YOUR TRUSTED SOURCE FOR MORTGAGE BANKING AND SERVICING NEWS
MortgagePoint Magazine
SEPTEMBER 2024

# Women in Housing Leadership Awards

HONORING THE ACHIEVEMENTS OF THE MORTGAGE INDUSTRY'S

## Top Women Business Leaders

# DESTINATION DALLAS!

In this month's issue of *MortgagePoint*, we turn our attention to the 2024 Five Star Conference and Expo, set for Tuesday-Thursday, September 24-26 at the Omni Hotel Dallas. The event brings together top subject-matter experts, exhibitors, and thousands of professionals representing mortgage servicers, lenders, federal government agencies, financial services law firms, service providers, investors, and real estate organizations from across the nation working towards the common goal of a stronger and united mortgage industry.

In addition to the Five Star Conference assembling the industry's top minds under one roof, we also take the time to recognize and honor the achievements of those who have shaped the industry over the past year.

This month's cover feature profiles our 25 finalists for this year's Women in Housing Leadership Awards. At the Women in Housing Leadership Awards Luncheon on September 26, attendees will have the opportunity to celebrate the achievements of remarkable businesswomen whose contributions continue to impact the housing and mortgage servicing industries. And be sure to check back in our October issue for profiles of our five final award recipients!

In addition to recognizing these outstanding achievements, whether it is education, networking, or establishing new business leads, the Five Star Conference equips attendees with the tools necessary to achieve success in today's marketplace.

The event officially kicks off Tuesday morning, September 24 with the Keys for Life Opening Luncheon, where attendees will get an assessment on the state of the market, celebrate the Lifetime Achievement Award recipient, honor military veterans during a special Keys for Life presentation, and a silent auction benefitting the Military Warriors Support Foundation (MWSF). The Five Star Institute's Ed Delgado will sit down with Stanley C. Middleman, President and CEO of Freedom Mortgage, for a discussion on the "State of the Industry," and what to expect in the coming months.

Throughout the Conference, additional featured events include the MTech Forum, discussing how technology is driving the industry forward through advances in artificial intelligence (AI), cybersecurity, and tech innovations; the Single-Family Rental Roundtable, examining the current state of the SFR industry; the Mortgage Servicing Forum, bringing together the top servicing execs and government reps discussing the challenges facing the industry; and much more!

You get all this and much more at the 2024 Five Star Conference and Expo. Mark your calendars for September 24-26 at the Omni Hotel Dallas, or visit FiveStarConference.com for complete details and registration information.

David Wharton
Editor-in-Chief

MortgagePoint Magazine

EDITOR-IN-CHIEF
David Wharton

ART DIRECTOR
Jason Stone

MANAGING DIGITAL EDITOR
Eric C. Peck

REPORTERS
Kyle G. Horst
Demetria Lester

MAGAZINE CONTRIBUTORS
T. Robert Finlay Esq.
David J. Miller Jr.
Kathy Shakibi Esq.

COPY EDITOR
Brandy Scott

ADVERTISING
214.525.6700



FiveStarGlobal

CORPORATE OFFICERS

PRESIDENT & CFO
Jonathan Hughes

ART DIRECTION
Jordan Funderburk, Jason Stone

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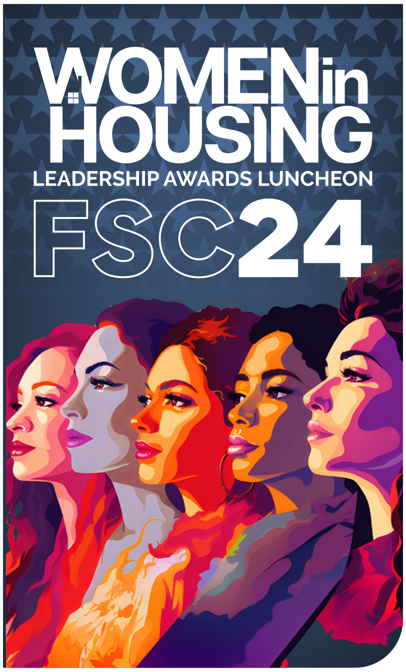


# Movers & Shakers

## Government

### OCC NAMES NEW CFO

The Office of the Comptroller of the Currency (OCC) has announced the selection of Mark Thomas to be the agency's Principal Deputy Comptroller for Management and Chief Financial Officer. In this role, Thomas will oversee the agency's planning and execution of its annual operating budget. In addition to his financial duties, Thomas is responsible for the oversight of the agency's financial systems, internal and financial controls program, travel policy and operations, and agency records management functions as well as the OCC's Office of Management's compliance and strategic planning functions.

Thomas has more than 20 years of federal service in financial management operations and accounting, overseeing budgetary processes, government contracting and internal controls. Most recently, Thomas served in a senior role at the Federal Deposit Insurance Corporation (FDIC) where he performed acquisition management and administered financial quality assurance. Prior to his federal service, he spent nearly nine years in the private sector, in retail operations management.

### FHLBANK PITTSBURGH ANNOUNCES LEADERSHIP CHANGES


Paulson

The Federal Home Loan Bank of Pittsburgh (FHLBank) has announced that **David G. Paulson**, current COO, will become President and CEO effective October 1, 2024. **Winthrop Watson** will become Executive Senior Advisor, and his


Watson

previously announced retirement date of December 31, 2024, remains unchanged.

As a Bank leader since 2010, and COO since January 2020, Paulson has worked closely with Watson to advance FHLBank's mission. Paulson has been an effective leader and through his tenure has managed FHLBank's balance sheet, capital position, community investment impact, and talent pipeline.

"Dave and I have worked closely through his 14 years of FHLBank service across increasing levels of responsibilities," Watson said. "The President and CEO transition has been going well, and I'm excited for the future of the cooperative under his leadership."

Paulson has more than 30 years of financial services and banking experience, primarily in treasury and capital markets. Prior to FHLBank Pittsburgh, Paulson was SVP at National City Corporation for almost a decade, and a portfolio manager at Integra Financial and Equibank prior. Paulson has a B.S. in finance and an MBA, both from Duquesne University. He is involved in the community as a board member for the National Aviary, and as a member of the La Roche University Business Advisory Committee.

Watson was appointed by the Board of Directors of the FHLBank Pittsburgh as President and CEO, effective January 1, 2011. Previously, he was COO of FHLBank Pittsburgh, a position that he assumed in November 2009. Watson served as Managing Director at J.P. Morgan in Hong Kong from 2007-2009, after serving that company in various capacities in New York for 22 years. In Hong Kong, he served as Senior Client Executive for J.P. Morgan's Asia Pacific central banks and sovereign wealth funds, as head of its Asia Pacific debt capital markets, and as Chair of its Asia Pacific Investment Banking Business Evaluation Committee. Earlier, Watson was Managing Director of J.P. Morgan in New York, where he helped build the company's investment and commercial banking franchise for U.S. government-sponsored enterprises including the FHLBanks. His background also includes several financial advisory assignments on behalf of the FHLBanks. Watson holds a B.A. from the University of Virginia and an MBA from Stanford University.

FHLBank Pittsburgh provides reliable funding and liquidity to its member financial institutions, which include commercial and savings banks, community development financial institutions, credit unions and insurance companies in Delaware, Pennsylvania, and West Virginia. FHLBank products and resources help support community lending, housing, and economic development. As one of 11 Federal Home Loan Banks established by Congress, FHLBank has been an integral and reliable part of the financial system since 1932.

## Lenders/Servicers

### M&T TAPS FORMER FHA PRINCIPAL DEPUTY ASSISTANT SECRETARY AS HEAD OF AFFORDABLE HOUSING LENDING

M&T Bank has announced that it has appointed **Lopa Kolluri** as Head of Affordable Housing Lending. In this new role, Kolluri is responsible for the development, oversight, and day-to-day management of the Affordable Housing vertical within M&T's Commercial Bank. Kolluri will execute M&T's affordable housing business strategy and establish operational processes and governance structures to ensure the efficient delivery of first-rate customer service to its affordable housing clients. In addition, she will continue to strengthen M&T's existing affordable housing relationships, while establishing new regional and national customers to generate additional business opportunities.

"It is an exciting time at M&T Bank as we continue to expand our work in the affordable housing space, leveraging Lopa's deep expertise in the public and private sectors," said Timothy Gallagher, M&T Bank's Head of Commercial Real Estate. "This is a substantial opportunity to build upon our already strong capabilities and it further complements M&T's forward-thinking approach to supporting clients."

Previously, Kolluri was SVP within M&T's Commercial Real Estate (CRE) Innovation Office, where she led strategy for the bank's CRE transformation initiatives. Kolluri brings more than 25 years of experience in affordable housing and community and economic development and has extensive knowledge and experience in executive-level management of housing finance policy, operations, and transactions.

Before joining M&T, Kolluri was with the U.S. Department of Housing & Urban Development (HUD) where she served as Principal Deputy Assistant Secretary of the Federal Housing Administration (FHA) overseeing $1.2 trillion in insured mortgages and leading 2,800 employees. She also oversaw HUD's Office of Housing which includes the Offices of Manufactured Housing, Multifamily Housing, and Housing Counseling.

"I'm looking forward to building out our affordable housing vertical," Kolluri said. "At M&T Bank, we recognize the need for affordable housing across our footprint. As a trusted advisor, we provide the full range of affordable housing financing solutions to meet the evolving needs of our clients and create meaningful impact in our communities."

Kolluri's work will also closely engage with divisions of M&T's Community Bank and M&T Realty Capital Corporation's Affordable Housing Platform. She will report directly to Tim Gallagher and will be based in New York City.

## FAIRWAY PROMOTES TWO CORPORATE EXECS

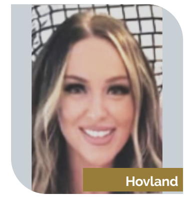

Fairway Independent Mortgage Corporation has announced the promotion of two within its corporate executive ranks.

**Haley Parker** has been elevated to the new position of Chief Marketing and Business Development Officer, where she will be responsible for driving Fairway's brand and marketing strategy, ensuring alignment with business objectives and bolstering Fairway's market presence. Parker will manage and oversee the development and execution of both digital and traditional marketing campaigns.

"Promoting Haley is a strategic move that embraces Fairway's commitment to driving innovation and growth. Over her nine years with Fairway, and 23 years in the mortgage industry, Haley has consistently demonstrated exceptional leadership and a deep understanding of our market dynamics," said Julie Fry, Fairway's Chief Human Resources Officer. "Haley's innovative approach promises to elevate our marketing strategies and unlock extraordinary growth opportunities."

Parker will also partner on strengthening Fairway's brand, optimizing customer engagement, and leveraging market insights to support growth. Her role will involve close collaboration with sales, product development, and other departments to ensure cohesive and effective marketing efforts.

"Stepping into the role of Chief Marketing and Business Development Officer is truly an honor," Parker said. "My passion for the Fairway Nation and dedication to success drive me. I'm thrilled to lead our mortgage company into new horizons, powered by the amazing momentum within our organization. The heart and soul of Fairway lies in its incredible people, and I am humbled to work alongside the best of the best. It's exciting to collaborate with our exceptional leadership team—we will redefine mortgage marketing with innovation and relevance."




Also being promoted by Fairway is eight-year veteran **Brittny Hovland** to the position of SVP of Operational Support. Hovland, formerly VP of Branch Support, will now oversee Branch Support as well as the Encompass and Point of Sale teams.

"In her time with Fairway, Brittny was instrumental in developing our stellar Branch Support team where the focus is always on helping the Street as quickly as possible," Fairway Founder and CEO Steve Jacobson said. "Expanding Brittny's responsibilities will upgrade our service levels to our branches."

"Street support has always been my top priority," Hovland said. "I look forward to ensuring that all day-to-day operations run smoothly and reflect Fairway's core value of Speed to Respond."

## INCENTER NAMES NEW LENDING-IN-A-BOX PRESIDENT

**Ralph Armenta** has joined Incenter Lender Services as President, Lending-in-a-Box. Incenter is a family of companies that collaborate on solutions to improve the financial and operational performance of both lenders and depositories.

In his new role, Armenta will be responsible for accelerating a variety of personal/non-mortgage and mortgage loan products into the market that generate accretive revenues and liquidity for lenders, depositories, independent mortgage banks (IMBs), community banks, and credit unions, along with their servicing and subservicing partners. These will be offered through Incenter's digital Lending-in-a-Box platform on a "plug and play" basis—helping clients start building a new revenue stream, with marketing support. Armenta will also be charged with optimizing product pricing strategies to ensure the maximum benefit for all Incenter customers.

"Incenter is fortunate to add Ralph to our team as our clients seek a new infusion of growth," said Bruno Pasceri, President of Incenter. "He is recognized for his insightful business analyses and innovations aimed at lifting the housing finance industry. This industry is at a watershed moment where the ability to offer nontraditional products like student, auto, or personal loans or to tap into demand for residential transition loans (RTLs) or second-lien products, can offer a long-term advantage. Ralph will help our clients enter new spaces while providing additional opportunities for the secondary and capital markets."

Armenta brings 20 years of mortgage industry leadership experience to Incenter, most recently as SVP-Enterprise Sales at Computershare Loan Services, where he was recognized as a top salesperson two years in a row. Other previous positions include EVP and CRO for LoanFuel, and Managing Director for Compass Analytics. A noted industry content contributor, he has been an Adjunct Professor for the past 20 years at New York's Empire State University teaching undergraduate and graduate-level courses in corporate finance, macroeconomics, and financial strategy.

"When Incenter introduced me to its Lending-in-a-Box strategy, I immediately wanted to sign on," Armenta said. "Lending-in-a-Box is the most revolutionary and impactful mortgage concept I have seen, and an example of Incenter's boundless creativity."

The first "plug and play" Lending-in-a-Box offering is Student-Loan-in-a-Box from Incenter company CampusDoor, which enables lenders to offer private student loans and refi's without any capital investments, default or compliance risks, or operational costs. On the back end, CampusDoor's expert underwriters, technology professionals, and call center staff handle every aspect of loan processing from application to disbursement, and coordinate with servicing and investment partners.

## ANGEL OAK MORTGAGE SOLUTIONS APPOINTS NEW PREZ

Angel Oak Mortgage Solutions LLC, a wholesale and correspondent non-qualified mortgage lender, has announced several key internal promotions designed to align the firm's top leadership to support its planned growth goals.





**Tom Hutchens**, previously EVP of Production, will serve as President of Angel Oak Mortgage Solutions. Hutchens' role will be assumed by **John Jeanmonod**, formerly Angel Oak's Regional VP of Sales. Additionally, **Alysse Prosnick** and **Travis LaLonde** have been promoted to EVP of Operations and EVP of Credit, respectively.

"These organizational changes are a testament to the in-house talent at Angel Oak and commitment of these four individuals in driving our broader success," said Mike Fierman, Managing Partner and Co-CEO of Angel Oak Companies. "These moves not only recognize the well-deserved achievements and contributions of these executives but also position us to thrive as we continue to expand our non-QM solutions and partner network."

Hutchens, a dedicated team member of Angel Oak for more than10 years, has been an integral contributor to Angel Oak's ascent as one of the nation's leading non-QM lenders and wholesalers. As President, he will lead the overall strategy and growth for the lending entity.

"It's an honor to step into this new role at the firm and play a bigger part in driving all facets of Angel Oak Mortgage Solutions," Hutchens said. "Over the past decade, I've had the pleasure of working with Angel Oak's talented team to further the firm's mission of pioneering innovative mortgage solutions for borrowers across the country. I'm excited to dive into this next phase alongside our new EVPs to continue to serve our clients with the skill and expertise that make us leaders in the industry."

As EVP of Production, Jeanmonod will take on ownership of the firm's production team, spearheading new sales initiatives and broadening Angel Oak's broker and correspondent channel relationships. Jeanmonod joined Angel Oak in 2014 and has played an instrumental role in supporting the firm's growth.

Prosnick has more than nine years of experience with Angel Oak. She will now oversee the continued improvement and strategic development of Angel Oak's operations, streamlining efficiencies, and scaling the firm's capabilities.

LaLonde, who previously served as SVP of the Dallas operations, brings more than six years of experience with Angel Oak to his new EVP of Credit role and will now oversee the company's credit policies as well as its risk management and lending practices.

Angel Oak has experienced great success in the non-QM space, having originated more than $19 billion in loans since its inception. Angel Oak's team currently operates in 46 states and the District of Columbia.

## NFM LENDING PROMOTES NEW EVP AND CHIEF LEGAL OFFICER

NFM Lending and its family of lenders has announced the promotion of **LaTasha Waddy** to EVP and Chief Legal Officer. Waddy has been integral to the NFM Lending team since 2012, previously serving as General Counsel and Chief Compliance Officer.

In her tenure at NFM Lending, Waddy's expertise and commitment have made her a critical member of the executive team, where she has played a pivotal role in guiding the company through complex legal and compliance landscapes.

"I am excited to announce that LaTasha Waddy has been promoted to Chief

Legal Officer and Executive Vice President of the NFM Family of Lenders," NFM Lending Founder and CEO David Silverman said. "As those at NFM and many throughout the industry know, LaTasha has been much more than a lawyer for our organization. She is a thoughtful leader, coach, mentor, businesswoman, and phenomenal teammate. Her understanding of every department and the inner workings of our ever-changing industry is unparalleled. We are excited to see her take on new and more impactful responsibilities that will benefit not just NFM Lending but our entire industry."

As EVP and Chief Legal Officer, Waddy will continue to oversee the company's legal and compliance functions while taking on additional responsibilities to enhance NFM Lending's strategic initiatives further.

"I am honored to take on this new role and grateful for the opportunity to continue contributing to NFM Lending's growth and success," Waddy said. "I look forward to working with our exceptional team to navigate the challenges and opportunities ahead."

## CORNERSTONE CAPITAL BANK ADDS NEW CFO

Cornerstone Capital Bank has appointed **Paul Woo** as Chief Financial Officer (CFO), tapped to oversee a skilled financial team, strategic planning, and capital management for the bank.

Woo has more than 30 years of experience covering banking and the financial services industry, and a history of transforming banks into industry leaders. He previously served as SVP and Director of Capital Planning and Corporate Development at Cadence Bank, a publicly traded bank with nearly $50 billion in assets. Prior to Cadence, he was a senior member of The Endicott Group, managing over $500 million in private equity funds focused on commercial banks and thrifts. He also held key roles in investment banking, sell-side research and financial analytics at FBR Capital Markets, Howe Barnes Hoefer & Arnett, and Morningstar, and earned a finance degree from the University of Illinois at Urbana-Champaign.

"I'm thrilled to join Cornerstone Capital Bank, which has a strong reputation for superior service in our industry," Woo said. "Throughout my career, working with high performing teams and really great people has been a key part in my success. After meeting the Cornerstone team, I was struck by everyone's honesty, integrity, and shared values. Their mission and vision truly resonated with me as well. I believe most people aspire to work with colleagues they genuinely enjoy, and I am excited to do just that."

Woo's appointment represents an important step in Cornerstone's commitment to growth and expansion. In less than two years since merging with The Roscoe State Bank, Cornerstone has grown its total assets by over 50% while maintaining strong asset quality and raised more than $1 billion in deposits. As CFO, Woo will play a key role in upcoming initiatives aimed at enhancing the bank's offerings and expanding its reach.

"We are delighted to welcome Paul to our executive leadership team," Cornerstone President and CEO Scott Almy said. "Paul's impressively broad and deep background will be instrumental in helping us to realize our growth and performance goals."

## » Service Providers

### NAR APPOINTS PERMANENT CEO

The National Association of Realtors (NAR) has named **Nykia Wright** as its permanent CEO. Wright, an executive with experience driving organizational transformation, has served in the Interim CEO role since November 2023.

"I am thrilled Nykia is staying on board to lead us through this time of transformation," said 2024 NAR President Kevin Sears, broker-associate of Sears Real Estate/Lamacchia Realty in Springfield, Massachusetts. "She has been instrumental in leading us up to this point, and her unwavering commitment to our members makes her the ideal steward for guiding our association through the evolving real estate landscape."

During her initial tenure, Wright shepherded NAR in early 2024 through negotiations to settle and resolve claims brought on behalf of home sellers related to broker commissions.

She also is guiding the implementation of NAR's Culture Transformation Commission—a group of more than 70 members, including state and local association staff and NAR staff selected through a collaborative process—which was established to identify and break down impediments to being an inclusive, welcoming, and respectful organization for all individuals and to ensure that the association meets the evolving needs of members well into the future.

Among Wright's immediate priorities will be to continue guiding the association past the implementation of the proposed settlement practice changes and prioritizing ongoing education, training, and compliance for consumers and agents.

"I am honored to have earned the confidence and trust from the Leadership Team to guide this organization at such a critical point. I am committed to ensuring our association remains a powerful and effective voice for the industry and to fulfilling our goal to bring the privilege of homeownership to more Americans," Wright said. "I am clear eyed about our past and present, and I am hyper-focused on building trust with NAR's many stakeholders so that we can be successful in ensuring we are bringing the best of NAR to each and every one of our members."

Wright brings a great deal of executive leadership and strategic advisory experience to her new role. Previously, as CEO of the *Chicago Sun-Times*, she led the newspaper through a sweeping digital transformation and a merger with WBEZ (Chicago Public Media), which created one of the largest nonprofit local newsrooms in the country. She is a recognized leader in the media industry for managing significant disruption, driving change, and implementing digital transformation at the newspaper. Wright began her career in the financial services industry and, prior to leading the Sun-Times, was a strategy and business transformation consultant who advised *Fortune* 500 companies and top tier universities on operational, financial, and performance improvement projects.

She is also the co-founder of SonicMESSENGER, a software-as-a-service (SaaS) startup helping democratize audience engagement and measurement by leveraging smart audio. Wright serves on the board of the Better Government Association, and she is a member of the Dean's Advisory Council at her alma mater, the Tuck School of Business at Dartmouth.

### VOXTUR PROMOTES NEW CEO

Voxtur Analytics Corporation, a technology company creating a more transparent and accessible real estate lending ecosystem, has named **Ryan Marshall** to the role of CEO. As CEO of Voxtur, he brings to the table a deep understanding of the company's operations, market dynamics, and growth potential, as well as a firm commitment to driving the company's strategic vision forward.

Marshall formerly served as Voxtur's COO and Chief Product Officer, and prior to that, he was CEO of Benutech, a real estate data and technology provider that was acquired by Voxtur in 2021. Throughout his tenured career, Marshall has garnered a wealth of experience within the U.S. mortgage industry and demonstrated exceptional leadership.

"I am honored to take on the role of CEO at Voxtur," Marshall said. "With the overwhelming support of our shareholders, employees, and clients, we are poised to build on our successes and address the challenges from the past. My focus will be on fostering regular communication, transparency, and accountability as we work together to realize Voxtur's full potential."

Under Marshall's guidance, the company will leverage one of its many competitive advantages by realizing the potential synergies and distribution points across all its businesses. This vision, known as "OneVoxtur," focuses on uniting business units, relationships, and experiences.

"We are excited about the future of Voxtur under Ryan Marshall's leadership. He has strong client relationships and valuable experience in mortgage technology," said Gary Yeoman, Voxtur's Chairman and outgoing CEO. "I have collaborated with Ryan for the last two-and-a-half years and know firsthand that his experience in product development, platform development and profit-driven data business models will allow Voxtur to flourish. This, paired with his strategic vision, dedication, and commitment to our core values will no doubt drive Voxtur's success and growth." Yeoman will continue to focus on capital markets, banking, and shareholder relationships, while contributing to the strategy and vision with Marshall and his management team.

# THE RISE OF LOCAL COMMUNITY DEVELOPERS

## Getting to know today's auction buyers

92% of buyers describe themselves as Local Community Developers (77%) or Owner-Occupants (15%). As buyers, they help stabilize neighborhoods and support local communities.

AUCTION.COM
BEYOND THE BID.

Source: 2023 Auction.com Buyer Insights Report

LET'S EXPAND HOMEOWNERSHIP TOGETHER

## NEW CEO NAMED FOR ZILLOW GROUP

Zillow Group Inc. has announced that longtime executive and COO **Jeremy Wacksman** has been promoted to CEO and appointed to the company's Board of Directors. Wacksman succeeds Co-Founder Rich Barton, who remains on the Zillow Group Board of Directors and becomes Co-Executive Chair alongside Zillow Co-Founder and current Executive Chair Lloyd Frink.

Wacksman joined Zillow from Microsoft in 2009 and has earned multiple promotions throughout his 15 years at Zillow, including as a product leader, Chief Marketing Officer (CMO) and, for the past three years, as COO, with responsibility for growing Zillow Group businesses and also overseeing engineering, product, design, marketing, sales, and industry relations.

"Zillow's business is firing on all cylinders and performing well through a challenging real estate macro. We've built and integrated products, completed strategic acquisitions, enhanced our agent partner network, and leaned in hard on our mortgages and rentals businesses," Barton said. "This is due in no small part to the leadership of Jeremy Wacksman, with the past three years being a time of particularly impressive innovation for the company. Lloyd and I could not be more confident in Jeremy as CEO, in the caliber of the broader team and in Zillow's bright future."

During his leadership tenure at Zillow, Wacksman has been a driver of innovation in real estate. As a Zillow product leader, Wacksman helped pioneer mobile real estate shopping and, today, Zillow Group apps have three times more daily active users than any other company in the category. As CMO, Wacksman shepherded the pivotal product and consumer marketing strategy that helped Zillow grow into the household brand it is today, with 231 million average monthly unique users and the word "Zillow" searched more than the term "real estate." When Barton tapped him as COO, Wacksman operationalized Zillow's housing super app strategy while maintaining strong cost discipline, diversifying revenue streams, growing the Rentals and Mortgages businesses, and successfully acquiring industry software solutions like Follow Up Boss and ShowingTime. He also organized and elevated the talent that now makes up Zillow's world-class product, engineering, and design organizations responsible for innovative product rollouts such as 3D interactive floor plans, Real Time Touring, and Zillow Showcase.

"With the strength of Zillow's brand, our highly engaged audience and a steadily growing business portfolio, we are in a great position to capture meaningful transaction share for years to come," Wacksman said. "The work we're doing to bring the integrated transaction to life through exceptional tech solutions for consumers and agents will transform residential real estate. I love this company and its mission, and I am honored to lead our extraordinary team into the next phase of Zillow's growth."

Both Barton and Frink have led the Board of Directors and held Board positions, including the chairmanship, since they founded Zillow in 2004. They will continue to be active in the company to support Wacksman and the leadership team.

> **"Zillow's business is firing on all cylinders and performing well through a challenging real estate macro. We've built and integrated products, completed strategic acquisitions, enhanced our agent partner network, and leaned in hard on our mortgages and rentals businesses."**
>
> —**Jeremy Wacksman**, CEO, Zillow Group Inc.

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## INFORMATIVE RESEARCH NAMES NEW EVP

Informative Research, a technology platform that delivers data-driven solutions to the lending community, has announced the appointment of **Steve Schulz** as EVP of Product Management, where he will lead the vision, strategy, and innovation methodologies to introduce disruptive ideas, improve existing products and processes, and foster a culture of innovation. He will share P&L responsibility for the existing solution portfolio and will be accountable for the success of new product launches and enhancements. Schulz will also collaborate closely with the executive leadership team to design and implement business strategies that drive revenue and profitability goals, further solidifying Informative Research's position in the industry.

"Steve's extensive experience in product management and strategic leadership is a perfect fit for Informative Research as we continue to innovate and develop our offerings," Informative Research Chief Innovation Officer Scott Horn said. "His track record of success in launching and managing cutting-edge solutions will be instrumental in guiding our product strategy and driving growth."

Schulz brings more than 20 years of experience in information services, sales, product management, and marketing, with a proven product innovation and strategic planning history. In his most recent role, he served as VP of Enterprise Accounts at a global data & analytics company, leading a team that delivered significant revenue growth and achieved high client retention. His expertise in employment and income verification, process automation, and fraud mitigation SaaS solutions has been a cornerstone of his career, making him well-suited to oversee Informative Research's credit, verification, and fraud platforms.

"It's a privilege to join Informative Research at such a dynamic time in the industry," Schulz said. "Informative Research is known for its pioneering solutions and unwavering commitment to improving the borrower experience. I look forward to collaborating with the talented team here on the next generation of products that meet the evolving needs of our clients and partners."

# » *Attorneys*

## FEDERMAN STEIFMAN LLP ADDS TO NEW YORK OFFICE WITH NEW PARTNER

Federman Steifman LLP has named real estate and structured finance lawyer **L. Minnie Bellomo** as Partner and Resident in the firm's New York office.

Bellomo represents clients in connection with the structuring and negotiation of various types of real estate transactions involving all asset classes throughout the United States, including acquisitions and dispositions, loans and participation interests, permanent, bridge, construction and mezzanine financings, joint ventures, and preferred equity investments. Bellomo also has significant experience representing real estate developers in all phases of the development process, from assemblage and approvals to the implementation of sophisticated debt, equity, and ground lease financing structures to fund vertical construction. In addition to her transactional practice, Bellomo also serves as outside general counsel to several clients and is a valuable member of her clients' development and executive teams, drawing on her experience as the general counsel of a national real estate investment and development firm.

"I came to know the entrepreneurial lawyers at Federman first as co-counsel while a partner at Greenberg Traurig, and later when they acted as our outside counsel at SomeraRoad. Having experienced the firm from the inside out, I knew the Federman team, and I shared a core focus of providing practical, commercial legal guidance to our clients to efficiently close transactions," Bellomo said. "As General Counsel, I appreciated the time and money Federman saved our company relative to larger firms for the same or better service, and I am excited to be able to offer this same value to my clients."

Michael K. Federman, Managing Partner at Federman, added, "Minnie is among the most gifted and efficient lawyers we have ever encountered. She effectively leads teams of both legal and non-legal professionals, simplifying the most complex real estate and financing transactions with a refreshing, no-nonsense approach. Joining a full-service real estate law firm affords Minnie the opportunity to work on large scale transactions while also maintaining the ability to provide her clients with complete outside general counsel services through our firm, narrowly tailored to the client's needs. We are delighted to welcome Minnie to our team."

Prior to joining Federman, Bellomo was a partner in the New York City office of Greenberg Traurig LLP and served as General Counsel at SomeraRoad Inc. Earlier in her career, Bellomo was an associate at Hughes Hubbard & Reed LLP and handled real estate transactions in house at W.P. Carey Inc.

# THE LEGAL LEAGUE ALL-STAR LINEUP

Raising the Bar for Financial Services Law Firms. Acting as the voice of advocacy for its member firms, the Legal League is dedicated to strengthening the mortgage servicing community.

## ALABAMA

**McCALLA RAYMER LIEBERT PIERCE, LLC**
312.476.5156
MRPLLC.COM

**McPHAIL SANCHEZ, LLC**
251.438.2333
MSLAWYERS.LAW

## ARIZONA

**BDF LAW GROUP**
972.386.5040
BDFGROUP.COM

**HLADIK, ONORATO & FEDERMAN, LLP**
215.855.9521
HOFLAWGROUP.COM

## CALIFORNIA

**BDF LAW GROUP**
972.386.5040
BDFGROUP.COM

**McCARTHY & HOLTHUS, LLP**
877.369.6122
MCCARTHYHOLTHUS.COM

## COLORADO

**BDF LAW GROUP**
972.386.5040
BDFGROUP.COM

## FLORIDA

**DIAZ ANSELMO & ASSOCIATES, P.A.**
954.564.0071
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LEGAL LEAGUE

# STATE INSURANCE REFORMS AIM TO ALLEVIATE MARKET CHALLENGES

*By* **JOHN ROHRBACH**

***JOHN ROHRBACH** is Executive Director, Product at National General Lender Services, a leading provider of lender-placed insurance and services in the industry. A proud member of the Allstate family of companies, they provide their clients with award-winning customer care and technology while ensuring continual compliance with ever-changing regulations and requirements.*

Last year, National General Lender Services published an article highlighting that secondary perils, such as severe convective storms, wildfires, and river floods, are significantly impacting the insurance industry.[1] The trend continues into this year, as the United States recorded 13 separate billion-dollar insured thunderstorm outbreaks in the first half of 2024, eight of which topped $2 billion.[2] The impact of these losses, along with inflation and rising reinsurance costs, creates challenges for homeowner insurance affordability and availability in many parts of the United States.

The outlook isn't entirely grim. Following several years of substantial losses for property and casualty insurers, there has been notable progress in resilience efforts, actuarially sound rating, and underwriting discipline. This progress enables them to continue offering coverage in difficult markets. Additionally, current and proposed state-level legislative solutions are beginning to yield positive results. Examining well-known insurance markets like Florida and California, as well as a less familiar one like Oklahoma, offers a view into how these adjustments are performing so far.

### Florida

After a relatively calm year for catastrophes in 2023, reinsurance capacity and rate stability are becoming more manageable. Coupled with reforms in the state's insurance code, the Florida insurance market is moving toward a more stable foundation.

The most significant change to the insurance code is Senate Bill 2A, signed into law in December 2022.[3] The intention of the law was to ensure policyholders have access to quality, affordable private market property insurance. Changes included reducing the incentive to litigate, lessening incentives for contractors to charge for unnecessary expenses, clarifying uncertainty when establishing a breach of an insurance policy, encouraging more prompt claim filings, and increasing the eligibility threshold to participate in its state-run insurer of last resort, Citizens Property Insurance Corp. Michael Yaworsky, Commissioner of Florida's Office of Insurance Regulation, notes that "we (Florida) were heading in a very bad direction for almost a decade." Further, "We finally got some reforms to bring a lot of the excess under control. And it's going to take time for consumers to feel that turning of the aircraft carrier."[4]

In addition, the My Safe Florida Home Program has been re-enacted to help homeowners mitigate hurricane damage to their homes. The program provides the ability to obtain free home inspections to identify storm mitigation measures. It also provides grants to retrofit homes for storm resilience, which helps decrease the cost of homeowner insurance.[5]

### California

The California Department of Insurance has been involved in a multi-year review of the insurance conditions in the state, resulting in the Sustainable Insurance Strategy—which continues to roll out adjustments to the state's practices.[6] These changes include more timely review periods for needed rate/rule and form adjustments by insurers, the use of new catastrophe modeling that also requires insurers to write more policies in distressed areas, and modernization of the California FAIR Plan Association, the state's insurer of last resort.

Insurance Commissioner Ricardo Lara noted that, "Ultimately, we want to reduce the number of homeowners and businesses on the FAIR Plan by strengthening the market overall. Requiring the FAIR Plan to take concrete steps to protect policyholders in an extreme disaster will keep it an effective safety net for

homeowners and businesses while my reforms to fix the state's overall insurance market take effect."[7]

On the prevention front, it's encouraging to see the heightened focus and investment in wildfire mitigation. CalFire's annual budgets have grown, with a strong emphasis on resource management and fire prevention. Additionally, the federal government is dedicating more attention and resources to wildfire mitigation, suppression, and management.

### Oklahoma

Although it may not be widely recognized, homeowner insurance in Oklahoma is relatively expensive compared to other states. The average premium for $300,000 of dwelling coverage in Oklahoma is $4,846, which is $2,576 more than the national average. The risk of tornadoes, hailstorms, seismic activity in certain areas, and flooding in the eastern part of the state are contributors to the state's high rates.[8]

To help lower homeowner insurance rates and improve disaster resilience, the Strengthen Oklahoma Homes Program was signed into law in May 2024.[9] The program will allow residents to apply to a grant program providing severe hail-resistant roofs, impact-resistant shingles and rain-resistant attic vents. Oklahoma Insurance Commissioner Glen Mulready said in a statement that if home enhancements are made through the grant program, homeowners could qualify for insurance discounts up to 42%.[10]

### Looking Ahead

While it will take time for the benefits of state initiatives to be fully realized, incremental progress is being made. One recent positive development is the approval of nine Florida insurance carriers to offer take out policies from Citizens. It is anticipated that more than 400,000 customers will again have access to the private insurance market as a result.[11] This is positive news for customers and carriers alike.

*Sources 1-11: See https://lp.constantcontactpages.com/cu/dMMHyL4 for links to source material.*

# SIX WAYS

## TO MAKE PROPERTY TAXES EASIER FOR HOMEOWNERS

*By* **DUSTIN MOORE**

Escalating home values have driven up property taxes, leading to homeowner distress, making it more important than ever to help them understand and plan for these increases. Meanwhile, as interest rates start to come back down and refis rise, opportunities for recapturing borrowers will emerge for servicers who invest in tools and technology to improve their customers' experience.

Luckily, boosting loyalty and satisfaction doesn't have to mean increasing your workload or expanding your team—if you have the right partner and tools. With the trust of all the nation's top 25 residential servicers and over 48 million loans under tax service, we've identified six strategies to help.

### 1. Delight Borrowers With Automated Text Messages

Automated text messages are an excellent way to provide instant updates on property tax payments and service statuses. Borrowers appreciate the convenience of staying informed without the need for constant back-and-forth calls.

Mike McKinney from loanDepot LLC shares how this approach has worked for them: "We're thrilled to provide regular, proactive updates to our customers. This enhancement eliminates the need for borrowers to reach out with questions and keeps everyone on the same page in real time. It's been a fantastic improvement to our process."

**DUSTIN MOORE** *leads the product strategy and adoption lifecycle of CoreLogic's Residential Tax solutions, including the DigitalTax Portal, Payment Decisions, DigitalTax Connect, and the upcoming Loan Boarding Decisions. This includes managing the products from concept to launch, leveraging customer insights, and using data analytics to enhance offerings. Moore joined CoreLogic in 2018 as part of its acquisition of a la mode, a leading provider of residential appraisal software, where he served as COO for 12 years.*

### 2. Leverage Agency Relationships for Quality and Innovation

Partnering with a vendor that has a large footprint can lead to strong relationships with agency collectors and access to cutting-edge technology. This helps prevent devastating errors in homeowners' tax payments and ensures you stay informed about important updates, such as changes to due dates and delinquent taxes.

For example, CoreLogic performs multiple quality checks against the most current agency data before making payments. We continually invest in technology to ensure we have the freshest data available. Also, because we handle more than 80% of the nation's residential escrow payments, we find collectors are eager to collaborate with us to develop robust data exchanges that minimize errors.

### 3. Provide Stellar Service With an Experienced, Scalable Call Center

Many borrowers still like speaking to a knowledgeable representative. A scalable call center that can handle an influx of inquiries as your loan portfolio grows is essential.

According to a recent JD Power study, borrowers say the phone is still the most likely customer service channel to drive a successful outcome, and 29% of borrowers still consider it the easiest (JD Power, 2024). Investing in an experienced call center ensures that borrower issues are resolved quickly and effectively, giving you a competitive edge.

### 4. Optimize Support With Intelligent Interactive Voice Response Systems

Consider implementing intelligent Interactive Voice Response (IVR) systems with client- and loan-specific data that customers would otherwise have to get from a live agent. These systems can handle common borrower questions related to property taxes, such as payment schedules or tax amounts due. Automating these routine inquiries allows your call center staff to focus on more complex issues, improving both efficiency and the quality of service.

### 5. Streamline Servicing Processes and Improve Escrow Shortage Handling With Better Technology

One of the most effective ways to ensure property taxes are paid on


time and to avoid potential risks is to arm yourself with robust self-service technology that gives you near-instant visibility into your portfolio and helps you manage loans faster with fewer discrepancies. By leveraging automation for this, you can lighten the load on your staff, allowing them to focus on more strategic aspects of customer service. This improves efficiency and ensures that your borrowers receive timely and accurate information.

### 6. Lean Into AI-Powered Tools

AI is transforming the mortgage servicing industry by enhancing borrower engagement, automating complex processes, and improving decision-making. AI-powered assistants, for example, can streamline interactions throughout the loan lifecycle, offering personalized support, proactive outreach, and greater efficiency in handling documentation and back-office operations. Future AI-powered innovations will even estimate tax amount changes and potential escrow shortages.

Making the tax experience smoother for borrowers involves a multifaceted approach. By choosing a vendor that invests in comprehensive solutions for servicers, agencies, and homeowners alike, your borrowers can confidently have the tools and support they need to navigate the complexities of property taxes.

Whether you manage 200 loans or 2 million, CoreLogic offers industry-leading property tax management solutions with prompt reporting, accurate payments, and exceptional service. With the right partner, you can boost borrower satisfaction while streamlining your operations. For more tips on improving your homeowners' experience, please get in touch with our team at 866-614-4681 or visit our website at CoreLogic.com/Mortgage/Servicing-Solutions.

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# THE VALUE OF SUBSERVICING IN THE DIGITAL AGE

As technology evolves in the mortgage finance space, knowing the right time to act versus when to wait is crucial to remaining compliant and credible.

*By* **DAVID J. MILLER JR.**

As the mortgage industry adjusts to changes in regulatory compliance, rising interest rates, declining purchase volume, and overall economic uncertainty, servicing becomes more important to both mortgage holders and their homeowners. Homeowners are increasingly interested in a seamless and digital, user-friendly experience throughout the mortgage journey, from application to closing and on to the long-term servicing of their loan. They are asking for speed, transparency and accessibility to documents, account information and customer service.

## Where the Industry Stands

Investing in digital is a common trend being leveraged across the industry to personalize and streamline the origination process through compliant and automated processes and approvals. While lower sales volumes aren't ideal for anyone in the industry, it allows for a bit of breathing room to explore ways to improve their processes, enhance offerings for consumers, and ensure that they are at the forefront of technology and automation.

Interest rates, homes sales, or the regulatory focus on compliance and risk mitigation cannot be controlled by servicers. However, servicers can use this time to further develop technological tools and processes to improve the experience, access, and interaction throughout the life of the customer's mortgage.

## The Future of Digital

Trends like blockchain, cloud computing and big data analytics have been around for a while. New trends (Open AI and Non-Fungible Tokens) are starting to garner more discussion and attention. Being informed about both current and new trends is key to being at the forefront of understanding what the mortgage industry's future could be. Knowing the right time to act versus wait is crucial to staying compliant and credible with both technology and process workflows.

Conversational chatbots and RPA (Robotic Process Automation) are among the most impactful in 2024. The chatbot technology uses natural language processing to comprehend and answer questions like humans. These chatbots have contributed significantly to cost savings in customer service across the industry.

RPA technology automates rule-based workflows, which is ideal for automating repeated and time-consuming tasks like auditing loan documents, inputting applicant data, and uploading files while maintaining compliance standards. RPA has improved quality, accuracy, productivity, and generated cost savings over previously manual tasks and efforts.

There are varying points of view across the industry about how much and how far to implement some of these automation tools, the key is maintaining human decisioning while allowing for automation to improve the scale, customer experience, and reduce the costs of doing business.

The environment is changing, and services are investing in technology to drive a better homeowner experience. Industrywide, the goal is to be as nimble, compliant, and scalable as possible maintaining costs and efficiencies while always caring for customers. MP

**DAVID J. MILLER JR.** *brings 40 years of experience to Cenlar in strategic planning, loan servicing operations, project management, and accounting and servicing systems. He is responsible for business development activities. He serves as a member of the Board of Directors of Cenlar Capital Corporation and is an active member of the American Bankers Association's Mortgage Markets and Technology committee, a member of the Mortgage Bankers Association, and past chairman of the New Jersey League of Community Bankers. He earned a Bachelor of Science in business administration and finance from Temple University.*

# CAN THE NATIONAL BANK ACT BE PREEMPTED BY STATE LAW?

Attorneys T. Robert Finlay and Kathy Shakibi examine a SCOTUS opinion on whether the National Bank Act preempts a New York State consumer financial law requiring payment of interest on mortgage escrow accounts.

*By* **T. ROBERT FINLAY ESQ. & KATHY SHAKIBI ESQ.**

On May 30, 2024, the Supreme Court of the United States (SCOTUS) issued its opinion on a matter of far-reaching consequence—whether the National Bank Act preempts a New York State consumer financial law requiring payment of interest on mortgage escrow accounts in the case of *Cantero v. Bank of Am., N.A., 2024 U.S. LEXIS 2367*.

The *Cantero* case arose from New York General Obligations Law §5-601, which requires a minimum 2% interest to be paid on mortgage escrow accounts, maintained for payment of property taxes and insurance. The Second Circuit had decided that the minimum interest requirement would exercise control over a banking power granted by the federal government, so it would impermissibly interfere with national banks' exercise of that power and was thus preempted. SCOTUS vacated the Second Circuit's ruling and remanded with instruction to analyze the preemption under the second prong of Dodd-Frank Act's preemption standard, known as the Barnett Standard.

## The Dual Banking System

"Both federal and state governments are empowered to charter banks and to regulate the banks holding their respective charters." *Lacewell v. OCC, 999 F.3d 130, 135 (2d Cir. 2021)*. The National Bank Act of 1864, 12 U.S.C. §21 et seq., authorizes the federal government to issue bank charters and grants national banks enumerated powers as well as incidental powers necessary to carry on the business of banking. Among the enumerated powers is the power to "make, arrange, purchase, or sell loans ... secured by liens on interests in real estate."

National banks have incidental powers to provide escrow services in connection with home mortgage loans. Among Congress's regulation of national banks, the Real Estate Settlement Procedures Act of 1974 (RESPA) regulates how a bank may handle an escrow account in connection with a home mortgage. RESPA does not require that national banks pay interest on escrow accounts.

At least 13 states, however, have enacted laws which require payment of interest on mortgage escrow accounts. Thus, there exists an inconsistency or conflict between RESPA and state laws requiring interest on mortgage escrow accounts.

## Dodd-Frank's Preemption of State Laws

Further among Congress's regulations of national banks, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) defines a state consumer financial law as "... a State law that does not directly or indirectly discriminate against national banks and that directly and specifically regulates the manner, content, or terms and conditions of any financial transaction (as may be authorized for national banks to engage in), or any account related thereto, with respect to a consumer."

Dodd-Frank Act also provides the preemption standard for state consumer financial laws as follows:


**T. ROBERT FINLAY ESQ.** *is one of the three founding Partners of Wright, Finlay & Zak. Since 1994, Finlay has focused his legal career on consumer finance and mortgage-related litigation, compliance, and regulatory matters. Finlay guides clients through the complexities of litigation while being extremely mindful of their core values and business models. He is a regular speaker on a variety of loan servicing and mortgage banking issues, including key legislative and legal updates.*

**KATHY SHAKIBI ESQ.** *is a Senior Attorney at Wright Finlay & Zak. Shakibi has practiced in the fields of mortgage banking, default services, and foreclosures since 2005. She has represented financial institutions and their service providers in state and federal courts in matters related to mortgage banking and default services. Shakibi was also former house-counsel for a multistate foreclosure trustee and default services firm where she counseled on regulatory, compliance and change-implementation processes. Shakibi has published several articles for industry publications, spoken at industry conferences and presented on-site training.*


> "The *Cantero* case arose from New York General Obligations Law §5-601, which requires a minimum 2% interest to be paid on mortgage escrow accounts, maintained for payment of property taxes and insurance."

*"(1) In general, State consumer financial laws are preempted, only if:*

- *Application of a State consumer financial law would have a discriminatory effect on national banks, in comparison with the effect of the law on a bank chartered by that State;*
- *In accordance with the legal standard for preemption in the decision of the* Supreme Court of the United States in Barnett Bank of Marion County, N.A. v. Nelson, Florida Insurance Commissioner, et al., 517 U.S. 25 (1996), *the State consumer financial law prevents or significantly interferes with the exercise by the national bank of its powers; and any preemption determination under this subparagraph may be made by a court, or by regulation or order of the Comptroller of the Currency on a case-by-case basis, in accordance with applicable law; or*
- *The State consumer financial law is preempted by a provision of Federal law other than this title."*

The preemption standard provided by Dodd-Frank has three prongs and any one prong is sufficient. The second prong in subsection (B) is codification of the 1996 SCOTUS ruling in the *Barnett* case and is known as the *Barnett Standard*.

The *Barnett* case involved a conflict between 12 U.S.C. §92, which empowers a national bank to sell insurance, if located in an area with a population less than 5,000, and a Florida state law, which restricted that power. In *Barnett*, SCOTUS discussed and analyzed its prior decisions where SCOTUS had found preemption of a state law–*Franklin Nat. Bank of Franklin Square v. New York, 347 U.S. 373 (1954)*, (a New York state law which prohibited banks from using the term saving in their advertising was preempted) and *Fid. Fed. Sav. & Loan Ass'n v. de la Cuesta, 458 U.S. 141 (1982)*, (Home Owner's Loan Act authorizing due-on-sale clauses preempted a conflicting California law). SCOTUS also discussed and analyzed its prior decisions where SCOTUS had not found preemption of a state law–*Anderson Nat. Bank v. Luckett, 321 U.S. 233, (1944); McClellan v. Chipman, 164 U.S. 347, 358 (1896);* and *National Bank v. Commonwealth, 76 U.S. 353 (1870). Barnett,* itself, held that the Florida state statute was preempted.

When Dodd-Frank codified the *Barnett* decision in the preemption standard, the language included is "in accordance with the legal standard for preemption in the *Barnett* decision …"

## Applying the Dodd-Frank Act

In its decision to vacate and remand *Cantero* to the Second Circuit, SCOTUS stated that the Second Circuit had relied primarily on an unbroken line of case law since *McCulloch v. Maryland, 4 Wheat. 316 (1819)* and held that federal law preempts any state law that purports to exercise control over a federally granted banking power, regardless of the magnitude of its effects. *Cantero v. Bank of Am. N.A., 2024 U.S. LEXIS 2367 at *12*. SCOTUS reasoned that:

"New York's interest-on-escrow law does not discriminate against national banks. The question of whether New York's interest-on-escrow law is preempted therefore must be analyzed under Dodd-Frank's 'prevents or significantly interferes' preemptions standard. To guide judicial application of that preemption standard, Dodd-Frank expressly incorporates this Court's decision in *Barnett Bank*. The preemptions question here therefore must be decided 'in accordance with' *Barnett Bank*, as Dodd-Frank directs." *Canero supra at * 13, 14*.

The *Cantero* case involved two putative class actions, which were decided together—one brought by Alex Cantero and another brought by Saul Hymes. Alex Cantero had obtained his mortgage loan before the effective date of Dodd-Frank and Saul Hymes had obtained his mortgage loan after the effective date of Dodd-Frank. The Second Circuit appears to have applied its analysis of the *Barnett* standard to Alex Cantero case and its analysis of Dodd-Frank to the *Hymes* case as can be seen on pages 126, 127, 130, 131, 132, 133, 135, 136 and 139 of the Second Circuit's ruling. *Cantero v. Bank of Am., N.A., 49 F.4th 121*.

The Second Circuit considered the wording "significantly interferes," and reasoned that significant can mean important or meaningful, as in interference is significant if it is important. Id. at p. 136. The Second Circuit analyzed that "…[t]he question is not whether a law's 'degree of interference is minimal,' …"or "punitively high,"…Instead we ask whether the kind of interference at issue could, taken as a whole, "destroy" the federal government's grant of a banking power. Id. at p. 133.

In Footnote 8 of its decision the Second Circuit further stated that "If we were to consider the magnitude of the minimum rate New York has prescribed, we could not endorse the district court's unexplained conclusion that this rate was 'modest.' …Plaintiffs have not pleaded facts showing that 2% is in fact a 'modest' rate of interest in this context, and indeed, Plaintiffs have offered no response to BOA's contention that this rate is far higher than the prevailing interest rates for the time period at issue."

*Barnett* admittedly does not offer a clear line of demarcation and SCOTUS has instructed the Second Circuit to reanalyze the preemption and conduct a nuanced comparative analysis. The Second Circuit has a difficult inquiry ahead.

*Disclaimer: The above information is intended for information purposes alone and is not intended as legal advice. Please consult with counsel before taking any steps in reliance on any of the information contained herein.*

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### MEDIA

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# A TRUSTED ADVISOR ON THE PATH TO HOME OWNERSHIP

*MortgagePoint* had the opportunity to discuss TD Bank's 2024 Mortgage Service Index with TD's National Sales Director of Mortgage Lending Scott Lindner to gain insight from buyers nationwide on the mortgage experience and state of the marketplace.

*By* **ERIC C. PECK**

**Scott Lindner** serves as National Sales Director of Mortgage Lending for TD Bank, one of the 10 largest banks in the nation. TD Bank provides more than nine million clients with a full range of retail, small-business, and commercial banking products. In his current role, Lindner leads TD's Mortgage Loan Officer sales force, and guides sales strategy and product development. He has more than 25 years of experience in the financial services industry.

TD Bank recently issued its *2024 Mortgage Service Index*, surveying more than 1,800 homeowners nationwide, to gather insights and analyze perceptions around the homebuying and mortgage experience, as well as attitudes on the current state of the housing market.

The *2024 Mortgage Service Index* found that optimism in the market was reflected even more so among younger generations, as 84% of Gen Z and 68% of millennials said that purchasing a home still feels attainable, despite the rising cost of homeownership. Optimism wavered just slightly among Gen Xers with 66% feeling that purchasing a home was attainable, followed by 59% of baby boomers. As U.S. existing home sales reached a nearly 20-year low in 2023, these sentiments highlighted a sense of hope among the nation's home buyers.

*MortgagePoint* had a chance to speak to Lindner about the findings of the report, and how prospective buyers can overcome burdensome affordability constraints to successfully enter the housing market.

MortgagePoint *Managing Digital Editor* **ERIC C. PECK** *has 25-plus years' experience covering the mortgage industry. He graduated from the New York Institute of Technology, where he received his B.A. in communication arts/media. After graduating, he began his professional career in New York City with* Videography Magazine *before landing in the mortgage finance space. Peck has edited three published books, and has served as Copy Editor for Entrepreneur.com.*

### Q: How did you first get your start in the industry?

**Scott Lindner:** Early in my career, I served as a retail stockbroker working for various firms, including Drexel Burnham, Prudential Securities, and Smith Barney. I later transitioned to running retail bank branches. I served as the Division Manager for Bank of New York branches in Westchester County, New York, followed by a similar position at Chase.

In 2009, Chase was reimagining its mortgage distribution model and asked me to help move that work forward in a Senior Lending Manager position, which further deepened my knowledge and perspective in the industry. In this role, I was responsible for mortgage lending in Westchester and Rockland Counties in New York, Upstate New York, and Connecticut. I later joined Scottrade Bank, serving as SVP, Head of Retail Banking, running its online retail bank. And as a result of TD Bank's acquisition of Scottrade, I joined TD as National Sales Director for its mortgage business in 2017. In my current role, I am accountable for leading TD's mortgage loan officer and community mortgage loan officer salesforce, as well as guiding sales strategy and product development.

### Q: According to the study, "84% of Gen Z and 68% of millennials say purchasing a home still feels attainable despite the rising cost of homeownership." What tips do you have for those in the market to begin the path to homeownership?

**Scott Lindner:** When buying your first home, there is quite a bit to consider—like how much you can afford right now, how much you can put down as a down payment, and what kind of loan options you qualify for. To start off on the right foot, it is a great idea to chat with a mortgage professional who can break down the

details. They will help figure out how today's interest rates and different mortgage options might impact your overall budget and long-term plans.

You should also make sure that you get a copy of your current credit report. This gives you the opportunity to ensure that there are no errors in the report that could impact a mortgage application. Doing this early on gives you the time to address and fix any errors prior to applying for a mortgage, which is key. Credit reports impact your credit score. And your credit score not only impacts approvals but also impacts the pricing of the loan. High credit score borrowers typically have a lower rate and pay lower interest over the life of the loan. Before you even begin your search, you should assess your credit with a professional.

Home buyers (especially first-time homebuyers) should have conversations with lenders about affordable product options that assist homebuyers right from the beginning. Many lenders offer various products geared toward first-time and other homebuyers. For instance, TD Bank launched TD Home Access Mortgage, an affordable mortgage option that includes a $10,000 lender credit for purchase transactions that doesn't require repayment. This can really help first-time buyers with lowering their down payment or perhaps buying down their interest rate. The product also offers more flexibility with greater debt-to-income (DTI) ratios, expanded underwriting requirements, and credit parameters that increase accessibility.

So, the simplified takeaway is that it is important to do your homework and find a lender that can identify offerings and options that work for you and your unique budget.

**Q: In the current marketplace, what do you see as possible market corrections to alleviate the affordability crisis?**

**Scott Lindner:** Major sticking points in this housing climate are low inventory and higher home prices, which are significant drivers for housing demand. When you add on the higher rates, it


creates a tough housing market that isn't likely to shift significantly any time soon.

To give added perspective, in the spring of 2019, the 30-year mortgage rate was below 4% and then the pandemic happened. That drove historic rates below 3% for several months, and we didn't get back above 4% until the spring of 2022. That's almost three years of rates being below 4% and that has shifted the housing market for the foreseeable future. Those years provided a lot of time for existing and new homebuyers to lock in at such low rates that they aren't looking to move and lose that low rate for today's higher one. All this feeds into the affordability crisis. As an example, a 30-year $350,000 mortgage in 2021 at 4% would have a monthly payment of $1,909. That same payment today would be $2,661, 39% higher because rates are around 7%.

Additionally, if you look at the economy, it's in relatively decent shape as it relates to employment and consumer spending. This should give the Fed the ability to reduce short-term rates, maybe as early as September. As a result of this Fed action, along with the expected subsequent rate cuts, we may see a more robust spring market as mortgage rates begin to ease.

Since rates and inventory are going to fuel affordability challenges, it is more important than ever before for potential homebuyers and existing homebuyers to do their homework. And also, speak with a lender. There are government programs that help with affordability as well as lender options. A trusted, experienced mortgage professional can help you navigate the challenges of the market and find solutions based on your unique financial situation.

**Q: What suggestions do you have for renters who are on the outside of the home buying market looking in?**

**Scott Lindner:** Purchasing a home is not about buying in the right market—it is about buying in the right financial situation. Overall, a home can be the single biggest investment vehicle for many in their lifetime, as homebuying builds equity and can lead to generational wealth. Renters should take initial steps to prioritize saving and build their credit before jumping into home searching.

If a renter decides that they are ready to begin the home buying process, they should speak with a knowledgeable, experienced mortgage professional, like a loan officer, early in the process. Mortgage experts can discuss homebuying options, weigh in on the interest rate environment, and help borrowers consider and think through different affordable mortgage offerings that might contribute to a lower down payment amount, better aligning with a buyer's budget. They can also map out the process in general, to give potential homebuyers a frame of reference for next steps.

Finding a loan officer is not a daunting task. Check with your bank or financial institution to see if they have any local loan officers who are available to speak with you.

In summary, my best advice to renters or anyone interested in buying a home is not to count yourself out and sit on the sidelines because of the housing market. There may be options out there that can help you get into a home. And as I said before, purchasing a home is not about buying in the right market—it is about buying in the right financial situation.

**Q: According to the report, 43% of potential buyers felt they required the most education and guidance during the mortgage process. What can be done by the industry in terms of outreach to educate the general public on the homebuying process?**

**Scott Lindner:** It is crucial for potential buyers to have a mortgage professional on their side through the process, because homebuying can feel intimidating to tackle on their own. Potential buyers who engage a mortgage expert will have a go-to contact throughout the process and will receive tailored guidance based on their specific needs and financial situations.

*TD's Mortgage Survey Index* found that more than half of homeowners (57%) contacted Realtors for information, education, or opinions on the products or services offered by each bank or lender they considered. Other sources for guidance included family and friends (37%), bank or lender websites (36%), and in-person meetings at branches or lender offices (34%), showing that homeowners prefer learning about their options from industry professionals and loved ones.

At TD, we are always looking for ways to support our customers through the home buying process. An informed buyer makes for a smoother process, and we are committed to helping our customers understand the process and feel confident about their options.

**Q: What do you feel rates will take for the rest of 2024?**

**Scott Lindner:** As inflation wanes and consumer spending remains steady, we anticipate that a first rate cut in 2024 is very likely. Ultimately, for the homebuyer, this means rates will likely lower, but it will be a gradual reduction. That is why my advice is that homebuying comes down to the right time based on your unique financial situation, not the best market to purchase in. MP

"Finding a loan officer is not a daunting task. Check with your bank or financial institution to see if they have any local loan officers who are available to speak with you."

# CUSTOMER SUCCESS: SERVICING'S SECRET SUPERPOWER

*By* **JESSE DECKER**

The real-time pace of change in markets, regulations, and customer expectations has shoved mortgage servicers into the same shifts that originators faced after the 2008 housing crisis. This once rigid, transaction-focused industry has evolved into a dynamic, customer-centric environment where innovation and execution are tightly intertwined. A driving force powering this evolution is technology, and the growing recognition that customer success is not just a department in technology companies delivering for mortgage servicers but a cornerstone of sustainable business growth for both servicers and their technology partners, as well as a reliable asset to a long-lasting partnership.

At Sagent, our vision is only realized when servicers deliver positive homeowner outcomes, which puts our customers' success at the foundation of our own. As an innovator and technology provider, this means our entire process for delivering technology solutions, from ideation to implementation, must parallel our own customers' efforts to improve their operations and equip homeowners for success. Sagent and our customers will both succeed by fostering long-term relationships, anticipating and preparing for future market cycles, and exceeding homeowner expectations. For all of us, it's the key difference between a thriving business and one that lives in survival mode (at best).

It's from this perspective that I'd like to share what we're learning alongside our customers as they work to deliver positive homeowner outcomes and how that has made customer success at Sagent one of our superpowers as we build a brighter future of servicing.

**JESSE DECKER**, *EVP of Customer Success, brings over 20 years of experience in the private, public, and not-for-profit sectors leading IT strategy and system design, development and implementation, program and project management, and strategic planning and organizational improvement efforts. Most recently, Jesse led and developed customer-facing teams at top mortgage origination fintechs Roostify and Cloudvirga, which serve America's largest banks and lenders. She also spent 15 years in tech strategy for America's largest consulting firms, as well as many years in a boutique firm founded by ex-Deloitte partners. Her passion is customer satisfaction.*

## The Shift From Reactive to Proactive Servicing

Old-school servicing was reactive. Servicers responded to customer inquiries, managed payments, and dealt with delinquencies, moving from process to process with "customer experience." across the lifecycle of a loan barely appearing as a blip on the radar. This approach obviously doesn't work for today's homeowners, who have on-demand requests and expect seamless, personalized experiences. It also doesn't work for servicers, as it's made the cost to service a loan extremely high.

Servicers have pivoted remarkably well. Just a few years ago, simple escrow changes would have involved mail-in forms, a physical check, and multiple phone calls or bank trips. And, most dreadful, it would have taken several weeks from start to finish.

I handled paying my most recent escrow change in a few seconds on my phone.

So yes, most servicers are doing much better, and Sagent delivers the technology that enables this experience. But we're not stopping there, because successful servicers are increasingly shifting their approach from reactive to proactive.

For servicers, this could mean using predictive analytics to identify homeowners who are at risk of default and don't even know it, or to identify insurance-cost trends to alert customers to potential cost increases before eventual escrow adjustments. The point is that a proactive approach enables the servicer to deliver a tailored solution for the issue before the customer even knows it exists.

For Sagent, this means building technology that's scalable for the volumes our customers will manage in a few years, extensible to leverage the latest in emerging AI and other solutions of tomorrow, and easy for homeowners and servicing operators to understand, navigate, and use. It means understanding what's on the regulatory horizon and collaborating with servicers to deliver what they'll need when new compliance requirements impact their workflow.

In all cases, we're cultivating a deep understanding of customer needs,

preferences, and pain points, and we're being proactive about potential issues rather than waiting for our customers to come to us. These are core principles of customer success.

### Education Is Key to Customer Success

Servicers have learned that providing relevant, timely education about homeownership for their customers is at least as important as what originators offer during the homebuying journey. During the lifetime relationship with their customers that servicers hope for, there will be many opportunities to guide homeowners through major financial decisions. When their servicer can help them make great refinancing or home equity choices, homeowners are more likely to thrive and return with their business the next time they're looking for guidance.

Sagent understands that self-serve education plus smart human advice when needed will lead to better homeowner outcomes—and the results for servicers are fantastic, too. (Many of our customers who make this a priority are, not coincidentally, America's leading servicers.) So, of course, we facilitate this education in our consumer platform, CARE, which gives servicers a way to deliver educational content to homeowners on any device, and it will only get better in our next-gen platform, Dara Consumer.

But more than that, we recognize that we must also offer education for our customers if they're going to deeply adopt and realize value from our solutions. This means we need to engage with them through every channel possible while delivering tailored, meaningful content that instantly—you guessed it—creates value.

We're serious about this at Sagent, but we also have the most fun with it. IGNITE—our annual user conference—is the biggest example. It's been very successful at offering our customers opportunities to engage with us and each other while building relationships and sustaining clear, two-way communication. It's a truly unique opportunity for our customers, partners, and Sagent employees to be face-to-face and collaborate on the big picture (not to mention have a blast in a spectacular location).

**Sagent understands that self-serve education plus smart human advice when needed will lead to better homeowner outcomes—and the results for servicers are fantastic, too.**

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But other tactics are just as impactful in different ways. In-person, hands-on training (HOT) instantly boosts our customers' effectiveness because we cover topics that are relevant to their specific workflow. And we can be sure the topics are relevant because of the relationships we purposefully nurture every single day with the *people* who are our customers. Whether it's a 1-on-1 Teams call with their dedicated Customer Success Manager or through fun customer-highlight opportunities like Small Talk Shop (which, if you haven't seen, is a video series I'm proud to say my team produces), we know that, ultimately, we're doing business with humans—not just companies—so when we treat them that way and nurture our relationships, the resulting partnership and collaboration empowers us on our mission of innovation, which brings me to my final point.

### Customer Success Drives Innovation

Servicers have a vested interest in keeping homeowners in their homes. More than just a business model, in many ways their focus on customer delight is the law of the land. An example is the CARES Act, which required servicers and their tech providers to adapt in real time to new ways of assisting customers during a (hopefully) once-a-lifetime pandemic. Some servicing operations had to get creative to meet those deadlines … but from what I see, they've been creative for a while. That's because, without an end-to-end platform to service a loan from onboarding to disposition, they've patched together a constellation of products to get their work done. It's innovative in a sense, but it's not sustainable or repeatable.

Sagent enabled our customers to deliver on the CARES Act provisions on day one, and we're proud to have set that precedent. But (see proactive vs. reactive above), we won't settle for building slick compliance solutions just in time; we're out to build the future of servicing. We call it Dara, and it's an industry-first mortgage software platform that unifies all data and user experiences for servicers and homeowners across the entire servicing lifecycle. It's a huge undertaking (there are good reasons no one has tried it before), but we're confident because we have an ace up our sleeves, which you might have guessed: customer success.

As a team, Customer Success focuses on ensuring our customers receive the value they expect (and deserve) from our products and services. Our team maintains those relationships, solicits and shares feedback, and gets in the weedy details as customers use our solutions, so we're the first to know when something is hurting their team or their bottom line, and we empathize with their pain.

But we don't stop with empathy. We systematically report our intel back into our Product and Technology teams, and it's precisely this direct knowledge of our customers' workflow and deep understanding of their needs because of purposeful listening—our customer-first culture and commitment to their success—that's enabling our larger Sagent team's success on our mission to lead the evolution in loan servicing by solving its most complex challenges.

Have you made customer success your superpower? Hit me up and tell me your story. And if you haven't yet, let me know. I have some ideas to share with you.

# Stern & Eisenberg

Oliver Ayon, Esq.; Salvatore Carollo, Esq.; Catherine Di Lorenzo, Esq.; Steven K. Eisenberg, Esq.; Andrew Marley, Esq.; Steven Kelly, Esq.

**SERVICES PROVIDED:** Real estate and secured transactions, trusts and estates, REO and real estate closings, creditors' rights, litigation, bankruptcy, evictions, title and title curative, corporate law, and commercial law. **MISSION/FOCUS:** We are dedicated to professional advocacy and legal services for our clients, partners, and community with determined integrity and intensity. We continually invest in the education of our teams, our clients, and our industry, applying our extensive industry knowledge to advocacy and innovation across our multistate footprint. We are committed to our team approach in bringing seamless experiences while achieving optimal outcomes. **PARTNERS/SHAREHOLDERS**: Steven K. Eisenberg, Esq., MBA, Managing Partner. **SHAREHOLDERS:** Steven K. Eisenberg, Esq., MBA; Lucas Anderson, Esq.; Oliver Ayon, Esq.; Evan Barenbaum, Esq.; Salvatore Carollo, Esq.; Catherine Di Lorenzo, Esq.; Ryan Keesee, Esq.; Steven Kelly, Esq.; David Lambropoulos, Esq.; Jessica Manis, Esq.; Andrew Marley, Esq.; Arsenio Rodriguez, Esq.; Thomas Shea, Esq.; Stacey Weisblatt, Esq. **STATES SERVED:** GSE: New York, New Jersey, Pennsylvania, Delaware, West Virginia. Additional states of service: Maryland, District of Columbia, Virginia. **AFFILIATIONS/MEMBERSHIPS:** AISLE, ALFN, Legal League, Mortgage Bankers Association, Chamber of Commerce for Greater Philadelphia, BucksMont Chamber of Commerce, NACTT, CrossState Credit Union Association, Martindale-Hubbell AV Rated (Steven Eisenberg and Richard Stern). **WHAT SETS YOUR FIRM APART?** We consider innovation a cornerstone of our culture. It's a frame of mind we apply to every aspect of our practice, from technology to process and customer service. The Stern & Eisenberg Value Team is a cross-channel client services department devoted to client relations, issue resolution, internal escalation, and white-glove customer service from the moment you engage Stern & Eisenberg through the life of your relationship with the firm. **CHARITABLE INTERESTS:** Make-A-Wish, Kinds-N-Hope Foundation, Junior Achievement Golf, Bucks County Fire Police Association, Fireman's Association.

**CONTACT INFORMATION:** 1581 Main St., Suite 200, Warrington, PA 18976 » 215.572.8111
Steven Eisenberg, seisenberg@sterneisenberg.com » sterneisenberg.com

## "Creative solutions to everyday issues."

# HOW BANKRUPTCY TRUSTEE AUCTIONS ARE HELPING SERVICERS PREVENT FORECLOSURES

*By* XOME

As the landscape of real estate and finance continues to shift dramatically in 2024—with high interest rates, housing costs, a higher cost of living, and economic uncertainty ahead—an increase in bankruptcy filings may present significant new challenges ahead for mortgage servicers.

We have seen Chapter 7 filings rise by 22% and Chapter 13 filings rise by 15% since 2023, and the Department of Justice forecasts a substantial upturn in filings over the next three years. Unfortunately, many homeowners are not able to avoid losing their home throughout this process—more than 90% of delinquent homeowners entering bankruptcy eventually face foreclosure.

These defaults create extensive financial strain on mortgage servicers, take longer to resolve, and can affect entire communities by decreasing property values and instigating economic downturns.

That's why Xome has introduced a new exclusive partnership with BK Hub that helps mortgage servicers get ahead of foreclosures, move properties faster, and gain more in debt recovery through bankruptcy trustee auctions.

"Our partnership with BK Hub enables us to offer mortgage servicers a transparent, strategic approach to bankruptcy trustee sales," said Mike Rawls, CEO of Xome. "Via bankruptcy trustee auctions, we can get more eyes on these properties to sell at prices that more effectively settle debts and help homeowners avoid the financial fallout of foreclosure."

This strategic alliance leverages BK Hub's expertise in managing bankruptcy trustee properties. These are assets owned by individuals filing for bankruptcy and sold under recommendation by a bankruptcy trustee to settle debts and avoid defaults. This process typically results in the properties being sold free of liens, making them highly attractive for auctions and quick sales, which in turn helps to preserve asset values and expedite financial recovery for homeowners.

"By offering bankruptcy trustee sales via auction, we can help mortgage servicers manage risk and recover value," Rawls said. "This approach not only helps stabilize the borrower's financial situation by avoiding foreclosure, but also preserves the value of the asset in the marketplace, creating greater savings, and improving loss recovery benefits for the servicer while retaining more of the homeowner's equity."

## The Benefits of Listing Bankruptcy Trustee Properties With Xome

### Innovative Loss Mitigation

This offering provides mortgage servicers with another strategic option to offer to homeowners in bankruptcy as a viable alternative to foreclosure. This can help servicers mitigate losses more effectively and maintain customer relations by providing more favorable outcomes for struggling homeowners instead of the standard path.

### Enhanced Market Stability

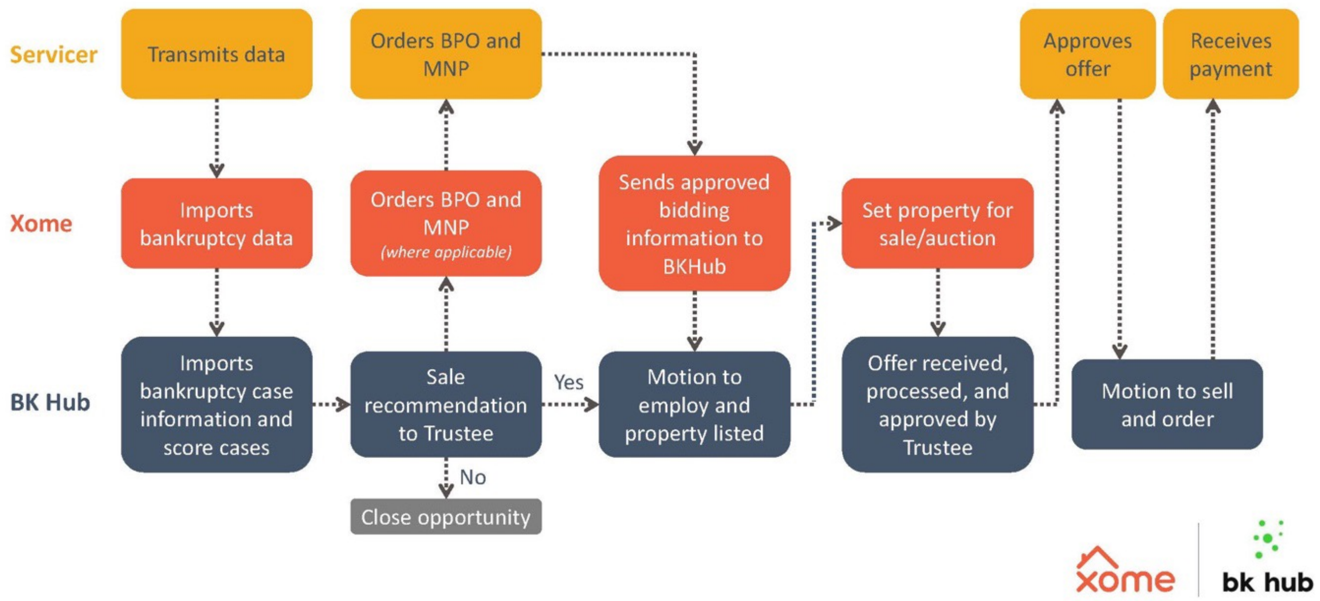
By facilitating the quick sale of bankruptcy trustee properties via auction, Xome and BK Hub ensure these assets are reintegrated into the market swiftly, maintaining property values and aiding in economic stability. This not only helps the community but also improves the financial health of the servicers' portfolios, bolstering the overall housing market.

### Streamlined, Efficient Processes

This collaboration simplifies the complexities of bankruptcy sales, with BK Hub interfacing directly with the trustees and Xome facilitating the auction sale through its best-in-class real estate marketplace. This ensures a smooth and efficient transaction process for all involved parties, reducing operational costs and speeding up debt recovery—all of which directly benefit servicers' profitability.

The strategic partnership between Xome and BK Hub is a game-changer

## Consented Sales Process Flow




in the real estate market, uniquely positioned to assist mortgage servicers by providing a transparent approach to a pre-foreclosure loss mitigation solution. This collaboration helps mitigate financial risks for servicers and homeowners and introduces a proactive method to handle properties in distress, ensuring better outcomes for the housing market and communities.

*Xome® is a leading online real estate marketplace and technology platform, offering comprehensive asset management and marketing strategies, and pre-foreclosure through waterfall disposition programs. Our robust suite of property-level data and best-in-class auction platform demonstrate our commitment to innovation and continuous improvement.*
*Learn more at xome.com*

**"Our partnership with BK Hub enables us to offer mortgage servicers a transparent, strategic approach to bankruptcy trustee sales. Via bankruptcy trustee auctions, we can get more eyes on these properties to sell at prices that more effectively settle debts and help homeowners avoid the financial fallout of foreclosure."**

—**Mike Rawls**, CEO, Xome.


# FIVE STAR'S MORTGAGE SERVICING EXECUTIVE ALLIANCE CELEBRATES FIRST ANNIVERSARY

*By* **DAVID WHARTON**

Founded last year, in the fall of 2023, the Five Star Institute's Mortgage Servicing Executive Alliance (MSEA), is an industry membership group focused on elevating the next generation of mortgage leaders to transform the industry in an inspiring and innovative way, as well as serving as a guiding force, cultivating talent, and fostering collaboration among mortgage professionals to build a brighter future.

MSEA was founded by a group of visionary senior mortgage servicing and mortgage insurance executives who recognized the need for a dedicated platform to identify, support, and mentor the next generation of mortgage leaders. They created a space where emerging professionals could learn, grow, and connect with industry experts.

The MSEA's membership draws from the industry's talent pool of emerging mortgage professionals with leadership potential, such as vice presidents, managers, and team leaders. It unites them with senior mortgage executives and industry leaders who can serve as mentors, provide insights, and share best practices.

The MSEA also involves participation from mortgage companies, both mid-sized and large, that are interested in supporting MSEA's mission and fostering the growth of these up-and-coming professionals.

With the MSEA now celebrating its first anniversary, *MortgagePoint* collected some insights from executives and MSEA members who have been involved in the organization's important work over the past year, which has included the cementing of the group's leadership and structure into various subcommittees. Here's what the MSEA leadership had to say, one year in.

"I'm excited as we move into the next phase of MSEA. It's a great honor to work alongside these outstanding leaders who will be steering our subcommittees and driving change in the industry. MSEA is a catalyst for transformation, both for individuals and the industry as a whole, and I'm proud to partner with SVP Michael Merrit of BOK Financial, the MSEA Executive Board, and the Five Star family. Please join me in welcoming them all to their new roles."

**Timika Scott**
**SVP, US Bank** | MSEA Chairperson

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"I am excited to be a part of the Cultural Affairs Subcommittee because I am deeply committed to advancing inclusivity and celebrating diversity within our industry. The subcommittee's mission to cultivate a vibrant and inclusive community resonates strongly with my own values and aspirations. I believe that by embracing our differences and fostering an environment where everyone feels valued, supported, and empowered, we can not only enhance our industry's reach but also create meaningful and lasting change."

**Micole Booker**
**VP of Mortgage Default Operations, VRM Mortgage Services** | Co-Chair of MSEA Cultural Affairs Subcommittee

"Fostering meaningful connections promotes your personal brand and, more importantly, unity within the industry. Our future mortgage leaders need more opportunities to connect socially, share business wins and losses, and serve local communities. I believe that, while we can be good on our own, we are greater when we operate together. I look forward to connecting more inexperienced leaders with the talented folks that have served the mortgage community through the ups and downs."

**Lucas Byers**
**SVP, Investor Accounting, SLS** | Chair of MSEA Industry Affairs Subcommittee

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'We all play a key role in protecting homeowners and our industry. Safeguarding and providing appropriate access to digital assets, information, and services is at the core of what we do. I'm excited to be involved in such an important initiative and collaborate with this fantastic group of leaders.'

**Mike McAuliffe**
**CEO, Aspen Grove Solutions** | Co-Chair of the MSEA Cybersecurity Subcommittee

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"I'm committed to fostering the growth and development of leaders to ensure a strong, innovative, and inclusive future for the mortgage industry."

**Donna Spencer**
**VP of Servicing Relationship and Performance Management, Freddie Mac** | Head of the MSEA Mentor and Leadership Subcommittee

"I accepted the nomination because cyber security affects not only how we handle our involvement in our industry, but also our personal lives as well. It's important for us to understand how we move forward with technology while being able to provide assurance that, as an industry, we also keep in mind the security of our consumers' information. Technology continues to leapfrog in advancements, and being able to advocate collectively as an industry helps us all move forward together."

**Jackeline Torres**
**SVP, Support Administration, LoanCare** | Chair of the MSEA Cybersecurity Subcommittee

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"I'm very excited to chair the Communication and Planning Subcommittee for the MSEA. Communication is key! This team will work towards expanding the MSEA network, while solidifying new and existing relationships for the next generation of leaders. We want to stay focused on new and recent trends while staying focused on what's important to our industry and the customer."

**Ramie Word**
**SVP, Customer Care & Client Delivery** | Chair of MSEA Communication & Planning Subcommittee

# ENHANCING REVENUE OPPORTUNITIES FOR REAL ESTATE AGENTS WITH USRES & RES.NET

In the competitive landscape of real estate, leveraging advanced tools and services can significantly impact an agent's ability to maximize revenue opportunities for themselves and their clients. USRES and RES.NET, two well-established platforms, provide a range of products and services designed to streamline processes, enhance efficiency, and drive profitability for all participants in the real estate disposition and liquidation life cycle.

## USRES: Real Estate, Mortgage Portfolio Services, and Support

USRES offers various real estate and mortgage portfolio services to help professionals optimize their operations and improve revenue streams:

**1. Broker Price Opinions (BPOs):** USRES's BPO services deliver reliable assessments that help end-users make informed pricing decisions. This can be particularly advantageous when dealing with lenders, investors, or during client negotiations, potentially leading to more successful transactions.

**2. REO Asset Management:** Managing REO properties involves multiple tasks, from preservation and maintenance to marketing and sales. USRES's end-to-end REO asset management services simplify these processes, reducing the administrative burden on agents. Efficient REO management can lead to faster property turnover and reduced holding costs, enhancing profitability for real estate professionals.

**3. Property Data Collection (PDC) Services:** USRES is now an approved service provider for the Value Acceptance + Property Data valuation option offered by Fannie Mae. This valuation type includes a comprehensive property data collection (PDC) by a RES.NET agent, enhancing the accuracy of property valuations and potentially speeding up the transaction process. By leveraging PDC assignments, agents can provide more precise property assessments, reducing the need for traditional appraisals and thereby cutting costs and turnaround times, while also creating a new ancillary revenue stream.

## RES.NET: Technology Solutions for Efficient Real Estate Transactions

RES.NET offers a suite of technology solutions aimed at improving the efficiency and transparency of real estate disposition and liquidation:

**1. Agent Portal:** The RES.NET Agent Portal centralizes property-related activities, offering tools for listing management, client communication, and transaction tracking. This organization enhances agent productivity and ensures timely responses to client needs, fostering a better client experience and promoting repeat business.

**2. Offer Submission Functionality:** RES.NET's Offer Management system facilitates the handling of multiple offers, making the review and negotiation process more efficient. By automating notifications and providing real-time updates, agents can quickly respond to offers, potentially increasing the likelihood of successful transactions and boosting sales revenue.

**3. Property Data API:** RES.NET is now an approved technology provider for Fannie Mae—integrating the FNMA Property Data API with the RES.NET Valuation Portal. This API supports the delivery of property data and images to support the new FNMA Value Acceptance + Property Data option. The Property Data API facilitates the use of emerging technologies, such as automated data capture and analysis, improving the overall collection process.

**4. Certification Courses and Informational Resources:** RES.NET also offers a range of certification courses and informational resources to help agents and brokers enhance their skills and knowledge, while becoming more recognizable to potential and existing clients. These educational tools cover various aspects of real estate transactions, compliance, and RES.NET's technology solutions. By completing these courses, agents can stay up to date with industry standards and best practices, further enhancing their efficiency and effectiveness in managing transactions and serving clients.

## Revenue Opportunities for Real Estate Agents

By integrating USRES and RES.NET into their operations, agents can unlock several revenue opportunities:

**1. Improved Operational Efficiency:** Streamlined administrative tasks allow agents to focus on revenue-generating activities. Enhanced efficiency can lead to increased productivity and a higher volume of transactions, directly impacting earnings.

**2. Enhanced Client Satisfaction:** Accurate valuations, efficient transaction management, and robust marketing tools contribute to a superior client experience. Satisfied clients are more likely to return for future transactions and provide referrals, expanding an agent's client base and revenue potential.

**3. Cost Reduction:** Streamlined processes and effective vendor management reduce operational costs and property holding times, enhancing profitability and allowing reinvestment in the business.

**4. Leveraging Property Data Collection (PDC):** The integration of PDC services into both USRES and RES.NET platforms provide agents with an opportunity to diversify their real estate-related revenue. By leveraging PDC assignments, agents can offer more competitive services, attract more clients, and create a PDC revenue channel.

In summary, USRES and RES.NET offer valuable tools and services that can significantly enhance revenue opportunities for real estate agents and brokers. By optimizing operations, improving client satisfaction, and maintaining a competitive edge, agents can drive profitability and achieve greater success in the real estate market.

*Founded in 1992 and 2004, respectively, USRES and RES.NET provide comprehensive real estate solutions. USRES offers valuation, asset management, and REO (real estate owned) disposition services, streamlining property transactions for financial institutions. RES.NET, their technology arm, delivers a robust platform for real estate professionals, offering tools for agents, vendors, and clients. Together, they support efficient property management, valuation, and transaction processes, catering to the needs of real estate professionals and financial institutions.*


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MortgagePoint Magazine

# WOMEN in HOUSING
## LEADERSHIP AWARDS LUNCHEON

## 2024 WOMEN IN HOUSING PROFILES

As we approach another installment of our annual Five Star Conference and Expo, *MortgagePoint* is proud to continue our tradition of recognizing and honoring the extraordinary accomplishments of our industry's women executives. Each year, industry colleagues nominate their peers across five categories, and those nominees are then narrowed down further to a final list of 25 finalists. These are the women who are making a difference in the industry and making a mark on their colleagues and team members. Our final recipients in each of those five categories will be honored at the Women in Housing Leadership Awards, happening on Thursday, September 26 at the Five Star Conference.

This month, we spotlight 25 finalists across five different categories. Next month, we'll bring you larger profiles of our final five honorees.

Please turn the page and meet this year's  Women in Housing finalists.


Recognizes young women leaders who, while still early in their careers, have demonstrated an outstanding capability to lead and drive progress. (Minimum 10 years' consecutive industry experience)

## LYNSEY BIERNACKI

SVP of Operations, Sylvan Road

"Demonstrating unparalleled dedication to process excellence and innovation, Lynsey Biernacki has excelled in the nearly four years that she has worked for Sylvan Road, most recently being promoted to the SVP of Operations. Lynsey is an instrumental force at the firm, having created the shared services, fieldscheduling, and vendor management business areas. Her dynamic, data-driven leadership has led to process enhancements in the last year worth over $3 million. As a passionate people leader, Lynsey created the Center of Excellence program at Sylvan Road: a management leadership program that has cultivated the skills of eighteen emerging managers and directors over the last nine months. Her ability to build and lead coupled with her knowledge of the housing industry has been pivotal in Sylvan Road's growth and success. Lynsey's dedication to operational excellence has made her a rising star executive worthy of receiving this award."

#### WHAT THIS NOMINATION MEANS TO HER

"I am honored to accept the nomination for the Rising Star Executive award. This recognition holds special meaning for me as it reflects the collective effort, dedication, and passion of the incredible Operations team that I am privileged to lead every day. It reinforces my belief in the power of leadership, collaboration, and the impact we can have when we empower one another. Our industry is one of constant innovation and evolution, requiring resilience and unwavering commitment to efficiency and operational excellence. This nomination is both a personal achievement and a testament to the progress in inclusivity within our sector. Being acknowledged among such a talented group of women who are shaping the future of our industry is humbling and inspiring."

★ ★ ★ ★ ★

## GINA DAYA-SHEIKH

Director of Client Services,
Diaz Anselmo & Associates

"Thriving in areas where women of color have traditionally been under-represented, Gina Daya-Sheikh is helping to pave the way for others in the industry. What truly sets Gina apart is her determination to succeed and dedication to continuous growth. Gina's impact is evident across our organization, where she has seized opportunities to improve the customer experience by overhauling the client onboarding process, providing education on weekly calls, and introducing training to help ensure her colleagues are well prepared to navigate challenging conversations with clients. Gina is a great example of what is possible with perseverance and passion and is consistently demonstrating an outstanding capability to lead and drive progress at our firm.

#### WHAT THIS NOMINATION MEANS TO HER

"Reflecting on my beautiful yet challenging journey of becoming a mother, I have often questioned whether the sacrifices I made while balancing my family and career were worthwhile. This nomination has provided me with the opportunity to contemplate those challenging decisions and recognize that growth in the business world is more than accolades or salary milestones. It is about taking emotional risks, allowing oneself to be seen, and navigating a career path with courage and purpose. It's about building relationships that are meaningful while helping each other along the way. Until now, I was so focused on moving forward that it didn't occur to me that I was building a career filled with impactful experiences worthy of celebration. This nomination is not just mine; it belongs to all of you who have been a part of my journey. Thank you once again for this incredible honor."

★ ★ ★ ★ ★

## JENNIFER HOPKINS

Manager, Client Accounts,
Safeguard Properties

"Jennifer Hopkins joined Safeguard Properties in March 2019 and quickly became an integral part of the client account team by stepping up to manage accounts across all loan types, including REO, FHA, FNMA, and more. Her knowledge of the industry and strong work ethic helped her to develop key relationships with many of Safeguard's largest clients, which led to her involvement in negotiating client contracts to benefit both the client and Safeguard. Jennifer has also led multiple new clients through successful onboarding with Safeguard. She has showcased her vast knowledge of the property preservation industry as both a moderator and emcee at multiple National Property Preservation Conferences. Jennifer's ability to connect with clients to build lasting relationships along with her expertise in property preservation make her poised for growth both at Safeguard and as a future industry leader."

#### WHAT THIS NOMINATION MEANS TO HER

"Being nominated in the Rising Star Executive category is an incredibly meaningful honor for me. It represents a recognition of the journey, hard work, dedication, and challenges I've overcome throughout my career thus far. It makes me feel valued and proud to be a part of this industry, and I'm grateful to Safeguard and all of my colleagues there that have helped me from day one. This affirms that I am not just contributing to my organization but the industry as a whole. This nomination is a personal milestone, but it also reminds me of the importance of what we're doing and motivates me to continue growing in my career and learning from all the other amazing women around me."

★ ★ ★ ★ ★

## KATHRYN WALTERMAN

### Default Administration Manager, Mountain America Federal Credit Union

"Kathryn Walterman consistently demonstrates exceptional leadership and a drive for progress within our organization. Recognizing the need, she initiated the creation of a cross-departmental team responsible for ensuring consistent and appropriate handling of delinquent mortgages across three departments: foreclosure, bankruptcy, and deceased. As the team manager, Kathryn's meticulous approach ensures the credit union remains up to date on default mortgage standards and regulations, significantly contributing to our success. Beyond compliance, she encourages team members to step outside their comfort zones, fostering growth and development. Her ability to recognize their potential and inspire them to reach new heights is truly commendable. Furthermore, Kathryn goes above and beyond to provide customers with the best financial options available, ensuring their strongest possible position during these challenging life events. In summary, Kathryn embodies dedication, vision, and a genuine desire to empower others. I wholeheartedly endorse her for this prestigious award."

#### WHAT THIS NOMINATION MEANS TO HER

"A nomination for the Rising Star Executive award is deeply meaningful as it underscores the importance of diverse leadership across the housing sector, particularly in bankruptcy, foreclosure, and default mortgage servicing. As a woman in this field, I recognize the profound importance that empathy plays in leadership—especially when dealing with borrowers during their most vulnerable moments. I am dedicated to guiding teams through these complex situations, ensuring that compassion remains at the forefront while balancing it with the rigorous demands of compliance and delinquency reduction. Being recognized with this nomination would highlight the impact of empathetic leadership in an industry that often requires making difficult decisions while ensuring borrower-centric outcomes. It would also demonstrate the value of a balanced approach that prioritizes both operational excellence and the well-being of those we serve. Ultimately, this nomination is important to me because it emphasizes the need for diverse voices in leadership roles in all aspects of the housing sector, which are essential for driving meaningful, innovative, and sustainable change."

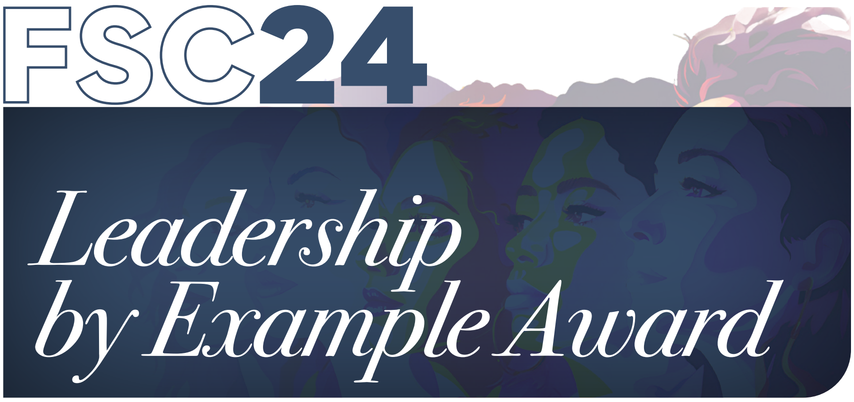
## BRITTANY WINLAND

### AVP, Business Line Marketing, Default, ServiceLink

"Brittany Winland is a true Rising Star who built the default marketing program at ServiceLink from the ground up, with her efforts netting more than $7.1 million in revenues since mid-2021. She has a knack for taking complex topics and translating them into verbiage anyone can understand. With a background in policy, Winland focuses on regulatory changes in real estate and uses her knowledge to craft language that makes these changes digestible for all, a unique differentiator for our brand. She always keeps ServiceLink's mission in mind, increasing our digital presence and creating a sales enablement library that arms our default sales team with everything they need to keep their clients informed. Winland is detail oriented, organized, passionate, and trusted by her team. She was hand-selected to join ServiceLink's Leadership Academy last year and has been promoted twice in her five years on the team. She is a valued leader."

#### WHAT THIS NOMINATION MEANS TO HER

"The nomination for Rising Star Executive is incredibly special, and I am honored and humbled to receive it. When I joined the ServiceLink team in 2019, I was a bit overwhelmed starting in a new industry but immediately taken with the constant change and how there's always something new to learn. I've had the absolute privilege to work with some of the most incredible professionals in this space, many of them women, who've taken the time to invest in my career and leadership journey. I'm so grateful for all of them and have learned so much about the mortgage servicing space, marketing, and personal development and growth. I plan to use the knowledge I've soaked up to continue to grow not only my own career, but to mentor others and further ServiceLink's mission. This nomination is proof of the hard work I've put in, supported by a strong culture of teamwork and mentorship."




The Leadership Award recognizes transformative women leaders who have built diverse, high-performing teams; developed business solutions that impact homeownership across the industry and nation; and worked to empower and promote women in leadership positions.

## ALZORA BAKER

VP of Origination, VRM Lending LLC

"As a female executive leading a team of two female Mortgage Loan Officers, Alzora Baker exemplifies the importance of diverse leadership in the mortgage industry. Alzora's dedication to expanding homeownership opportunities, particularly through the VA Vendee Loan Program, has helped countless first-time buyers achieve their dreams. This unique program offers benefits like little to no down payment, no mortgage insurance, and competitive rates, making homeownership more accessible and affordable. Her expertise in leveraging this program has opened doors for many who might otherwise struggle to purchase a home, creating pathways for intergenerational wealth. Alzora's commitment to educating clients and guiding them through the process is unparalleled. By promoting women in leadership and championing innovative lending solutions, Alzora Baker demonstrates a true commitment to both diversity and expanding homeownership in America."

#### WHAT THIS NOMINATION MEANS TO HER

"This Leadership by Example nomination is deeply meaningful to me. It's more than personal recognition; it's a testament to our collective journey towards greater diversity in housing leadership. As a minority woman navigating this industry, I've encountered unique hurdles, which fuels my passion for opening doors for others who face similar challenges. At VRM Lending, we've worked hard to create an environment where diverse voices are valued and individuals from all backgrounds are empowered to lead. This nomination is a reassuring sign that we're on the right course, but it also serves as a reminder of the progress still to be made in achieving true equity. I'm grateful for this recognition, as it highlights the ripple effect of our efforts and the positive change we're fostering across the industry. It motivates me to push boundaries, strive for greater heights, and ensure that housing leadership truly reflects the vibrant tapestry of the communities we serve. This isn't just about me; it's about empowering everyone to achieve their full potential."

## TARA DOWNING

VP—Customer Care and Solutions, Mr. Cooper

"Tara Downing began her career on the phones in the call center, collecting payments. She has since elevated herself to the level of VP over the Customer Care call center. In an industry dominated by men, she has consistently set herself apart through solid execution, courageous leadership, integrity, and fortitude. She focuses on both the customer experience and the employee experience."

#### WHAT THIS NOMINATION MEANS TO HER

"When I opened the email and read that I had been nominated for this award, I was speechless. Which, if you know me, doesn't happen very often! I am honored to be nominated for this award considering that this industry is full of amazing women who lead by example day in and day out. Being nominated for this award is especially inspiring for me as a mom of three boys. I strive to show my children what is possible through hard work and dedication. This nomination reinforces that message, and I am forever grateful to be considered."

★ ★ ★ ★ ★

## AUBREY GILMORE HALIM

President, Rutledge Claims Management, Inc.

"Aubrey Gilmore Halim, President of Rutledge Claims Management, leads our woman-owned business with a strong commitment to gender diversity. Under her leadership, she has diversified senior management and created significant opportunities for women in the male-dominated hazard insurance claims space. Aubrey's dedication to empowering women makes her a deserving candidate for the Leadership by Example Award."

#### WHAT THIS NOMINATION MEANS TO HER

"Being nominated for the Leadership by Example award is both an honor and a reflection of the values I strive to embody every day. Throughout my 15-year journey with Rutledge Claims Management, a woman-owned business with a predominantly female staff, I've had the privilege of growing alongside some of the most talented women in the industry. In an industry that is traditionally male dominated, this recognition is especially meaningful. This nomination represents not just a personal achievement but a testament to the collective strength and dedication of the women I work with. It underscores the importance of fostering an environment where women can lead, innovate, and uplift one another. As President of RCM, my mission is to continue paving the way for future generations of women in housing, ensuring that they have the support and opportunities to thrive in this field."

★ ★ ★ ★ ★

## ROBYN KATZ

Partner, McCalla Raymer Leibert Pierce

"Robyn Katz is an owner of McCalla Raymer Liebert Pierce, leads the firm's Women's Employee Resource Group, and co-founded the Default Women's Collective (a platform with the mission is to empower women who work in the mortgage default industry by providing them with connections, resources, knowledge, opportunities, and advocacy). Robyn is passionate about connecting with other women in this space, equipping women to become influential agents of change where women can thrive, lead, and transform their communities. She has created virtual programming focused on providing women with critical business skills to succeed, wellness initiatives focused on women's health to spark positive change for physical and mental health, and book discussions focused on leadership and empowerment. Robyn has not only focused on leadership opportunities for women within our firm but also created a community in the default mortgage space. Robyn is also an incredible mother to two children and this past year served as the caregiver to her mother who passed away a few months ago."

#### WHAT THIS NOMINATION MEANS TO HER

"Leadership by Example is how I conduct myself as a professional, a leader, and a lawyer every day of my career. As co-founder of McCalla Raymer Leibert Pierce LLC's Default Women's Collective, our mission is to empower women who work in the mortgage default industry by providing them with connections, resources, knowledge, opportunities, and advocacy to achieve equality, as well as professional and personal success. By connecting women in this space, my mission is to equip women to become influential agents of change where they can thrive, lead, and transform their careers, families, and communities. Some of our dynamic programming has included spotlighting industry women, leading book discussions on topics relevant to women's leadership, providing coaching and mentorship, and supporting women's charities. This nomination is a culmination of a career that has been devoted to supporting and uplifting women, and my hope is that this recognition allows me to continue to create opportunities, open doors, and shatter glass ceilings."

★ ★ ★ ★ ★

## WHITNEY WINCE

VP Foreclosure & Property Preservation, Newrez LLC

"Whitney has been a champion in promoting women in leadership positions, showcasing a profound commitment to diversity and inclusion. As a seasoned executive and advocate, Whitney has spearheaded numerous initiatives aimed at breaking glass ceilings and fostering an inclusive workplace culture. She launched ARISE, a development and collaboration program that pair emerging female leaders with senior executives, providing invaluable guidance and support. Whitney also established networking forums and workshops focused on leadership development for women, helping them build the skills and confidence needed to ascend to higher roles. Her efforts have led to a noticeable increase in female representation within upper management in various organizations in Newrez and in the industry. Additionally, Whitney actively collaborates with internal employee resource groups to implement initiatives and programs that ensure equal opportunities for all employees. Her unwavering dedication not only empowers women but also enriches organizational dynamics, driving innovation and success through a diverse and inclusive leadership team."

#### WHAT THIS NOMINATION MEANS TO HER

"This nomination means a great deal to me in that it gives me an opportunity to be a light in the life of other people. I hope to be someone's inspiration to go for it, to do the things that are on your heart, and to do them in a big way. Do it when you're scared, do it when you don't have it all figured out, and do it even when not everyone around you has a passion for it. I firmly believe that everyone has a unique purpose in life; a mission they were meant to fulfill. My greatest fulfillment comes from helping others recognize and embrace their own unique value. By investing in their growth and development through initiative and programs like ARISE, I aim to empower and elevate those around me to recognize and reach their highest potential."


This award spotlights industry executives working to expand homeownership in America, especially for first-time homeowners, providing a critical source of intergenerational wealth.

## TANYA BALL

SVP, Regional Director, Home Loans, Bank of Oklahoma

"Tanya Ball enables her team to efficiently support first-time buyers achieve the American Dream. Alongside Bank of Oklahoma, she passionately supports organizations like the Oklahoma Coalition for Affordable Housing and Build My Future OKC, helping advance affordable housing legislation and community education. Tanya holds several industry certifications, including the FHA Basics and Beyond Seminar Training from the U.S. Department of Housing and the VA Guaranteed Home Loans Training Certificate from the Department of Veterans Affairs-Houston Regional Loan Center. Due to her commitment to fostering a collaborative work environment, she's received several company awards, including the Perfect Circle Award (2013 and 2014) for top performance in production and units. In 2017, she was named Regional Manager of the Year. Under her guidance, her team managed over 17,000 housing unit transactions, totaling about $4 billion from January 2020 to June 2024 alone."

#### WHAT THIS NOMINATION MEANS TO HER

"This nomination is incredibly meaningful to me, as it represents the culmination of my 30-year journey in the mortgage industry—a field I hold deep affection for. Throughout these decades, I've been privileged to work with an amazing team and assist countless families in realizing their dreams of homeownership. My passion lies not just in the numbers, but in the lives, we touch and the communities we build. I've always strived to elevate those around me, nurturing talent and fostering a collaborative environment where everyone can thrive. Staying out of the spotlight has allowed me to focus on what truly matters: supporting my colleagues and making a difference in the lives of our clients. This nomination feels like a recognition not just of my individual efforts, but of the collective spirit and dedication of everyone I've worked alongside. It's a testament to our shared commitment to excellence and compassion in this industry I love so much."

## TAI CHRISTENSEN

President, Arrive Home

"As Co-Founder of affordable housing innovator Arrive Home, Tai Christensen is dedicated to closing the real estate wealth gap that's locking minority borrowers out of homeownership, and she's actively pushing the envelope to bring new ideas to the table. Tai points out that many prospective borrowers have proven their ability to make mortgage payments through a strong rental history and have reliable income streams, but simply do not have the funds for a down payment—something she is seeking to change. Tai's mission is to help responsible borrowers in underserved communities obtain homeownership through their national down payment assistance program and Arrive Home's Earned Equity Program, an innovative long-term purchase program. Tai is a firm believer that homeownership empowers people to build generational wealth—a key ingredient to social mobility and financial security—and she travels the country, speaking at events that focus on increasing homeownership in minority and marginalized communities."

#### WHAT THIS NOMINATION MEANS TO HER

"I am honored and thankful for this nomination. Over the past 17 years, I've been dedicated to helping people achieve the dream of homeownership. It's been particularly rewarding for me to assist first-time homebuyers and those with credit challenges, who often feel excluded from the opportunity to own a home. Seeing them overcome challenges and fulfill their dreams has been deeply gratifying to me. I'm committed to continuing my efforts of advancing homeownership and making it more attainable and am truly appreciative of this acknowledgement."

★ ★ ★ ★ ★

## SHERRI ECKLES

SVP Renovation & Construction, TPO Go

"In addition to her full-time job, Sherri Eckles volunteers with numerous organizations, all focused on affordable housing. As the Co-Chair of the Affordable Housing Committee, Sherri established a highly impactful virtual monthly affordable housing webinar, engaging stakeholders to discuss and showcase their initiatives and programs aimed at addressing affordable housing challenges. Sherri also plays a pivotal role as Chair of the NYMBA Legislative Committee, where she has actively contributed to drafting proposed legislation designed to support low- to moderate-income homeowners in realizing the American Dream. Sherri initiated and led a successful New York State Home Improvement Day, mobilizing hundreds of volunteers to enhance existing housing options for LMI individuals. Sherri was honored as the NYMBA Homeownership Advocate of the Year in 2023. Sherri also worked with HUD, MBA, and the U.S. Council of Mayors on the Blueprint for the American Dream program."

#### WHAT THIS NOMINATION MEANS TO HER

"Being nominated for the Keys in Hand Award is an incredible honor that reflects the collective effort of the teams and partners I've had the privilege of working with. This recognition is a testament to our shared dedication to expanding homeownership opportunities and making the dream of owning a home a reality for many first-time buyers. Together, we've tackled challenges, developed innovative solutions, and provided the support needed to help families achieve their homeownership goals. This nomination highlights not just my individual efforts but the collaborative spirit that drives our work. This acknowledgment reinforces the importance of teamwork in making a meaningful impact. It's a reminder of the difference we can make when we come together with a shared vision and a common goal—to help families build their futures through homeownership."

★ ★ ★ ★ ★

## ROSA MUMM

VP of Score Optimization, Xactus

"With 17+ years of credit score experience, Rosa is a renowned industry expert who oversees Xactus' score optimization division. Her team is charged with helping lenders educate credit-challenged consumers to increase their credit scores through responsible financial practices that will improve their mortgage eligibility. She counsels Xactus' lender clients on their homebuyers clubs to assist potential borrowers—many of whom are first-time homeowners—with specific credit management actions that will ensure they become better stewards of their finances and can qualify for a loan. Rosa spends much of her time helping lenders expand homeownership by educating them on credit scores and score simulation technology, speaking at national lender conferences, and developing customized training to help lenders answer their borrowers' credit score questions. She prides herself on being a factual source, working directly with FICO and VantageScore to validate information and combat some of the misinformation that is in the marketplace."

#### WHAT THIS NOMINATION MEANS TO HER

"I am honored and thankful for this nomination. Over the past 17 years, I've been dedicated to helping people achieve the dream of homeownership. It's been particularly rewarding for me to assist first-time homebuyers and those with credit challenges, who often feel excluded from the opportunity to own a home. Seeing them overcome challenges and fulfill their dreams has been deeply gratifying to me. I'm committed to continuing my efforts of advancing homeownership and making it more attainable and am truly appreciative of this acknowledgement."

★ ★ ★ ★ ★

## MAHEEN QURESHI

Senior Manager of Mission Operations, Freddie Mac

"As the Senior Manager of Mission Operations, Maheen Qureshi leads U.S. national financial capability education for Freddie Mac, developing innovative, scalable solutions in support of Freddie Mac's housing mission to make home possible. She engages with internal and external partners, leveraging market insights and behavioral economics to create learning solutions accessible to all consumers. Examples of such solutions include: CreditSmart Homebuyer U, CreditSmart Essentials, and CreditSmart Coach. Homebuyer U and Essentials helped educate more than 100,000 consumers to prepare for homeownership in 2023. Maheen is a key contributor to thought leadership articles, blogs, videos, and in-person speaking. She has dedicated the past 20 years of her career to housing outreach and financial inclusion and has a proven track record for developing initiatives for people with disabilities, communities of color, women, LGBTQIA+ community, and military veterans."

#### WHAT THIS NOMINATION MEANS TO HER

"I feel honored and humbled to be nominated for the Keys in Hand Award. It's a privilege to be able to do the work of supporting access to credit and homeownership for underserved communities and first-time homebuyers. I am fortunate to work with committed, innovative professionals who are champions of change. The team at Freddie Mac, along with our partners, help to support accessible resources and educational tools that renters and aspiring homebuyers can use to realize their life goals, including homeownership. Our Creditsmart® resources are not just about getting people in the door, but also supporting them on their journey beyond their home purchase. Throughout my career, I have learned so much from Freddie Mac leaders, who had the vision to create CreditSmart 23 years ago in tandem with nonprofit organizations and industry partners, informed by the needs of the populations we serve. We are motivated to continue building on that legacy. Thank you, Five Star, for recognizing this work."


# Corporate Social Responsibility Award

This award recognizes executives or companies who are driving charitable initiatives and helping the industry make a positive difference.

## SHARON BARTLETT

Executive Director of Operations, US REO Partners

"Sharon Bartlett is responsible for the continued development of relationships between clients and U.S. REO Partner members. She utilizes her experience, reputation, and commitment in support of resolving issues in the housing industry. During her 34-year career with Freddie Mac, Bartlett gained extensive experience in vendor management, contract negotiation, risk management, compliance, operational loss, servicing, default management/REO, quality control, call center and all aspects of customer relations. Social responsibility has always been important to Sharon—she supports several nonprofits including Rebuilding Together North Texas, St. Jude Children's Research Hospital, and Feed My Starving Children."

#### WHAT THIS NOMINATION MEANS TO HER

"Being a finalist for the Women in Housing Corporate Social Responsibility category is an incredible honor for me. It signifies recognition of the hard work and dedication I've poured into driving charitable initiatives that truly make a difference. This award isn't just about personal achievement; it's about the impact we're making as an industry in the communities we serve. To be acknowledged for contributing to something bigger than ourselves—helping others and fostering positive change—means everything to me. I'm especially proud of the time I've committed to supporting various charities and organizations, knowing that hands-on involvement is just as vital as any financial contribution. It reaffirms my belief in the power of business to do good and motivates me to continue pushing boundaries in our efforts to create a better, more equitable world for everyone. I am forever appreciative of the support that I've received in these efforts from my former colleagues at Freddie Mac and my current team at U.S. REO Partners. Being nominated for this award alongside such exceptional women who are also making a difference is truly inspiring, and I'm deeply grateful to be in their company."

★ ★ ★ ★ ★

## DARCY CHAPMAN

VP of Strategic Partnerships, Auction.com

"Darcy Chapman exemplifies corporate social responsibility through her commitment to driving charitable initiatives and helping the industry make a positive difference. As co-leader of the Veterans Financial Services Advisory Council's sponsorship committee, she has been instrumental in raising over $1 million for Operation Homefront, which supports our veterans. Darcy's leadership in recruiting volunteers for the VFSAC Golf Classic further underscores her commitment. Under Darcy's guidance, Auction.com has become the Premiere Presenting sponsor for the Ruth Cheatham Gala, supporting teens impacted by cancer. Her efforts in scholar application scoring have provided crucial support to these young individuals. Darcy also participates in events such as the Genesis Women's Shelter and the Susan G. Komen More than Pink Walk, bringing hope and assistance to families facing domestic violence and breast cancer."

#### WHAT THIS NOMINATION MEANS TO HER

"I was genuinely surprised and deeply honored to be nominated again for the Women in Housing Corporate Social Responsibility award. This recognition is less about me and more about the communities we serve. Thanks to Auction.com, I've had the privilege of dedicating my time, effort, and resources to remarkable organizations such as VFSAC, which supports veterans and their families, and The Ruth Cheatham Foundation, which aids teen cancer survivors. The true heroes are those who have bravely defended our freedom or faced life-threatening illnesses with unwavering strength. It's easy to stay motivated when our work positively impacts such deserving individuals. I am profoundly grateful that Auction.com embraces giving back in such a meaningful way."

★ ★ ★ ★ ★

## TIFFANY FLETCHER

SVP, Compliance and Operations Support, VRM Mortgage Services

"Tiffany Fletcher exemplifies leadership in corporate social responsibility as Executive Director of the Council for Inclusion in Financial Services (CIFS), a 501(c)(3) organization, while also serving as SVP for VRM Mortgage Services. Under her guidance, CIFS drives meaningful change through initiatives focused on workforce diversity, career development, financial literacy, and supplier diversity. CIFS's impactful programs include regional FinServ Summits, where housing and economic insights and collaboration drive progress. VRM University-hosted DEI courses equip professionals with tools and knowledge to elevate their business as well as personal lives, while FinServ Now! webinars deliver interactive financial literacy education and informative experiences. Tiffany's dedication to social responsibility and CIFS's far-reaching programs are making a significant, positive impact on the financial services industry and the communities it serves."

#### WHAT THIS NOMINATION MEANS TO HER

"This nomination for the Corporate Social Responsibility Award is a shared achievement with the entire Council for Inclusion in Financial Services (CIFS) team. Together, we work tirelessly year-round to champion diversity across all facets of financial services, from workforce inclusion to financial literacy, ensuring that everyone has the resources to shape their financial future. I am deeply grateful for this recognition, which stands as a testament to the impact of our collective efforts. This nomination reinforces my commitment to continuing this important work and inspires me to push further in promoting diversity, equity, and inclusion within the financial services industry. I am excited to continue leading CIFS as we break new ground and create even more opportunities for meaningful change."

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## HEIDI IVERSON

VP of Strategic Partnerships, Mobility Market Intelligence

"Heidi's relentless pursuit of excellence, coupled with her strategic utilization of data-driven insights, positions her as a transformative figure within the mortgage industry. Through her leadership at MMI, she not only drives growth and innovation but also empowers industry professionals with the tools and knowledge needed to thrive in an ever-evolving landscape. She is a frequent speaker on webinars and events and is heavily involved in the National Association of Minority Mortgage Bankers of America. Heidi's events have led to more than 500 executives and recruiting leaders attending. In doing so, she not only elevates awareness of MMI's offerings but also fosters a culture of innovation and informed decision-making within the mortgage community. Heidi's background includes consulting and recruiting, which has laid the foundation for her leadership and efforts in making the mortgage industry more diverse and equitable for all."

#### WHAT THIS NOMINATION MEANS TO HER

"This nomination is meaningful to me because it reflects my dedication over the past decade to helping others through data-driven strategies, promoting diversity, and making real contributions to the mortgage industry. It is a testament to the values I strive to uphold and reinforces my dedication to fostering a culture of innovation and inclusivity within our community. Being recognized is also an acknowledgment of both my personal efforts and the collective impact of our work at MMI to empower lenders and loan officers with the tools and information necessary to fuel progress. I am deeply grateful for this recognition, which inspires me to continue advocating for increased inclusion within executive leadership and creating homeownership opportunities for underserved communities. This nomination not only honors our achievements but also motivates me to persist in driving positive change and supporting the growth and success of others in our industry."

★ ★ ★ ★ ★

## LOUISE THAXTON

CEO, American Warrior Initiative; Branch Manager, Fairway Independent Mortgage Corporation

"Louise Thaxton is the National Director of the Military Mortgage Specialist, a designation exclusive to loan professionals of Fairway Mortgage, which trains and equips loan professionals on working with military clients. Louise is a national advocate for America's veterans and is the Director and co-founder of the American Warrior Initiative, leading the way for hundreds of initiatives for veterans in need across the country, inspiring millions of dollars in donations to fund those initiatives. Louise and her team have taken this message to over 35,000 real estate agents and other business professionals around the country at the American Warrior Real Estate Professional Boot Camps, bringing awareness of the challenges facing the men and women who have served in the military. Louise and AWI have spearheaded hundreds of give-back initiatives to the wounded heroes of America. These wounded heroes have been served through the gifting of over 350 service dogs, business grants, home upgrades, mortgage-free housing, and more."

#### WHAT THIS NOMINATION MEANS TO HER

"Working as a mortgage lender in a military town for the past two decades, witnessing firsthand the devastating physical, mental, and emotional impacts of war, I felt the call to spread the message of 'bridging the military-civilian divide,' bringing awareness of the challenges that face our combat veterans. Leaders of Fairway and its CEO, Steve Jacobson, listened with their heart to these challenges 12 years ago and stepped up to help by underwriting 100% of the overhead cost of the nonprofit American Warrior Initiative. Millions of dollars have been donated by Fairway employees to fund hundreds of initiatives for veterans, including funding of 371 service dogs. This award means so much to me, hopefully shedding light on the war that is still going on in the lives of combat veterans. More than 22 veterans per day are taking their own lives. Americans must step up to do something. My hope is that every company in America has a give-back program for veterans. They deserve it."


This award recognizes women whose accomplishments have left an indelible impact on the industry and have positively influenced homeownership within the past year. (Candidates for this award must have a minimum 20 years' consecutive industry experience).

## SHARIFA A. ANDERSON

SVP and Chief Diversity and Inclusion Officer, Fannie Mae

"Sharifa leads Fannie Mae's ongoing efforts to create measurable, positive outcomes across the enterprise and with suppliers, business partners, and the people and communities it serves. She is regarded as a thought partner and trusted advisor across the industry and approaches her work with a focus on structural change, shared accountability, impact, and sustainability. Since rejoining Fannie Mae, the company has outperformed external benchmarks for workforce diversity. Her 20+ career journey has been inspired by a desire to advocate for others, and to create meaningful access to opportunity in the housing industry. Through various roles, Sharifa has supported the financing and development of affordable housing that responded to some of the toughest housing challenges in the country and played a role in expanding access to credit for underserved consumers. Sharifa is active with the Pennsylvania Bankers Association and a founding member of the association's Diversity, Equity, and Inclusion Advisory Group."

#### WHAT THIS NOMINATION MEANS TO HER

"Thank you to the Five Star Institute for considering me as a finalist for the Laurie A. Maggiano Legacy Award and for including me in this inspiring group of women making a positive impact on the housing industry. For me, this nomination is recognition of our collective work and confirmation that together, we have the power to create a more inclusive housing system. In my current role as Fannie Mae's Chief Diversity and Inclusion (D&I) Officer, I work collaboratively with colleagues across the company to develop and implement a comprehensive inclusion strategy that extends beyond our organization and includes talent, suppliers, broker/dealers, industry partners, consumers, and more. I am passionate about this work and am inspired daily by my colleagues who are executing on our mission to advance equitable homeownership and affordable housing across America, with inclusion as the cornerstone of our strategy. Every day, my role presents new opportunities to learn, innovate, and partner with people across all levels of the company who bring different perspectives to our strategic and problem-solving approach. It is an honor to be recognized for doing what I love and a privilege to contribute to creating meaningful access to opportunities in the housing industry."

★★★★★

## SHERRI CALCUT

EVP, President, BOK Financial Mortgage

"Sherri Calcut has dedicated over 30 years to the mortgage industry. In 2020, she proudly spearheaded the creation of a Community Mortgage Banker role at BOK Financial, helping 17,382 homebuyers become homeowners over three years. Known for enhancing operational efficiency, she helped reduce loan processing times from 45-60 days to under 30 days. Under Sherri's leadership, her department has enabled over 5,000 homeowners to achieve the American Dream in the past two years. She is passionate about mentoring and actively supports women in the industry. Sherri holds certifications in FHA Direct Endorsement Underwriting and VA LAPP and graduated from the BOKF Executive Leadership program in 2019. Her accolades include the Fifth Third Bank President's Circle Award and being named Employee of the Year at Republic Bank three times. She serves in the RISE Venture Program and on boards such as the Oklahoma Mortgage Bankers Association and the National Association of Professional Mortgage Women."

#### WHAT THIS NOMINATION MEANS TO HER

I fell in love with the housing industry over three decades ago when I started my career as a mortgage loan closer. As I advanced through the years, my passion for helping make the dream of homeownership a reality continued to grow stronger. Staying informed with industry trends, regulations, and innovations throughout my leadership positions has allowed me to drive meaningful change, influence policies and practices, and address homeownership affordability and sustainability. I value the power of paying it forward. Making a difference as a woman in the housing industry involves leveraging unique perspectives and experiences by providing education and mentorship to the next generation of housing professionals through teaching and professional development programs. I champion diversity and inclusivity within the industry to create an environment where everyone's voice is heard. These efforts contribute to the well-being and prosperity of families throughout our communities. For me personally, winning this award signifies the gratitude I have for helping to create positive, lasting impacts that enhance the lives of current and future generations.

★★★★★

## JULIA R. GORDON

Assistant Secretary for Housing and Federal Housing Commissioner, U.S. Department of Housing and Urban Development

"Since May 2022, Julia Gordon has served as HUD's Assistant Secretary for Housing and Federal Housing Commissioner, playing a vital role in formulating and enacting the Biden-Harris administration's policies that support affordable housing, access to sustainable credit, healthy communities, and consumer protection. While at FHA, she has worked tirelessly to give struggling borrowers better options to prevent foreclosures. During her tenure, FHA's mortgage insurance fund has remained very strong, enabling FHA to reduce its premiums by 35%. Julia has also improved HUD's effectiveness for its target borrowers—creating new flexibilities for first-time homebuyers, enhancing HUD's support for affordable rental housing, and strengthening HUD's reverse mortgage program. Before joining HUD, Julia served as a senior leader at the National Community Stabilization Trust, Federal Housing Finance Agency, and Center for Responsible Lending. For decades, she has been at the forefront of housing policy and is a trusted voice in our industry."

#### WHAT THIS NOMINATION MEANS TO HER

"I'm touched and honored to be nominated for the Laurie Maggiano Legacy Award. My friendship with Laurie developed during the financial crisis, when I worked closely with a host of dedicated advocates both inside and outside of government to stand up the Making Home Affordable program. Through this experience, I came to deeply appreciate Laurie's many outstanding qualities. First and foremost, she always demonstrated compassion and concern for the well-being of America's families. Beyond that, I admired her insights into how government programs interacted with lenders and servicers, her ability to move the levers of government skillfully and quickly, her effective work with a wide range of partners, and of course her extensive subject matter expertise. Over the years, she became an important advisor and thought partner, but most of all, a friend. In all my work at HUD, I'm inspired by the memory of how Laurie managed to craft programs and solutions that worked for all parties involved. I hope she would be proud that I've been nominated for the award that bears her name."

★★★★★

## SANDRA MADIGAN

Executive VP, Servicing Product Innovation, ICE Mortgage Technology

"Sandra Madigan is among the influential mortgage technology leaders of the past decade, having played a firsthand role shaping the critical software strategy and development that thousands of servicers and integrated partners rely on to power the American housing economy. With 25+ years in mortgage technology, Madigan introduced numerous first-of-its-kind capabilities and oversaw thousands of product enhancements during her tenure as an executive at Black Knight, and now, ICE. Developments she pioneered with the industry's most used servicing software, MSP, have been the launch of Servicing Digital—a consumer-centric web and mobile application that homeowners use to manage their loan—customer service and loss mitigation solutions, which are critical to borrowers keeping their homes during hardships (i.e. natural disasters and COVID-19). Over the last year, Madigan has led the integration efforts to bring origination into the servicing workflow so ICE clients can offer a true end-to-end experience to their borrowers."

#### WHAT THIS NOMINATION MEANS TO HER

"It is an immense honor to be nominated for this award, as it recognizes the pivotal role women play in moving the housing industry forward. It is a nod to the tireless efforts women have made to bring a new level of empathy to housing finance and to use our unique perspectives to solve problems in new ways. Women have made an indelible impact on the industry because we know that financing a house isn't about owning a mortgage—it's about owning a home, and women are the heart of the home. We are bringing an empathetic approach into the way we engage with our consumers, how we approach compliance and, from my perspective, the innovations we're making to mortgage technology. To deliver software that facilitates the dream of homeownership is a privilege."

★★★★★

## DONNA SPENCER

VP of Servicing Relationship and Performance Management, Freddie Mac

"As VP of Servicing Relationship and Performance Management in the Single-Family Portfolio and Servicing Division, Donna Spencer leads oversight of servicers to ensure compliance with Freddie Mac policies and procedures for loss mitigation strategies. She joined Freddie Mac in 1992. Donna's work with the industry to drive borrower education and awareness of post purchase education is well known. In the past year, Donna has strengthened our partnerships with our keys strategic servicers leading to top-tier performance in our portfolio. Also, Donna seeks out opportunities to coach and mentor leaders to support their desire to improve the mortgage industry. Donna's character is the essence of Laurie's, who was highly regarded by the most prestigious and respected leaders in the industry."

#### WHAT THIS NOMINATION MEANS TO HER

"I am thrilled to be named a finalist for the Laurie Maggiano Legacy Award, recognizing the impact myself and others have had on homeownership. I was fortunate to have met Laurie—she was a rockstar in this space, and to be considered for an award in her name is a complete honor. My career at Freddie Mac, particularly the work I've done saving homes from foreclosure, means so much to me because it's an opportunity to speak for people who don't feel like they have a voice in the process. I call it my ministry; I was made for this job. To have done this work, alongside women like Laurie and other incredible housing professionals, has been rewarding for me but life changing for so many families in America. Our mission of making home possible is deeply emotional for me, and I've kept handwritten letters and photos from families that we've helped on my desk, to remind me daily that this work is not about paperwork, but about people. Thank you to my leadership at Freddie Mac for their support, and to the Five Star Conference for recognizing the women who make an impact in housing."



WOMEN in HOUSING
LEADERSHIP AWARDS LUNCHEON

## 2024 NOMINEES

The following professionals were nominated by colleagues, peers, and employers for being champions of women in the industry, as well as for the dedication they take in their roles. Though our selection committee had the arduous task of selecting only 25 finalists from the impressive list of nominations that came in, we would be remiss if we didn't honor and recognize the full list of women and organizations lauded by the industry this year:

**Heather Beers**, Partner, Beers Construction Partners

**Stephanie Budnik**, Senior Marketing Program Manager, MGIC

**Daniella Casseres**, Partner, Mitchell Sandler PLLC

**Cathe Cole**, SVP Operations, Trustee Corps

**Leigh Gibson**, VP - Strategic Initiatives and PMO, VRM Mortgage Services

**Ali Haralson**, President, Auction.com

**Jane Hughes**, Director of Community Investment, Newrez LLC

**Serina Lowden**, Co-Founder, Broker Associate, All City Homes

**Alyssa Moreno**, National Executive, Granite Risk Management, An Altisource Business Unit

**Beth Newton**, Senior Coordinator, Promise Solutions Inc.

**Pamela Patenaude**, Senior Executive Advisor, IEM International, Inc.

**Susan Pettem**, SVP of National Sales, Novare National Settlement Services

**Jill Rein**, Senior Partner, McCalla Raymer Leibert Pierce, LLC

**Sarah Richards**, Broker, Spring Mountain Realty PLLC

**Valerie Saunders**, President, National Association of Mortgage Brokers

**Karen Shields**, SVP Default Operations, Newrez LLC

**Suzanne Shuck**, Senior EVP, Chief Corporate Risk Officer, Freedom Mortgage Corporation

**January N. Taylor**, Managing Partner, McMichael Taylor Gray LLC

**Kathryn Piegari Tucker**, Admin/Realtor, Real Estate Options of Texas LLC

**Jackie Vazquez**, Complex Case and Industry Relations Manager, OLAF Companies

**Meredith Vertreese**, Broker/Owner, Coldwell Banker Uplife

**Marissa M. Yaker Esq.**, Deputy General Counsel, Padgett Law Group


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# Lending/Originations

## 'PIGGYBACKED' PURCHASE LOANS REACH NEW HIGHS

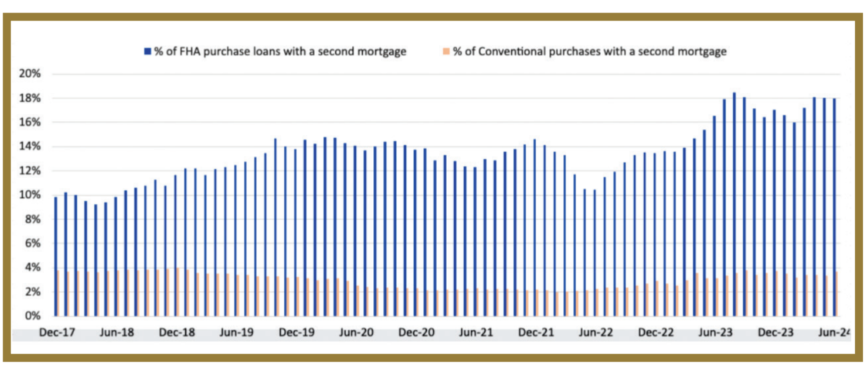
Homebuyers who are purchasing for the first time and have low to moderate incomes are disproportionately affected by elevated mortgage rates and home prices, according to a new CoreLogic study.

Rising property values, cripplingly high interest rates, and two years of rising inflation are pushing more and more homebuyers to take out expensive second mortgages. This is particularly true for people who are the least able to finance a home. However, "piggyback loans" offer aspiring buyers another option to become homeowners.

### Buyers Explore Piggyback Loans Amid Affordability Constraints

What is a piggyback loan? In addition to the primary mortgage on the home, a piggyback loan is a supplementary loan taken out by buyers. These tiny home equity loans, also known as home equity lines of credit (HELOCs), are a popular choice for cash-strapped buyers who need assistance with closing expenses or obtaining financing for a down payment. Conventional loans that are piggybacked are frequently referred to as "80-10-10" loans, in which the borrower combines a 10% piggyback loan with a 10% cash down payment.

Despite the advantages, secondary loans of this kind do not come without their fair share of problems. Compared to a primary mortgage, these loans are typically more expensive and have higher interest rates. Borrowers on these loans will also probably have to pay additional origination or closing costs.




### Homebuyers Fuel Growing Popularity of Piggyback Financing

Following a sharp increase in mortgage rates in the middle of 2022, more FHA-dependent homebuyers have turned to additional piggyback lending for support. Low-to-moderate income families and first-time homebuyers, who frequently cannot meet traditional down payment criteria or have insufficient credit history to qualify for conventional loans, are drawn to FHA loans.

For FHA borrowers, the percentage of piggybacked house purchases has historically been greater. 9.8% of all FHA purchase-loan volume was made up of piggybacked transactions as of 2017. A second loan that was backed by someone else was present in 3.8% of traditional purchase loans. At the end of 2019, the percentage of conventional purchases piggybacked on FHA purchases was 3.2%, compared to 13.8% for FHA purchases.

The percentage of piggybacked FHA purchase loans increased from 10.8% to 18% between June 2022 and June 2024, a rise of more than 7 percentage points. More conventional borrowers are turning to piggyback loans as a result of the skyrocketing cost of homeownership; as a result, the percentage of piggybacked loans in this group increased from 2.2% in June 2022 to 3.6% in June 2024.

### 'Piggybacked Purchases' Increasingly Seen for Lower-Value Homes

The fact that low-to-moderate income homebuyers, who have been financially pressured by rising inflation and the high cost of living, have been disproportionately affected by housing affordability difficulties is further supported by property prices for homes acquired with piggybacked loans.

Further, the value of homes acquired through secondary piggyback loans is usually substantially lower. In addition, over the past two years, there has been a noticeable increase in the price disparity between the properties of those who applied for a second mortgage and those who did not.

The study also showed that first-time homebuyers (FTHBs) and those with the lowest ability to afford a home have been disproportionately affected by the housing affordability crisis. This was determined by piggybacking home transactions between FHA loans and conventional financing.

By the end of 2017, the median property value of homes purchased using FHA loans backed by the government was $34,600, or 17% less than that of homes purchased without such loans ($168,600 against $203,200). They were $19% less expensive in June 2022 ($237,800 compared to $292,800), saving $55,000; two years later, in June 2024, the difference increased to $64,000 ($255,000 versus $319,000).

When comparing houses purchased with traditional financing, there is a comparable link. The typical purchase price of piggybacked properties was $265,000 in June 2022, which was $135,000 or 33% less than the median price of non-piggybacked acquisitions. By June 2024, the difference had grown to 36%, with the median price of piggybacked homes being $262,000, while the median price of a non-piggybacked purchase was $410,000.

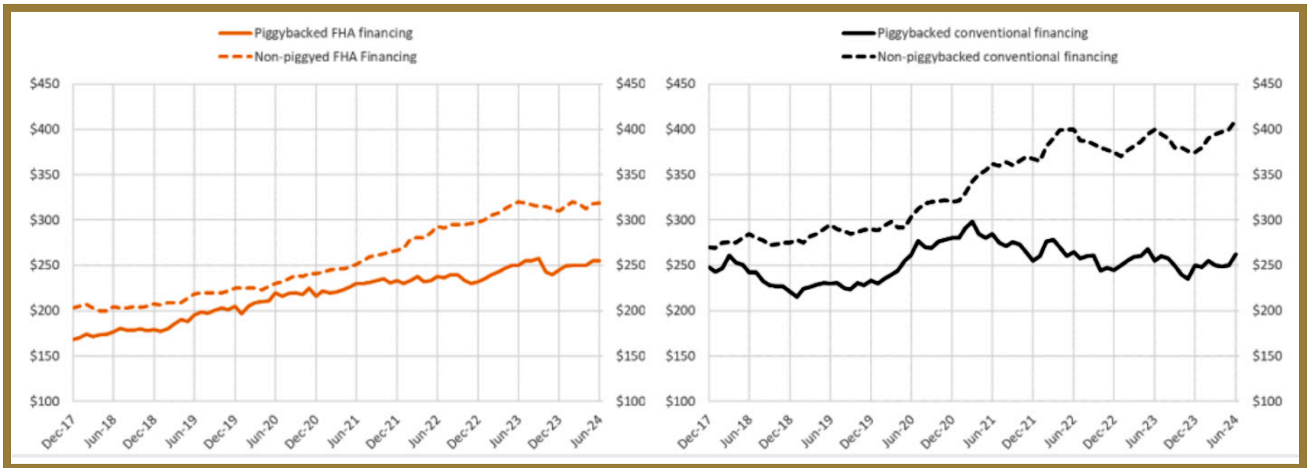
### Piggybacked Home Purchases Remain Over-Leveraged

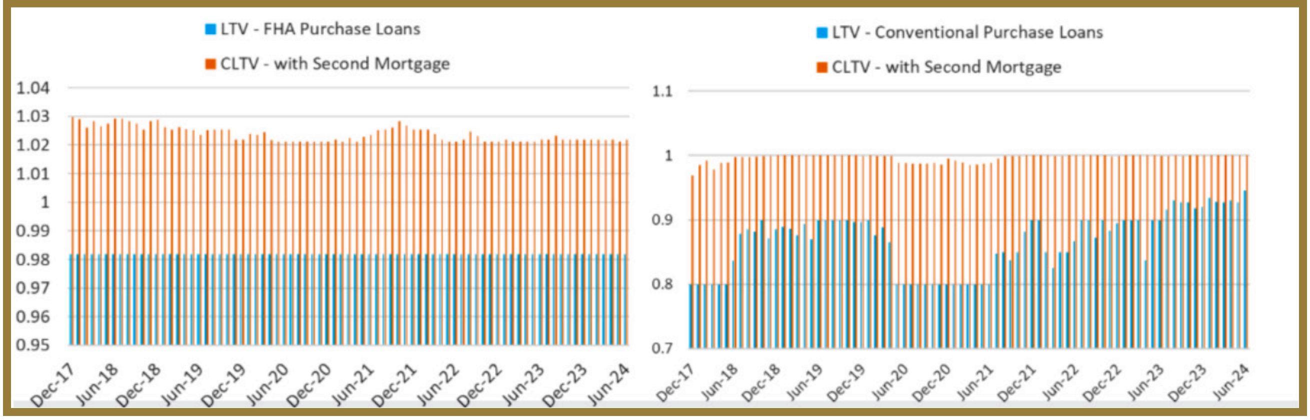
A closer examination of the loan-to-value (LTV) ratios for homes purchased using piggybacks revealed that the buyers of these homes are overly burdened.

Before accounting for the total amount borrowed with a piggyback loan, the median origination loan-to-value ratio for piggybacked FHA loans is 98.19. The typical origination loan-to-value (LTV) range for conventional loans has been 80–90. The LTV on conventional loans has continuously been more than 90 throughout the past 12 months, with a peak ratio of 94.5 in June 2024.

Homeowners frequently have zero or even negative equity after deducting the amount borrowed through piggyback loans. For borrowers with FHA loans, the combined LTV, or CLTV, was 1.022; for borrowers with conventional loans, it was 1.0. Many borrowers are more vulnerable to nonpayment and default in the event of an unforeseen, unfavorable impact on job or family finances if they have little or no equity in their homes.

The resilience of the job market and the stability of the U.S. economy will be key factors in determining how well these over-leveraged loans perform overall. But even with widespread predictions that house prices will rise further, the U.S. economy will continue to grow while inflation declines, and there will likely be a much-awaited September Federal Reserve policy rate



cut, it is still important to closely monitor how these highly leveraged loans perform in the months ahead.

## JULY HOUSING STARTS DROP TO FOUR-YEAR LOW

According to the latest U.S. Census Bureau and the U.S. Department of Housing & Urban Development's (HUD) new residential construction report, privately-owned housing starts in July 2024 were at a seasonally adjusted annual rate of 1,238,000, 6.8% below the revised June 2024 estimate of 1,329,000, and 16% year over year below the July 2023 rate of 1,473,000. Single-family housing starts in July were reported at a rate of 851,000—14.1% below the revised June 2024 figure of 991,000. The July rate for units in buildings with five units or more was 363,000.

"Housing starts came in below expectations, dropping to the lowest level since May 2020. The monthly decline was driven by a sharp drop in single-family starts, down 14%, to a seasonally adjusted annual rate of 851,000," First American Deputy Chief Economist Odeta Kushi said. "Single-family permits, a leading indicator of future starts, also continued its downward trend. Single-family permits are down 9% from their recent 2024 peak. This month's decline was modest compared to recent months, perhaps pointing to a stabilization in single-family permits."

Privately owned housing units authorized by building permits in July were at a seasonally adjusted annual rate of 1,396,000—4% below the revised June 2024 rate of 1,454,000 and 7% below the July 2023 rate of 1,501,000. Single-family authorizations in July were at a rate of 938,000—0.1% below June 2024's revised figure of 939,000. Authorizations of units in buildings with five units or more were at a rate of 408,000 in July.

"There was a pronounced downturn in new residential construction activity across the United States in July after a positive swing the month before," Realtor.com Senior Economist Joel Berner said. "Permits issued for new housing units fell to 1,396,000 on a seasonally adjusted annual basis, down 4.0% from June and 7.0% year over year. Housing starts dropped from June's level by 6.8% and remain 16.0% below the housing starts figure from last year at this time. Housing completions decreased from their June rate by 16.0% but remained above 2023 levels by 13.8%. Multifamily projects were the focus of the slide in completions, falling 24.4% month over month, while single-family completions actually rose by 0.5%."

Privately owned housing completions in July were at a seasonally adjusted annual rate of 1,529,000, which was 9.8% below the revised June 2024 estimate of 1,696,000, but 13.8% above the July 2023 rate of 1,343,000. Single-family housing completions in July were at a rate of 1,054,000—0.5% above the revised June rate of 1,049,000. The July rate for units in buildings with five units or more was 473,000.

> "The decline in new home construction mirrors our latest builder surveys, which show that buyers remain concerned about challenging affordability conditions and builders are grappling with elevated rates for builder loans, a shortage of workers and lots, and supply chain concerns for some building materials."
>
> —**Carl Harris**, Chairma, National Association of Home Builders

★ ★ ★ ★ ★

### What Is Stunting Growth?

"The decline in new home construction mirrors our latest builder surveys, which show that buyers remain concerned about challenging affordability conditions and builders are grappling with elevated rates for builder loans, a shortage of workers and lots, and supply chain concerns for some building materials," said Carl Harris, Chairman of the National Association of Home Builders (NAHB) and custom home builder from Wichita, Kansas.

NAHB reports that builder confidence in the market for newly built single-family homes was 39 in August, down two points from a downwardly revised reading of 41 in July, according to the NAHB/Wells Fargo Housing Market Index (HMI). This is the lowest reading since December 2023.

### Forecasting 2024

Despite the drop-off in construction, there may be a bright spot on the horizon. The Mortgage Bankers Association (MBA), in its Weekly Applications Survey for the week ending August 9, reported that mortgage loan application volume increased 16.8% week over week.

Joel Kan, MBA's VP and Deputy Chief Economist, said, "Overall, applications increased almost 17% to the highest level since January 2023, driven by a 35% increase in refinance applications. The refinance index also saw its strongest week since May 2022 and was 117% higher than a year ago, driven by gains in conventional, FHA, and VA applications. Additionally, purchase applications increased by 3%, with small gains seen across the various loan types, indicating that prospective homebuyers are slowly reentering the market."

In another move that may help shift the market in a positive direction, Freddie Mac's latest Primary Mortgage Market Survey (PMMS) shows that the 30-year fixed-rate mortgage (FRM) averaged 6.49%, which is down from the near-8% level recorded at this time last year.

"While rates increased slightly this week, they remain more than half a percent lower than the same time last year," Sam Khater, Freddie Mac's Chief Economist, said, "In 2023, the 30-year fixed-rate mortgage nearly hit 8%, slamming the brakes on the housing market. Now, the 30-year fixed-rate hovers around 6.5% and will likely trend down in the coming months as inflation continues to slow. Lower rates are good news for potential buyers and sellers alike."

Berner added, "As mortgage rates begin to fall, many potential homebuyers will come off the sidelines and begin to look for new homes. Builders are hoping to thread the needle with their price points on new homes in the coming months, attracting buyers whose budgets have recently expanded but competing against existing homes coming onto the market as sellers are more willing to move under newly favorable buying conditions. Price too low and they'll miss the opportunity to fully cash in on a hotter housing market; price too high and they'll lose out to new listings of existing homes."

## COMMERCIAL AND MULTIFAMILY BORROWING EXPERIENCING GAINS

In the second quarter of 2024, the Mortgage Bankers Association (MBA) reported a 3% increase in commercial and multifamily borrowing compared to the previous quarter. This growth highlights a sustained demand for multifamily loans and certain commercial properties, even as the market grapples with higher interest rates.

The MBA credits favorable economic conditions and a strong market for bolstering demand in these segments. Multifamily properties, in particular, continue to attract significant investment due to stable occupancy rates and the ongoing need for rental housing across various markets.

Commercial properties also contributed to the growth, with some sectors showing resilience despite the higher cost of capital. Office spaces and retail properties, though facing challenges from shifts in work patterns and consumer behavior, are seeing selective investment, especially in regions with robust economic activity.

However, the MBA notes that the overall market environment remains mixed. Higher interest rates have tempered borrowing in some sectors, particularly in regions or property types that are more sensitive to financing costs. The ongoing balancing act between economic growth and interest rate pressures will likely continue to shape borrowing trends in the coming months.

Looking ahead, the MBA remains cautiously optimistic about the commercial and multifamily lending landscape. While challenges persist, the fundamental demand for housing and select commercial spaces is expected to sustain investment activity. Market participants are advised to stay informed and agile, adapting to shifting economic conditions and policy changes that could impact borrowing costs and investment returns.

According to CommercialEdge blog, more than 1.2 billion square feet of office buildings (14.8% of total stock) are quality residential conversion candidates, according to a new tool that scores office buildings based on feasibility for conversion to multi-family. While San Francisco and Los Angeles have over 20% of their existing stock as solid candidates for residential conversions, another six markets stand above the national average, including Chicago and Miami. Meanwhile, under-construction office space totaled 73.8 million square feet nationwide, representing 1.1% of existing stock.

## MORTGAGE CREDIT AVAILABILITY ON THE RISE

The Mortgage Credit Availability Index (MCAI), a survey from the Mortgage Bankers Association (MBA) that examines information from ICE Mortgage Technology, indicates that mortgage credit availability rose in July.

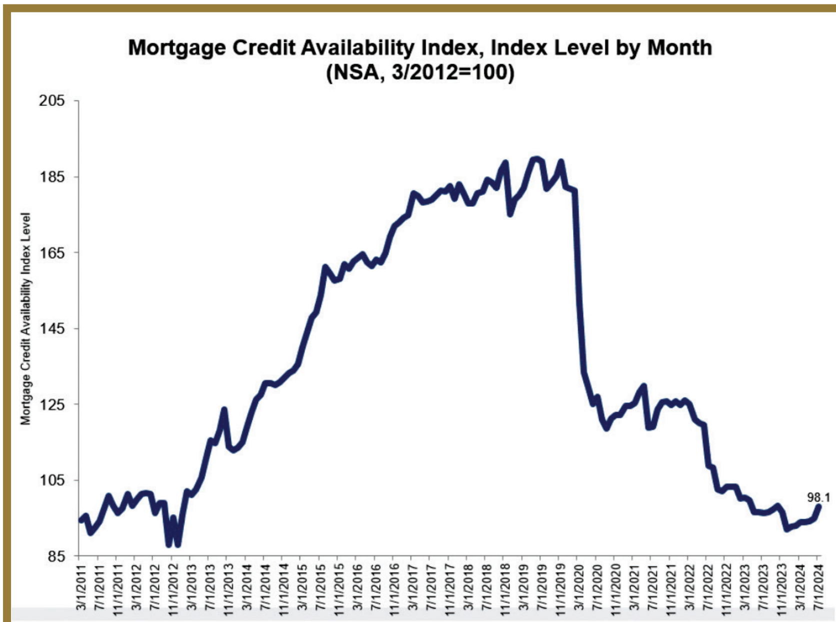
In July, the MCAI increased by 3.3% to 98.1. While increases in the index point to looser credit, a decrease in the MCAI suggests tighter lending requirements. In March 2012, the index was benchmarked at 100. While the Government MCAI fell by 0.1%, the Conventional MCAI climbed by 6.4%. The Conforming MCAI increased by 0.7%, while the Jumbo MCAI jumped by 9.3% among the Conventional MCAI component indexes.

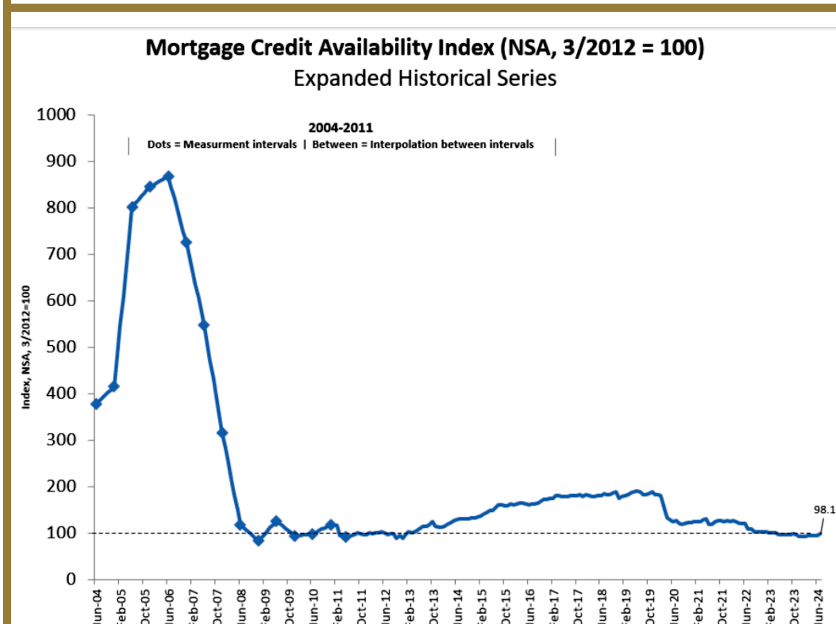
"Overall credit availability grew to its highest level since October 2023, driven by increased conventional loan offerings such as ARMs and cash-out refinance loans," said Joel Kan, MBA's VP and Deputy Chief Economist. "We also saw credit supply expand for jumbo loans, particularly in the non-QM space. Industry capacity has been low for some time, but we have now seen more than six months of credit expansion, which should be supportive for homebuyers and refinance borrowers, as rates have declined in recent weeks."

Using the same process as the Total MCAI, the Conventional, Government, Conforming, and Jumbo MCAIs are created to display the relative credit risk and availability for each index. The population of credit programs that the Component Indices and the Total MCAI both analyze is the main distinction between them.

While the Conventional MCAI looks at non-government loan programs, the Government MCAI investigates FHA, VA, and USDA loan programs. FHA, VA, and USDA loan offerings are not included in the Jumbo and Conforming MCAIs, which are subsets of the normal MCAI. Conventional lending programs that are not subject to conforming loan restrictions are examined by the Jumbo MCAI, whereas those that are examined by the Conforming MCAI.

The Conforming and Jumbo indices have the same "base levels" as the Total MCAI (March 2012=100), while the Conventional and Government indices have adjusted "base levels" in March 2012. MBA calibrated the Conventional and Government indices to better represent where each index might fall in March 2012 (the "base period") relative to the Total=100 benchmark.




## Expanded Historical Series

A longer historical series for the Total MCAI provides a perspective on credit availability dating back around ten years; the expanded historical data excludes Conventional, Government, Conforming, and Jumbo MCAI. The expanded historical series, which spans 2004 to 2010, was developed to give the current series historical context by illuminating changes in loan availability during the previous ten years, including the housing crisis and recession that followed.

# MBS POST POSITIVE NET PRODUCTION PROFITS IN Q2

According to the recently released Quarterly Mortgage Bankers Performance Report by the Mortgage Bankers Association (MBA), independent mortgage banks (IMBs), and mortgage subsidiaries of chartered banks reported a pre-tax net profit of $693 on each loan they originated in Q2 2024. This is an increase from the reported loss of $645 per loan in Q1 2024.

"Net production income was positive in the second quarter of 2024—a welcome sign after eight consecutive quarters of net production losses," said Marina Walsh, CMB, MBA's VP of Industry Analysis. "With a pickup in quarterly volume, productivity, and closings-to-applications pull-through, production costs dropped by about $1,800 per loan. These developments contributed to better net results, even as production revenues decreased from the previous quarter."

Key Findings of MBA's Q2 2024 Quarterly Mortgage Bankers Performance Report:

» Including all business lines (both production and servicing), 78% of the firms in the report posted pre-tax net financial profits in Q2 2024, up from 59% in Q1 2024.

» The average pre-tax production profit was 17 basis points (bps) in Q2 2024, compared to an average net production loss of 25 bps in Q1 2024, and a loss of 18 basis points one year ago. The average quarterly pre-tax production profit, from Q3 2008 to the most recent quarter, is 42 basis points.

» The average production volume was $492 million per company in Q2, up from $384 million per company in the first quarter. The volume by count per company averaged 1,503 loans in the second quarter, up from 1,193 loans in Q1.

» Total production revenue (fee income, net secondary marketing income, and warehouse spread) decreased to 347 bps in Q2, down from 371 bps in Q1. Average quarterly production revenue, from Q3 2008 to the most recent quarter, is 347 basis points. On a per-loan basis, production revenues decreased to $11,499 per loan in Q2, down from $11,947 per loan in Q1.

» The purchase share of total originations, by dollar volume, was 86%. For the mortgage industry as a whole, MBA estimates the purchase share was at 78% in Q2 2024.

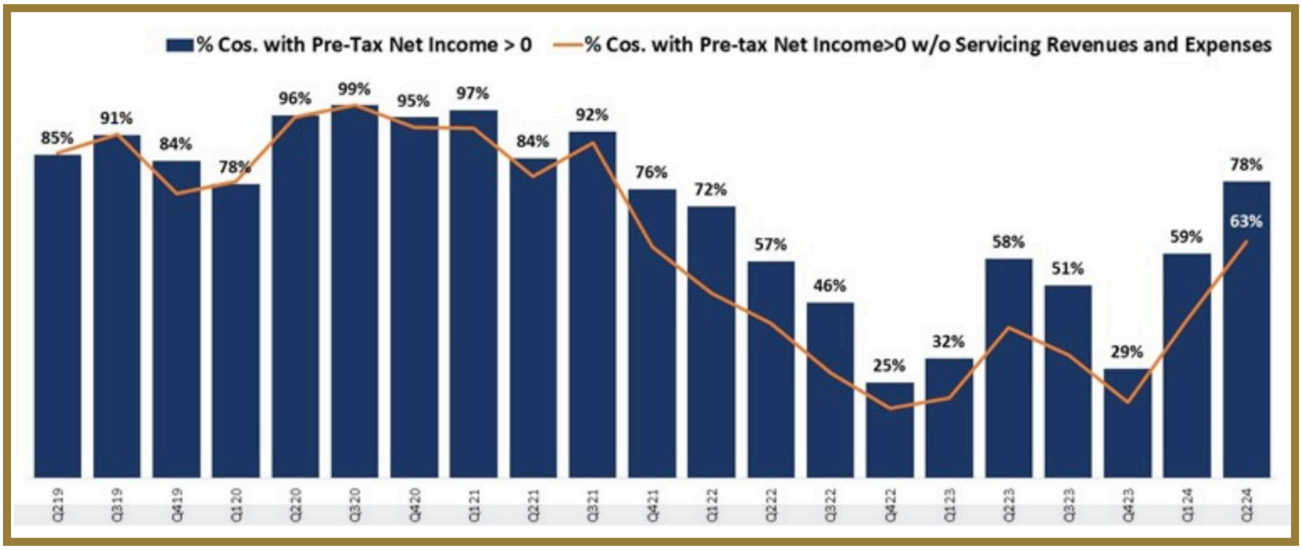
» The average loan balance for first mortgages increased to $356,993 in Q2, up from $345,761 in Q1.

### Examining Loan Costs, U.S. Loan Volume

Total loan production expenses—commissions, compensation, occupancy, equipment, and other production expenses and corporate allocations—decreased to 330 basis points in Q2 2024 from 395 basis points in Q1 2024. Per-loan costs decreased to $10,806 per loan in Q2, down from $12,593 per loan in Q1 2024. From Q2 2008 to the last quarter, loan production expenses have averaged $7,524 per loan.

Servicing net financial income for Q2 (without annualizing) was $69 per loan, down from $82 per loan in Q1. Servicing operating income, which excludes MSR amortization, gains/loss in the valuation of servicing rights net of hedging gains/losses, and gains/losses on the bulk sale of MSRs, was $88 per loan in Q2, down from $93 per loan in Q1.

"Almost 80% of mortgage companies in the sample posted overall profits, including both production and servicing business lines," Walsh said. "After two of the most challenging years in the mortgage business, many companies are seeing light at the end of the tunnel."



# Default Servicing

## MORTGAGE DELINQUENCIES TICKED UP IN Q2

According to the Mortgage Bankers Association's (MBA) National Delinquency Survey, the delinquency rate for mortgage loans on one-to-four-unit residential buildings grew to a seasonally adjusted rate of 3.97% of all loans outstanding at the end of the second quarter of 2024.

"Mortgage delinquencies increased across all product types compared to this time last year," said Marina Walsh, CMB, MBA's VP of Industry Analysis. "While delinquencies are still low by historical standards, the recent increase corresponds with a rising unemployment rate, which has historically been closely correlated with mortgage performance."

### Key Findings of MBA's Q2 2024 National Delinquency Survey:

- Compared to last quarter, the seasonally adjusted mortgage delinquency rate increased for all loans outstanding. By stage, the 30-day delinquency rate increased 1 basis point to 2.26%, the 60-day delinquency rate increased 3 basis points to 0.70%, and the 90-day delinquency bucket decreased 1 basis point to 1.01%.
- By loan type, the total delinquency rate for conventional loans increased 2 basis points to 2.64% over the previous quarter. The FHA delinquency rate increased 21 basis points to 10.60%, and the VA delinquency rate decreased 3 basis points to 4.63%.
- On a year-over-year basis, total mortgage delinquencies increased for all loans outstanding. The delinquency rate increased by 35 basis points for conventional loans, increased 165 basis points for FHA loans, and increased 93 basis points for VA loans from the previous year.

The delinquency rate includes loans that are at least one payment past due but does not include loans in the process of foreclosure. The percentage of loans in the foreclosure process at the end of the second quarter was 0.43%, down 3 basis points from the first quarter of 2024 and 10 basis points lower than one year ago.

The nonseasonally adjusted seriously delinquent rate, the percentage of loans that are 90 days or more past due or in the process of foreclosure, was 1.43%. It decreased by 1 basis point from last quarter and decreased by 18 basis points from last year.

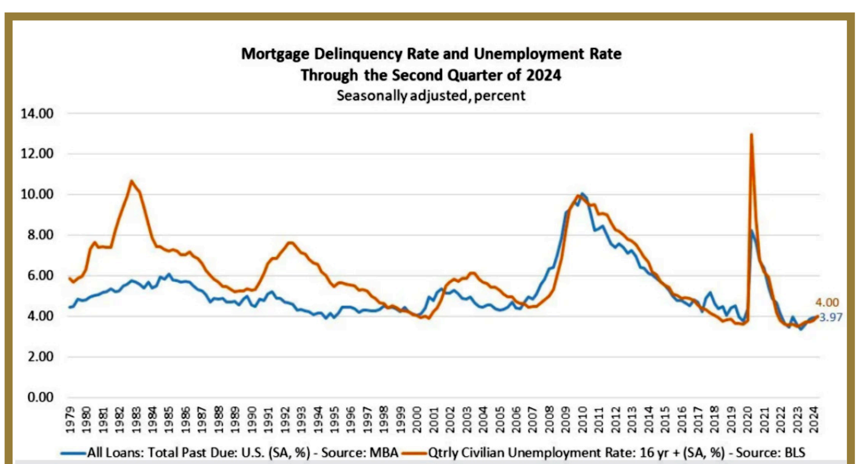
The seriously delinquent rate decreased 2 basis points for conventional loans, decreased 1 basis point for FHA loans, and increased 6 basis points for VA loans from the previous quarter. Compared to a year ago, the seriously delinquent rate decreased by 13 basis points for conventional loans, 54 basis points for FHA loans, and 8 basis points for VA loans.

### The five states with the largest quarterly increases in their overall delinquency rate were:

- Mississippi (58 basis points)
- Louisiana (54 basis points)
- Indiana (53 basis points)
- Ohio (53 basis points)
- West Virginia (52 basis points)

The delinquency rate increased by 60 basis points from a year ago and by 3 basis points from the first quarter of 2024. In Q2, the proportion of loans on which foreclosure proceedings were initiated decreased by 1 basis point, to 0.13%.

"The composition of mortgage de-



linquencies by stage has evolved," Walsh said. "As of the second quarter of 2024, the earliest stage delinquencies—those loans 60 days or less delinquent—accounted for the entire increase from the previous year. Meanwhile, seriously delinquent loans—those loans 90 days or more delinquent or in foreclosure—fell to their lowest levels since 1984 as servicers are helping at-risk homeowners avoid foreclosures through loan workout options that can mitigate temporary distress."

"We continue to see a strong and steady rise in bankruptcy filings across the board, reflecting ongoing financial pressures faced by both businesses and individuals."

—**Michael Hunter**, VP of Epiq AACER

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## COMMERCIAL CHAPTER 11 FILINGS SURGED IN JULY

Commercial Chapter 11 bankruptcy filings surged by 40% in July 2024, reaching 510 filings compared to 364 filings in July 2023, according to data from Epiq AACER. Overall commercial filings also saw a significant rise, increasing by 17% to 2,335 filings in July 2024 from 2,004 in the same month last year.

The total number of U.S. bankruptcy filings in July 2024 was 44,427, a 24% increase from the July 2023 total of 35,727. Individual bankruptcy filings contributed significantly to this rise, registering a 25% increase to 42,092 from 33,723 in July 2023. Specifically, Chapter 7 filings rose by 32% to 25,720 from 19,463 last July, while Chapter 13 filings increased by 15% to 16,307 from 14,211.

"We continue to see a strong and steady rise in bankruptcy filings across the board, reflecting ongoing financial pressures faced by both businesses and individuals," said Michael Hunter, VP of Epiq AACER. "Based on current trends and economic indicators, I expect bankruptcy filing volumes to continue this steady increase throughout the remainder of 2024 and into 2025."

Small business filings under Subchapter V of Chapter 11, however, saw a sharp decline, with 171 filings in July 2024, a 45% drop from June's record total of 308. This decrease followed a statutory sunset that Congress could not extend before June 21. The enhanced Subchapter V debt limit, which had been in place since March 2020, reverted from $7.5 million to $3,024,725. Similarly, the Chapter 13 threshold reverted to a two-part test limiting eligibility to a maximum of $465,275 for unsecured debt and $1,395,875 for secured debt.

"The reversion of the debt limit narrowed the path for distressed small businesses looking to access the cheaper and more efficient process of Subchapter V to restructure their debts," said Amy Quackenboss, Executive Director of the American Bankruptcy Institute (ABI). "ABI is ready to work with members of Congress to provide them with the data necessary to answer questions they might have regarding the benefits that the higher subchapter V debt limit offers to many struggling small businesses in their efforts to restructure, so that more employees can keep their jobs and investors are afforded a better chance to recover their investments."

ABI's Subchapter V Task Force released its Final Report and recommendations to Congress on April 19, advocating for maintaining the eligibility limit of $7.5 million in aggregate noncontingent, liquidated debt for small businesses seeking reorganization under subchapter V. ABI is also launching a portal for subchapter V practitioners and experts to share their experiences on how the increased debt limit assisted small business restructurings.

July's total bankruptcy filings also showed a 10% increase from June's total of 40,276. Individual filings rose by 12% from June's 37,518. In contrast, commercial filings decreased by 15% from June's total of 2,758, and commercial Chapter 11 filings saw a dramatic 48% drop from 989 in June 2024, which included two cases with a large number of related filings. Consumer Chapter 7 filings rose 16% from June's 22,190, while Chapter 13 filings increased by 7% from 15,230 last month.

The data underscores the ongoing financial challenges faced by businesses and individuals alike, with bankruptcy filings expected by Epiq to continue rising as economic pressures persist.

# U.S. FORECLOSURE ACTIVITY RISES AMID MARKET SHIFTS

The U.S. foreclosure market experienced a notable uptick in July 2024, with foreclosure filings increasing by 15% from the previous month, according to the latest report from ATTOM Data, a land, property, and real estate data firm. A total of 31,929 properties across the nation faced foreclosure actions, which include default notices, scheduled auctions, or bank repossessions. This marks a slight 0.2% increase from the same period last year.

Rob Barber, CEO of ATTOM, highlighted the significance of these developments. "July's foreclosure activity reflects a slight shift in the housing market," Barber said. "With an 18% increase in foreclosure starts and a 14% rise in completed foreclosures from last month, these shifts may highlight growing pressures in certain areas. However, soaring home prices continue to spike the value of homes across the nation, boosting equity for homeowners at virtually every stage of paying off mortgages. Monitoring these next few months will help us better understand the implications for the real estate sector."

## Highest Foreclosure Rates in Delaware, Nevada, and Utah

Nationwide, one in every 4,414 housing units had a foreclosure filing in July 2024. Delaware led the states with the highest foreclosure rates, with one in every 2,214 housing units receiving a foreclosure filing. Nevada and Utah followed closely, with one in every 2,245 and 2,289 housing units, respectively. Other states with high foreclosure rates included New Jersey and Illinois.

In terms of metropolitan statistical areas (MSAs) with populations over 200,000, Provo-Orem, Utah, reported the highest foreclosure rate, with one in every 940 housing units facing foreclosure. Macon, Georgia, and Columbia, South Carolina, were also among the top metro areas with significant foreclosure activity.

## California, Florida, and Texas Lead in Foreclosure Starts

Lenders initiated foreclosure proceedings on 21,870 U.S. properties in July 2024, an 18% increase from June and a 4% rise compared to July 2023. California led the nation with 2,342 foreclosure starts, followed by Florida (2,339 starts) and Texas (2,222).

Among major metropolitan areas with populations over 1 million, New York City topped the list with 1,286 foreclosure starts. Chicago, Philadelphia, Miami, and Los Angeles also saw significant numbers of foreclosure initiations.

## Completed Foreclosures Increase by 14%

The report also noted a rise in completed foreclosures, with lenders repossessing 3,282 U.S. properties in July 2024, marking a 14% increase from the previous month. However, this figure represented a 2% decrease from July 2023.

New York led the states with the highest number of completed foreclosures (REOs) at 377, followed closely by California (370 REOs) and Illinois (221). Major metropolitan areas like New York City, Chicago, and San Francisco also recorded significant numbers of completed foreclosures.

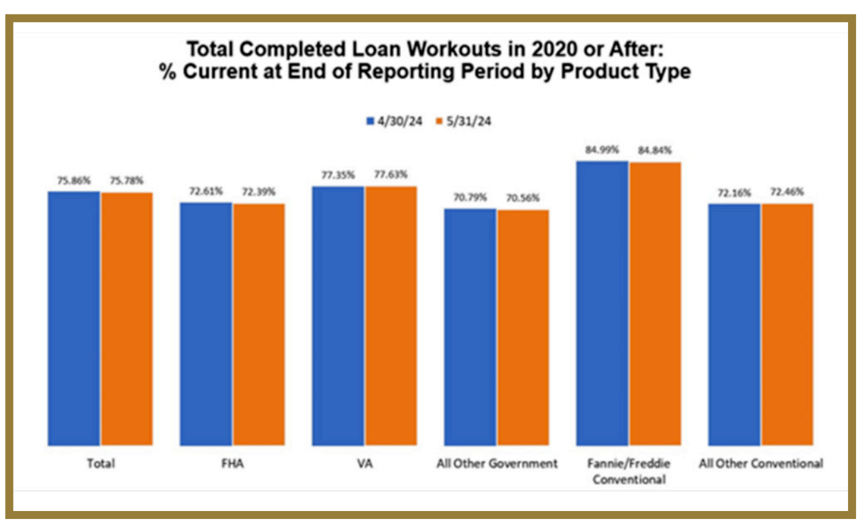
As the housing market continues to navigate these fluctuations, industry experts will be closely watching how these trends evolve in the coming months.

# FORBEARANCES ON THE RISE NATIONWIDE

According to the Mortgage Bankers Association's (MBA) monthly Loan Monitoring Survey, the total number of loans now in forbearance increased from 0.23% to 0.27% as of July 31, 2024. The MBA estimates that 135,000 homeowners are currently in forbearance plans, as the nation's mortgage servicers have provided forbearance to approximately 8.2 million borrowers since March 2020.

"July saw an increase of approximately 20,000 more U.S. homeowners in forbearance compared to the previous month," said Marina Walsh, CMB, MBA's VP of Industry Analysis. "Most of this change can be attributed to recent natural disasters, which accounted for 27% of all loans in forbearance last month compared to 16% in June."

According to the NOAA's National Centers for Environmental Information, four new billion-dollar weather and climate disasters were confirmed in July 2024, including one severe weather event that impacted the southern United States in mid-May, New Mexico wildfires during June and July, one severe weather event that impacted the central and northeastern United States (June 24–26), and Hurricane Beryl (July 8–9).



There have been 19 confirmed weather and climate disaster events to date in 2024, which is second only to 2023 for the highest amount for the first seven months of the year, each with losses exceeding $1 billion. These disasters consisted of 15 severe storm events, one tropical cyclone event, one wildfire event, and two winter storms. The total cost of these events exceeds $49.6 billion, and they have resulted in at least 149 fatalities.

### Key Highlights of the MBA's Findings

» The share of Fannie Mae and Freddie Mac (GSE) loans in forbearance increased one basis point from 0.11% to 0.12% in July 2024.

» Ginnie Mae loans in forbearance increased by 12 basis points from 0.44% to 0.56% in July 2024.

» The forbearance share for portfolio loans and private-label securities (PLS) increased two basis points from 0.31% to 0.33%.

» Total completed loan workouts from 2020 and onward (repayment plans, loan deferrals/partial claims, loan modifications) that were current as a percent of total completed workouts increased to 73.51% in July 2024, up 24 basis points from 73.27% the prior month, but down 227 basis points from May.

» By reason, 66.8% of borrowers are in forbearance for reasons such as a temporary hardship caused by job loss, death, divorce, or disability. Another 26.7% are in forbearance due to a natural disaster, while only 6.6% of borrowers cited, they were still in forbearance because of COVID-19-related reasons.

» By stage, 62.7% of total loans in forbearance were in the initial forbearance plan stage, while 20.1% were in a forbearance extension. The remaining 17.2% were classified as forbearance reentries, including reentries with extensions.

» The five states reporting the highest share of loans that were current as a percent of servicing portfolio were Washington, Idaho, Colorado, California, and Oregon.

» The five states reporting the lowest share of loans that were current as a percent of servicing portfolio: Louisiana, Mississippi, Indiana, Alabama, and West Virginia.

### What Lies Ahead?

With the recent dipping of mortgage rates, Freddie Mac reports in its latest Primary Mortgage Market Survey (PMMS) that the 30-year fixed-rate mortgage (FRM) averaged 6.49% as of August 15, 2024, up from last week when it averaged 6.47%. A year ago, at this time, the 30-year FRM averaged 7.09%.

"While rates increased slightly this week, they remain more than half a percent lower than the same time last year," said Sam Khater, Freddie Mac's Chief Economist. "In 2023, the 30-year fixed-rate mortgage nearly hit 8%, slamming the brakes on the housing market. Now, the 30-year fixed-rate hovers around 6.5% and will likely trend down in the coming months as inflation continues to slow. Lower rates are good news for potential buyers and sellers alike."



# Government

## HUD EXPANDS HOUSING ACCESS TO VETS

The U.S. Department of Housing and Urban Development (HUD) has announced a new set of policy changes that will help more veterans receive assistance under the HUD-Department of Veteran Affairs (VA) Supportive Housing (HUD-VASH) program and improve their access to supportive housing developments.

Veterans experiencing homelessness often receive VA benefits as a result of an injury or illness that was acquired or worsened during military service. Before this change, these benefits were considered income when determining eligibility for certain supportive housing developments—causing some veterans to exceed the income threshold for these programs. HUD's policy changes will help more homeless veterans with service-connected disability benefits gain access to these housing developments.

The VA recently announced that, three-quarters of the way through fiscal year 2024, it has granted benefits to 1.1 million U.S. veterans and their survivors, a record. In total, VA has awarded $137 billion in benefits, including $127 billion in compensation and pension benefits, to veterans and survivors this year.

Additionally, HUD awarded $20 million to public housing agencies to continue to improve the HUD-VASH program.

"No veteran should ever have to experience homelessness, but when they do, they should not face barriers to getting help they deserve," HUD Acting Secretary Adrianne Todman said. "This policy change will ensure that veterans who are receiving the disability benefits they earned through service and sacrifice can access the housing assistance and supportive services they need to resolve their homelessness."

### Immediate Assistance for Homeless Vets

The HUD-VASH Program is a key resource to house veterans experiencing homelessness. HUD-VASH pairs rental assistance through housing vouchers targeted to veterans experiencing homelessness from HUD with case management and other supportive services provided by VA. VA homeless program staff at local VA medical centers identify veterans experiencing homelessness and refer them to public housing agencies that issue vouchers to eligible veteran and their families. VA staff provide case management and other "wrap-around" supportive services to assist the veteran household in finding and entering rental housing, retaining housing, and connecting to health care, employment, and other supports.

"The days of a veteran having to choose between getting the VA benefits they deserve and the housing support they need are finally over," VA Secretary Denis McDonough said. "This is a critical step forward that will help veterans nationwide—and bring us one step closer to our ultimate goal of putting an end to Veteran homelessness for good."

### HUD is expanding access to HUD-VASH for veterans by:

» Requiring public housing agencies (PHAs) that administer HUD-VASH to set the initial income eligibility for veterans at 80% of Area Median Income (AMI), rather than 50% of AMI. The use of this higher initial income eligibility threshold is currently optional and many housing agencies have already adopted the higher threshold, but HUD is now making this increase mandatory.

» Adopting an alternative definition of annual income for applicants and participants of the HUD-VASH program that excludes veterans' service-connected disability benefits when determining eligibility. This alternative annual income definition could be adopted by other housing subsidy programs to determine income eligibility.

HUD has been working with the U.S. Department of the Treasury to determine the effect of the alternative income definition for HUD-VASH participants seeking housing subsidized by Low-Income Housing Tax Credits (LIHTC). The Treasury Department expects to issue guidance on this issue in the near term. HUD will also encourage state and local governments to make corresponding changes in their subsidy programs to ensure that all veterans experiencing homelessness have access to supportive housing.

### Housing 200,000+ Vets

The HUD-VASH program combines HUD's Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the VA. The VA provides these services for participating veterans at VA medical centers (VAMCs), community-based outreach clinics (CBOCs), through VA contractors, or other VA-designated entities.

Since the program's inception, HUD-VASH has assisted more than 200,000 veterans to exit homelessness and obtain permanent affordable housing.

"Every veteran deserves a roof over their head, and the Biden-Harris administration is doing everything we possibly can to end veteran homelessness," White House Domestic Policy Advisor Neera Tanden said. "Today's actions reflect President Biden and Vice President Harris' commitment to breaking down barriers to housing so that every veteran gets the benefits they have earned."

The revised HUD-VASH operating requirements also include additional policy changes that will improve the administration of the HUD-VASH program. This will allow PHAs the authority to:

» Make noncompetitive awards of project-based HUD-VASH contracts to housing projects or units on VA facilities that serve HUD-VASH families;

» Approve exception payment standards as a reasonable accommodation up to 140% of the fair market rent; and

» Set a separate minimum rent policy (including a zero minimum rent) for HUD-VASH participants.

### Additional Assistance to Vets

In addition to these policy changes, HUD has awarded $20 million available for additional administrative fee funding to 245 public housing agencies in 43 states currently administering HUD-VASH. With this funding, PHAs are encouraged to expand their housing search assistance to support veterans, expand landlord recruitment for the program, offer incentives and retention payments, help veterans with security deposits, and provide landlord-tenant mediation activities.

## FANNIE AND FREDDIE POST STRONG Q2 RESULTS

Both government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, have reported their second-quarter financials, as both continue to provide liquidity to the housing market, assisting the nation with the purchase, refinance, and rental of homes.

Fannie Mae reported $4.5 billion in net income for the second quarter of 2024, with its net worth reaching $86.5 billion as of June 30, 2024. In Q1, Fannie Mae reported $4.3 billion in net income, with net worth reaching $82.0 billion.

Freddie Mac reported its Q2 net income at $2.8 billion, a decrease of 6% year over year, primarily driven by a credit reserve build in the current period compared to a credit reserve release in the prior year period, partially offset by higher net revenues. In Q1, Freddie Mac reported a net income of $2.8 billion, an increase of 39% year over year, primarily driven by higher net revenues.

"Fannie Mae had another strong quarter, generating $4.5 billion in net income," said Priscilla Almodovar, President & CEO of Fannie Mae. "Our net worth reached $86.5 billion, further strengthening our financial stability, and our capital position continued to improve. This quarter, we provided $95 billion in liquidity to the housing market, helping 330,000 households buy, refinance, or rent a home. Half of our single-family purchase acquisitions this quarter were loans made to first-time homebuyers, demonstrating that today's housing affordability pressures have not changed the desire to own a home. That's why managing risk and partnering with the industry to help consumers on their housing journeys remain top priorities."

Michael T. Hutchins, President and Interim CEO of Freddie Mac said,

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> **"Today's actions reflect President Biden and Vice President Harris' commitment to breaking down barriers to housing so that every veteran gets the benefits they have earned."**
>
> —**Neera Tanden**, White House Domestic Policy Advisor

"Freddie Mac continued to deliver steady results in a housing market characterized by relatively high mortgage rates and muted home sales. The company remains focused on helping families purchase or rent a place to call 'home.'"

### Fannie Mae Q2 Highlights

In Q2 2024, Fannie Mae reported:

- Net income increased $164 million in Q2 2024, compared to Q1 2024, primarily driven by increases in net interest income and benefits for credit losses.
- The GSE provided $95 billion in liquidity in the second quarter of 2024, which enabled the financing of approximately 330,000 home purchases, refinancings, and rental units.
- Acquired approximately 213,000 single-family purchase loans, of which approximately half were for first-time homebuyers, and approximately 45,000 single-family refinance loans during the second quarter of 2024.
- Financed approximately 72,000 units of multifamily rental housing in the second quarter of 2024; a significant majority were affordable to households earning at or below 120% of area median income (AMI), providing support for both workforce and affordable housing.
- Home prices grew 3% on a national basis in Q2 2024, according to the Fannie Mae Home Price Index.
- The U.S. weekly average 30-year fixed-rate mortgage (FRM) increased from 6.79% as of the end of Q1 2024, to 6.86% as of the end of Q2 2024.

### Freddie Mac Q2 Highlights

In Q2 2024, Freddie Mac reported:

- Net revenues of $6 billion, an increase of 12% year over year, driven by higher net interest income and higher non-interest income.
- Provision for credit losses of $0.4 billion, primarily driven by a credit reserve build in single-family attributable to new acquisitions.
- New business activity of $85 billion, up from $83 billion in the second quarter of 2023.
- Mortgage portfolio of $3.1 trillion, up 2% year over year.
- Serious delinquency rate of 0.50%, down from 0.56% on June 30, 2023.
- Completed approximately 18,000 loan workouts.
- 62% of mortgage portfolio covered by credit enhancements.
- New business activity of $11 billion, down from $13 billion in the second quarter of 2023.
- Mortgage portfolio of $447 billion, up 5% year over year.
- Delinquency rate of 0.38%, up from 0.21% on June 30, 2023.
- 95% of mortgage portfolio covered by credit enhancements.

## HUD DEDICATES $3.5B+ TO HOMELESS ASSISTANCE

The U.S. Department of Housing and Urban Development (HUD) has announced that it will provide more than $3.5 billion in competitive funding to homeless services organizations across the country for supportive services and housing programs for people experiencing homelessness.

"This year's funding opportunity makes available the largest amount of funding in history under the Continuum of Care program and reflects the Biden-Harris administration's continued commitment to tackle the nation's homelessness crisis with the urgency it requires," HUD Acting Secretary Adrianne Todman said. "Nobody should have to live in their car or on the streets. These funds will provide shelter to Americans when they need our help the most."

The competitive funding will be awarded through HUD's Continuum of Care Program, one of the largest sources of federal grant funding for homeless services and housing programs, serving those experiencing homelessness. Nearly 400 Continuum of Care communities apply, and HUD funds approximately 7,000 homeless services projects annually through the Continuum of Care Program. Projects are operated by nonprofit providers, States, Indian Tribes, or Tribally Designated Housing Entities, and local governments.

HUD is issuing a two-year Continuum of Care (CoC) Program Notice of Funding Opportunity (NOFO) as authorized by the Consolidated Appropriations Act, 2024. Communities are only required to submit one CoC application that will be applicable for FY 2024 and FY 2025 funds. This change will streamline the application process and significantly reduce the administrative burden on applicants.

### Keeping Ahead of Inflation

HUD is also applying a first-of-its-kind cost of living adjustment to allow CoC budgets to better keep up with rising costs. This will provide additional pay and support for homeless assistance providers and improve overall service delivery for people experiencing homelessness.

"We don't talk enough about the thousands of providers who work every day to end homelessness," said Principal Deputy Assistant Secretary Marion McFadden for Community Planning and Development. "Our approach this year incorporates the feedback we received from providers to increase support for staff and reduce administrative burden by moving to a two-year application cycle so that staff can focus less time on paperwork needed to submit federal grant applications and more time on their core duties helping people experiencing homelessness."

### Improving Upon Past Projects

As with prior NOFOs, Continuums of Care will have the opportunity to renew existing projects, apply for new projects, and reallocate resources from lower-performing projects to better serve people experiencing homelessness.

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The NOFO contains explicit funding for:

» Survivors of domestic violence, dating violence, sexual assault, and stalking;
» Youth; and
» People experiencing the unique challenges of homelessness in rural areas.

The NOFO will provide at least $52 million for new rapid re-housing, supportive services, and other activities critical to assist survivors of domestic violence, dating violence, sexual assault, or stalking. Approximately $188 million is available for the competitive and non-competitive renewal and replacement of expiring Youth Homelessness Demonstration Program (YHDP) grants.

HUD recently also made available funding for permanent supportive housing under the new CoCBuilds competition and recent efforts to improve the way CoCs address the needs of youth and young adults through the Youth Homelessness System Improvement Grants, and the FY 2023 Youth Homelessness Demonstration Program.

## FHFA ISSUES NEW HOUSING GOALS FOR FANNIE AND FREDDIE

The Federal Housing Finance Agency (FHFA) has issued a proposed rule that would establish the housing goals for 2025-2027 that Fannie Mae and Freddie Mac (the GSEs) would be required to meet on an annual basis. FHFA is requesting comments on all aspects of the proposed rule during the 60-day public comment period.

The housing goals ensure that the GSEs, through their mortgage purchases, responsibly promote equitable access to affordable housing that reaches low- and moderate-income families, minority communities, and other underserved populations.

"Given persistent challenges in the housing market, FHFA is proposing benchmark levels that reflect these dynamics and continue to ensure that the Enterprises remain focused on supporting key affordable housing segments while operating in a safe and sound manner," FHFA Director Sandra L. Thompson said. "The goals proposed today offer a meaningful and realistic calibration that takes into account current and forecasted economic factors."

For the single-family housing goals categories, the Enterprises must meet the benchmark level established in the final rule or meet the actual market level determined retrospectively for the year based on Home Mortgage Disclosure Act (HMDA) data.

The proposed rule would establish a new process for evaluating compliance with the housing goals. Under the current regulation, if one of the GSEs fails to meet a feasible housing goal, the FHFA may require that the GSE submit a housing plan describing the steps that it will take to improve its performance. The proposed rule would provide that FHFA will not require a housing plan if the GSE's performance met the level required by newly defined Enforcement Factors. These Enforcement Factors address, in part, the uncertainty in forecasting the market several years in advance as well as the time lag in determining the actual market level retrospectively.

For the multifamily housing goals categories, the GSEs must meet the benchmark level established in the rule. Each GSE must purchase mortgages on multifamily properties with the target share of units affordable to families in each goal category, as well as meet a subgoal for low-income families in small (five to 50 units) multifamily properties.

Since 2010, the FHFA has established annual housing goals for GSE purchases of single-family and multifamily mortgages consistent with the requirements of the Safety and Soundness Act. The structure of the housing goals and the parameters for determining how mortgage purchases are counted or not counted are defined in the housing goals regulation. The most recent amendments to the housing goals regulation were a final rule published in 2021 to establish benchmark levels for the 2022-2024 single-family housing goals and the 2022 multifamily housing goals, and a final rule published in 2022 to establish benchmark levels for the 2023-2024 multifamily housing goals.

Differences in the proposed benchmark levels relative to prior housing goals are primarily attributable to changes in projected macroeconomic factors that impact market levels for the different affordable housing segments.

## HUD EXTENDS FLEXIBILITIES TO VICTIMS OF HAWAII WILDFIRES

One year after the tragic Maui wildfires, the U.S. Department of Housing and Urban Development (HUD), through the Federal Housing Administration (FHA), has announced new actions to support borrowers in Maui County, Hawaii, whose homes were destroyed during the August 2023 wildfires.

Effective immediately, eligible borrowers and renters in Maui County who lost their homes and are in the process of rebuilding or buying another home, can continue to use FHA's 203(h) Mortgage Insurance for Disaster Victims program to receive up to 100% financing. This latest action underscores the Biden administration's commitment to rebuilding Maui communities and helping families recover from disaster.

The announcements are part of the Biden administration's ongoing coordinated and comprehensive Federal response to ensure the long-term recovery of survivors and impacted communities. The White House outlined the administration's priorities for ongoing and long-term recovery efforts, including moving residents from temporary shelters into longer-term housing solutions, supporting home rebuilding efforts, and ensuring that new homes are climate resilient, so families can stay safe as climate-fueled extreme weather events become more frequent due to climate change.

> "After wildfires hit Maui last year, people's homes were destroyed, and people's lives were disrupted. Immediately after, HUD got to work to help people recover. This included providing support for people who live in HUD-subsidized homes and providing support for people who were homeless."

—**Adrianne Todman**, HUD Acting Secretary

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"After wildfires hit Maui last year, people's homes were destroyed, and people's lives were disrupted. Immediately after, HUD got to work to help people recover," HUD Acting Secretary Adrianne Todman said. "This included providing support for people who live in HUD-subsidized homes and providing support for people who were homeless. With this action, today we are continuing our support for homeowners to ensure that they can rebuild and stay on Maui."

Temporary, Partial Waiver of 24 CFR § 203.18(e)(3) issued lifts the requirement that borrowers apply for 203(h) financing by the first anniversary of the Presidentially Declared Major Disaster. The change allows lenders to offer 203(h) financing to Maui borrowers through August 10, 2025.

According to CoreLogic, the U.S. Department of Commerce reported the Maui wildfires caused more than $5.5 billion in damages and was one of the most devastating in the United States in the last five years. The Hawaiian northwest coastal town of Lahaina was practically reduced to ashes and suffered a disproportionate number of deaths because of these fires that left many residents with nothing.

### Geographic Barriers to Recovery

This new flexibility follows FHA's third extension of its foreclosure moratorium for borrowers with FHA-insured single-family mortgages in Maui County, Hawaii, which now runs through January 1, 2025. FHA is continuing this relief due to the extent of the devastation from the wildfires, the reduced capacity for borrowers to access needed construction supplies and resources, the number of jobs that have not yet returned, and other unique challenges associated with the geographic location of Maui. The extension will provide affected borrowers in Maui County more time to obtain federal, state, and local assistance, to work with a HUD-certified housing counselor, and/or to rebuild without the added burden of dealing with foreclosure actions.

Over the past year, the Biden administration has provided nearly $385 million in assistance to individuals and households for response and recovery efforts, including nearly $300 million to provide safe housing to displaced survivors with damaged or destroyed homes.

According to the U.S. Army Corps of Engineers, 1,399 homes need rebuilding. As the community pursues rebuilding efforts, county officials have only approved a fraction of the disaster recovery building permits submitted by homeowners or their representatives. To illustrate the sluggishness of this process, it is worth noting that the first residential property is currently only in the rough-framing phase, which occurs during the early stages of reconstruction. However, there has been progress on other lots with laying utility lines and foundations.

"We remain committed to doing all that we can to help residents of Maui County recover from the 2023 wildfires," Federal Housing Commissioner Julia Gordon said. "Extending the time to use FHA financing for rebuilding, in addition to extending our foreclosure moratorium, reflects our strong desire to continue helping families trying to rebuild their lives after this uniquely catastrophic event."

Immediately after wildfires hit the community, HUD issued new flexibilities, provided new resources, and ensured that HUD partners on the ground were ready to assist those affected. HUD then awarded more than $8 million in Rapid Unsheltered Survivor Housing (RUSH)—$6.9 million in February 2024 and $1.3 million in August 2023—to address the needs of individuals and families who are homeless or at risk of homelessness and have needs not otherwise served or fully met by existing Federal disaster relief programs.

## WILL HOME PRICES SLOW AS NEW LISTINGS OUTPACE SALES?

According to the July 2024 commentary from the Fannie Mae Economic and Strategic

Research (ESR) Group, strong growth in Q2 home prices was higher than expected but is expected to slow, ending 2024 and 2025 at annual rates of 3% and 6.1%, respectively.

Additionally, some measures of housing activity are still weak despite a more than 30% increase in listings of homes for sale compared to a year ago. Another indicator is the decrease in existing home sales in May compared to the same month last year.

"The housing market continues to wait for affordability to improve," said Doug Duncan, Senior VP and Chief Economist at Fannie Mae, "even as the supply of new and existing homes for sale slowly rises."

### Fannie Mae Insights: 2024 Home Price Forecast

According to the Fannie Mae Home Price Index, home prices were up 3% on a non-seasonally adjusted basis in the second quarter. Going forward, however, this dynamic of steadily increasing supply and affordability-constrained demand is projected to cause home prices to decline. The ESR Group also points out the recent regional fluctuations in listings and property prices.

For instance, many major metro areas in the Sunbelt now have inventory levels that are comparable to or higher than those of the 2019 for-sale inventories. Due to a somewhat lower mortgage rate trend, the ESR Group revised upward its existing home sales prediction while downwardly adjusting its starts and new home sales forecasts.

"The slight decline in mortgage rates of late, following data pointing to gradually slowing economic growth, has not been enough to overcome the significant affordability constraints imposed on would-be homebuyers," Duncan said. "As such, despite more homes being listed for sale, actual home sales have not picked up. We continue to expect home price growth on a national level to decelerate—but remain positive—over the near term, but it should be noted that conditions often vary by region, particularly as it relates to supply."

Duncan continued, "For instance, many Sunbelt metros are currently seeing significant increases in for-sale inventories, in part due to new construction, while supply in much of the Northeast and Midwest remains extremely tight. In aggregate, we expect these varied market conditions to lead to a slight decline in total new home sales nationally for the full year 2024, but a slight increase in existing home sales."

Since incoming data have mostly confirmed expectations for slower growth, the ESR Group has only slightly revised its outlook for economic growth. Notably, the ESR Group revised its inflation forecasts downward and now projects that the Consumer Price Index (CPI) will end the year at 2.9%, while the core Personal Consumption Expenditures (PCE) Index—the Fed's preferred inflation gauge—will end the year at 2.5%. This is due to two consecutive lower-than-expected prints of the PPI.

As a result of improving inflation data and indications of a labor market slowdown, the ESR Group has revised its prediction that the Federal Reserve would lower interest rates in September and December.

## NEW WHITE HOUSE UPDATE AIMS TO BOOST HOUSING SUPPLY

The U.S. Department of Housing & Urban Development (HUD) and the U.S. Department of the Treasury have jointly taken action to provide more interest rate certainty for state and local Housing Finance Agencies (HFAs) that use the Federal Housing Administration's (FHA) risk-sharing initiative with the Federal Financing Bank to finance new construction of affordable housing. Today's actions were implemented to foster and increase the construction of affordable, new homes.

"Let's face it—we don't have enough affordable homes. Here at HUD, we are making changes to build new, quality, affordable homes like never before," HUD Acting Secretary Adrianne Todman said. "Today, alongside our colleagues at the Department of the Treasury, we are announcing a crucial move that will enable our partners to use our financing to build tens of thousands more rental homes for the families we serve."

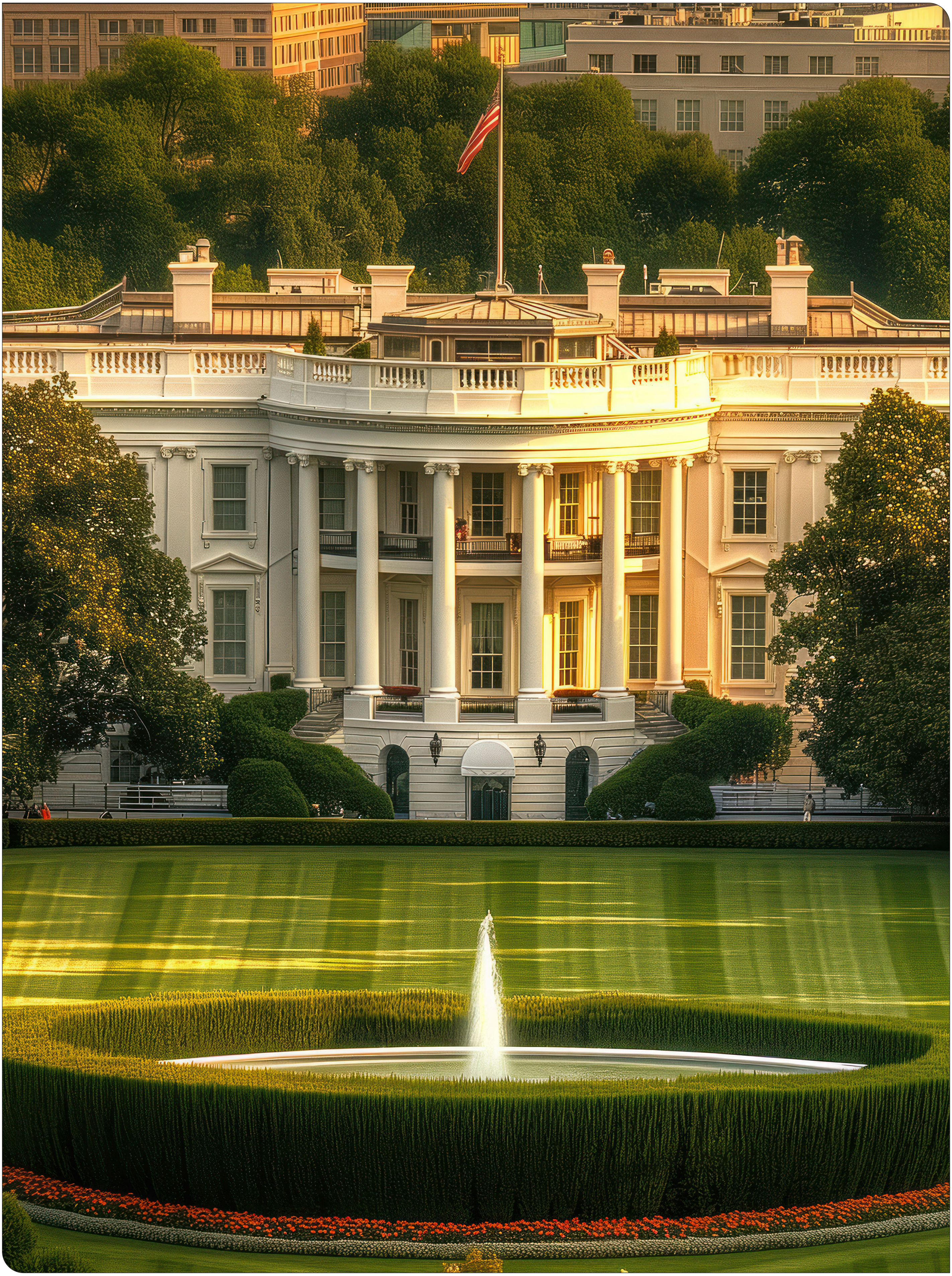
### Outlining the Plan

FHA and the Federal Financing Bank will implement a floor and a cap, called an interest rate "collar," on the benchmark Treasury rate used to calculate the all-in rate provided to Housing Finance Agencies (HFAs). This update to the Section 542(c) Housing Finance Agency Risk-Sharing Initiative will make it easier to use the program, thereby increasing the number of new, affordable multifamily properties that can be developed using risk-sharing program financing.

The Section 542(c) Housing Finance Agency Risk-Sharing Initiative allows eligible HFAs to enter contracts with HUD through which FHA insures multifamily mortgages originated by an HFA that are used to finance the construction or rehabilitation of properties with affordable housing units. Under these contracts, HUD and the HFA share the risk of any potential loss resulting from a default of the insured mortgage. With the FHA insurance credit enhancement in place, the Federal Financing Bank will purchase the mortgage, enabling the HFA to recoup their capital and make other investments in their communities.

"The Biden-Harris administration knows the key to reversing the affordable housing crunch is to take actions that increase housing supply. The Treasury-HUD rate collar initiative will help reduce the cost to construct more affordable housing that is so urgently needed in neighborhoods across the country," U.S. Deputy Secretary of the Treasury Wally Adeyemo said. "Treasury will continue to do everything in our power to make housing more affordable for Americans and unlock greater economic prosperity."

The interest rate collar will be available for Housing Finance Agency-originated mortgages used to finance new construction or substantial rehabilitation of multifamily affordable housing for low-income individuals and families. It



will be provided when an application for FHA-insured mortgage financing is conditionally endorsed by FHA. The final pass-through interest rate for the transaction upon completion of construction will be calculated using the floor and cap benchmark Treasury rates referenced above and programmatic spreads determined by the Federal Financing Bank.

"This innovative solution to rate uncertainty will increase the usefulness and reach of a program that has already developed thousands of new rental homes through collaboration among federal, state, and local housing resources," Assistant Secretary for Housing and Federal Housing Commissioner Julia Gordon said. "It is one of many levers we're turning to increase production of affordable rental housing for low-income individuals and families."

### A History of Risk Sharing

"We believe this important update to the risk-sharing initiative will not only increase the creation of new, deeply affordable housing for the nation's low-income families, it will also provide additional flexibility that will make the program usable by more state and local Housing Finance Agencies and their borrowers," Deputy Assistant Secretary for Multifamily Housing Programs Ethan Handelman said. "This change has long been sought by Housing Finance Agencies, and we're pleased to add it to the program enhancements we've implemented under the Biden-Harris administration."

Since the Biden administration restarted the Risk Sharing Initiative in 2021, the program has already enabled access to more than $2.7 billion in financing for the development or substantial rehabilitation of more than 16,200 affordable rental homes for low-income families, seniors, and persons with disabilities. In February 2024, FHA and the Federal Financing Bank announced they were indefinitely extending the program's availability. FHA anticipates that approximately 38,000 additional affordable rental homes will be created or preserved through the initiative over the next ten years alone.

### The State of Housing Starts

According to the latest National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI), mortgage rates that averaged 6.92% in June continued to put a damper on builder sentiment. The report found that builder confidence in the market for newly built single-family homes was 42 in July, down one point from June, marking the lowest reading reported since December 2023.

"While buyers appear to be waiting for lower interest rates, the six-month sales expectation for builders moved higher, indicating that builders expect mortgage rates to edge lower later this year as inflation data are showing signs of easing," said NAHB Chairman Carl Harris, a custom home builder from Wichita, Kansas.

The July HMI survey also revealed that 31% of builders cut home prices to bolster sales in July, above the June rate of 29%. However, the average price reduction in July held steady at 6% for the 13th straight month. Meanwhile, the use of sales incentives held steady at 61% in July, the same reading as in June.

The month of June found the highest yearly increase in building material prices since February 2023, as inputs to residential construction, goods less food and energy, rose 0.19% according to the most recent producer price index (PPI) report published by the U.S. Bureau of Labor Statistics (BLS). The Index for inputs to residential construction, goods less food and energy, represents building materials used in residential construction. In May, the Index fell 0.26% after rising in April by 0.22%. Over the year, the Index was up 2.65% in June. Year-over-year growth has continued to climb this year, June's increase was the highest since February of 2023. Despite overall inflation declining, prices for inputs to residential construction have accelerated since the start of the year, leaving home builders to continue to deal with higher building material prices.

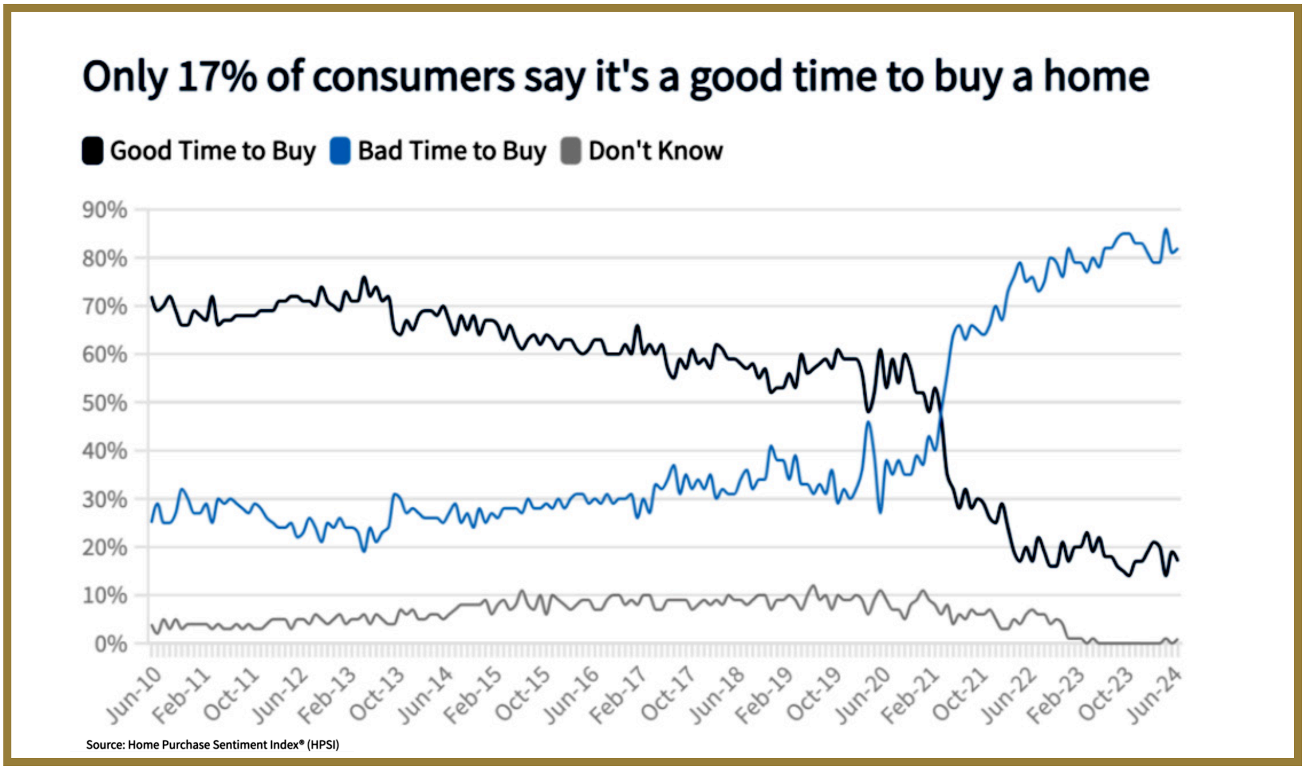
However, more potential buyers may be coming off the sidelines and back into the market, as Freddie Mac reported in its latest Primary Mortgage Market Survey (PMMS) that the 30-year fixed-rate mortgage (FRM) averaged 6.47%—the lowest level reported in a year.

"Mortgage rates plunged this week to their lowest level in over a year following the likely overreaction to a less than favorable employment report and financial market turbulence for an economy that remains on solid footing," said Sam Khater, Freddie Mac's Chief Economist. "The decline in mortgage rates does increase prospective homebuyers' purchasing power and should begin to pique their interest in making a move. Additionally, this drop in rates is already providing some existing homeowners the opportunity to refinance, with the refinance share of market mortgage applications reaching nearly 42%, the highest since March 2022."

## FANNIE MAE WEIGHS IN ON EXISTING HOME SALES TRENDS

According to the Fannie Mae Economic and Strategic Research (ESR) Group's August 2024 commentary, total home sales are predicted to be lower than previously predicted through the end of 2024 and then not significantly increase until later in 2025, even with the recent decline in mortgage rates. In reaction to the more favorable rate environment, purchase mortgage applications have hardly changed, according to the ESR Group, and high-frequency indicators of house purchase demand, such as mortgage applications, showing requests, and listing views, continue to be lower than they were a year ago. the reduction of mortgage rates recently.

Furthermore, a nearly all-time low percentage of respondents to the Fannie Mae Home Purchase Sentiment Index (HPSI) say that now is a "good time to buy" a house. Because of this, the ESR Group has revised down its prediction for total home sales to 4.78 million in 2024 and 5.19 million in 2025. This is because it anticipates that homebuying will not significantly increase until income growth starts to surpass the




growth in home prices and mortgage rates approach 6.0%. As strong builder margins are likely to drive concessions in the upcoming quarters, the ESR Group continues to expect comparative strength in the new home market when compared to existing home sales.

The quantity of newly constructed homes for sale has increased, thus a short-term slowdown in starts is anticipated. current will probably cause future projects to be delayed until current inventory can be sold. By the end of 2024, the ESR Group predicts that mortgage rates will average 6.4%, and by the end of 2025, they will average 5.9%.

### Frustration Remains Evident in Consumer Housing Sentiment

Macroeconomically speaking, the stronger-than-expected GDP estimate for Q2 led the ESR Group to raise its real GDP forecast for 2024 from 1.6% to 1.9%. Nonetheless, considering the historically low savings rate and the very bad July employment report—which showed the unemployment rate rising by six-tenths from the start of the year to 4.3%—a slowdown in growth is still anticipated. Although the ESR Group's base case estimate still calls for a gentle landing, it acknowledges that given the historical correlation between steep increases in the unemployment rate and prior business cycles, the likelihood of an economic downturn has probably increased.

"After absorbing recent economic data, bond market participants now appear to expect slower paths for economic growth and inflation, which contributed to a softening in mortgage rates over the last few weeks," said Mark Palim, Fannie Mae VP and Deputy Chief Economist. "On its face, the lower rate environment should be good for home sales by helping loosen the grip of the so-called 'lock-in effect,' in addition to aiding affordability more generally. However, high-frequency data, such as mortgage applications, home showing requests, and listings views, suggest that many potential homebuyers remain reluctant to make the jump."

The general lack of affordability is still impeding consumer confidence toward the home market, as evidenced by the July decline of 1.1 points in the Fannie Mae Home Purchase confidence Index (HPSI) to 71.5. In June, 19% of consumers said it was a good time to buy a property; this month, only 17% said the same, and 66% of consumers said it was a good time to sell. While they have converged, the shares anticipating rising vs falling home prices over the next 12 months are still quite different, at 41% and 21%, respectively. Over the next year, 29% of consumers anticipate a decrease in mortgage rates, while 31% anticipate an increase. Year over year, the entire index is up 4.7 points.

"Even with moderately lower mortgage rates, affordability remains close to historic lows due to the high level of home prices relative to incomes," Palim said. "We are therefore expecting continued sluggishness in home sales over the rest of the year. One bright spot for the mortgage industry has been the recent uptick in refinance applications, albeit from very low levels."



# Market Trends

## SHARE OF ACTIVE HOMES FOR SALE HITS POST-PANDEMIC HIGH

The market is getting more buyer-friendly due to a combination of increasing inventory levels and price decreases, according to Realtor.com's July housing data. In July 2024, the number of active homes for sale increased by 36.6% from the same month the previous year, reaching a post-pandemic high. At the same time, the percentage of listings with price reductions reached 18.9%, the highest level since October.

"The inventory scars of the pandemic-era housing market are continuing to fade," said Danielle Hale, Chief Economist of Realtor.com. "Although active listings are still short of the pre-pandemic mark, we saw the gap continue to narrow meaningfully as active listings hit a post-pandemic high. As sellers continue to list homes and buyers become choosier, the time a home spends on the market is extending, thereby helping the housing market move in a more buyer-friendly direction. In response, sellers are curbing expectations and reducing listing prices more often which could set the stage for more sales this fall, especially if mortgage rates continue to decline."

### Housing Supply Hits Post-Pandemic High

All four areas experienced year-over-year increases in active inventory in July, contributing to a nationwide increase in inventory. The total number of properties for sale climbed by 22.6% nationwide, marking the ninth consecutive month of growth and exceeding the 22.4% rate from the previous month. Although inventories remain below pre-pandemic levels, the difference between the levels in 2017–2019 and the current levels is decreasing.

The West and the South had the biggest increases, with listings rising by 35.4% and 47.6%, respectively. The inventory gaps between the two regions are also narrowing the fastest; the South's inventory is at 14% below pre-pandemic levels, while the West's stockpile is 19.4% below. The Midwest and Northeast, whose inventory is still 46.8% and 55.5% below pre-pandemic levels, respectively, still have significant gaps that need to be filled.

"In addition to seeing inventory levels rise to heights not seen since before the pandemic, buyers are also seeing sellers cut prices on a much larger share of homes than last year," said Ralph McLaughlin, Senior Economist at Realtor.com. "These are signs that the housing market is healing from an unhealthy

### Sellers Warming Up to Listing Homes and Cutting Prices

The percentage of listings with price reductions rose to 18.9%, the highest level since October of last year, suggesting that more sellers are entering the market and that they may have open minds in light of the recent decline in mortgage rates. The percentage of postings with price reductions increased year over year in all 50 of the major metropolises, while Denver (32.4%), Austin (31.4%), and Tampa (30.6%) experienced the largest increases.

In addition, the number of newly listed properties on the market increased by 3.6% this month over the same period last year, although it was noticeably less than the 6.6% increase seen in June 2024. For the ninth month in a row, there have been more newly listed properties, giving individuals who are ready to purchase greater options and availability.

The number of available house alternatives is increasing, but so is the amount of time properties are being listed for sale. The average time a home spends on the market is 50 days this month, which is greater than it was the prior year for the fourth consecutive month. This indicates that buyers have a better chance than in past months of snagging a home they've had their eye on. Nevertheless, it's still more than a week (8 days) shorter than the average house spent in July from 2017 to 2019, even if it was listed for five extra days in July 2023.

### Active Listings Improve, But Sit on Market Longer

While the number of homes for sale continues to accumulate, it is still not back to pre-pandemic norms. Compared to the same time in 2023, there were 36.6% more homes listed for sale on a typical day in July. This was the largest number of properties listed since the pandemic and the ninth consecutive month of annual inventory growth.

In comparison, June saw a small moderation, rising 36.7% year over year. Even if July's inventory is much better than it was three years ago, it is still 30.6% below average for 2017 to 2019. Given that inventory is still piling up on the market, this represents a continued improvement over the 31.2% deficit from last month.

The inventory of homes in the $200,000 to $350,000 price range increased by 47.3% over the previous year in July, continuing the five-month trend of expansion that has surpassed all other price ranges. But compared to the strong growth rate of 50% last month, this is lower. Smaller, more reasonably priced homes are still more readily available in the South, which is what is causing this growth.

In comparison to the previous year, the total number of homes for sale—which includes those under contract but not yet sold—rose by 22.6%. This was the eighth consecutive month of annual growth, surpassing the 22.4% pace from the previous month.

### The South and West Are Closest to Bridging the Inventory Gap

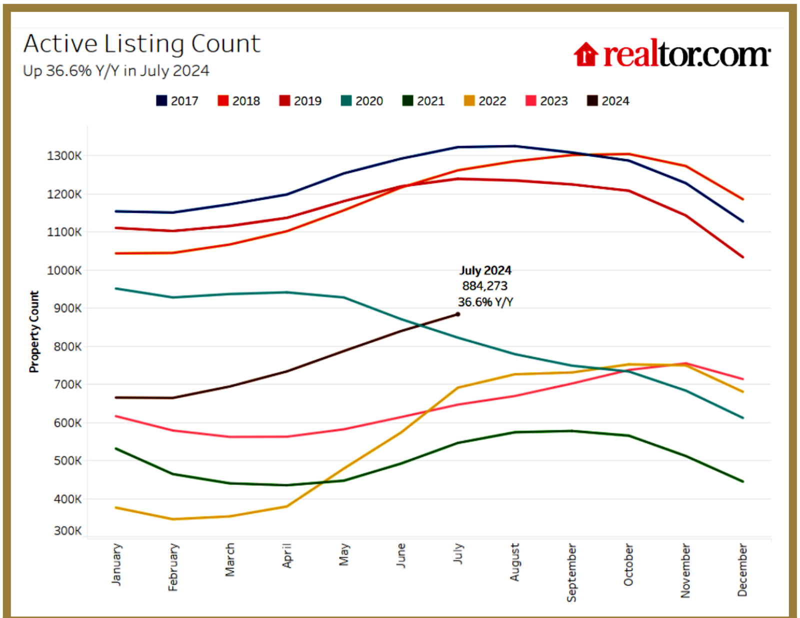
All four regions witnessed an increase in active inventory in July compared to the prior year. Listings increased by 47.6% in the South, compared to inventory growth of 35.4% in the West, 22.7% in the Midwest, and 14.7% in the Northeast. The inventory gap in the South was the smallest, down 14.0% from pre-pandemic levels compared to the normal June from 2017 to 2019 before the COVID-19 Pandemic. In the West, the difference was 19.4%. While in the Midwest and Northeast, it was significantly greater, at 46.8% and 55.5%, respectively.

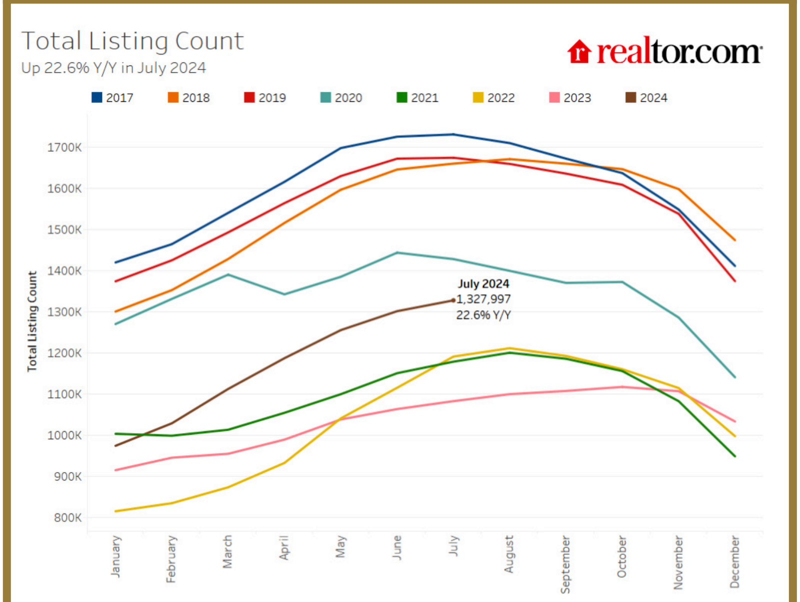
When compared to the previous year, the number of available residences rose in each of the top 50 metro areas. The metro areas with the highest inventory growth were San Diego, California (+77.7%), Orlando, Florida (+78.7%), and Tampa, Florida (+94.9%).

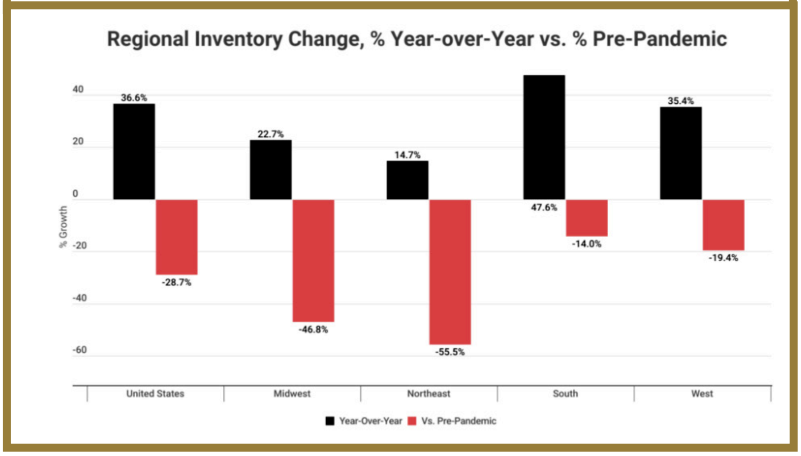
Even though the inventory increase was larger this year than it was the year before, most metro areas still had less inventory than they did in the years before the epidemic. Ten of the 50 biggest metro regions had larger inventory levels in July than usual, ranging from 2017 to 2019. From eight metros last month, this is an increase. The South and West were home to most of the top metro areas where inventory exceeded pre-pandemic levels: Austin, Texas (+39.2%), San Antonio (+25.8%), and Memphis, Tennessee (+25.3%).

In comparison to July 2023, the West saw the most rise in newly listed house inventory—7.3%—while the Northeast, Midwest, and South saw 3.0%, 0.9%, and -0.5% growth in new inventory, respectively. In the South, where newly listed properties were 17.2% below pre-pandemic levels, the difference between newly listed homes and pre-pandemic 2017 to 2019 levels was likewise the smallest. The West had a decrease of 31.2%, the Midwest saw a decrease of 24.9%, and the Northeast saw a decrease of 30.6%.

July showed a decrease from 45 last month to 33 of the 50 major metros having more new listings than the prior year. However, none of the major metro areas had a higher number of newly listed properties in July than they did in June 2017 to 2019. The metros that saw the largest growth in newly listed homes compared with last year included Seattle (+37.3%), San Jose (+30.8%), and Columbus (+17.4%).



# A GROWING NUMBER OF PARENTS AND ADULT CHILDREN ARE COHABITATING

Young adults residing with family for financial reasons, middle-aged homeowners caring for ailing parents or aging grandparents, or close-knit kin cohabiting because they enjoy one another's company—the reasons vary, but, per Pew Research Center, more than 59 million Americans today live in multigenerational households.

That's about four times what it was in the 1970s. Such domestic configurations almost doubled during the past five decades, while other types of household formations grew by far less.

"Driven by financial considerations, elder care needs, and the desire for stronger family connections, multigenerational living has become more commonplace in the United States," said researchers with Lombardo Homes, who conducted a study, hoping to better understand the dynamics of, and American levels of interest in, living in a house with parents, grandparents, grandchildren, adult children, or any combination of adult family members.

"As economic pressures continue to rise, multigenerational households are likely to become an even more practical solution for many American families," the study's authors found.

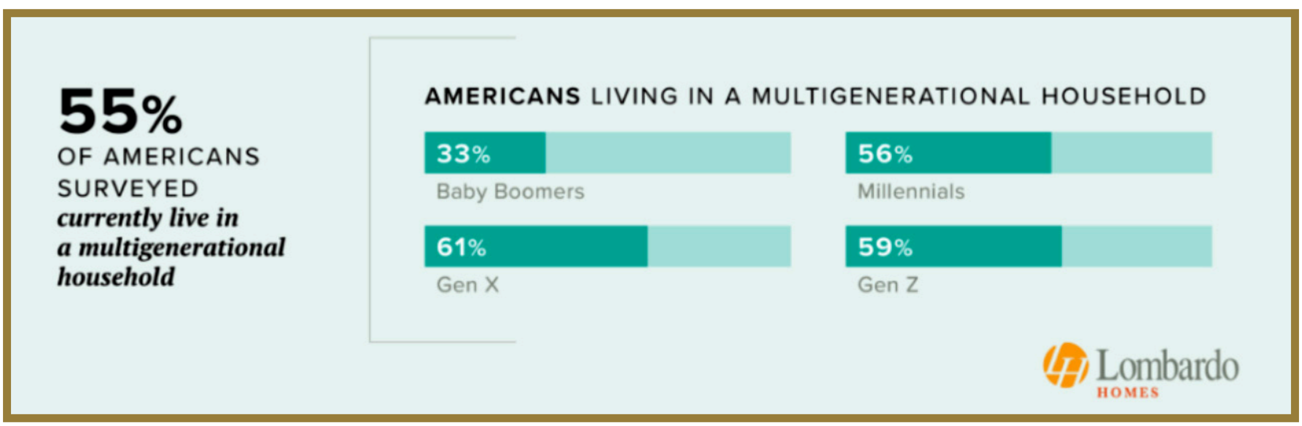
Researchers for the new home construction company determined that, of the 55% of U.S. residents living in multigenerational households, some 61% belong to the 44-59 age group known as Generation X. Generation Z, adults aged 18-27, make up about 59% of multigenerational homesteads. Respectively, 56% of millennials, ages 28-43, and 33% of baby boomers, ages 60-78, belong to multigenerational households.

A collective 95% of those in multigenerational domestic situations say their households function successfully.

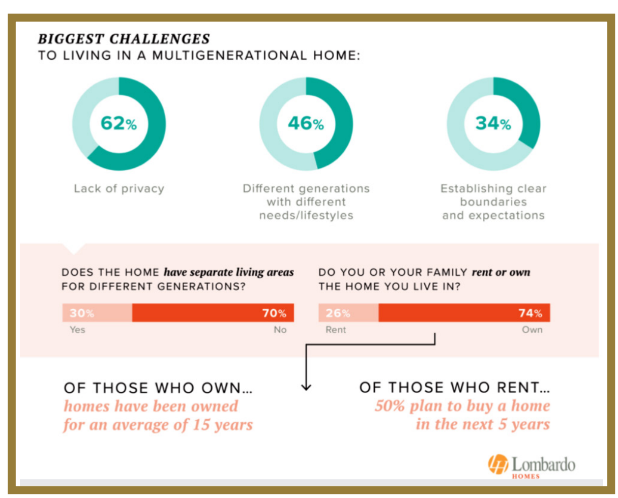
While 65% cited finances as the chief motivator, finances improved for at least one resident in 85% of these households. And in 63%, at least one member was able to continue their education thanks to the arrangement.

Following financial reasons, top explanations for multigenerational living include maintaining close family ties, according to 39%, sharing responsibilities, said 28%, need for eldercare, said 23%, and desire for companionship, noted 22% of respondents from multigenerational homes.

Of respondents not residing in a







multigenerational home, 31% say they are thinking about it. In fact, 33% of Gen X-ers and millennials said they are considering the move, followed by 28% of Gen Zs and 25% of baby boomers.

Most respondents, three of four, would rather live at home with older family members than pay for elder care facilities. And a large majority, some 83%, would choose to have a family member live in their homes to help take care of young children, rather than pay for childcare.

The biggest downside to a multigenerational household, 62% of respondents who live with family said, is a lack of privacy. Establishing clear boundaries and expectations was a challenge cited by 34% of multigenerational household residents who responded.

Of particular interest to sponsors of the study, who are in the home construction business, the house itself is vital to the success of multigenerational life. Just three in 10 surveyed said their homes include separate living areas for different generations, a lack that researchers call a "potential barrier" to multigenerational living.

## RENTING VS. OWNING: THE TRUE COSTS OF HOMEOWNERSHIP

For many American families, moving from renting to homeownership has become considerably more difficult as a result of the housing affordability issue, according to new Creditnews data.

In reality, the monthly cost difference between owning a home and renting, given current mortgage rates and home prices, can reach $10,000 in some major cities. But in what way?

Key Findings:

» All costs included, owning a home is more expensive than renting in all of America's 100 most populous metro areas.

» The monthly cost difference between homeownership and renting varies greatly across the country. It can be as high as $11,303 in San Jose, and as low as $567 in Jackson, Mississippi.

» The metros with the highest homeownership costs relative to renting are mainly located on the West Coast, in Hawaii, and parts of the Northeast.

» Meanwhile, the metros with the smallest difference between homeownership costs and renting are in the South and Rust Belt.

» Excluding other housing expenses, mortgage payments are lower than the average rent in 22 of the metros. That's another reminder for homebuyers to consider all housing costs before pulling the trigger.

Many renting vs. buying studies only take mortgage costs into account. The mortgage itself, however, is only one aspect of homeownership expenses—as many homeowners are aware.

The analysis offers a far more thorough rent vs buy comparison by accounting for all costs associated with buying, such as taxes, insurance, HOA dues, and remodeling expenses in America's 100 most populated metro areas and contrasts average rent pricing with those costs.

### Where Does It Make the Most Sense to Purchase a Home?

The top 10 metros with the smallest difference between renting and total homeownership costs:

1. Jackson, MS
2. El Paso, TX
3. Toledo, OH
4. New Orleans-Metairie, LA
5. Pittsburgh, PA
6. McAllen-Edinburg-Mission, TX
7. Syracuse, NY
8. Scranton-Wilkes-Barre, PA
9. Cleveland-Elyria, OH
10. Augusta-Richmond County, GA-SC

Because their property prices are far lower, the most buyer-friendly metro areas have the smallest disparity between their overall housing expenditures and their rent.

In all of these metro areas, homeownership still costs more than renting, but the difference is less than $900. For homeowners who are building equity by owning a home rather than renting, that's a fair trade-off.

### 1. Jackson, MS

The disparity between average rent and total housing costs is lowest in Jackson. Because the average property price in the area is less than $200,000, residents only have to pay $567 more each month to purchase a home.

### 2. El Paso, TX

The second-most homeowner-friendly metro area is El Paso. Due in significant part to decreased home prices and comparatively higher rent costs, residents incur an additional $646 in monthly homeownership expenditures. more every month to be a homeowner—because the average home costs less than $200,000.

### 3. Toledo, OH

Toledo, the first Midwestern metropolis in the top 10, provides good value for prospective homeowners. At $189,228 for a typical property, one can afford the modest mortgage payment of $1,070. Renters pay $1,220 on average per month, which is $710 less than what owners spend.

### 4. New Orleans-Metairie, LA

In New Orleans, Louisiana, the total monthly cost of homeownership is $2,395 while the monthly cost of rent is $1,678. In other words, people only spend an additional $717 to own a home.

### 5. Pittsburgh, PA

Pittsburgh is reasonably priced for both tenants and homeowners. With an average home price of $217,285 comes $2,178 in total costs associated with owning. That is only $718 more than the rent.

### 6. McAllen-Edinburg-Mission, TX

Affordable real estate is available in McAllen, the second-ranked Texas metro area in the top 10. It is one of three metro areas where rent for a whole month is less than $2,000. There is a $727 monthly difference between rent and buying.

### 7. Syracuse, NY

The upstate metro area of Syracuse, New York, is among the cheapest for homeowners, in sharp contrast to New York City. The average monthly cost of homeownership in Syracuse is $2,295, which is $740 more than the average monthly rent.

### 8. Scranton-Wilkes-Barre, PA

Rent in Scranton is reasonably priced at $1,276 per month, and buying a property doesn't cost much more. The monthly total is $2,056, which is only $780 more than rent.

### 9. Cleveland-Elyria, OH

Cleveland, the second Ohio metro in the top 10, has cheaper housing and smaller mortgage payments than the majority of the nation. Instead of renting, residents pay $874 more a month for property ownership.

### 10. Augusta-Richmond County, GA-SC

Augusta, whose average monthly homeownership expenses are $2,331, completes the top ten. In contrast, the average monthly rent in this metro area is $1,436, meaning that renting is $895 less expensive than owning a home.

### Where Does it Make the Most Sense to Rent?

The top 10 metro areas with the biggest price differential between total homeownership and rental expenses:

1. San Jose-Sunnyvale-Santa Clara, CA
2. San Francisco-Oakland-Berkeley, CA
3. Los Angeles-Long Beach-Anaheim, CA
4. San Diego-Chula Vista-Carlsbad, CA
5. Urban Honolulu, HI
6. Oxnard-Thousand Oaks-Ventura, CA
7. Seattle-Tacoma-Bellevue, WA
8. Denver-Aurora-Lakewood, CO
9. Salt Lake City, UT
10. Boston-Cambridge-Newton, MA-NH

The largest disparity between rent and homeownership expenses is found in the least buyer-friendly metro areas.

The typical rent prices in these metro areas are 62% to 164% more than mortgage payments alone. The difference, when all expenses are taken into account, can reach an astounding $11,303.

San Jose, California, is the metro area with the biggest disparity between average rent and total housing expenditures. The cost of property ownership in San Jose is an astounding $11,303 more per month for inhabitants. Even though San Jose rent is highly pricey on average ($3,360 per month), it's still far less expensive than buying a property.

The following California metro areas made the list: Oxnard, Los Angeles, San Francisco, and San Diego. The cost of homeownership in these places is between $4,961 and $7,615 higher than that of renting. Outside California, urban Honolulu, Seattle, Denver, Salt Lake City, and Boston are also among the 10 least homebuyer-friendly metros.

### Mortgage Expenses vs. Rent Costs

Mortgage payments are by far the largest monthly expense of homeownership, even though there are numerous other fees involved as well.

According to Creditnews estimates, some 78 of the top 100 metro areas have mortgage payments that are more than average rentals. These metro areas are topped by Urban Honolulu, Hawaii, and the California metros of San Jose, San Francisco, Los Angeles, and San Diego.

The average monthly mortgage payment in each of these metro areas is at least $1,000 more than the average rent. Conversely, in 22 metro areas—New Orleans, Jackson, Mississippi, El Paso, Texas, Chicago, IL-IN-WI; Syracuse, New York; and Pittsburgh—the mortgage payment is less than the average rent payment.

## MORE MOVING INTO AT-RISK AREAS

A new report from Redfin has found that scores of people are moving to regions of the nation endangered by wildfires, flooding, and extreme heat. America's high-fire-risk counties saw 63,365 more people move in than out in 2023, with much of that net inflow consisting of those moving to Texas. However, the story differs from state to state, as among California's high-fire-risk areas, more people left than moved in. This trend marks a reversal from 2022's data analysis, indicating that people may be growing more responsive to fire risk in the Golden State.

Data for the study is based on a Redfin analysis of domestic migration data from the U.S. Census Bureau and climate-risk scores from First Street. Census migration data for 2023 covers July 2022-July 2023, and Census migration data for 2022 covers July 2021-July 2022. Redfin defines a high-risk county as one that ranks in the top 10% when it comes to the share of homes facing high fire or flood risk.

Meanwhile, for those at risk of flooding, the nation's high-risk counties saw 16,144 more moves in than out, led by the Sunshine State of Florida which drove a large share of the migration to high-flood-risk counties, but a smaller share than it did in 2022.

The opposite occurred in low-risk areas; America's low-fire-risk counties saw a net outflow of 38,401 people in 2023, and low-flood-risk counties experienced a net outflow of 6,892.

### Insurance as a Factor

"Ballooning insurance costs and intensifying natural disasters are driving thousands of Americans out of risky areas, but those people are quickly being replaced by other people for whom climate change isn't the top concern," Redfin Senior Economist Elijah de la Campa said. "For a lot of Americans, things like cost of living and proximity to family take precedence over catastrophe risk, which can feel less immediate and more abstract. But the cost-benefit calculus seems to be shifting in places like California and Florida, where skyrocketing home insurance costs and an uptick in high-profile disasters have had a tangible impact on residents and made national news."

Roughly one in 11 (or 8.8%) people who plan to move soon cited concern over natural disasters or climate risk as

a reason, according to a Redfin-commissioned survey. However, other responses were much more common: wanted more space (32.4%), lower cost of living (26.4%), and to be closer to family (16.4%), to name a few.

### Things Heat Up in the Lone Star State

Migration to fire-prone Texas fueled a significant portion of the national net inflow to high-fire-risk areas last year. Here's the breakdown:

» A total of 97,535 people moved into high-fire-risk U.S. counties, while 34,170 moved out, which is how Redfin got a net inflow of 63,365 in section one.

» 35,175 of the aforementioned 97,535—or 36.1%—were people who moved to Texas. That's up from 28.7% in 2022. All in all, high-fire-risk counties in Texas saw a net inflow of 30,156—a big chunk of the nationwide net inflow.

» Texas is home to five of the 10 high-fire-risk counties that saw the largest net inflows of people last year. Four of those counties are located in the area surrounding Dallas-Fort Worth, which is home to a lot of state park land.

Texas isn't often the first state that comes to mind when people consider fire risk, but it had more wildfires last year (7,102) than any state but California (7,364), and actually did have the highest number of wildfires in 2022. Aside from California, the Lone Star State also has the greatest number of homes in the Wildland Urban Interface—the part of the country where developed land intermingles with undeveloped land, making it especially vulnerable to wildfires.

### More Fleeing Flood-Prone Houston

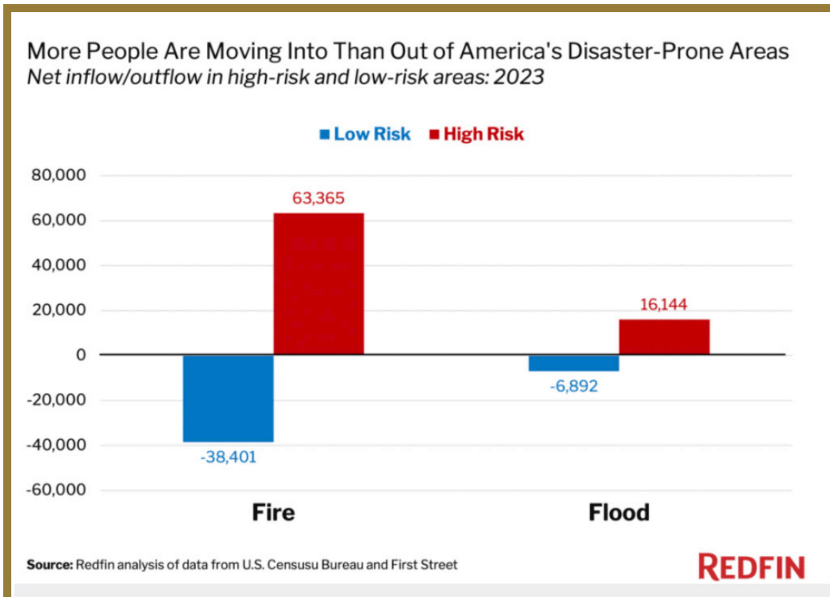
Five high-flood-risk counties in Texas had net inflows of more than 2,000 people in 2023. All are just outside of Houston, which last month grappled with flooding and power outages due to Hurricane Beryl, along with sweltering heat.

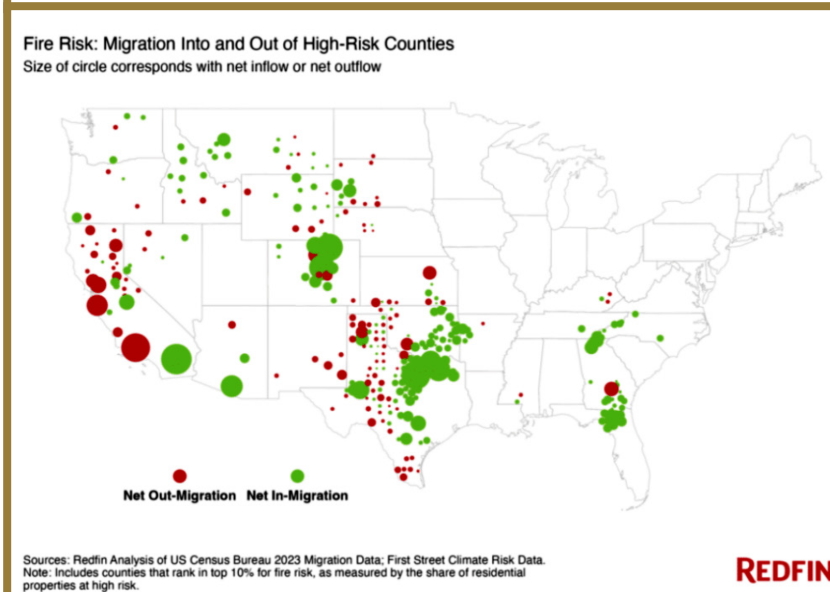
Harris County, which includes Houston proper and also faces high flood risk, is an outlier. It saw a net outflow of 22,792 people last year. That may partly reflect families moving to the suburbs, which gained popularity during the pandemic as remote work allowed people to prioritize things like big homes and access to nature over proximity to the office.

"The main climate issue in Houston is flooding, but the major factor driving me away is the heat. I don't want to go through another Houston summer," Redfin Premier Real Estate Agent Nicole Nodarse said. "But a lot of people are still moving here because they like the low prices and the politics. Homeowners insurance is becoming a big deal, though; it's much more expensive than it used to be, and a lot of people who installed 30-year roofs are now having to replace them after 15 years because some insurers won't cover the home if the roof is older than that."

### More Flocking to Soggy Sunshine State

Migration to flood-prone Florida fueled a sizable chunk of the national net



inflow to high-flood-risk areas last year. Here's the breakdown:

» A total of 219,799 people moved into high-flood-risk U.S. counties, while 203,655 moved out, which is how Redfin got a net inflow of 16,144 in section one.

» 117,574 of the 219,799—or 53.5%—were people who moved to Florida. All in all, high-flood-risk counties in Florida saw a net inflow of 68,564—contributing significantly to the national net inflow. (The national net inflow is smaller than the Florida net inflow because the Florida net inflow was partly offset by outflows in other areas.)

» While Florida's impact on the national figure is large, it has shrunk; Florida accounted for 53.5% of migration to high-flood-risk areas in 2023, down from 57.3% in 2022. This could be because people are becoming more aware of flood risk and surging insurance costs.

» Florida is home to six of the 10 high-flood-risk counties that saw the largest net inflows of people last year. All six are located on the Florida coast.

Miami bucks the trend. Miami-Dade County, where 38.9% of homes face high flood risk, saw a net outflow of 47,597 people in 2023. That's a bigger outflow than almost any other county in the nation. Some people have left due to climate dangers, but many have been priced out due to the surge in housing costs during the pandemic. The median home sale price in the Miami metro area is $555,000, up almost 75% from $319,000 at this time in 2019.

"Miami has gentrified. Many of the people who are selling their homes now are moving elsewhere because they can no longer afford to live here given the rise in interest rates, housing prices, insurance costs, and HOA fees for condo dwellers," said Rafael Corrales, a Redfin Premier Agent in Miami. "A lot of the buyers in the market are paying in cash, which allows them to forgo homeowners' insurance. That means they don't have to deal with skyrocketing premiums, but it also means they're on their own if a storm hits."

Florida, along with California, is in the middle of a housing insurance crisis. Many homeowners have seen their premiums skyrocket, and some have lost coverage altogether because intensifying natural disaster risk has prompted many insurers to stop doing business in the two states. The good news is that homes being built in Florida today tend to be more resilient than older homes because they must adhere to stricter, modern building codes.

"Prospective homebuyers are asking me a lot more questions about natural disasters and insurance costs than they were previously. About three-quarters of the sellers I speak to express frustration over recent increases in their insurance premiums," Corrales added. "If you're looking to buy a home in Florida, you should know that you can't be close to the water without being in a flood zone. If you're within three miles of the coastline, Mother Nature is going to pay you a visit. That's the price you pay for living in paradise."

### A Golden State Exodus

While fire-prone America saw more people move in than leave in 2023, there were still a lot of people who left, and many of them left California:

» A total of 34,170 people left high-fire-risk U.S. counties last year.

» 17,357 of those people—or 50.8%—left California. That's up from 41.9% in 2022, which may signal that people in the Golden State have grown more responsive to fire risk.

» Overall, California's high-fire-risk areas saw a net outflow of 6,937 people in 2023. That marks a reversal from 2022.

California is home to five of the 10 high-fire-risk counties that saw the largest net outflows in 2023. Two of those counties are in and around Napa, which has sustained significant wildfire damage in recent years, and another is north of Lake Tahoe, which has also been hit by wildfires. The remaining two are on the coast—one is next to Santa Barbara and one includes the city of Santa Cruz. Many of these counties also have high home prices, which may be pushing some people out of the area.

"We live between the ocean and the bay, with the beautiful coastal mountains between, which means we have high fire risk, flood risk, and always the potential for an earthquake," said Julie Zubiate, a Redfin Premier Agent in the Bay Area. "I recently had a condo almost fall out of contract because Fannie Mae switched my client from approved to unapproved while under escrow. Fannie Mae decided the home's HOA wasn't protected enough from climate disasters. It took a while, but we found a lender willing to take on the risk—but at a higher cost to my clients."

# FINAL THOUGHTS

In this month's Final Thoughts, experts from Redfin, Realtor.com, and Fannie Mae elaborate on 2024 market trends, the state of mortgage rates and their forecast for the remainder of the year, how homebuyers are feeling about purchasing, and the advantages of renting as opposed to buying for the best financial investment.

## "expect slower paths"

**Mark Palim**, VP and Deputy Chief Economist at Fannie Mae, explained that mortgage rates weakened in August as a result of bond market participants' expectation that economic growth and inflation will proceed more slowly after taking in recent economic data.

★ ★ ★ ★ ★

## "remains sluggish"

**Sheharyar Bokhari**, Senior Economist at Redfin, reveals that although the market is generally slowing, more first-time homebuyers are starting to enter the market due to declining mortgage rates and a rise in the number of properties available.

★ ★ ★ ★ ★

## "all-cash offers"

**Annie Foushee**, a Redfin agent in Denver, disclosed that homes requiring renovations continue to attract all-cash offers from investors, while in an effort to reduce their mortgage payment, traditional buyers are making sizable deposits as the typical down payment for U.S. homebuyers hit a record high in June.

★ ★ ★ ★ ★

## "advantage of renting"

**Ralph McLaughlin**, Senior Economist at Realtor.com, talks about how renting a starting home remains cheaper than buying one in every major U.S. metro area—in line with the downward trend in rents and the upward trend in home prices seen in Q1.

★ ★ ★ ★ ★

## "weary of committing"

**Julie Zubiate**, a Redfin Premier agent in the Bay Area, explained that many homebuyers are either priced out of the market or hesitant of committing to such large monthly payments because home prices, insurance rates, and mortgage rates have skyrocketed.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