



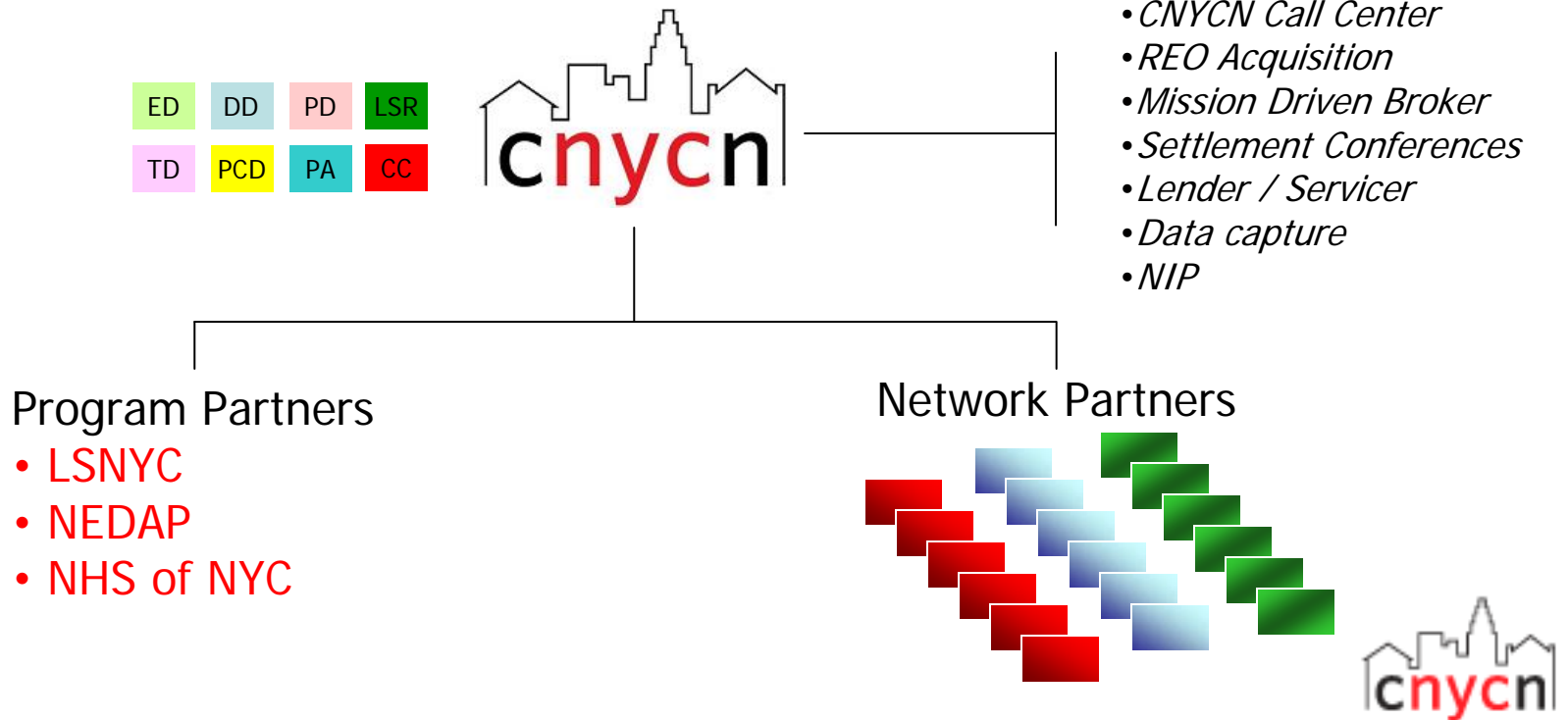
Lender/Service Relations Program
Center for NYC Neighborhoods





CNYCN History & Action to Date

- Small, centralized staff
- Program Partners as subject matter experts
- Network Partners as direct service providers
- Seeks to fill service gaps as needed



Partners

Program Partners

- Three key organizations that provide training, technical assistance and support to our network
 - Legal Services of NYC – legal services and legal issues
 - NEDAP – community outreach, advocacy and education
 - NHS of NYC – housing counseling

Network Partners

- Thirty agencies throughout the five boroughs providing direct services to homeowners.
 - Legal Services
 - Community Outreach and Education
 - Housing Counseling



Network

- Call Center
 - 311 transfers all calls for assistance to CNYCN call center
 - The call center also contacts homeowners prior to mandated settlement conferences.
- Listserv
 - Information and questions are posted to a network-wide listserv
- Monthly trainings
 - CNYCN's Program Partners provide free monthly trainings on topics related to our work
 - This helps us to develop a highly educated network of service providers
- Problem File Workshops
 - Our network regularly troubleshoot files allowing more experienced service providers to assist newer workers.



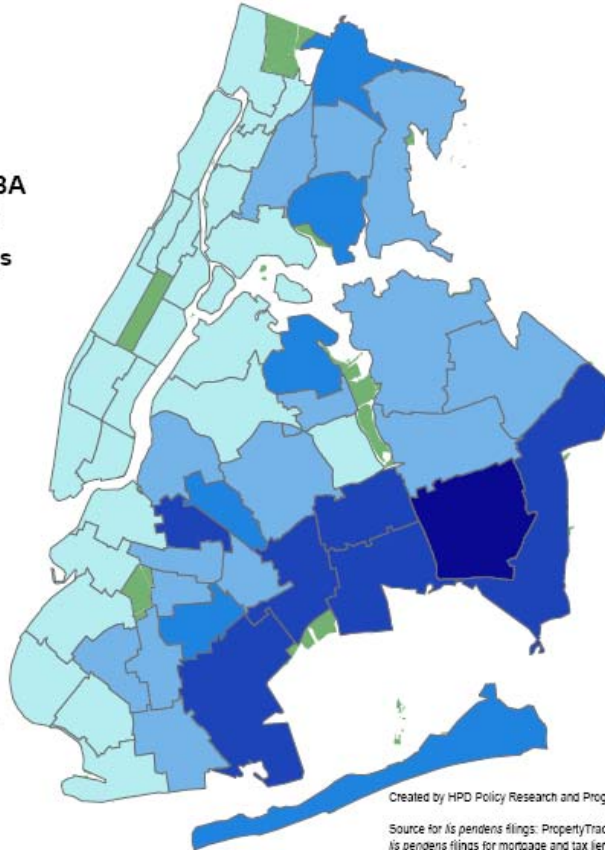
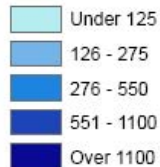
Network

- Technical Assistance
 - Program partners and CNYCN staff are available to assist Network Partners
- Advocacy
 - Network partners are the frontline on how programs are working. They report violations and abuses to us.
 - CNYCN and Program Partners are able to advocate reform using information gathered by our network.
- Reporting
 - CNYCN collects monthly data from the Network Partners
 - Data is collated and we receive a full picture of the foreclosure crisis in NYC

Current NYC Conditions and Forecast

Lis Pendens Filings, by SBA January - September 2009

Count of Lis Pendens Filings



Top Ten SBAs for Lis Pendens Filings, Q1-Q3 2009		
SBA	Name	% Citywide
412	Jamaica	10.3%
413	Bellerose/Rosedale	6.7%
218	Flatlands/Canarsie	5.3%
205	East New York/Starrett City	5.1%
501	North Shore	4.8%
203	Bedford Stuyvesant	4.6%
409	Kew Gardens/Woodhaven	4.0%
410	Howard Beach/S. Ozone Park	4.0%
110	Williamsbridge/Baychester	3.5%
217	East Flatbush	3.2%
Top Ten SBA Total		51.7%

Created by HPD Policy Research and Program Evaluation

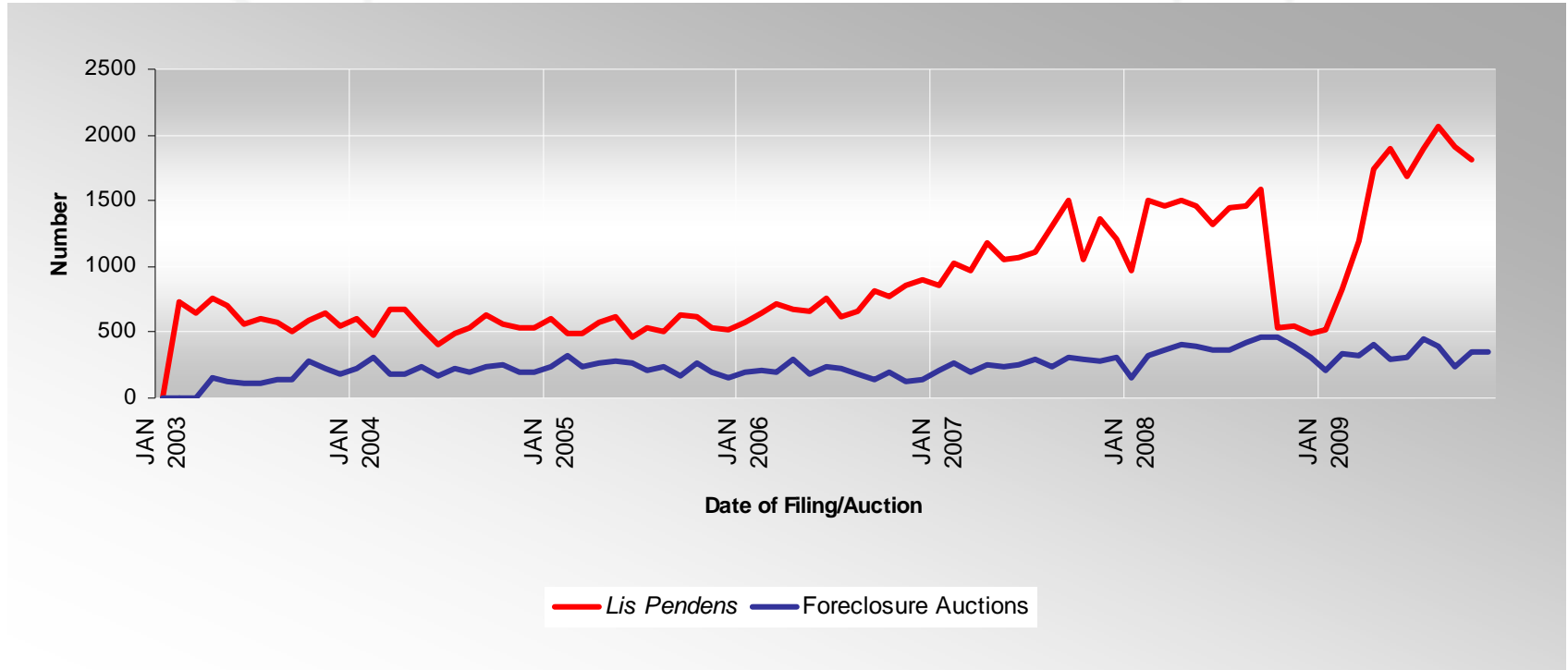
Source for lis pendens filings: PropertyTrac™ (Q1, Q2), PropertyShark™ (Q3). This count includes lis pendens filings for mortgage and tax liens for residential properties, excluding all others. Repeat/duplicate filings are treated as follows: if a lis pendens is filed on the same borough/block/lot (BBL), with the same defendant name, and within the same 365-day timeframe, the lis pendens is counted once, on the first occurrence of the filing.

Source for foreclosure auctions: PropertyShark™. This count includes foreclosure auction listings resulting from mortgage and tax liens for residential properties, excluding all others. Repeat/duplicate listings are treated as follows: if a foreclosure auction is listed for the same borough/block/lot (BBL), with the same defendant name, and within the same 365-day timeframe, the listing is counted once, on the first occurrence of the auction.

Note: Some lis pendens filings and foreclosure auctions could not be linked with an SBA.



Current NYC Conditions and Forecast



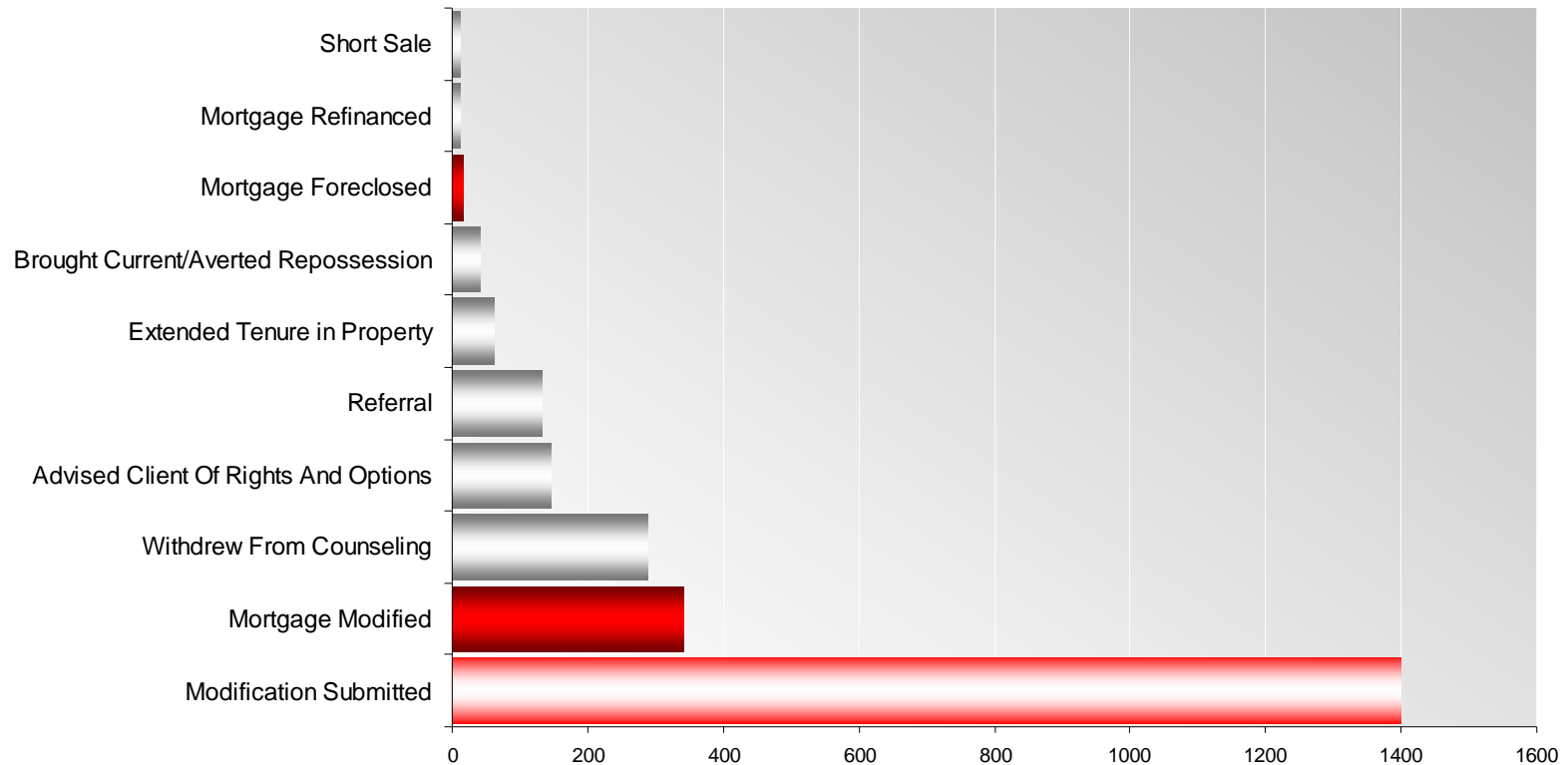
Lis Pendens Filings, quarterly, 2009				
Borough	Jan-Mar	Apr-Jun	Jul-Sept	Total
Bronx	491	648	647	1,786
Brooklyn	1,302	1,939	1,950	5,191
Manhattan	144	202	184	530
Queens	1,447	2,167	2,375	5,989
Staten Island	375	525	638	1,538
Total	3,759	5,481	5,794	15,034

- 15,000 lis pendens '07
- 13,000 lis pendens '08
- 15,000 thru Q309
- **Capacity?**



CNYCN History & Action to Date

Outcomes to date





Lender/Service Program

Launched in October 2009



Need for the Program

- Time - Counselors and advocates were spending huge amounts of time following up on modification applications.
- Relationships – Agencies had excellent relationships with lending and community development arms of banks, but little contact with the servicing and loss mitigation departments.
- Accountability – Applications were submitted repeatedly due to lost documents.
- Dependability – Servicers changed their phone numbers, fax numbers and escalation contacts regularly without notification.
- Communication – We did not understand the servicers and they did not understand us.
- Transparency – Servicers are not sharing the reasons for their decisions or their net present value (NPV) models.

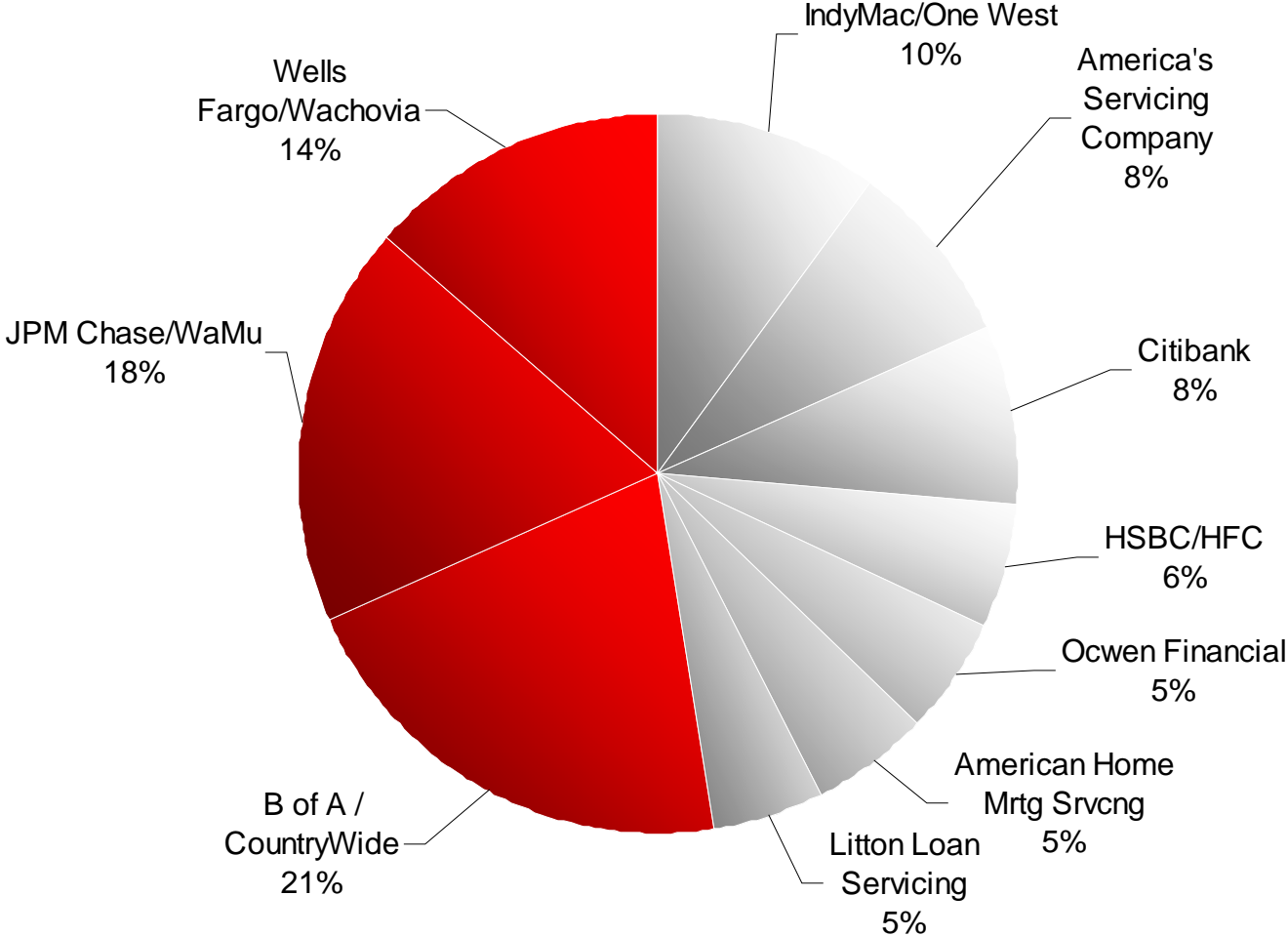
The Idea

- Develop relationships with servicers
- Begin with the servicers holding the highest number of loans
- Centralized escalations
- Network access directly to designated servicing staff
- Learn what the servicers want and need then educate our network
- Work together to prepare eligible clients for proper loss mitigation options



The Top Servicers

Servicers by %



First Steps

- Reach out to lender/servicers and begin developing relationships
- Fund and hire a Director of Lender/Servicer Relations
- Create a pilot program
- Begin with escalations

Initial Challenges

- The learning curve – Lender/Service providers were just getting up to speed on HAMP
- Size of the institutions – Our small network was often more knowledgeable on HAMP than the large companies that service the loans.
- Different corporate attitudes...

Tale of Two Servicers

**Both assigned
high level VP to
work with
CNYCN**

**Both assigned
a manager to
be our main
escalation
contact**

**Assigns most cases to
the same adjustor**

**Cases pass through as
many as 7 people via
forwarded emails**



Tale of Two Servicers

Examples of Escalated Files

Bank A

- FHA loan at imminent risk of default
- Client's temporary HAMP modification payment check returned as unreadable.
- JUMBO loan modification

Bank B

- All HAMP
 - Investor will not allow modifications. Investor is a HAMP participant
 - HAMP denial without fully applying the waterfall
 - Hearing impaired client denied modification because he did not speak to them on the phone.
 - Loan transferred to non-HAMP servicer in the middle of application



Tale of Two Servicers Process

Bank A

- Usually responds via email within 24 hours.
- Provides full details of their offer.
- Negotiates with the investors prior to making an offer.
- Average time from escalation to resolution is one week.

Bank B

- Does not acknowledge receipt of request.
- Must be “nagged”
- Responds by telephone without scheduling a call.
- Sometimes does not respond to CNYCN or the counselor at all.
- Average time from escalation to resolution is more than one month

Tale of Two Servicers Results

Bank A

- Eleven cases escalated
- Eight resulted in the requested option
- Three were offered a sustainable alternative solution.
 - The client whose check was returned had their HAMP reinstated and set up a direct payment plan.

Bank B

- Five cases escalated
- Only one case resulted in the requested option, but we were not notified.
 - The client that thought he was offered HAMP had a non-HAMP modification. We were told to re-apply for HAMP.
 - The hearing impaired client was required to reapply. They would not reopen his closed file.
 - They refused to do anything for the client transferred during application.



Tale of Two Servicers

Next Steps

Bank A

- Replicate the Bank A model with other lender/servicers
- Develop a new process for our network to submit applications to designated team at bank
- Access their NPV model to determine client eligibility
- Work together to screen clients for eligibility and sustainability prior to application
- Implement a trial to permanent monthly escalation process to convert HAMP

Bank B

- Request new contacts and a team approach similar to Bank A
- Take our experience record to a higher level in their institution
- Share our experiences with their regulator
- Share our experiences with press and media



Future Possibilities

- Access to newly developed portals which would allow service providers to share files with lender/servicers – No lost packages.
- Temporary to Permanent HAMP workshops
- Designated contacts at every lender/servicer
- Transparency in loss mitigation similar to those already established in lending
- Sharing best practices and information gathered with other networks throughout the country
- Joint advocacy toward servicing reformation



end



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