO" panel *(see image #2)*.

Speakers included:

- Tamika Marks, Managing Broker at Trademarks & Associates, LLC
- Louis Chavez, CEO of Chavez & Associates
- Jeff Mueller, Team Lead, Specialty Clients and Alt Disp at VRM Mortgage Services
- Anthony Powell, CEO of Evo Asset Consulting
- Gerald Fralick, VP REO Manager at Zions Bancorporation

Ending the Evening With Table Talks

Small-table discussions on a variety of subjects were moderated by industry

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professionals, allowing agents to join and learn from their colleagues and peers.

Topics included:

- **Creative Financing to Close** – Kimberly McClinton, Managing Broker at Signature Realty Services
- **Grunt Work Before the Listing** – Tamika Marks, Managing Broker at Trademarks & Associates, LLC
- **Repairs and Rehabs** – Jim Hastings, President of Hastings Brokerage, Ltd.
- **Your Value Proposition in Your Market** – Sarah Richards, Broker at Spring Mountain Realty PLLC

As Gina Gallutia closed out the event, she highlighted the key topics that attendees had the opportunity to learn from via leading GSEs about the potential and future prospects that await them. This conversation between important experts on the housing market will be beneficial to agents hoping to succeed in REO, as GSEs make up a significant portion of the market. MP

REAL ESTATE SOLUTIONS EVENT OFFERS AGENTS CRITICAL INSIGHTS

By **DEMETRIA C. LESTER**

Many real estate agents encounter a variety of challenges throughout their career. This workshop was meant for those who are seeking strategies to boost their earnings. Attendees discovered how to invest in the proper chances to develop real estate portfolios and learn how to leverage existing abilities to tap into alternative cash streams. Experts who attended had the opportunity to participate in conversations at round tables, discussing important issues and the headwinds agents face. Gina Gallutia, Executive Director of Membership at Five Star, hosted the session.

To open things up, First Lien Capital's CEO and Chief Investment Officer, Bill Bymel, gave the keynote speech *(see image #5)*. Attendees learned how to develop a powerful, personal brand that will help other industry experts go from being an agent to a trusted advisor, resulting in a significant increase in your influence, impact, and income—ultimately developing and maintaining the tools necessary to stand out from the competition in a constantly shifting real estate market.

The Power of Your Personal Brand to Increase Your Impact and Income

Attendees learned how to develop a powerful personal brand that will help them go from being an agent to a trusted advisor, resulting in a significant increase in influence, impact, and income. They were also informed of methods to be unique in their fields compared to their ever-hot competition in such a volatile market so that clients will continue to find them valuable and vital.

Panel experts *(see image #1 to the right)* also included commentary from:

- Jim Hastings, President of Hastings Brokerage, Ltd.
- Sebastian Stofenmacher, Broker at Edgestone Real Estate
- Steven Pagano, Owner of Pagano Properties and First Hawaiian
- Norris Bishop, Broker at Norris Bishop Realty, LLC
- Holly Pagano, Owner of First Hawaiian Realty
- Brandon O'Briant, EVP of AssetVal
- Ellis San Jose, Director of Private Property Service
- Caroline Gim, REO Broker of Expert Real Estate & Investment
- Gay-Lynn Chavez, COO of Chavez & Associates
- Louis Chavez, CEO of Chavez & Associates
- Michael Soliz, Managing Partner of 1 OAK ADVISORY

Alternative Revenue Streams

REO agents have a significant benefit in being adaptable, regardless of market conditions. As an agent, one may leverage their extensive skill set and experience to generate new business prospects and boost revenue streams. Expert panelists who achieved success in unusual and inventive ways can assist one in finding fresh prospects that may not have been thought of.

Those who attended were educated by speakers that included:

- Steven Pagano, Owner of Pagano Properties and First Hawaiian
- Norris Bishop, Broker at Norris Bishop Realty, LLC
- Gay-Lynn Chavez, COO of Chavez & Associates
- Louis Chavez, CEO of Chavez & Associates
- Caroline Gim, REO Broker at Expert Real Estate & Investment
- Holly Pagano, Owner of First Hawaiian Realty

Building Your Real Estate Empire

This panel of experts *(see images #2 and 3)* has extensive expertise in navigating the challenges of incorporating investments and businesses into your portfolio. Those in attendance were able to discover how to develop their real estate empire brick by brick and hear from some of the brightest minds

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in the business on profitable investment ideas. It was a room full of those learning where to begin, how to develop, and what not to do.

Experts included:

- Rande Johnsen, Director of Trustee Corps
- Bill Bymel, CEO & Chief Investment Officer of First Lien Capital
- Brandon O'Briant, EVP of AssetVal
- Ellis San Jose, Director of Private Property Service
- Sebastian Stofenmacher, Broker at Edgestone Real Estate

These panelists wrapped up the workshop with a great deal of expertise with the challenge of adding investments and businesses to portfolios. Those who listened were able to discover how to develop their real estate empire brick by brick and hear from some of the brightest minds in the business on profitable investment ideas. Attendees learned where to begin, how to develop, and what not to do. MP

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TABLE TALKS DISCUSS CHALLENGES OF IMPLEMENTING DEI

By **DEMETRIA C. LESTER**

In the DEI Table Talks that took place at the 2024 Five Star Conference & Expo, leaders in the industry were given a chance to engage in meaningful dialogues with experts committed to promoting diversity, equity, and inclusion (DEI) in their companies and the mortgage sector.

The roundtable conversations focused on the future of DEI initiatives at the American Mortgage Diversity Council (AMDC) in 2025. Toniqua Green, VP of Corporate Social Responsibility at Mr. Cooper, emphasized the importance of listening to employees in order to drive engagement and understand specific needs within different groups, such as Black, Asian, and Spanish communities. While the AMDC organization is in a phase of active listening to ensure their DEI efforts are relevant and effective, Green noted that the initial strong response to DEI following the killing of George Floyd has since diminished, indicating a need to maintain momentum and adapt strategies accordingly.

"We know that temperament for DEI has changed since the killing of George Floyd," Green said. "People made all these big promises and all these big wishes, and now that has drained down. So, DEI is not falling to the wayside, but it's definitely less of a hot topic than what it used to be."

The conversation aims to gather insights from various perspectives to implement future DEI strategies, focusing on ensuring that the organization's DEI efforts are aligned with the actual needs and wants of the employees.

The Current State of DEI Initiatives

DEI organizational structures are designed to encourage the equitable treatment and full participation of all persons, particularly those who have traditionally been underrepresented or susceptible to discrimination based on identity or disability. According to the U.S. Bureau of Labor Statistics (BLS), no more than 20% of professionals in the finance industry identify as non-white.

AMDC hosted the event, and participants took part in brief, topic-focused dialogues facilitated by AMDC members on subjects such as:

- What is the current environment of DEI at your company?
- How do we recreate energy and regain support?
- Is DEI part of your business case?
- How can you be intentional in forwarding DEI without attracting scrutiny?

"The purpose of this conversation is to help us understand how AMDC could move forward in 2025 and what some of our initiatives need to look like," Green said. "So, we want to hear from everybody on what's important, what's missing, and how we can play a part in getting things going. We have a lot of similarities that people take for granted."

According to the 2024 Diversity and Inclusion Global Strategic Business Report, the global D&I market—which was anticipated to be worth $10.9 billion in 2023—is projected to grow at a compound annual growth rate of 10.6% between 2023 and 2030.

Overall, whites make up 77% of the U.S. labor force, while Blacks and Asians accounted for an additional 13% and 7%, respectively. American Indians and Alaska Natives made up 1% of the labor force, while Native Hawaiians and other Pacific Islanders accounted for over half. People of two or more races accounted for 2% of the labor force.

Organizations across the mortgage industry continue to develop strategies to promote equality, build a broader system of sustainable American homeownership, and leverage the benefits of diverse teams and viewpoints, as aided by groups such as the AMDC.

Fannie Mae's recent work on these fronts has included implementing tools

"What we've done, from a marketing perspective, and then internally, is really focus in on our individual DEI groups," Vaughn said. "We're going to even push further. We ask our teams, what is it that you want to do, we make sure that they are the ones that are kind of driving the initiatives."

When it came to being proud of one's heritage and culture, each speaker and attendee discussed their personal challenges prior to and success stories throughout their career.

Jackie Vasquez, Complex Case and Industry Relations Manager for optimal Leadership Advisory Forum (O.L.A.F.),

"The purpose of this conversation is to help us understand how AMDC could move forward in 2025 and what some of our initiatives need to look like. So, we want to hear from everybody on what's important, what's missing, and how we can play a part in getting things going. We have a lot of similarities that people take for granted."

—**Toniqua Green**, VP of Corporate Social Responsibility, Mr. Cooper

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such as using text-scanning software to identify prohibited and subjective language in the appraisal space and utilizing technology to improve underwriting.

Julian Whitted, Regional Sales Representative at Qwikkit, discussed his company's inclusive initiatives, including free language courses in Spanish and bilingual communication to unify the 40% Hispanic workforce. These are the strategies that will further strengthen DEI initiatives.

Brian Vaughn, Senior Director of Marketing at McCalla Raymer Leibert Pierce, highlighted their DEI efforts, including doubling down on diversity initiatives, creating a women's collective group, and more.

further discussed the benefits of working at O.L.A.F., a small company with a remote team, emphasizing the personal connections and understanding of employees' needs, such as being a single parent. She highlighted the importance of customizing support for employees, including taking breaks or days off when necessary.

She also stressed the need for leaders to prioritize reconnecting with their teams and understanding the tools and support required for employees to succeed, rather than being overly focused on daily tasks and organizational needs.

"We have to be open to hearing our employees as leaders," Vasquez said. "Stand up for who you are, even if you have to stand alone." MP

2024's WOMEN IN HOUSING RECIPIENTS SHARE INSIGHTS & ADVICE

By **DAVID WHARTON**

Rising Star Executive Award

KATHRYN WALTERMAN

Manager of Default Administration, Mountain America Federal Credit Union

Q: What are your proudest career achievements thus far?

One of my proudest career achievements has been receiving the Rising Star Executive award and being nominated alongside such inspiring leaders. This recognition fuels my commitment to uplifting other strong female leaders and driving meaningful changes in the industry.

In addition, recently I identified the need to align multiple high-risk teams under one cohesive umbrella, encompassing Bankruptcy, Foreclosure, REO, and Deceased areas. I aimed to ensure these teams had the same positive experience and streamlined processes. This initiative was completed in September 2023, garnering praise and significantly improving compliance, employee engagement, and member experience. It stands as a testament to the power of strategic alignment and empathetic leadership.

These accomplishments reflect my dedication to fostering a collaborative, supportive environment and my commitment to continuous growth and improvement. They serve as milestones in my journey to make a lasting impact in my field.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

My greatest mentor has been my sister, Shannon. With nearly two decades of experience ahead of me and thriving in a male-dominated industry, she has been a beacon of inspiration and guidance. Watching her navigate her career with grace and determination, I found a role model whose example I could emulate.

Shannon has consistently emphasized the importance of leading with empathy. This lesson has profoundly shaped my professional approach. Whether I'm interacting with borrowers during their most vulnerable moments, guiding my team, or developing new initiatives to assist delinquent members, empathy remains at the core of my actions.

Her ability to balance strength and compassion has taught me that true leadership involves understanding and addressing the needs and emotions of others. Shannon's mentorship has not only equipped me with practical skills and knowledge but has also instilled in me the value of kindness and consideration in all professional interactions.

By following her lead, I've learned to create an inclusive and supportive environment that fosters collaboration and trust. Shannon's influence continues to inspire my career, reminding me that empathy is a powerful tool for achieving both personal and professional success.

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

To women embarking on their careers in this industry, I cannot stress enough the importance of lifelong learning and continual growth. Never stop asking questions, seeking knowledge, and advocating for what matters to you. Find your niche, master it, and always strive to expand your expertise. Do not, I repeat, do not shy away from negotiating for what you deserve—your contributions are valuable and your voice matters.

It's equally important to share your knowledge and celebrate the achievements of others. By uplifting one another, we foster a collaborative and empowering environment that benefits everyone. Remember, your voice and perspective are crucial, so trust in your abilities and take ownership of your career journey. Together, we can create a more inclusive and dynamic industry.

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Leadership by Example Award

AUBREY GILMORE HALIM

President, Rutledge Claims Management, Inc.

Q: What are your proudest career achievements thus far?

I'm proud to have led Rutledge Claims Management (RCM) through some challenging yet transformative periods, particularly after stepping into the role of COO and, later, President. One of my proudest moments was leading the overhaul of our internal claims management software, a project that required thoughtful collaboration and innovation. The improvements we implemented have significantly streamlined our operations and enhanced the service we provide to clients. Balancing these responsibilities while raising a young family, including my return to work after having twins, has been a deeply rewarding aspect of my career.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

Over the last several years, I've had the privilege of working closely with our CEO and owner, Allison Rutledge, who has been an incredible mentor to me. Early in my management career, she brought me into high-level meetings, giving me the exposure and confidence to have a voice at the table. Through her guidance, I found my voice and learned the importance of speaking up and trusting my instincts. She taught me that honesty, hard work, and a positive attitude can carry you far, and I've carried those lessons throughout my career. Allison's belief in me helped me believe in myself, and I'm grateful for the invaluable mentorship she's provided.

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

The most critical piece of advice I'd give to women starting their careers in this industry is to put in the work and not expect success to come to you. Hard work and dedication are key, but it's equally important to build strong connections. Networking is invaluable—it opens doors, creates opportunities, and helps you grow. Be receptive to change, as this industry is constantly evolving, and adapting is crucial for long-term success. Stay proactive in seeking out learning opportunities, and don't shy away from new challenges. Trust yourself, keep pushing forward, and always remain open to growth and transformation.

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Keys in Hand Award

TAI CHRISTENSEN

President, Arrive Home

Q: What are your proudest career achievements thus far?

Being a co-founder of our company Arrive Home has been the most fulfilling career achievement of my 20+ year career in the mortgage industry. Our team provides down payment assistance and other special-purpose credit programs to predominantly low-to-moderate-income consumers in marginalized communities to help them achieve their dream of owning a home. With homeownership being the number one vehicle for wealth creation for most Americans, it fills me with pride to know we are assisting thousands of families each month to get their foot on the property ladder.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

I have been fortunate enough to have two female mentors in my life, both pivotal in my journey through the mortgage industry. I've learned much from both ladies over the years, but the greatest lesson I learned from each of them is to remain authentic at all times and in all places. Sometimes, we as women feel the desire to remain quiet or default to the decisions of the men in the room. By working closely with both of my mentors, I've learned how to stand firm in my convictions to my corporation, my team, and our customers, while remaining malleable enough to always remain open to learn. Having such incredible female mentors in a male-dominated industry has shown me that regardless of your gender, with hard work, determination, and strong conviction, it is possible to achieve your dreams.

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

At the beginning of my career in 2003, a friend gave me one piece of advice that has remained with me to this day: create a hard stop time each day and walk away from your desk. Corporate burnout is real and happens quite frequently due to working beyond your energetic and physical abilities. Having a specific daily time when you commit to yourself to stop working and walk away from your desk will help ensure that you are taking the appropriate time for self-care. Being highly productive does not have to come at the cost of self-sacrifice. Finding time and space to breathe each day has enabled me to have a dynamic 20+ year career in the mortgage industry.

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Corporate Social Responsibility Award

TIFFANY FLETCHER

SVP, Compliance and Operations Support, VRM Mortgage Services

Q: What are your proudest career achievements thus far?

My proudest career achievements revolve around the opportunities I've had to develop and contribute to the growth of others. I find immense joy in mentoring and encouraging people, and it's deeply fulfilling to witness them thrive as their untapped talent, abilities, and potential are realized.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

Throughout my career, I have been blessed to have both men and women as mentors. However, the women who mentored me hold a special place in my heart. Despite the challenges they faced in their journeys, they demonstrated grace and integrity, never hesitating to coach, support, and advocate for my professional growth. From them, I have learned, and continue to learn, invaluable lessons that strengthen my leadership abilities and inspire me to persevere, regardless of the obstacles.

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

My advice is a collection of valuable insights I've gained from my incredible male and female mentors throughout my career:

Be Courageous—DREAM BIG: Don't let fear hold you back from pursuing your dreams and using your gifts. Share your aspirations with management, and leverage opportunities to add value and make a meaningful impact.

Be Vulnerable: Though it may seem contrary to courage, vulnerability is, in fact, one of the truest measures of it. Being open with your emotions is crucial for connecting with others and building strong relationships.

Be Authentic: Be respectfully yourself. Treat others the way you wish to be treated. Authenticity fosters trust and respect.

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Laurie A. Maggiano Legacy Award

DONNA SPENCER

VP of Servicing Relationship and Performance Management, Freddie Mac

Q: What are your proudest career achievements thus far?

Several months before the Great Recession started, I decided to pursue a manager position in the loss mitigation department at Freddie Mac. This leap of faith formally established a career path for me. I stepped up to manage the team, where I had once been an individual contributor. It required a level of confidence from me and support from those around me to lead my peers.

I am also proud of the time spent attending the face-to-face borrower events that Freddie Mac and servicers held during the crisis. It gave me the ability to hear personal stories directly from borrowers, which was helpful when it was time to provide input on policies and procedures that would drive changes in the servicing areas.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

One of the greatest mentors that I have is my former leader. She believed in me and my ability to perform. There are many leaders who are looking for a cookie-cutter employee with a standard background. When I joined this woman's team, she quickly identified the skill sets that I brought to the table. She saw my potential and assigned two of the highest-profile accounts to me. She was a mentor, manager, and a sponsor. There were so many lessons learned through this relationship, but the main takeaway was that good work must be joined together with a leader who is willing to sponsor you and has the capacity—she was the one who talked about me when I was not in the room.

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

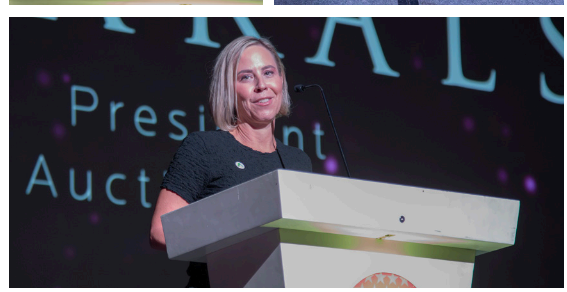
This is a unique industry. You can build a career in this industry with a variety of degrees, and even if you don't have a degree, there is still room for you to grow to senior levels. If you are willing to work hard, build strong relationships, and demonstrate flexibility, you will be able to create a career that will have a lasting impact on the lives of homeowners. One other piece of advice—and this is especially for women—take others with you on your journey. It's so important to build a community of leaders who are willing to mentor, coach, and sponsor others. It's about creating a culture of serving others that will continue to pay dividends for years to come.

The 21st Five Star Conference marked its final day with the tradition of the Women in Housing Leadership Awards, an annual presentation recognizing the remarkable accomplishments of women executives working within the mortgage and housing industries.

Following brief welcome remarks from Ali Haralson, President of Auction.com (Lead Sponsor of the event), Ed Delgado, AMP, Managing Director, Mortgage Policy Advisors and Chairman Emeritus, Five Star Global, was introduced. Delgado, who was instrumental in the creation of the Women in Housing tradition at Five Star Conference, also noted that the Five Star Institute was developing plans for a women's leadership industry council that will help guide the WIH programming in the years to come. Delgado then passed the baton to this year's emcee, Jodi Gaines, CEO of Claims Recovery Financial Services (CRFS).

Gaines next moderated the "Inside the She-Suite" panel, bringing several of the industry's top-ranking women executives together to address the challenges and share the inspirational successes they've encountered throughout their careers. This year's She-Suite panel included:

- **Yvette Gilmore**, SVP, Servicing Product Strategy, ServiceLink
- **Erum Nayani**, SVP, General Counsel, BSI Financial Services
- **Shubha Shivapurkar**, Sr. Director, Loss Mitigation, Freddie Mac
- **Dr. Phyllis Wright**, SVP, Strategic Human Resources, VRM Mortgage Services



Trends in the Commercial Space

According to Commercial Edge, several trends have emerged in the commercial space:

- Nationwide, 379 million square feet of industrial space was under construction, a significant drop from the year-ago level of nearly 595 million square feet.
- Industrial transactions totaled $30.7 billion through the first seven months of the year at an average of $135 per square foot.
- Kansas City's industrial pipeline grew from 7.8 million square feet one year ago to 11.8 million square feet underway in July.

"Commercial mortgage originations have historically followed property prices, and the uncertainty about the future path of interest rates has been a contributing factor to the current slowdown, with many investors holding off selling or refinancing a property in the hope of lower rates," Woodwell added. "With longer-term rates now lower, many of those players are likely to take action. Investors looking to shorter-term financing can also take solace in signs from the Federal Reserve that they will soon begin bringing down the short end of the curve."

Lending/Originations

2024 COMMERCIAL/ MULTIFAMILY BORROWING EXPERIENCING A YOY BUMP

Total borrowing and lending for commercial and multifamily mortgages is expected to finish at $539 billion by the end of 2024, according to an updated baseline forecast by the Mortgage Bankers Association (MBA). This gives 2024 a 26% year-over-year increase from 2023's total of $429 billion.

Multifamily lending accounts for the largest chunk of that total, with an expected year-end total of $297 billion, a 21% increase from 2023's estimated $246 billion. The MBA anticipates that next year, borrowing and lending will increase to $665 billion in total commercial real estate lending, with $390 billion of that total in multifamily lending.

"The recent moderation in interest rates, coupled with the large volume of loans maturing in coming quarters, should prompt an uptick in mortgage borrowing from the low levels we've seen over the last two years," said Jamie Woodwell, MBA's Head of Commercial Real Estate Research. "The exact timing of the bounce-back will depend on how quickly property owners jump on long-term interest rates that are down significantly from where they were a year ago."

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"The recent moderation in interest rates, coupled with the large volume of loans maturing in coming quarters, should prompt an uptick in mortgage borrowing from the low levels we've seen over the last two years,

— **Jamie Woodwell**, MBA, Head of Commercial Real Estate Research

Default Servicing

AT-RISK COUNTIES EXPERIENCING HIGHER UNEMPLOYMENT RATES, FORECLOSURES, AND MORE

In Q2 2024, ATTOM produced a Special Housing Risk Report highlighting county-level housing markets across the country that are more or less susceptible to falls based on home affordability, underwater mortgages, and other metrics. According to the analysis, the most at-risk markets in the nation are—once again—concentrated in California, New Jersey, and Illinois, with some of the largest clusters located in inland California and the New York City and Chicago regions. Less susceptible markets were still mostly found in the Midwest and the South.

Based on differences in home affordability, underwater mortgages, foreclosures, and unemployment, the second-quarter patterns showed that over half of the counties in the United States thought to be most vulnerable to possible drop-offs were in California, New Jersey, and Illinois. These concentrations topped the list of regions more vulnerable to downturns, just as they have over the past few years.

That list of county-level housing markets included seven in the New York City region, five in the Chicago metropolitan area, and twelve in parts of California, largely in the state's interior distant from the Pacific coast. The remainder were dispersed mostly throughout the Midwest and Northeast, as well as the South. Conversely, over 50% of the markets deemed least likely to fall occurred in Virginia, Tennessee, and Wisconsin. There were six in the Washington, D.C., region and three in each in the metro areas of Richmond, Virginia, and Nashville, Tennessee.

"The housing market boom continues to gain momentum, thanks to another Springtime boost. However, some markets show signs of potential instability, which suggests a mixed level of risk, particularly in certain regions that repeatedly show signs of concern," said Rob Barber, CEO of ATTOM. "While these observations don't indicate immediate red flags or warning signs of an impending downturn, they do highlight areas of relative risk. With the housing market still facing challenges, it's crucial to closely monitor regions where key indicators suggest a higher likelihood of issues."

Based on the share of homes facing potential foreclosure, the share of mortgage balances exceeding estimated property values, the percentage of average local wages needed to cover major homeownership expenses on median-priced single-family homes, and the local unemployment rate, counties were deemed to be mostly at risk. These findings came from an examination of the most current ATTOM-prepared information on home equity, affordability, and foreclosure.

The federal government provided the unemployment rates. In Q2 of 2024, rankings were determined by combining those four criteria across 589 U.S. counties that had enough data available for analysis. Each category's counties were ordered from lowest to highest, and the result was determined by combining the four positions. Important risk disparities persisted in several U.S. regions in the second quarter of 2024, even though important housing market indicators have improved or worsened this year. These metrics included affordability, equity, and home prices.

At-Risk Counties Have Higher Unemployment, Underwater Mortgages, Foreclosures, & Affordability

In Q2 2024, 24 out of the 51 most at-risk U.S. counties were deemed most vulnerable to housing market issues. These counties included large portions of California and the urban centers around New York and Chicago. The counties were among 589 in the country having sufficient data for analysis.

The most at-risk counties included three in New York City (Kings County, which covers Brooklyn, Richmond County, which covers Staten Island, and Bronx County) and four in the New York City suburbs (Essex, Passaic, Sussex, and

Union counties, all in New Jersey). It also included Cook, Kendall, McHenry, and Will counties in Illinois and Lake County in Indiana.

In 33 of the 51 counties judged most vulnerable to market drop-offs in Q2 of 2024, major homeownership costs (mortgage payments, property taxes, and insurance) on median-priced single-family homes were assessed as seriously unaffordable. This indicates that those costs accounted for at least 43% of the typical local pay. Major costs for average residences sold in the country during the second quarter came to 35.1% of average local wages.

The **highest** percentages in the most at-risk markets were in:

- Kings County (Brooklyn), New York (111.8% of average local wages needed for major ownership costs)
- Riverside County, California (74.4%)
- Washington County (St. George), Utah (70.4%)
- Richmond County (Stated Island), New York (66.8%)
- Passaic County, New York (outside New York City) (65.3%)

In 34 of the 51 most at-risk counties, at least 5% of residential mortgages were underwater in the second quarter of 2024. Homeowners who owed more on their mortgages than the estimated value of their residences made up 5.1% of all mortgages in the country. Of the 51 counties that were considered to be most at-risk, Tangipahoa Parish, Louisiana (east of Baton Rouge) had the highest percentage of underwater residents (26.1%); followed by Peoria County, Illinois (16.3%); Lake County (Gary), Indiana (13.2%); Orleans Parish (New Orleans), (13.1%); and Montgomery County (Dayton), Ohio (11.9%).

Overall, in 39 of the 51 most vulnerable counties, more than one out of every 1,000 residential homes faced a foreclosure action in the second quarter of 2024. One in 1,575 houses across the country was in that situation. Additionally, in contrast to 33 of the most at-risk counties, some 18 of the 51 counties deemed least vulnerable to market issues in the second quarter of 2024 had major ownership costs on median-priced single-family houses that were substantially unaffordable.

WHICH STATES HAVE THE MOST UNDERWATER MORTGAGES?

While homeowners are witnessing a dramatic reversal in the home equity trend—which had previously shown three quarters of declines in a row—homeowner equity is increasing following notable price surges throughout the spring 2024 buying season. A new ATTOM report examines the present trends in underwater mortgages and homeowner equity, the underlying causes of these trends, and the states most affected.

However, there is good news for significantly underwater mortgages. Serious underwater mortgages are profiting nationwide from economic factors including rising property values and increased demand as a result of low supply. But certain states are still having trouble, especially those in the Midwest and South.

More U.S. Homeowners Remain Equity-Rich

In Q2 of 2024, ATTOM's U.S. Home Equity & Underwater Report indicated that a larger number of mortgaged residential properties in the country were deemed equity-rich. A property is considered equity-rich if the total estimated loan sums secured by it do not exceed 50% of its estimated market value. At the national level, the share of severely underwater mortgages in the U.S. fell in Q2 and reached its lowest point since at least 2019.

Gains in home equity during Q2 coincided with a surge in home prices during the spring 2024 purchasing season, with the median national price rising by 9% on a quarterly basis to a record $360,000. The difference between the estimated worth of properties and what homeowners owe on their loans grows as property prices rise—now owning more stock.

Gains in home equity during Q2 coincided with a surge in home prices during the spring 2024 purchasing season, with the median national price rising by 9% on a quarterly basis to a record $360,000.

Over the previous three quarters, equity had appeared to be stagnating, but rising prices along with low inventory and strong demand had increased equity-rich levels. Other economic factors included the nation's unemployment rate dropping below 4%, relatively stable house mortgage rates that fluctuated about 7% for a 30-year fixed loan, and record highs in the financial markets.

When examined annually, equity-rich levels increased in an estimated 31 states. From a quarterly standpoint, lower-priced markets, primarily in the Midwest and South, saw the largest rises.

In Kentucky, from 28.7% in Q1 of 2024 to 37.4% in Q2 of 2024, the percentage of mortgaged properties deemed equity-rich grew. In Illinois, the percentage of residences with high equity increased from 28.3% to 36.1%. Oklahoma had an increase from 28.1 to 34.5%, Alabama from 35.7 to 41.9%, and Missouri from 38.3 to 45.5%.

Although equity-rich levels have increased significantly in the South and Midwest, these same regions also have large percentages of dangerously underwater mortgage levels.

Southern States, Severe Underwater Mortgage Levels, and Worsening Factors

Loan sums for seriously underwater mortgages exceed the estimated market value of the property by at least 25%. While the number of underwater mortgages is declining nationally, many states—especially those in the Midwest and South—continue to face difficulties. According to Realtor.com's Fred Goncher of Backyard Mortgage Corp. in Garnerville, New York, the issue of underwater mortgage levels is closely linked to job rates.

According to Goncher, the rate of substantially underwater mortgage levels is often higher in southern areas. The causes are frequently a confluence of demographic shifts and economic factors like employment rates.

"Declining population leads to declining real estate prices," Goncher said. "Declining real estate prices leads to underwater mortgages."

Oklahoma, Kentucky, and Louisiana are states that produce energy from fossil fuels. Because of U.S. policy, the output of fossil fuels has decreased, which has decreased jobs and economic activity in several states. If consumers can't afford to buy a home, house prices decline, and more homeowners default on their mortgages. Another driving factor contributing to the rise in underwater mortgages is population reduction.

Now that economic trends and the recent reduction in interest rates are pushing homeowner equity higher, homeowners in states with high percentages of underwater mortgages should begin to enjoy some reprieve. In Q2 2024, the percentage of substantially underwater mortgaged properties fell to one in 42 nationwide. In Q1 2024, that percentage was one in 37, and in Q2 2023, it was one in 36. In 37 states per year and 47 states on a quarterly basis, the rate declined.

The top 10 states with underwater mortgages by count as of Q2 2024:

1. Texas (number of seriously underwater mortgages: 109,254)
2. Illinois (102,825)
3. Ohio (91,125)
4. Pennsylvania (88,811)
5. California (85,412)
6. Louisiana (67,840)
7. Florida (61,830)
8. Georgia (49,149)
9. Michigan (47,045)
10. Missouri (46,556)

The top 10 states with underwater mortgages by percentage as of Q2 2024:

1. Louisiana (10.5%)
2. Mississippi (6.8%)
3. Kentucky (6.3%)
4. Arkansas (5.4%)
5. Iowa (5.2%)
6. North Dakota (5.0%)
7. Oklahoma (5.0%)
8. West Virginia (4.7%)
9. Illinois (4.0%)
10. Missouri (3.9%)

From the first to the second quarter of 2024, the percentage of substantially submerged properties increased in only two states, and even then, it increased very little. South Dakota increased from 3% to 3.1%, and Utah increased from 2.1% to 2.2%.

Conversely, the states with the lowest percentages of mortgages that are substantially underwater were California (1.2%), Rhode Island (0.9%), New Hampshire (1%), Massachusetts (1.1%), and Vermont (0.7%) all having mortgages that are seriously underwater.

How Do Underwater Mortgages Look in Q4 2024?

In Q2 2024, homeowner equity increases outpaced gains over the previous five years, and underwater mortgages have also benefitted from it. However, what is ahead? Will these patterns hold up?

The CEO of ATTOM, Rob Barber, predicts that increased buyer demand over the summer will have driven prices further higher. For mortgages that are underwater, this is good news. This, along with the recent decline in interest rates, should cause demand for homes to increase even more, raising property values in the process and lowering the number of underwater mortgages, especially in states in the Midwest and South.

COMMERCIAL CHAPTER 11 BANKRUPTCY FILINGS JUMP YOY

According to data provided by Epiq AACER, the 6,067 total Commercial Chapter 11 bankruptcies filed during the first nine months of 2024 represented a 36% increase over the 4,561 filed during the same period in 2023.

"As we close out the third quarter in 2024, we continue to see a steady increase in both individual and commercial filings this year to date. The recent Fed rate cut (and signal for further cuts) spurred by slowing job gains and an increase in the unemployment rate leads me to believe the steady increase in those seeking bankruptcy protection will continue through 2024 and into 2025,"

said Michael Hunter, VP of Epiq AACER. "The recent devastation from hurricane Helene in the Southeast, current geopolitical conflicts, and a potential for large supply chain impacts (duration of strike) will all influence bankruptcy volumes in the months ahead."

Epiq AACER is a division of Epiq and is a provider of data, technology, and services for companies operating in the business of bankruptcy. Its Bankruptcy Analytics subscription service provides on-demand access to the industry's most dynamic bankruptcy data, updated daily.

A case filed under Chapter 11 of the U.S. Bankruptcy Code is frequently referred to as a "reorganization" bankruptcy. Usually, the debtor remains "in possession," has the powers and duties of a trustee, may continue to operate its business, and may, with court approval, borrow new money. A plan of reorganization is proposed, creditors whose rights are affected may vote on the plan, and the plan may be confirmed by the court if it gets the required votes and satisfies certain legal requirements.

Epiq found that overall commercial filings registered 22,550 for the first nine months of 2024, a 20% increase from the commercial filing total of 18,774 during the same period in 2023. Small business filings, captured as Subchapter V elections within Chapter 11, totaled 1,837 in the first nine months of 2024, a 41% increase from the 1,303 elections during the same period in 2023. A large portion of the increase in Subchapter V filings took place prior to the debt eligibility limit being reset on June 21 from $7.5 million to just over $3 million. Since that date, the monthly pace of small businesses electing to restructure under Subchapter V has slowed considerably.

Key Highlights from Q1-Q3:

Total bankruptcy filings were 383,182 during the first nine months of 2024, a 15% increase from the 332,213 total filings during the same period a year ago.

- Total individual filings also registered a 15% increase year to date to 360,632 filings, up from 313,439 filings during the first nine months of 2023.
- The 143,177 individual Chapter 13 filings in the first nine months of 2024 represented a 9% increase over the 131,230 filings during the same period in 2023.
- Individual Chapter 7 filings increased 19% to 216,831 from the 181,703 filed in the first nine months of 2023.
- All chapters increased in September 2024 compared to September 2023. Overall commercial filings increased 9% to 2,422 from 2,225 in 2023. September 2024 commercial chapter 11s increased 26% to 734 from 585 in September 2023. Total subchapter V elections within chapter 11 increased by 9% to 167 in September 2024 from 153 in September 2023.
- The 42,532 total bankruptcy filings in September 2024 represented an increase of 14% from the 37,360 filed in September 2023.
- Total individual filings were also up 14%, to 40,110 from 35,135.
- The 24,096 individual Chapter 7 filings in September 2024 increased 22% over the 19,789 filings in September 2023.
- Individual Chapter 13s were up 4% in September 2024 to 15,946 from 15,287 the previous year.

"As filings steadily increase toward pre-pandemic levels, potential economic challenges continue to mount for distressed consumers and businesses," ABI Executive Director Amy Quackenboss said. "Amid the resumption of student loan payments, renewed concerns regarding supply chains, and growing geopolitical tensions, bankruptcy provides the opportunity for a fresh start for financially overwhelmed families and companies."

COMMERCIAL/ MULTIFAMILY MORTGAGE DEBT OUTSTANDING CLIMBED IN Q2

The Commercial/Multifamily Mortgage Debt Outstanding quarterly report from the Mortgage Bankers Association (MBA) revealed that the amount of outstanding commercial and multifamily mortgage debt rose by $31.4 billion (0.7%) in Q2 2024.

At the end of Q2, the total amount of outstanding commercial and multifamily mortgage debt increased to $4.69 trillion. The debt associated with multifamily mortgages alone climbed by $19.4 billion (0.9%) to $2.09 trillion from Q1 2024.

"Commercial mortgage debt outstanding grew at a modest pace in the second quarter," said Jamie Woodwell, MBA's Head of Commercial Real Estate Research. "Every major capital source increased its holdings of mortgages backed by income-producing properties, but the growth was mixed, with life insurance companies increasing their holdings by 1.8% and banks increasing their holdings by 0.2%."

The commercial mortgage-backed securities (CMBS), collateralized debt obligation (CDO), and other asset-backed securities (ABS) issues, life insurance companies, federal agency and government-sponsored enterprise (GSE) portfolios, and banks and thrifts are the four largest investor groups.

At $1.8 trillion, commercial banks still control the lion's share (38%) of commercial and multifamily mortgages. At $1.02 trillion, agency and GSE portfolios and MBS represent the second-largest holdings of commercial and multifamily mortgages (22%). The holdings of life insurance companies total $735 billion (16%), while CMBS, CDO, and other ABS problems account for $609 billion (13%) of the total. CMBS, CDO, and other ABS issues are bought and held by numerous banks, life insurance companies, and GSEs. The report lists these loans under the heading "CMBS, CDO, and other ABS."

Changes in Commercial/ Multifamily Mortgage Debt Outstanding

When focusing only on multifamily mortgages, as of Q2 2024, agency and GSE portfolios and MBS accounted for 49% of all outstanding multifamily debt, with $1.02 billion. Banks and thrifts came in second with $625 billion, life insurance companies for $234 billion, state and local government for $91 billion, and CMBS, CDO, and other ABS issues for $67 billion.

With a $12.8 billion (1.8%) increase in their holdings of commercial and multifamily mortgage debt in Q2, life insurance firms had the biggest gains in terms of money. Banks and thrifts raised their holdings by $2.9 billion (0.2%), agency and GSE portfolios and MBS climbed by $8.1 billion (0.8%), and CMBS, CDO, and other ABS issues increased by $5.4 billion (0.9%).

The biggest gain in percentage terms was seen by nonfinancial corporate businesses, whose holdings of commercial and multifamily mortgages increased by 2.0%. On the other hand, assets held by state and local government retirement plans dropped by 12.8%.

"With fewer loans paying off, CRE mortgage balances have continued to grow in recent quarters despite a marked falloff in the volume of loans being made," Woodwell said. "We anticipate that long-term interest rates, which are significantly lower than a year ago, will help increase origination activity in coming quarter—boosting both new loans coming onto the books and the payoff of existing ones."

The multifamily mortgage debt outstanding as of Q1 of 2024 increased by $19.4 billion, or a 0.9% quarterly gain. The highest rise in terms of dollars was observed in the holdings of multifamily mortgage debt by agency and GSE portfolios and MBS offerings, which showed a gain of $8.1 billion (0.8%). Life insurance firms saw a gain of $4.4 billion (1.9%) in their assets, while banks and thrifts saw an increase of $4.7 billion (0.8%).

With a 7.8% gain, REITs saw the biggest percentage increase in their multifamily mortgage debt holdings. With a 12.8% decrease, state and local government retirement funds had the biggest reduction in their multifamily mortgage debt holdings.

WHERE ARE FORECLOSURE RATES HIGHEST?

In total, some 30,227 U.S. homes had foreclosure filings, such as default notifications, scheduled auctions, or bank repossessions, according to ATTOM's August 2024 U.S. Foreclosure Market Report. This number was down 5.3% from a month ago and down 11% from a year ago.

"Foreclosure activity has remained relatively steady in recent months, with both foreclosure starts and completed foreclosures declining in August," said Rob Barber, CEO at ATTOM. "While overall activity is significantly lower than the peaks seen during the 2008 financial crisis, when filings exceeded 300,000 per month, the current economic environment, coupled with rising interest rates and affordability challenges, suggests a continued focus on potential housing market instability."

Highest Foreclosure Rates Found in Nevada, Florida, and Illinois

In August 2024, one foreclosure filing was made for every 4,662 housing units nationwide. Nevada had one foreclosure filing for every 2,473 housing units; Florida had one for every 2,605 housing units; Illinois had one for every 2,837 housing units; South Carolina had one for every 2,877 housing units; and New Jersey had one for every 3,227 housing units. These states had the highest rates of foreclosure.

The highest percentage of foreclosures among the 224 metropolitan statistical areas with a population of at least 200,000 were found in Lakeland, Florida (1 in every 1,245 housing units with a foreclosure filing); Chico, California (1 in every 1,526 housing units); Columbia, South Carolina (1 in every 1,796 housing units); Bakersfield, California (1 in every 1,972 housing units); and Las Vegas (1 in every 1,526 housing units).

The worst rates of foreclosure, excluding Las Vegas, were found in the following metropolises with a population of at least one million: Riverside, California (one foreclosure for every 2,423 housing units); Miami (one foreclosure for every 2,429 housing units); Chicago (one foreclosure for every 2,450 housing units); and Orlando (one foreclosure for every 2,595 housing units).

Greatest Numbers of Foreclosure Starts in Florida, California, and Texas

In August 2024, lenders began the foreclosure process on 20,747 properties in the United States, a decrease of 5.1% from the previous month and 9.4% from the previous year. Florida (2,668 foreclosure starts), California (2,443 foreclosure starts), Texas (1,857 foreclosure starts), New York (1,328 foreclosure starts), and Illinois (1,208 foreclosure starts) were the states with the highest number of foreclosure starts in August 2024.

Those major metropolitan areas with a population greater than 1 million that had the greatest number of foreclosure starts in August 2024 included: New York (1,332 foreclosure starts); Chicago (1,069 foreclosure starts); Miami (743 foreclosure starts); Los Angeles (675 foreclosure starts); and Houston (507 foreclosure starts).

Lenders repossessed 2,889 U.S. properties through completed foreclosures (REOs) in August 2024, down 12.0% from last month and down 13.9% from a year ago. States that had the greatest number of REOs in August 2024, included: Pennsylvania (266 REOs); California (229 REOs); Illinois (224 REOs); Michigan (206 REOs); and Florida (202 REOs).

Those major metropolitan statistical areas (MSAs) with a population greater than 1 million that saw the greatest number of REOs in August 2024 included: Chicago (154 REOs); Detroit (114 REOs); New York (112 REOs); Pittsburgh (100 REOs); and Baltimore (56 REOs).

Government

FHFA LAUNCHES NATURAL DISASTER DASHBOARD

The Federal Housing Finance Agency (FHFA) has released an online risk analysis tool that provides geographic estimates for physical risks from various types of natural disasters as well as nationwide data on housing and the mortgage market.

The Mortgage Loan and Natural Disaster Dashboard is intended to give property owners, community leaders, financial institutions, policymakers, and other stakeholders better insight into which areas of the country are most likely to incur greater damages from hurricanes, flooding, wildfires, and other types of natural hazards.

Users can combine FHFA's Public Use Database (PUDB) with data on previous disasters and other analyses from the Federal Emergency Management Agency (FEMA). They can identify areas of the country with elevated disaster risk based on several factors, and which of those areas have concentrations of properties financed with loans acquired by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

Scientists have attributed more intense storm seasons—along with higher human and financial costs—in recent years to climate risk. Tools such as FHFA's new dashboard provide stakeholders with greater visibility of communities already facing economic challenges that are susceptible to natural disasters.

"Climate risks, especially natural disasters, pose a serious threat to housing and other critical infrastructure, particularly in vulnerable communities," FHFA Director Sandra L. Thompson said. "Providing geographic information on disasters as well as concentrated exposures of loans acquired by our regulated entities can help policymakers and the industry develop solutions to better safeguard those communities from the impact of future catastrophes."

The dashboard utilizes data from three publicly available sources. The PUDB provides a geographic breakdown of loans acquired by FHFA's regulated entities. FEMA's National Risk Index identifies communities most at risk for 18 types of natural hazards. The third source, FHFA's Duty to Serve High-Needs Rural Areas data, pinpoints rural areas in the country that are characterized by a high concentration of poverty and substandard housing conditions.

The data on mortgages were updated as of 2022 and the data on past natural disasters reflected in the online tool were updated as of 2023, while the Census tracts were drawn from the 2020 U.S. Census. Dashboard users can view nationwide mortgage data at the Census-tract level overlaid with expected annual damages for 18 different types of natural disasters.

Additional layers measure other factors affecting an area's susceptibility to certain disasters, including a social vulnerability index, a community resilience index, and an additional layer enabling users to analyze FHFA's Duty to Serve High-Needs Rural areas.

The FHFA has released this dashboard along with a blog post and answers to frequently asked questions (FAQs), outlining potential uses of the new data tool and how disaster assistance resources developed by federal agencies and the GSEs can assist homeowners impacted by natural disasters.

HUD AWARDS GRANTS TO COMBAT HOUSING DISCRIMINATION

The U.S. Department of Housing and Urban Development (HUD) awarded $31.7 million from its Fiscal Year 2024 budget to support 75 fair housing organizations across the nation through the Fair Housing Initiatives Program (FHIP). These funds are being directed to second- and third-year multi-year grantees of the Private Enforcement Initiative (PEI) to continue their ongoing fair housing enforcement endeavors on a national scale.

The grant funds will empower the recipients to conduct fair housing en-

> "Ensuring fair access to quality and affordable housing for people who have been historically discriminated against is one of the foundations of our mission."
>
> —**Adrianne Todman**, HUD Acting Secretary

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forcement through a range of activities, including conducting thorough investigations, implementing fair housing testing to uncover instances of discrimination in both rental and sales markets, and taking the necessary steps to file fair housing complaints either with HUD or equivalent state and local agencies. The grantees will also engage in educational and outreach initiatives to educate the public, housing providers, and local government bodies about the rights and obligations outlined in the Fair Housing Act and the fair housing services that grantees provide.

"Ensuring fair access to quality and affordable housing for people who have been historically discriminated against is one of the foundations of our mission," HUD Acting Secretary Adrianne Todman said. "As part of our commitment to promote inclusive communities around the country, we support local governments and private organizations to ensure they have the tools they need to enforce the Fair Housing Act. Today's awards are providing significant resources to our private partners on the ground."

HUD is also extending financial support to an additional five grantees under the Education and Outreach Initiative (EOI) component, using $500,000 in unspent funds from the FY 2023 budget:

- Family Housing Advisory Services
- Rogers Park Community Council
- Housing Opportunities Project for Excellence (HOPE) Inc.
- Intermountain Fair Housing Council Inc.
- Fair Housing Council of Riverside County Inc.

"The Fair Housing Initiative Program continues to be a bedrock for empowering our state and local partners in advancing fair housing at the grassroots level," said Diane M. Shelley, HUD's Principal Deputy Assistant Secretary for Fair Housing and Equal Opportunity. "The funds provided today will drive meaningful progress and create lasting positive impact within the communities we serve."

HUD is awarding grants in the following categories:

- **Private Enforcement Initiative (PEI):** This initiative funds nonprofit fair housing organizations to conduct testing and enforcement activities to prevent or eliminate discriminatory housing practices.
- **Education and Outreach Initiative (EOI):** This program offers support for fair housing activities that educate the public and housing providers about equal opportunity in housing and compliance with the fair housing laws.

BIDEN-HARRIS ADMINISTRATION AWARDS MILLIONS TO 'PROTECT AND EMPOWER' LOW-INCOME TENANTS

The U.S. Department of Housing and Urban Development (HUD) awarded $10 million in grants to expand tenant education opportunities and resources for low-income residents of homes supported by the Section 8 Project-Based Rental Assistance (PBRA) program. This funding will support capacity-building efforts that enable thousands of tenants who live in HUD's project-based rental assistance housing to more effectively engage with property managers and owners to help sustain safe, decent, and affordable housing. Funding awarded today can be used for training and technical assistance, as well as establishing and operating tenant organizations. Providing new funding to support tenant organizing efforts advances Biden-Harris administration goals to protect renters, give them a voice, and ensure that all Americans have access to safe, quality, and affordable housing and was a key action from the Blueprint for a Renters Bill of Rights.

"We are dedicated to helping the families we serve live in homes where they can thrive," HUD Acting Secretary Adrianne Todman said. "Under this administration, we have prioritized opportunities for tenant organizations to be heard, to be part of the solution-making of preserving affordable housing that we have and increasing housing affordability for low-income Americans."

Tenant capacity building is the process of developing and strengthening the skills, abilities, processes, and resources that tenants and tenant organizations need to be active partners in the preservation and improvement of their housing communities. HUD is committed to bolstering tenant participation among low-income renters as a critical effort to maintain sustainable projects and communities.

"Empowering tenants is one of the important steps we can take to support high-quality HUD-assisted properties," Assistant Secretary for Housing and Federal Housing Commissioner Julia Gordon said. "This funding will provide vital support to organizations advocating for tenants and working to ensure that households have safe, decent, and affordable housing."

Funds awarded to the tenant advocacy organizations are available through HUD's Tenant Education Outreach (TEO) Program and will enable the AIDS Healthcare Foundation—in partnership with the Massachusetts Alliance of HUD Tenants—to strengthen tenant organizing groups. These organizations will make funds available over the next two years to approximately 30 eligible tenant advocacy organizations on a first come, first served basis, to build the capacity of tenants as active partners in the preservation of affordable rental housing for low-income residents.

The TEO program will help tenants in their efforts to work productively with property management, hold management accountable for property conditions, improve management and oversight of these multifamily properties, and advocate to preserve affordability.

Funds from the TEO program can also be used for training, technical assistance, staffing, supplies, and other operational costs for tenant organizations to preserve decent, safe, and sanitary housing. The TEO program builds on the successes of previous program models to empower tenants to advocate for their concerns and engage collaboratively with assisted housing providers.

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> —**Julia Gordon,** Assistant Secretary, Housing and Federal Housing Commissioner

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FHFA PROPOSES RULE TO IMPROVE LIQUIDITY ACCESS FOR FHLBANKS

In a new release, a notice of proposed rulemaking on Federal Home Loan Bank (FHLBank) Unsecured Credit Limits has been issued by the Federal Housing Finance Agency (FHFA). The proposed rule would harmonize the handling of interest-bearing deposit accounts (IBDAs) and other permitted overnight investments with the treatment of Federal Funds sales, therefore improving the FHLBanks' capacity to supply liquidity to their members.

The FHLBanks would be able to better manage and address their members' intraday liquidity needs with this updated regulatory approach. Additionally, the proposed rule makes it clearer how the FHLBanks would decide how much unsecured credit they can offer counterparties.

"The Federal Home Loan Banks have played a key role in helping homeowners and renters obtain affordable, sustainable housing for over 90 years," FHFA Director Sandra L. Thompson said. "These modernizations will create more flexibility for the FHLBanks in their liquidity management, which will allow them to better serve their members, particularly during periods of market stress."

A Critical Source of Liquidity

Since the publication of FHFA's "FHLBank System at 100: Focusing on the Future" study in November 2023, there has been a great deal of outreach to and interaction with the FHLBanks and other stakeholders, which is why this proposed rulemaking has been made. The proposed rule will be open for public comment to the FHFA for sixty days after it is published in the Federal Register.

The Federal Housing Finance Agency (FHFA, or the Agency) intends to change the caps on bank extensions of unsecured credit in their on- and off-balance sheet and derivative transactions by amending its regulation on Federal Home Loan Bank (Bank) capital requirements. At the moment, overnight federal funds are only constrained by the greater "overall limit" and are not subject to the more stringent "general limit" on unsecured credit to a single counterparty.

In comparison to overnight federal funds, interest-bearing deposit accounts (IBDAs) and other approved overnight investments would be included in the proposed rule's exclusion. This could offer more flexibility and a better cost-to-yield.

HUD EARMARKS NEARLY $280M IN GREEN HOUSING INVESTMENTS

The U.S. Department of Housing & Urban Development (HUD) has announced nearly $279 million in awards to properties across 23 states and territories under its Green and Resilient Retrofit Program (GRRP) to support significant energy efficiency and climate resilience renovations of more than 3,500 homes.

These new grants and loans will increase energy and water efficiency, reduce climate pollution, generate renewable energy, reduce housing operating costs, promote the use of green building materials, and improve the quality of life for residents by making their homes more resilient to climate hazards.

To date, more than $1.12 billion from President Biden's Inflation Reduction Act has now been awarded to 225 properties and nearly 26,000 rental homes, to make them greener, healthier, and safer for low-income households, seniors, and persons with disabilities. With these awards, 97% of funds dedicated to GRRP have now been awarded.

HUD's latest grant issuance not only represents the largest dollar amount of grants and loans made under the GRRP at one time to date but includes 11 properties participating in HUD's Section 202 project-based rental assistance program for low-income seniors and six Section 811 programs for low-income persons with disabilities.

"HUD has awarded over $1.1 billion through the Green and Resilient Retrofit Program to modernize housing for families across the country as the climate crisis continues to affect our most vulnerable communities," HUD Acting Secretary Adrianne Todman said. "The awards announced today advance the Biden-Harris administration's housing and clean energy goals to ensure families we serve live in resilient, energy efficient, and comfortable homes where they can thrive."

Largest GRRP Awards to Date

The Inflation Reduction Act established the GRRP in 2022 to fund energy efficiency and climate resilience improvements for multifamily properties participating in HUD's project-based rental assistance programs This effort advances environmental justice through President Biden's Justice40 Initiative, which sets a goal that 40% of the overall benefits of certain federal investments flow to disadvantaged communities that are marginalized by underinvestment and overburdened by pollution.

"This is the largest set of Green and Resilient Retrofit Program awards to date, reinforcing our continued commitment to large-scale rehabilitation measures that ensure the safety and security of the low-income residents who call HUD-assisted housing home," Assistant Secretary for Housing Julia Gordon said. "Today's awards will address some of the most extensive and greatly needed energy efficiency and climate resilience upgrades for low-income households to date."

The grants and loans announced

represent the first GRRP awards in Hawaii, South Dakota, and Nebraska, and bring the total amount of funding under this program to more than $1.12 billion in 42 states, the District of Columbia, and Puerto Rico. This is the fourth and final set of awards made under the GRRP's Comprehensive category, which provides funding to properties with the highest need for climate resilience and utility efficiency upgrades. One remaining award announcement for the GRRP Elements category is expected in the coming months.

"We are pleased that this set of awards includes the largest number of properties to date that are participating in both our project-based rental assistance programs for low-income seniors and low-income persons with disabilities," said Ethan Handelman, HUD's Deputy Assistant Secretary for Multifamily Housing Programs. "This is exactly what GRRP was designed to do—to help fund vital protections and improve the homes and lives of some of our nation's most vulnerable populations."

The new awardees include 26 properties that participate in the HUD Section 8 project-based rental assistance program for low-income individuals and families, 11 properties in HUD's Section 202 project-based rental assistance program for low-income seniors, and six properties that receive support through HUD's Section 811 supportive housing for people with disabilities. Three properties have more than 200 units, 21 properties have between 51-200 units, and 19 properties have fewer than 50 units.

GRRP Making Progress

As of October 3, 2024, GRRP funding has been awarded to 225 properties and more than 25,940 rental homes, to make them greener, healthier, and safer for low-income households, seniors, and persons with disabilities. The projects span the range from targeted upgrades to major net-zero renovations for properties in 42 states, the District of Columbia, and Puerto Rico.

GRRP funding is being used for insulation, energy-efficient windows and doors, heat-resistant roofs, energy-efficient heating and cooling, resilience measures, and other improvements.

Approximately 900 properties have also signed up for HUD's free energy and water benchmarking service, funded with more than $40 million from the President's Inflation Reduction Act so that HUD-assisted housing property owners can better understand the energy and water consumption at their properties in relation to other similar properties. This benchmarking information can in turn be used to assess energy efficiency and water conservation upgrades that can be funded under the GRRP.

"Far too many Americans, specifically children, are living in at-risk conditions, like older homes, exposing them to lead-based paint hazards."

—**Adrianne Todman**, HUD Acting Secretary

HUD ADDRESSES HEALTH HAZARDS IN PUBLIC HOUSING

The U.S. Department of Housing & Urban Development (HUD) announced more than $87 million for public housing agencies (PHAs) to evaluate and reduce residential health hazards in public housing, including lead-based paint, carbon monoxide, mold, radon, and fire safety. Through the Capital Fund Housing-Related Hazards (HRH) and Lead-Based Paint (LBP) Capital Fund programs, HUD is awarding 14 awards totaling $47.7 million under LBP, and 22 awards totaling $40 million under HRH.

"Far too many Americans, specifically children, are living in at-risk conditions, like older homes, exposing them to lead-based paint hazards," said HUD Acting Secretary Adrianne Todman. "The funding announced today is an integral step in identifying the risks of lead exposure and other health hazards across communities and working towards a future where unhealthy housing is no longer an issue."

According to HUD's American Healthy Homes Survey II, more than 34 million homes in America have lead paint somewhere in the building and approximately 3.3 million homes—including more than two million low-income households—across the country have children less than six years of age facing one or more lead-based paint hazards, including more than two million low-income households.

Based on data from the Centers for Disease Control and Prevention (CDC), this, unfortunately, results in more than one million children suffering from the irreversible impacts of lead poisoning, including reduced intelligence, behavioral and learning disabilities, and effects on many other body systems. Lead-contaminated dust from chipped or peeling lead-based paint is one of the most common causes of elevated blood lead levels in children. Infants and children are especially vulnerable to lead paint exposure because their growing bodies absorb more lead than adults do, and their brains and nervous systems are more sensitive to the damaging effects of lead. Adults with exposure to lead can develop symptoms such as high blood pressure, memory loss, and reduced motor skills.

"The negative effects of lead poisoning can be irreversible, and cause learning disabilities, reduced intelligence, and life-long health effects in children as well as grave health damage to adults," HUD Principal Deputy Assistant Secretary Richard J. Moochie said. "This funding will help to remediate housing units with potential lead exposure and protect families in the United States and their children—especially families with limited resources in older homes—from lead poisoning and harmful exposure to other hazardous contaminants in their homes.

The funding announced will also help PHAs prepare to comply with the National Standards for the Physical Inspection of Real Estate (NSPIRE). NSPIRE improves HUD's oversight by aligning and consolidating inspection regulations used to evaluate HUD housing across multiple programs. NSPIRE strengthens HUD's physical condition standards, and fire safety, carbon monoxide, mold and moisture, and lead-based paint are all standards that we enhanced with NSPIRE.

FHFA RE-ISSUES RULE ON SUSPENDED COUNTERPARTY PROGRAM

The Federal Housing Finance Agency (FHFA) has announced that it will revisit its proposal to amend the Suspended Counterparty Program (SCP).

The SCP regulation requires a regulated entity to report to FHFA if an individual or institution that it does business with has committed certain types of misconduct within the prior three years. It also authorizes FHFA to order its regulated entities to cease doing business or refrain from entering into new business with certain counterparties.

FHFA is publishing this re-proposal after considering issues that commenters had raised about the original proposed rule, issued in July 2023. This includes distinguishing between misconduct that poses a material risk to the safety and soundness of the regulated entities from behavior with de minimis impact.

"Amending the Suspended Counterparty Program will help strengthen FHFA's ability to protect its regulated entities from risks presented by other businesses that engage in misconduct," FHFA Director Sandra L. Thompson said. "FHFA has carefully reviewed the feedback from stakeholders in developing this re-proposal, which will better ensure the regulated entities' safety and soundness, so they continue to serve as a reliable and stable source of liquidity for the U.S. housing finance system."

Specifically, the re-proposal would:

- Authorize the suspension of business between a regulated entity and a counterparty whose misconduct resulted in a federal prohibition order or a civil money penalty above a specific threshold; and
- Authorize the suspension of business between a regulated entity and a counterparty that has committed criminal or civil misconduct related to the management or ownership of real property.

"A re-proposal is a smart move, and we commend FHFA for its receptiveness to our strong opposition to the initial proposal, which would have punished counterparties for potentially minor civil or administrative sanctions," Mortgage Bankers Association (MBA) President and CEO Bob Broeksmit, CMB said. "The re-proposal appears to address some of MBA's significant concerns outlined in our joint comment letter. We are pleased to see the elimination of the proposed immediate suspension order, refinements that preserve due process, and a narrowing of the application of the SCP to violations of a certain magnitude or gravity."

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Market Trends

HURRICANE HELENE: WHAT IS THE HOUSING IMPACT?

According to the National Hurricane Center (NHC), Hurricane Helene, the eighth named storm of the season, made landfall as a Category 4 hurricane in Florida's Big Bend region at approximately 11:10 p.m. EDT on September 27, with estimated sustained winds at 140 miles per hour. Helene hit the shore in Florida, just east of the mouth of the Aucilla River, approximately 10 miles southwest of Perry, Florida.

CNN reported at least 102 casualties across six states as of Monday morning,September 30, with officials fearing the death toll may continue to rise. Many remain unaccounted for and unable to leave their location or are unable to contact family where communication has been compromised.

There were 1,833 fatalities reported due to Hurricane Katrina and its subsequent flooding, while Hurricane Ian, which struck southeast Florida in 2022, caused 150 direct and indirect fatalities. Helene currently ranks third on the list, having surpassed Hurricane Irma from 2017, which killed 92 in the United States, mostly in Florida.

Impact on the Housing Market

"Hurricane Helene made landfall near Perry, Florida, an area that has less robust home construction standards than south Florida, which is accustomed to large landfalling hurricanes every couple of years," said Tom Larsen, Associate VP of Hazard and Risk Management at CoreLogic. "We expect a great deal of atypical damages in Florida's Big Bend region due to this area's inexperience enduring intense hurricanes."

CoreLogic's Hazard HQ Command Central estimates Hurricane Helene's insured wind and storm surge losses to be between $3 billion and $5 billion, with significant uncertainty due to the wind field. Losses include damage to buildings, contents, and business interruption for residential, commercial, industrial, and agricultural property. The flood losses do not include precipitation-induced inland flooding and exclude losses to the National Flood Insurance Program (NFIP). CoreLogic's estimate does not include damage to offshore property.

The *Washington Post* reports that an additional $5 billion to $8 billion in lost economic output is estimated, according to data from Moody's Analytics.

"We anticipate the damaging effects of Helene will be deep inland with a large contribution of loss concentrated in the state of Georgia," Larsen added. "We can look to Hurricanes Francis and Jeanne (Florida, 2004) and Superstorm Sandy (New York, 2012) as examples. These storms affected large swaths of residents with tropical storm- and hurricane-force winds and triggered widespread losses."

Recovery and Response Efforts Well Underway

The Federal Emergency Management Agency (FEMA) is working with federal, state, tribal, and local officials to coordinate and respond to the impacts of Hurricane Helene. To date, the Biden administration granted emergency declarations for Alabama, Florida, Georgia, South Carolina, North Carolina, and Tennessee to assist these states with preparation and response efforts in the immediate aftermath of the storm. FEMA's National Response Coordination Center in Washington, D.C., and the Regional Response Coordination Center in Atlanta are activated to coordinate moving personnel, commodities, and response assets as needed. FEMA Administrator Deanne Criswell and FEMA Region 4 Administrator Robert Samaan have been assessing damaged areas with Florida Gov. Ron DeSantis and other state officials, and to date, more than 3,200 FEMA staff and federal partners have been deployed and are assisting with Hurricane Helene response.

The U.S. Army Corps of Engineers is assessing the impact of the water systems and what is needed to bring these online in several areas across the southeast. Several counties in all states have issued boil water notices. Also, several federal agencies are moving in portable equipment to help reestablish communications in some of the hardest hit areas.

ARE U.S. HOMES READY FOR EXTREME WEATHER?

With Hurricane Helene, the eighth named storm of the season, having made landfall as a Category 4 hurricane in Florida's Big Bend region, cleanup from this devastating storm is underway, as people piece their lives back together after Mother Nature wreaked havoc throughout the Southeastern Unite States [Editor's note: as of this issue going to press, Hurricane Milton is beginning to make landfall as a Category 5 storm.]

The death toll currently stands at 180-plus from Hurricane Helene, and CoreLogic announced initial residential and commercial storm surge and wind loss estimates for Hurricane Helene for insured residential and commercial properties in Florida and Georgia are expected to be between $3 and $5 billion.

In light of the damage caused by Helene, a new report from Leaf Home and Morning Consult reveals the vulnerability of American homes against extreme weather and the financial strain placed upon homeowners. Many find their insurance coverage insufficient, leaving them financially unprepared for the cost of repairs, and while 66% of U.S. homes have experienced weather-related damage, only one-third of homeowners have made improvements to safeguard their properties.

Key Report Highlights

"Homes are more vulnerable than ever to the damaging effects of extreme weather, and the financial consequences can be severe. The increasing unpredictability of weather is a wakeup call for homeowners to protect their homes and wallets," said Rocco Mango, Interim CEO of Leaf Home. "By investing in essential upgrades, homeowners can safeguard their property while increasing home value in the long term."

Key findings of the study, *"2024 Extreme Weather Report: Homeowner Perceptions and the Impact on Homes,"* include:

- Some 60% of homeowners faced significant out-of-pocket expenses for extreme weather damage, with many paying $5,000 or more.
- Roughly 46% of homeowners were only somewhat or not at all prepared to cover the costs of damage.
- Major damage (over $15,000) resulted in payouts of just 14%.
- An estimated 62% of homeowners fear rising insurance costs due to extreme weather and nearly a third have experienced premium hikes.
- While 51% of homeowners have shown increased interest in weather-related home improvements, only one-third have acted.
- Interior paint jobs and flooring updates are homeowners' top priorities.
- High costs and prioritizing cosmetic updates are the main barriers to weather-proofing homes.
- Approximately 73% of homebuyers are willing to pay more for weather-proofed homes.
- Some 53% of sellers increased their home's value by making weather-related improvements.

WHERE ARE HOME PRICES HEADING OVER THE NEXT 24 MONTHS?

The latest Fannie Mae Home Price Expectations Survey (HPES), produced in partnership with Pulsenomics, examining Q3 2024 data, has found that following home price growth of 6.0% in 2023, an annual national home price growth of 4.7% is forecast for the remainder of 2024, followed by growth of 3.1% in 2025.

The panel's latest estimates of national home price growth are higher than last quarter's expectations of 4.3% for 2024 but lower than the previous quarter's expectations of 3.2% for 2025.

Terry Loebs, Founder of Pulsenomics, said: "Despite robust home value growth in the first half of 2024, our panelists anticipate a slowdown in price appreciation for the remainder of the year and beyond. While lower interest rates could incentivize some homeowners to sell, the deep-rooted housing supply and affordability crises will likely persist, even with a more accommodative monetary policy."

Fannie Mae's HPES polls more than 100 experts across the housing and mortgage industry and academia for forecasts of national home price percentage changes in each of the coming five calendar years, as measured by the Fannie Mae Home Price Index (FNM-HPI).

Strength in Home Price Growth

"Recent measures of home price growth, including our own, have continued to come in stronger than previously expected, as reflected by the 100-plus HPES panelists who, on average, once again modestly upgraded their home price outlook for 2024," said Mark Palim, Fannie Mae VP and Deputy Chief Economist. "Strong home price appreciation has persisted despite purchase affordability remaining stretched for the vast majority of consumers, a dynamic that is still primarily a function of inadequate supply. Our panelists overwhelmingly agreed that there is a fundamental lack of housing in the United States relative to underlying demographic factors—and, on average, believe the nation to be short approximately 2.8 million homes. We've previously estimated the shortfall to be more than four million. The panelists also shared that they think speeding up construction permitting processes, increasing density around transit corridors, and allowing more 'missing middle'-type housing are the local and state policy reforms likeliest to increase housing production. However, most remain apprehensive about the near-term prospects of these sorts of reforms being enacted broadly enough to have a meaningful effect on supply and housing affordability."

Gauging a Cyclical Housing Market

While affordability issues still plague

many prospective homebuyers, impacted by a phenomenon called the "lock-in effect," where mortgage rates are prompting many to stay put instead of selling and buying another home at a higher rate. A recent study by Redfin found that 85.7% of U.S. homeowners with mortgages have an interest rate below 6%, down from 90.6% at the start of last year, and a record high of 92.8% in mid-2022. This means even more than 85.7% of homeowners with mortgages have a rate below the current weekly average of 6.46%, prompting many to stay put and remain "locked in" to their current rate.

"I have a dozen or so homeowners who would like to sell but aren't willing to give up their 3% interest rate for one that's more than twice as high," said Blakely Minton, a Redfin Premier Real Estate Agent in Philadelphia. "Many of those sellers will list if rates get back down to 5%."

Expected actions by the Federal Reserve to cut rates have driven down the 30-year fixed-rate mortgage (FRM) of late, as Freddie Mac reported in its latest Primary Mortgage Market Survey (PMMS) that the FRM averaged 6.35% as of August 29, 2024, down week over week when it averaged 6.46%. A year ago, at this time, the 30-year FRM averaged 7.18%.

The dip in rates has forced a slight increase in overall mortgage application volume, as the Mortgage Bankers Association (MBA) reports in its latest Weekly Applications Survey for the week ending August 30, 2024, that mortgage applications increased 1.6% from one week earlier.

"August closed on a strong note, with mortgage applications increasing 3%, and up for the fourth time in five weeks," MBA President and CEO Robert D. Broeksmit, CMB said. "Borrower demand is returning now that rates are at lows last seen in April 2023. With an expected short-term rate cut from the Federal Reserve later this month, MBA expects mortgage rates to continue to decrease, albeit at a slow pace."

The Impact on Housing Supply

For Q3, Fannie Mae's Economic & Strategic Research (ESR) Group, led by SVP and Chief Economist Douglas G. Duncan, also surveyed panelists on the impact of potential zoning and permitting reforms at state and local levels to increase construction of new homes and, thereby, the supply of homes available to buyers and renters.

> "I have a dozen or so homeowners who would like to sell but aren't willing to give up their 3% interest rate for one that's more than twice as high. Many of those sellers will list if rates get back down to 5%."
>
> —**Blakely Minton**, Redfin Premier Real Estate Agent in Philadelphia

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While most panelists believe that reforms implemented to date are likely to have a positive effect on new construction within the next five years, they were generally split on whether that effect would be "moderate" or "insignificant." A plurality of panelists suggested that hastening the construction permitting process would have the greatest positive impact on housing supply if broadly enacted, followed by expanding zoning for multifamily housing developments and enabling more "missing middle" or "light touch density" housing construction. However, 63% of panelists are "not confident at all" that the initiatives they think would be most effective will be enacted widely within the next five years.

HouseCanary Inc.'s latest August Market Pulse Report found that the nation's housing inventory remains low from a historical perspective; however, it is now at the highest level reported since COVID-19. HouseCanary previously reported that inventory levels were gradually approaching pre-COVID levels, and this sentiment remained unchanged in August as total inventory increased by 28.7% from the same period last year. Additionally, contract volume in August 2024 across all price tiers increased compared to August 2023, suggesting a steadier housing market and evidence of demand from potential homebuyers, further demonstrating a seller's market.

Jeremy Sicklick, Co-Founder and CEO of HouseCanary, commented: "The past couple of years have seen a housing shortage nationwide. However, consistent with what we have seen throughout this summer, there have been signs pointing to normalization in the housing market since the pandemic when looking at inventory levels, pricing, and contract volumes from a multiyear perspective. Notably, total inventory is up 28.7% from the same period in 2023, and up 9.3% from 2022, indicating improvements in the pool of available properties and an eventual neutralization of the housing market.

MORE BOOMERS ARE STAYING PUT

Across America, baby boomers continue to make their mark, and their decisions on homeownership are significantly affecting the housing market. Born between 1946 and 1964, this generation has shaped the nation's economy and culture. Now, as they age, their decision to hold onto their homes is impacting housing availability.

A survey from Clever Real Estate shows that 61% of boomers currently own homes, and 54% of those homeowners intend to stay in their homes for life. With only 15% of boomers planning to sell in the next five years, the already tight housing market will likely see little relief.

For many boomers, remaining in their homes is tied to financial stability. A significant 76% of them credit homeownership as the main reason for their financial security. With mortgages paid off, 40% of boomers cite lower housing costs as a key reason to stay put. Additionally, 37% want to leave their homes as part of their legacy, passing them down to their children.

Financial Security Keeps Boomers in Place

But it's not just about money. Emotional factors also play a significant role. About 22% of boomers say they feel a deep attachment to their homes, while 19% point to strong ties to their communities as a reason to stay.

Still, not all boomers have the luxury of choice. 25% say they can't afford to buy another home in today's market, while 16% can't cover the expenses of moving into retirement or assisted living communities.

While many boomers plan to remain in their homes, they're not without concerns. 90% of them worry about the costs of maintaining their property as they age. The most common worries include home maintenance (59%) and the physical effort required to keep up the property (55%). Concerns about rising property taxes (49%) and utility costs (42%) also weigh heavily.

Surprisingly, only 8% are worried about a housing market crash or public safety, despite these issues frequently making headlines.

Boomers Weighing the Cost of Staying vs. Selling

For those who do plan to sell, many expect substantial profits. Nearly 65% believe they'll clear over $100,000 from their home's sale, with 40% anticipating gains of $200,000 or more. These significant profits, often tax-free, will help fund their retirement.

Boomers who bought homes decades ago are in an especially favorable position. 50% of them purchased their first homes for $75,000 or less, and 64% paid under $100,000. Today's median home price exceeds $400,000, highlighting the vast financial benefit many will see from selling.

As boomers age, their decision to hold on to homes will continue to shape the housing market, limiting options for younger generations looking to buy. For now, the boomer generation's influence on housing isn't fading anytime soon.

HOMEBUYERS SEEKING CONNECTION TO COMMUNITY

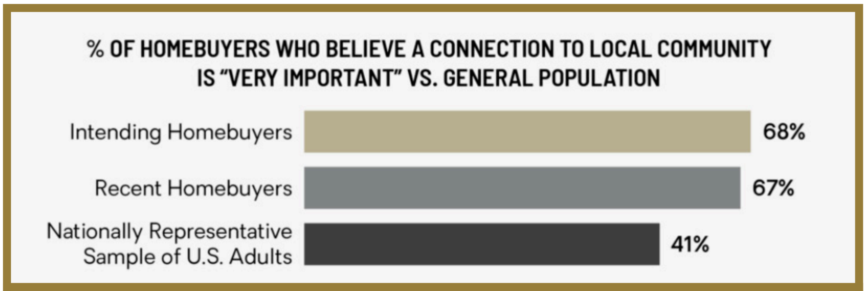
For a variety of reasons, community connections have felt unattainable in recent years, and the need for it has become more pressing. According to a 2023 study on America's "loneliness epidemic" by the U.S. Surgeon General, around one in two adults in the country suffer from loneliness as a result of social separation.

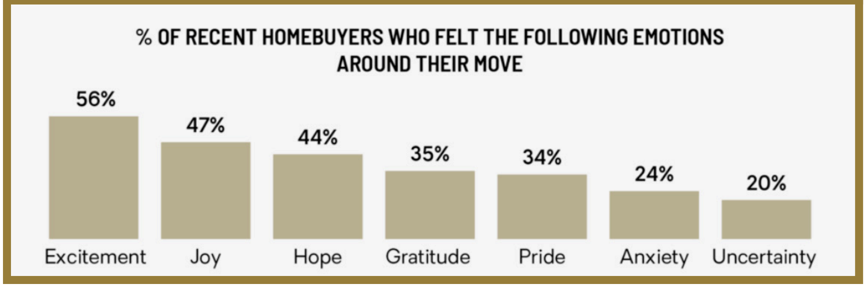
The thrill of becoming a homeowner and the sense of community that comes with it continue to motivate buyers even in the wake of the pandemic. In a new report, CENTURY 21 shared the findings of their recent research on the mindset of today's homebuyers and what influences their purchase decisions, including the ways they seek and prioritize community and connection in the process, as part of our commitment to helping homebuyers discover the joy of homeownership.

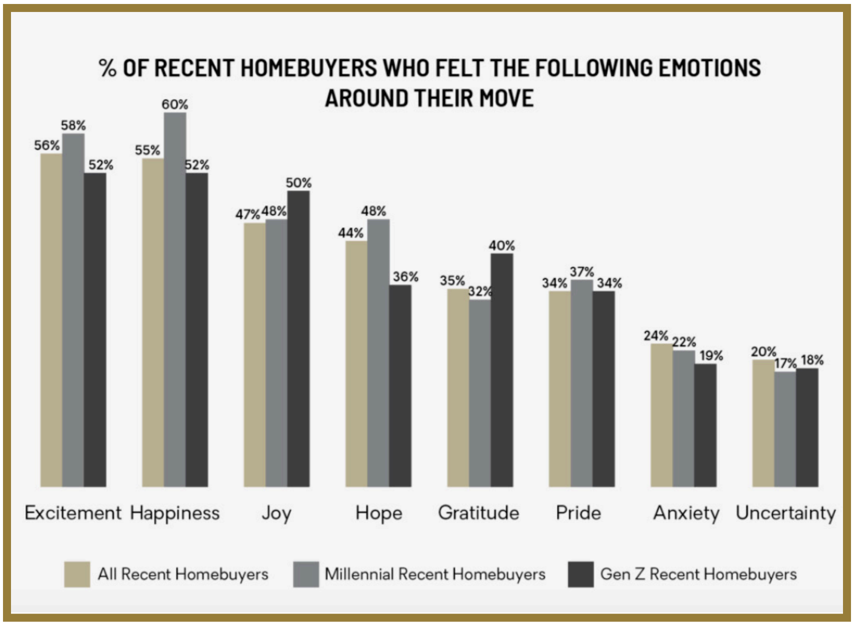
A commissioned study by eminent international market research firm Ipsos, which examined the true desires, emotions, and influence of community and connection on today's homebuyers, has been released by Century 21 Real Estate LLC. The study *"Connection, Community & Joy: How Recent/Intending Homebuyers are Putting Community at the Center of the Homebuying Process"* found that, despite recent uncertainty in the real estate market, recent homebuyers are primarily feeling positive, with 56% reporting excitement, some 47% joy, 44% hope, and 34% pride in the process of finding new homes. It also found that building and establishing community is a key factor in homebuying.

Additionally, they are effectively finding fulfillment in their communities; after moving, some 65% of recent homeowners said they felt more connected to them.

Since 88% of all recent and prospective homebuyers agree that they would







be willing to compromise on certain aspects of their dream home for a community that is ideal for their household, it is clear that the concept of community has pushed many buyers to expand their idea of the "dream house" to include living in a "dream community." In addition, about one-third of them intend to get involved in their new areas through entrepreneurship or civic participation.

Stephen Votino, CEO and Broker of CENTURY 21 Triangle Group, said he observes a lot of this mentality among his own clientele.

"Home is the community," Votino said. "Although the roof over their heads and the walls surrounding them provide security, their way of life is entwined with the community. We feel connected and like we belong when we are among the people, things, and places where we work, play, and reside."

While many Americans emphasize having a connection to their local community, roughly 89% of Hispanic Americans believe that having a connection to their community is crucial. Hispanic Americans report slightly higher levels of pride during the homebuying process at 39%, compared to all other recent homebuyers, in a subset study focused on Hispanic respondents titled, *"Pride, Prosperity & Participation: The Community-Focused American Dream for Hispanic Recent/Intending Homebuyers,"* according to Century 21 Real Estate. This is because a new home signifies the ability to nurture one's own or one's family's future within a community. It was also mentioned that, to this group, community is an arrangement in which everyone may contribute positively and receive assistance in return.

According to 92% of recent and prospective homeowners, it's critical that their realtor possesses knowledge of the community's future growth.

"In today's housing market, the role of the real estate agent is more critical than ever," said Michael Miedler, President and CEO of Century 21 Real Estate LLC. "It goes far beyond helping clients through the buying process but also having first-hand knowledge of the communities that homeowners are moving into to help them establish a connection and envision the life they are looking to build for generations to come. Having these key insights into the minds of today's consumers allows the CENTURY 21 network to truly drive value for their clients and create an experience that will remain with them long after they hand over the keys to the house."

The most content and optimistic millennial homebuyers were those who recently bought. All recent homebuyers, however, are affected by high levels of anxiety (24%) and uncertainty (20%), with slightly lower percentages for younger generations. As a result, agents may help ensure that homebuyers have a great experience by offering advice on how to resolve issues and concerns.

Compared to all recent homebuyers, recent Gen Z homebuyers in particular expressed slightly greater rates of joy and thankfulness and a lower rate of hope.

New or aspiring homeowners place a higher value on living space, proximity to their current neighborhood, and lifestyle than they do on finances.

Moving is often motivated by factors such as lifestyle and space, but proximity to friends and family is also a major factor. Furthermore, the percentage of homebuyers who move for economic reasons is lower than the number who consider lifestyle and community factors. It's interesting to note that males seem to value friendship and family relationships more than women do.

Today's homebuyers—especially millennials—are picking neighborhoods where their families may prosper and where they can have an impact, in addition to neighborhoods they will love to live in. New or beginning homeowners are inclusive and have an open attitude. 92% of people want to live in a community that values diversity, and 90% of people do not think that one's political allegiance should prevent them from forming relationships with those around them.

Although the general trend among generations is to get along with neighbors despite differences (90%) and express a desire to "build community with my neighbors regardless of their political beliefs," Gen Z (85%) agrees more with older generations than millennials (94% agreement).

ASKING RENTS FOR NEW BUILDS SLIP TO LOWEST LEVEL SINCE 2022

The second quarter saw a 6.2% decrease in asking rents for newly built units to $1,746—the lowest amount in over two years. This is supported by a recent analysis from Redfin.

Only this year's first quarter had a greater reduction in rents—by 7.5%—than the second consecutive quarter in which newly constructed apartment rentals showed an annual decline, and the second-deepest decline in the previous five years.

A new Redfin study from the U.S. Census Bureau for newly built, unfurnished, privately financed rental apartments in buildings with five or more units, spanning back to Q1 of 2012, indicates as much. The flats that were finished in Q1 of 2024 and either rented or not within three months of that date are measured by the most recent statistics available.

Will an Apartment Construction Boom Lead to Lower Rents?

As the number of newly built apartments increased, monthly asking rentals for new flats peaked in the first quarter of 2022 at $1,889 but have since declined. Q1 experienced an 18.7% increase in apartment completions year over year, representing the greatest growth in more than 10 years.

"Rents for new apartments will likely fall a little more this year because there are still a ton of new buildings being completed," said Sheharyar Bokhari, Senior Economist at Redfin. "With new apartments popping up everywhere, owners are competing with one another to find tenants by reducing rents and offering concessions like free parking. If you're a renter in a market like Dallas or Nashville, where construction has been booming, there are likely deals to be found."

According to Redfin's Rental Tracker, overall rentals (for both new and existing apartments) plummeted 17.6% in August year over year in Austin, Texas, providing an illustration of the significant impact new construction has on asking rates. Like many Sun Belt metro areas, Austin has had some of the highest rates of multifamily housing construction in recent years; but, as supply rises and demand levels off, rents are beginning to decline.

"Rents for new apartments will likely fall a little more this year because there are still a ton of new buildings being completed."

—**Sheharyar Bokhari,** Senior Economist, Redfin

Newly Constructed 1BR Apartments Experience Biggest Drops in Rent

The most common type of new apartment, one-bedroom units, saw the biggest decline in rent in the second quarter, falling 9% year over year to $1,566. Apartments with two bedrooms had a 4.5% decline to $1,934, while those with three or more bedrooms saw a 3% decline to $2,309.

The asking rent for studio flats increased by 0.9% to $1,617. Like this month, the median asking rent for newly built studio apartments is more erratic and occasionally exceeds that of one-bedroom apartments. This is because many fewer studios are being constructed and those tend to be found in more affluent, larger cities.

HOW MUCH DO BUYERS NEED TO AFFORD THE TYPICAL STARTER HOME?

According to a new Redfin analysis, Americans must make $76,995 annually to afford the median-priced starter home ($250,000), a 0.4% decrease from the previous year. Since August 2020, when mortgage rates were getting close to a record low, that is the first annual drop.

Although the cost of a starter house has increased by 4.2% annually, the income required to buy one has decreased due to a sufficient decrease in mortgage rates. For the first time in three years, the average interest rate on a 30-year mortgage decreased annually in August, from 7.07% to 6.5%. Since then, it has decreased even further, and it is now at 6.08%. Still, the income needed to finance a starter home is only 3.6% below the record high of $79,857 recorded last fall.

"It's great news that starter homes are becoming a little more affordable, but there's a catch," said Elijah de la Campa, Senior Economist at Redfin. "Starter homes aren't what they used to be. A decade ago, a turnkey four-bedroom house in a nice neighborhood was often considered a starter home, but today, a small fixer-upper condo is often all a first-time homebuyer can afford. The American Dream is changing; for many, it no longer involves a house and a white picket fence."

Prospective homeowners should be advised that the affordability of starter homes might not increase significantly, if at all, in the near future. Since the Federal Reserve's most recent interest rate reduction and its future reduction plans were widely expected, mortgage rates have already reflected most of these changes. Long-term rates, such as mortgage rates, typically don't decrease by nearly the same amount when the Fed lowers short-term interest rates. Waiting to buy will probably result in a bigger price tag and down payment because home prices also tend to rise over time.

Both Kamala Harris and Donald Trump have expressed a desire to lower the cost of homes, so when November rolls around, purchasers may have more information about how the next president will address the issue of housing affordability.

Starter Home Affordability Has Decreased Since the Pandemic

With a projected yearly income of $83,853, the average household makes 8.9% more than what is required to purchase the median starter home. Compared to August of last year, when the average household only made 3% more than they required, it is an increase. However, this is a regression from before the pandemic; in August 2012, the average household earned 113% more, or more than twice as much, as what was required to afford the median cost starter home, compared to 57.1% more in August 2019.

During the pandemic home buying craze, there was a severe shortage of homes available for purchase, which led to a rise in demand driven by historically low mortgage rates, which in turn caused housing prices to soar. August 2019 saw a 51.1% increase in starter home prices, and August 2012 saw a 163% increase in starter home prices. With prices for homes rising 33.4% from 2019 and 58.1% from 2012, wages have not kept up with the rate of inflation. Otherwise, the median household income hasn't even increased by double since 2012, yet the income required to finance a starter home has tripled.

The majority of starter home listings—some 75.8%—are within the means of a household earning the median income. Although it's an increase from 72.6% in August of the previous year, it's a decrease from around 100% in 2012 and 2019. Naturally, not all purchasers of entry-level homes make the median income; a family making 80% of the median income would only be able to purchase 43.1% of listings.

"While many people make enough on paper to afford a starter home, they often have other expenses like student debt that are preventing them from buying," said Blakely Minton, a Redfin Premier real estate agent in Philadelphia.

To purchase the median cost starter home, a household earning the median salary would have to pay 27.5% of their wages on housing—a decrease from 29.1% during the previous summer. Because they would be spending less than 30% of their income on housing if they bought the average starter home, the typical household would not be considered "cost burdened." However, compared to previous years, they are more likely to be burdened by costs; in both 2019 and 2012, a median-earning household would have needed to spend less than 20% of their wages to purchase the average starter home.

"Starter-home buyers are skewing older than they used to. When I first started working in real estate 20 years ago, they were kids fresh out of college. Now grads are saddled with huge student loans and are moving back in with Mom and Dad or renting," Minton said. "I bought my first house at 23, but that's hard to do today, in part because first-time buyers are competing with older Americans who want to downsize and are able to make higher offers."

Pandemic Boomtowns See Steepest Drops in Income Needed to Afford a Starter Home

The typical starting home price in Anaheim, California, is $217,300, which is 8.1% less than the previous year. This is the biggest decrease among the 50 most populous metropolitan areas in the United States. The next cities were Dallas (-4.7%), West Palm Beach, Florida (-5%), Austin (-5.8%), and Phoenix (-4.8%).

As a large number of out-of-towners migrated into several of the aforementioned metro areas during the pandemic, home values skyrocketed. However, they are now starting to decline. More than any other major city, Austin's starter-home prices have decreased by 3% in the past year. Declines were also seen in Dallas and West Palm Beach. It's important to remember that Anaheim is still among the most expensive metro areas in the United States, with less than 0.1% of starter home listings being within the means of a household making the median income.

In 2024, starting homes in four metro areas changed from being unaffordable in 2023 to being affordable, requiring a household with a median salary to pay less than 30% of their income to purchase a conventional beginning home. All four metros are in Florida or Texas, which have lately seen their housing markets slump amid growing house supply and intensifying climate risk.

In West Palm Beach, the median-priced starter home would now require a household earning the median salary to spend 28% of their earnings on housing—a decrease from 31% in August of last year. Dallas dropped from 32.1% to 29.1%, Fort Worth from 30.2% to 28.3%, and Fort Lauderdale from 30.9% to 28.2%.

Midwest Home to 3 of 5 Metros With Biggest Increases in Income Needed to Afford a Home

The highest increase among the metro areas Redfin reviewed is in Chicago, where buyers must make an annual salary of $77,238 in order to afford the median-priced starter house, an increase of 15.4% from the previous year. Following were Pittsburgh (9.6%), Cincinnati (9.7%), Los Angeles (14.7%), and Detroit (14.5%).

The income required to afford a home is rising in these metro areas because these areas have had some of the largest increases in property prices. More than any other large metro, Detroit had a 22.8% year-over-year increase in starter house prices in August. Cincinnati (15.6%) and Pittsburgh (18.4%) were the next two. Above-average growth was also observed in Los Angeles and Chicago.

Due to its reputation as a more inexpensive region, the Midwest has seen a surge in homebuyers in recent years. The increase in demand has contributed to the rise in property prices.

“a large contribution of loss”

Tom Larsen, Associate VP of Hazard and Risk Management at CoreLogic, discussed the catastrophic effects of Hurricane Helene and the impact the Category 4 hurricane is anticipated to have on home construction, commercial buildings, residential properties, and the billions of dollars it will cost in damages.

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“a much-needed boost”

Edward Seiler, MBA’s Associate VP of Housing Economics and Executive Director for the Research Institute for Housing America, offered his insight on improving conditions for homebuyer affordability and how lower mortgage rates, higher salaries, and slower home price increases are giving prospective homebuyers’ budgets more wiggle-room to explore their options.

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“signs of movement”

Danielle Hale, Chief Economist, Realtor.com, elaborated how home sellers who are locked into a low rate have been waiting for market conditions to change, and while mortgage rates are at their lowest point in two years, more sellers are now listing their properties for sale.

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“a slight upward turn”

Lawrence Yun, Chief Economist for the National Association of Realtors, explained that while contract signings continue to lag behind seasonal lows despite home values continuing to soar to all-time highs, pending home sales experienced a slight uptick in August, reflecting a modest improvement in housing affordability.

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“homes changing hands”

Elijah de la Campa, Senior Economist at Redfin, revealed that while mortgage rates took a dip in September, many of the properties listed this year have become stale due to lack of demand and economic uncertainty, marking the lowest home turnover rate in decades.


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