THE VOICE OF THE FORCE

NEWS BRIEF

High Delinquency Rates a 'Critical Situation'

But could this mean receding home prices in 2021?

The latest **First Look mortgage loan performance data report**, from Black Knight Inc. on the state of mortgage delinquencies, offers some glimmers of hope though mixed with statistics pointing to continuing problems across the housing market.

First, the good news: mortgage delinquencies in November totaled 6.33%, down from 6.44% in October. November marked the sixth consecutive month of improvements in mortgage delinquency rates. And the national delinquency rate fell 1.5 percentage points from its peak of 7.8% in May.

Furthermore, November saw a total of 4,400 foreclosure starts and 176,000 loans in active foreclosure—both the lowest Black Knight has reported since it began tracking in 2000. There was also a positive breakthrough in early-stage delinquencies, which have fallen below pre-pandemic levels.

However, not all of the news is worth celebrating. Black Knight noted the national delinquency rate is a full three percentage points above pre-pandemic levels while seriously past-due mortgages remain 1.8 million above pre-pandemic levels.

Black Knight also noted prepayments fell 11% from October's 16-year high, adding that prepay activity will likely remain elevated for the near future due to record-low interest rates and refinance incentives at an all-time high.

Michael Sklarz, who leads Black Knight Data and Analytics' Collateral Analytics team, predicts many homeowners facing expiration of their forbearance plans under the CARES Act, might put their properties up for sale rather than face mortgage delinquency.

"There are millions of homeowners currently in forbearance across the country who will lose those protections throughout next year and—depending on their ability to return to performing status—may find themselves facing foreclosure," Sklarz writes on the Black Knight blog. "This is, of course, assuming the Joe Biden administration doesn't extend the moratoriums currently in place. Regardless, we may very well see a meaningful increase in the number of homes listed for sale as these borrowers choose to sell at what is arguably an intermediate top in the market and downsize to more affordable homes rather than face foreclosure."

Sklarz added that this scenario, which would suddenly pump housing inventory levels higher, could result in home prices going down with equal speed.

"Combined with overbuilding of new housing units, this could create a situation not unlike that seen following the housing crash in 2007-2008. That took many years to resolve, and we saw inland United States real estate market prices move sideways for an extended period of time," he said. "While there are still too many uncertain factors at play to outright declare a real estate bubble, we do see the potential for correction in markets both inland and coastal. It's a critical situation that will require highly accurate data and experienced insight to analyze in the coming months."

Reports show the highest delinquency rates are in New Jersey, New York, Nevada, Florida, and Hawaii.

For more information on the FORCE contact Bill Hockensmith at William.Hockensmith@TheFiveStar.com or 214.525.6740.

FROM THE CHAIR

I am so excited to be your chair as we enter a new chapter in 2021. I will continue with the traditions our past chairs have worked so hard to achieve, and I hope to work with you all to create new ones. This year will be like no other, but I promise we will get through it together. Some of you may have served in the council before; some of you may be new. Whoever you are, I value you, your ideas, and the experiences you bring to the table. I promise to listen to all of you as we work together to get more done.

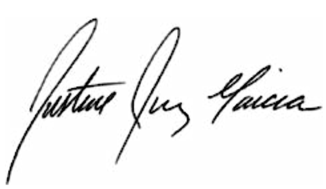
Some of my recommendations for a successful year include:

Firstly, prioritizing your professional development will be key for career growth in 2021. For example, there are many certification trainings, products, and services available to you through your FORCE membership that I urge you to utilize for professional development.

Secondly, safety is also a key component of our agenda as we move forward. We should follow current protocols set in place in order to protect ourselves and our communities. It is important we follow our state governors' briefings and any executive orders that may follow as circumstances change.

During these unprecedented times, we will continue to be affected by COVID-19 and its impact on our economy as moratoriums come to an end. However, these new challenges will make us better, so we must be ready to rise to the occasion together. I urge you to use this time to reinvent yourselves and challenge yourselves to be innovative. Most importantly, practice patience and gratitude, and remain optimistic about our future together. We are all in this together, and I am happy to serve you for another year as your FORCE Chair.

Best regards,



Justine Jimenez Garcia
FORCE Advisory Council Chairperson
Founder and Principal Broker, Countrywide Properties ERA

JUSTINE JIMENEZ, COUNTRYWIDE PROPERTIES ERA

Justine Jimenez Garcia is Chair of the Five Star FORCE Advisory Council, and Founder and Principal Broker of Countrywide Properties ERA, based in Miami. She has more than 20 years' full-service real estate industry experience and 12-plus years of experience managing and selling REO properties in surrounding areas. Countrywide Properties ERA provides services related to REO, property management, short sales, and residential and commercial sales. Employees are bilingual and the company is 8(a) certified, and women and minority-owned.

MEMBER INSIGHT

How to Get and Keep REO Clients

REO sellers have many needs—learn how to meet them and stand out from the crowd.

By Jim Hastings

Real estate agents often ask me: "How can I start selling REO for a lender?" or "How do I get more assignments?" My typical reply is they need to serve their current clients well. I use the analogy of cream rising to the top. You simply look at what is needed by the REO seller and figure out how to best meet those needs.

REO sellers have many needs, but right now they're talking mostly about repairs and the listing agent's ability to handle them properly. REO repairs are important aspects of handling an REO property as it impacts the time on market and return on investment (ROI). It is common for an REO listing agent to not know how to scope repairs well and be unable to estimate the cost of their scoped repairs.

I have a Main Rehab scope form I use as a checklist to draft the scope. Many REO sellers will also provide a scope form to their agents. Once the scope is drafted, I often will send the completed scope, with photos, to others in our office to ensure nothing needs to be changed, particularly with respect to design color and selections. I keep in mind upgrades, paint color(s), kitchen backsplashes, yards, etc. Once the scope is settled, I bid (price out) my own scope.

I learned how to bid a scope by asking multiple contractors for help and I continue to ask them to this day to fine tune my system. Also, looking at the contractor's final bid once submitted and comparing it to my estimated bid allows me to refine my ongoing numbers and process. The upfront bid cost estimate is vital to properly estimating the as-is and as-repaired values on the broker price opinion (BPO). I will use a range of 120% to 160% of my estimated repair total for my spread between the as-is and as-repaired values. One of my REO clients told me they get, on average, a $1.60 return for every $1 they put into repairs, however different areas of the country will have different spreads. The listing agent needs to figure out the accurate spread in his/her area by researching what as-is and repaired homes sold for, then divide against the repair cost.

Strong business relationships are more beneficial to future success than accomplishments. Don't get stuck on accomplishments at the expense of strong, ethical relationships.

An REO agent's job is to evaluate each REO assignment individually and then recommend the correct strategy to the seller. Understanding repairs and their return is an extremely significant part of any recommendation. Sometimes repairs will not be cost effective or the seller isn't interested in repairing the property. Typically, most REO sellers will do repairs if the repairs and rationale are well presented. This often involves getting needed inspection reports upfront, if possible, so the bids will be accurate. In addition, multiple contractor bids often will be required and need to be done upfront.

In my last article from fall 2020, I went over relationships with contractors. Now is the time for all REO agents to be making those relationships stronger. Strong business relationships are more beneficial to future success than accomplishments. Don't get stuck on accomplishments at the expense of strong, ethical relationships. Again, the cream will rise to the top and agents that learn how to handle repairs well will be noticed. This is what home flippers do and you will provide great value to an REO seller if you have perfected the same skill set.

Malta also stated: "While we celebrate home ownership month, we embrace today's version of home ownership and the unique paths homeowners take to realize their dream. For prospective buyers, the desire to own a home remains strong and the guidance, expertise, and professionalism Realtors provide is more important now than ever."

JIM HASTINGS *is Vice Chair of the Five Star FORCE Advisory Council. He is also the broker of Hastings Brokerage, Ltd., a Las Vegas real estate firm that has, since 1984, specialized in helping mortgage servicers and residential real estate portfolio managers with their complete REO process He has a bachelor's degree in real estate from Arizona State University and has closed more than $1 billion in residential REO.*

For more information on the FORCE contact Bill Hockensmith at William.Hockensmith@TheFiveStar.com or 214.525.6740.

MEMBER INSIGHT

To Infinity and Beyond

With 2020 behind us, what are some of the things we might expect in the housing market over the next few years?

By Steven Pagano

Demand Will Remain Strong

The recent home buying surge has been due, in part, to the incredible number of Millennial purchasers.. While this demographic has long been thought as perennial renters, this group has been a significant driver of the current housing market—a trend that may continue for quite some time.

Another consideration worth mentioning is that purchase volume has surged nearly 200% in some markets over the last year for buyers purchasing second homes. As more and more families have the option of working remotely, and with interest rates at all-time lows, it appears this has become an attractive option for those who can afford to do so. Additionally, the shortage of inventory across both lower and higher price points, and across a broad range of markets, should contribute to keeping demand strong for much of the year.

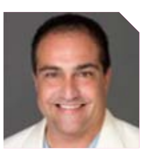
Low Interest Rates ... For Now

While it seems improbable we will see any dramatic shifts in monetary policy over the next several months, recent forecasts from Mortgage Banker Association chief, Mike Fratantoni, suggests that 30-year fixed-rate mortgages could reach around 3.3% in 2021. While mortgage rates hit record lows in 2020, it is not likely to be the case in 2021, as investors take money from safer investments and place them in riskier assets with higher returns.

Forbearance Activity

A significant number of borrowers are currently in active forbearance programs. Recent data from Black Knight indicates as many as 2.77 million loans, accounting for 5.2% of all active loans nationwide, are in forbearance agreements. Recent CoreLogic analysis has the overall national delinquency rate for August 2020 at 6.6%. While these numbers on their own are staggering, the more recent decline in transition rates may signal more optimistic outcomes, as servicers continue to find new and creative ways to keep borrowers in their homes.

While most of the planet will be happy to put 2020 on the back burner, we may also be optimistic next year will be brighter and more predictable for everyone.



STEVEN PAGANO *has been a member of the Five Star FORCE Advisory Council since 2017. He is an REO broker with Pagano Properties in Long Island, NY, and First Hawaiian Realty in Honolulu, Hawaii. He has more than 20 years in the banking sector, and 10 years helping REO clients, specializing in all aspects of the default market transaction. This includes asset valuation and preservation, cash for keys, marketing, inspection++. In addition to working with REO, short sale, HUD, estate sales, judicial, and private equity firms, he is also a speaker for investment groups with a focus on real estate.*

NEWS BRIEF

Foreclosure Moratoria and the Distressed Auction Market

How high will default rates get in 2021? Is your state above average?

Despite widespread moratoriums on foreclosures, completed foreclosure auctions are percolating according to the **Q4 Distressed Market Outlook** from **Auction.com**.

While remaining below 78% below year-ago levels, September saw a 24% uptick of completed foreclosure auctions; of a six-month high.

That said, the moratorium has played a part in creating a backlog of likely foreclosures Auction.com analyses estimate will grow to more than 1.1 million by Q2 2021.

Colorado paced the list of states with an above-average share of 92% from year-ago foreclosure volume in September. Rounding out the top states were Oklahoma, 86%; Kentucky, 56%, Arkansas, 54%; and Indiana, 49%.

Conversely, among states with a below-average share of year-ago foreclosure volume, were New York, Oregon and New Jersey, all at 0%. Washington and Massachusetts came in at 5%.

"Foreclosure supply is slowly returning to the market as servicers refine their vacant or abandoned procedures and as states gradually open up," said Ali Haralson, chief business development officer at Auction.com. "These vacant or abandoned properties, which are exempt from the national foreclosure moratoria on government-backed mortgages, benefit neighborhoods when they are returned to occupancy."

Meantime, the demand for distressed properties—both at foreclosure auction and for online auctions of bank-owned (REO) properties, hasn't taken a backseat.

"Nearly all properties now being foreclosed are vacant or abandoned, which means those foreclosures represent a distressed, unoccupied home that can now be returned to the housing market and occupied by a buyer or renter," said Jason Allnutt, CEO at Auction.com. "Furthermore, renovated foreclosures often provide an affordable housing option for retail buyers and renters."

Auction's remote bid technology is adding to the changes at foreclosure auctions.

"Buyers are showing up in force at the live foreclosure auctions, both in-person and now also virtually, thanks to the Remote Bid feature on the Auction.com mobile app," said Steve Price, senior vice president of trustee operations at Auction.com. "Where available, this feature allows buyers to participate in real-time at the auction from just about anywhere."

The July 2020 United States Foreclosure Market Report, released by **ATTOM Data Solutions**, showed there were a total of 8,892 U.S. properties with foreclosure filings—default notices, scheduled auctions or bank repossessions—in July 2020, down 4% from a month ago and 83% from a year ago.

"Even as mortgage delinquency rates climb, foreclosure activity

Buyers are showing up in force at the live foreclosure auctions, both in-person and now also virtually, thanks to the Remote Bid feature on the Auction.com mobile app,

continues to be artificially low due to moratoria put in place by federal and state governments," said Rick Sharga, EVP at RealtyTrac (an offspring of ATTOM). "It's inevitable that there will be a significant increase in foreclosures once these moratoria have expired, although it's unlikely we'll see default rates reach the levels we saw during the 2008 recession."

Stay in Touch with the FORCE!

Search Facebook for The Official Five Star FORCE group

For more information on the FORCE contact Bill Hockensmith at William.Hockensmith@TheFiveStar.com or 214.525.6740.

Q & A

Economic Rundown

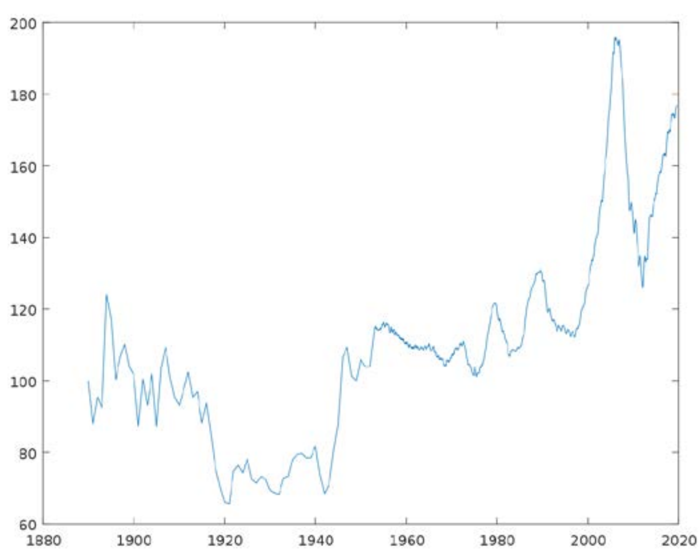
We sat down with NAR Chief Economist and SVP of Research, Lawrence Yun to understand the role housing will play toward economic recovery in 2021.

Lawrence Yun is responsible for a wide range of research activity for the National Association of Realtors (NAR), including existing home sales statistics, the Affordability Index, and the Home Buyers and Sellers Profile Report. He regularly provides commentary on real estate market trends for its 1.3 million Realtor members. Yun creates NAR forecasts and participates in many economic forecasting panels, among them the Blue Chip Council, the Wall Street Journal Forecasting Survey, and the Industrial Economists Discussion Group at the Joint Center for Housing Studies of Harvard University.

Q: In 2020, foreclosure moratoriums were put in place to assist homeowners impacted by the pandemic. Was this enough to prevent homeowners from becoming foreclosed upon?

Yun: With another 10 million jobs recovery needed to get us back to the pre-pandemic employment, the delinquency rises are unfortunately expected. The foreclosures are being held back at least until March 2021. It is possible for the timeline to be extended under President Biden's administration, should the jobs recovery hit a bump. As to the housing equity, it is good news in the current environment as some delinquent homeowners have the option to sell, and still have positive equity because of strong gains in home prices.

Case–Shiller index



https://en.wikipedia.org/wiki/Case–Shiller_index#/media/File:Case–Shiller_Index.svg

Q: Recently, we have seen home values spike. When do you think values will level out?

Yun: Depends on supply, and the tight supply will be with us throughout 2021. Only around 2022, with more consistent growth in homebuilding, will the balance market prevail at which prices can rise around 3%.

Q: Do you think the housing market can be the primary driving force behind a rebound in the overall economy?

Yun: The housing sector has been one bright spot of the economy. Given the need to build more homes, and expected strong housing demand thanks to low interest rates, the housing sector will contribute to broader economic growth.

Q: You are forecasting 20% total growth in new home sales in 2021, as well as a 3% overall increase in existing-home sales. Do you see the housing market as artificially supported by payment moratoriums and stimulus money? What effect do you see the backlog of delinquencies having when these support structures end?

Yun: The demand is high because of low interest rates, which should remain with us until 2022. But the lack of inventory has been one constraint. Foreclosures are awful on many fronts, especially for the family involved. However, from the market perspective, any foreclosures will be quickly taken by buyers in the current inventory shortage condition. There will be no damage to home prices from moderate increases in foreclosures. I stand by the forecast.

Q: What percent of homes in forbearance do you estimate will go through foreclosure?

Yun: Around 10% to 20%. Many will have positive equity and can do a normal sell. Others, it is hoped, will benefit from an improved job market that continues to improve, and therefore provide better job opportunities.

The Present and Future of the REO Property Market

Garrett Mays, VP of Valuations and Vendor Management at US Real Estate Services, (USRES), provides insight into how COVID-19 has impacted those working with REO properties, how he manages vendors, and how REO professionals will have to adapt to challenges in the years ahead.

As the nation grapples with a health crisis and an uncertain economy, the housing industry will likely continue to feel the effects of 2020 for years to come. With 2021 just around the corner, experts anticipate an incoming wave of REO activity as moratoriums end. Those working with REO properties are bracing for a projected increase in foreclosures over the next couple of years. This begs the question of how REO agents and vendors will juggle the increase in REO properties on the market.

There is no doubt COVID-19, along with the economic downturn it caused, has already created many challenges for not only REO professionals, but the entire housing industry as well. Garrett Mays offers his expertise on the REO property market, including how agents and vendors have adapted to 2020 challenges. He also provides FORCE with answers to questions about what he looks for when partnering with REO agents and what impact COVID-19 may have on the future of REO properties.

How has COVID-19 affected the valuation and appraisal process of existing REOs?

Vacant REO assignments were not impacted in the same way originations were. REO properties, which were few and far between because of the moratoriums in place, were secure and seemed to move at a normal pace during the past eight months. There was not a real change in the property appraisal because you do not involve a homeowner. You are typically getting an order from an investor, servicer, bank, etc. The report is completed for them based on the market value for either REO, liquidation, or the marketing strategy; whichever you determine is best.

How are you preparing for the end of moratoriums and the incoming wave of 2021 REO activity?

USRES is unique in the way we manage the REO workflow. Our department is structured by process, not cradle-to-grave with one person. This allows us to be scalable at a much faster pace than more traditional asset-management models. We can pivot on our strategy to adjust for big shifts and swings in the market enabling us to be prepared no matter what the market dictates.

How do you manage your RES.NET vendor platform, and what are the essential qualities you look for in potential vendor partnerships?

The most important skill is communication with any vendor no matter what line of business--real estate agent, title search, closing entity, insurance company, etc. Great partners tend to be proactive, reliable, and available as they are the eyes and ears for that particular property.

USRES' vendor management is an inclusive network, open to exploring new partnerships. The team is always looking for new shining-tar vendors to excel for our clients. We are engaged with our vendors and appreciate it when vendors are engaged with us.

What are the top three key qualifications you look for when partnering with experienced REO agents?

Clear communication is paramount. You need someone who can articulate accurate details or even just the current status of what is transpiring in any particular market or area or asset or job with which you have tasked them. It's vital.

Reliability is critical. When an individual says something will be completed by the end of the day, it actually needs to be completed. They must hold true to their word and accept accountability. Additionally, if something must be rushed, will they be able to accommodate? If not, can they explain why and if they can, give their best effort?

Marketing and Advertising Skills. These are huge differentiators in the traditional real estate market versus REO. We understand not all agents have the resources available to provide great marketing, however, the agents that do go above and beyond typically have houses that sell more quickly for a higher value for clients. They are getting in front of more eyes and ears and are presenting that property or asset in a way that is beneficial for the client or neighborhood.

As more foreclosures are projected to occur throughout 2021 into 2022, how do REO agents and vendors need to adapt to handle the marked increase of REO properties?

There are a few areas that come to mind to help agents prepare for the future, including Training, Relationships., and up-to-date information.

Begin or continue training on all the latest industry platforms and technology available. That is truly important in this day and age. Find out what systems are working for your colleagues. Research businesses you want to do business with and determine if their systems might be good for your business.

During times of a down market, cultivate relationships with local vendors such as pool services, maintenance companies, contractors, Home Owner Associations in your local market. When it gets busy, it is more difficult to find the time to do this. Being prepared to handle all aspects REO might throw at you is extremely helpful.

Start making new relationships now with any company offering REO assignments and ask how you can help them prepare. You may not get a property right away, but they will remember your assistance when others weren't providing it.

Any profile agents may have online needs to be kept up-to-date so they can be attached to an asset or can be considered for future projects. Any licenses should be updated. Often agents will update some of their information and omit others. Having proper credentials is critical for vendor management. Otherwise, it leaves them ineligible for being assigned to a future property.

For more information on the FORCE contact Bill Hockensmith at William.Hockensmith@TheFiveStar.com or 214.525.6740.

NEWS BRIEF

Forbearances Versus Natural Disasters: Lessons in Damage Mitigation

Freddie Mac provides lessons in damage mitigation.

The forbearance rate during the early part of the COVID-19 pandemic was roughly identical to the rate recorded during the devastating 2017 hurricane season that ravaged regions throughout the Gulf and Atlantic Coasts, according to **new research published by Freddie Mac**.

During the pre-pandemic period of January 2019 to February 2020, the forbearance rate was a scant 0.09%. However, this increased to 5.6% from March to June, when the economy screeched to a halt during the pandemic's early months. Mortgage forbearance reached a peak in May with more than 4 million mortgages in forbearance, or approximately 8% of outstanding mortgages and $1 trillion in mortgage debt. Freddie Mac concluded homeowners have delayed about $4 billion in mortgage payments each month through forbearance.

However, the early pandemic forbearance rate was slightly lower than the 5.8% recorded from August 2017 to December 2017, when Hurricanes Harvey, Irma, and Maria wreaked havoc. Three years ago, the financial stresses were strictly regional, whereas this year, the stress is nationwide.

"Mortgage forbearance provides liquidity to households and plays a vital role in mitigating the damage to homeowners during times of crisis whether it be a hurricane, wildfire, or health epidemic," said Sam Khater, Freddie Mac's Chief Economist.

"Research on this topic is important because it will help us prepare for the next several months as we continue to navigate the COVID-19 pandemic and beyond."

Freddie Mac's research, which was published in its latest Insight report, found that while loans with high loan-to-value (LTV) ratios are more likely to be in forbearance, almost all loans in forbearance have positive equity. Borrowers with a higher monthly payment were more likely to enter forbearance during the COVID-19 crisis—the same as during the 2017 hurricane periods.

Furthermore, forbearance rates decline for borrowers with higher FICO scores. During the first several months of the pandemic, the rate increased by a factor of approximately about 5.6 going from loans with FICO scores in the highest category (800+) at 2.0% to the lowest category (<620) at 11.1%. In comparison, the rate increased by a factor of 13 in the 2017 hurricane season (1.3% to 17.4%) and by a factor of 18 in the pre-pandemic period (0.02% to 0.36%).

Freddie Mac also determined that forbearance rates are generally higher for borrowers with higher debt-to-income (DTI) ratios. During the early period of the pandemic, the rate increased by a factor of about three going from loans with DTI in the lowest category (≤ 25%) at 2.7% to the highest category (46%+) at 8.3%. In comparison, the rate increased a factor of two in the 2017 hurricane period (from 3.5% to 7.2%) and by a factor of 2.2 prior to the pandemic (from 0.05% to 0.11%).

NEWS BRIEF

Throwing a Life Preserver

NAR applauds FHA's expansion of private flood insurance.

A life preserver of sorts will be available to homeowners submerged in the troubling waters of flooding, according to the **National Association of Realtors**. Thanks to actions the Federal Housing Administration (FHA) announced in November related to the extended availability of additional private flood insurance options to United States consumers.

The FHA proposal would pave the way to use of private insurance as long as it meets the agency's definition, in conjunction with recent federal laws and pro-consumer industry practices. It's a significant shift from current FHA regulations established in 1999.

The FHA proposal would pave the way to use of private insurance as long as it meets the agency's definition, in conjunction with recent federal laws and pro-consumer industry practices. It's a significant shift from current FHA regulations established in 1999. Under those circumstances, homeowners with FHA-insured mortgages could only secure insurance from the National Flood Insurance Program.

"America's 1.4 million Realtors are grateful to see the FHA take steps to make more private flood insurance options available to U.S. consumers," said NAR President Vince Malta, broker at Malta & Co., Inc., in San Francisco. Outdated federal regulations have for too long prohibited lenders from accepting private flood insurance that is often more affordable and more comprehensive than NFIP policies. Although regulatory hurdles remain before this proposed rule is finalized, NAR looks forward to continuing our work alongside the FHA, HUD and President-elect Joe Biden's administration to make private flood insurance more readily available to American property owners, Malta continued.

Malta sent a letter to HUD's Assistant Secretary for Housing Dana Wade earlier this year, reinforcing the NAR's desire to see more private flood insurance options available in the marketplace.

"NAR members can provide numerous examples where the market has offered better coverage at lower costs than the NFIP, but the 1999 rule needlessly constrained consumer choice and created inequities between FHA and more conventional loan holders," Malta wrote. "The 21-year-old rule must be updated to reflect current market realities or the FHA risks losing market share."

Earlier this month, **the FHA published a proposed rule** that would allow a private flood insurance option instead of insurance through the National Flood Insurance Program (NFIP), when flood insurance is required by FHA.

In September, the White House signed a resolution that included an extension for the NFIP until September 30, 2021.

The changes, proposed Tuesday, would allow lenders to begin accepting private flood insurance policies for single-family insured loans for homes located in Federal Emergency Management Agency-designated Special Flood Hazard Areas (SFHAs), consistent with similar provisions in use by other industry participants.

"Our proposal would expand the options for obtaining flood insurance, rather than continuing to lock in borrowers to one federal option without any ability to comparison shop," said Assistant SecretarWade. "We are also proposing important safeguards that will help protect borrowers, so their homes will have flood insurance coverage at a level at or above the level available through the National Flood Insurance Program."

For more information on the FORCE contact Bill Hockensmith at William.Hockensmith@TheFiveStar.com or 214.525.6740.

New and Notable

The FORCE is excited to welcome the following agents to the membership. To learn more about them, go to FiveStarForce.com and see the REO Red Book for our full member directory.

Polly Blackwell

Broker, Mountain Sage Realty

Polly Blackwell and her team provide a full suite of best-in-class REO services. They take great pride in delivering timely and accurate data to corporate clients and asset managers, while striving to keep carrying costs low. Blackwell is personally involved in every REO transaction. Her approach to business is to focus only on you're a client's priorities, wants, and needs, minus the "fluff." She communicates transparently to ensure you feel valued and empowered, yet confident about the decisions needing to be made. She operates on the principles of honesty, integrity, knowledge, and competency. Blackwell is committed to absolute client satisfaction, and would be honored to help clients sell their property.

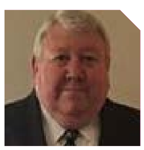
Arthur Briscoe

Principal Broker, HomeSmart CrossIsland Real Estate

Located in Queens, New York, Arthur Briscoe started his real estate career in 1992. Since that time, he's been helping families in and around the community with all their real estate needs. In April of 1999, he opened the doors of HomeSmart, at his original office as well as another in Long Island, New York. Currently a company of 60 agents and growing, Briscoe is also actively involved in the community on various community organizations and a board member on one the largest MLS (One Key MLS) in the nation. Briscoe specializes in residential and commercial real estate, and is REO certified. Other certifications include ABR, BPO, CBR, GRI, SFR, ePro, and Notary Public.

John Chaney

Broker, RE/MAX Realty Suburban



John Chaney has been a real estate agent/broker since 1994 and has extensive REO/BPO/CFK experience. He is trained in multi-racial interactions, is tri-lingual (English, Spanish and Twi) and works with others on his team throughout Kansas and Missouri. With an average of 22 REO sales per year, Chaney's team can assist with extremely rural properties as well. He and his team are certified with Equator, Pyramid, RES.NET, Asset 54, Altisource, Hubzu, and Xome.

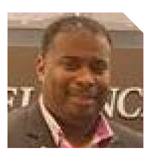
Norma Luna

Coldwell Banker D'Ann Harper

An agent for 17 years with Coldwell Banker, D'Ann Harper, Norma Luna's office has received more than 100 awards and recognitions for their excellence in performance. Their award-winning, concierge-level services are designed to provide unparalleled assistance. Luna and her office know and serve, with tremendous expertise, eight counties in and around the beautiful San Antonio area. She is a top San Antonio real estate specialist, and equipped to assist in home finding, home sales, military moves, taking advantage of affinity programs, luxury home real estate, farm and ranch real estate, and new construction projects.

Glenn McDonald

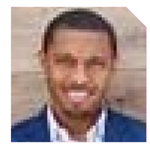
Broker, Integrated Assets Realty



Glenn McDonald has a degree in Real Estate Finance and Development from the University of Memphis, and is licensed in Tennessee, Mississippi, and Arkansas. He specializes in all types of distressed properties and commercial assets, perfecting the short sale process, and boasting one of the highest short-sale success rates in the region. McDonald is also an investor and an appraiser in the Tri-State area, working extensively with investors and developers, spanning New York to Japan.

Kevin McDonald

Agent, UNITED REAL ESTATE



Kevin McDonald was born and raised in Tennessee, earning a Bachelor of arts in Psychology from the University of Tennessee, Knoxville. He moved to Dallas in 2008 during the financial recession and started his real estate career. This was natural for McDonald as it was a family business growing up. With extensive knowledge of the Dallas/Fort Worth/Denton metro areas, he specializes in residential sales, new development, and investors. A highly established DFW agent, he is known for his unmatched devotion to clients and commitment to the community. McDonald's success is based on his powerful negotiation style, client-agent relationship, and exclusive network filled with high net-worth leaders.

For more information on the FORCE contact Bill Hockensmith at William.Hockensmith@TheFiveStar.com or 214.525.6740.