THE VOICE OF THE FORCE

NEWS BRIEF

Feds Grant Extension on Foreclosure and REO Eviction Moratoria

FHFA/CDC say end of moratorium 'intended to be final' July 31.

Both the Federal Housing Finance Agency (FHFA) and the Center for Disease Control (CDC) announced one-month extensions to COVID-related moratoria on foreclosures and evictions. Those were previously set to expire at the end of June.

The FHFA foreclosure moratorium applies to single-family mortgages backed by Fannie Mae and Freddie Mac and properties that have been acquired by one of these government-sponsored enterprises through foreclosure or deed-in-lieu of foreclosure transactions.

FHFA's notice came on the heels of the CDC announcing what it says will be the final one-month extension of a moratorium on residential evictions enacted last September to "further prevent the spread of COVID-19," according to the CDC order.

CDC Director Rochelle Walensky signed the extension of the CDC eviction moratorium, which prevents the ousting of tenants from rental homes and apartments. It was previously scheduled to expire at the end of June. Walensky has noted that the moratorium is now extended through July 31, adding that "this is intended to be the final extension of the moratorium."

White House Press Secretary Jen Psaki said in a press conference earlier this week that bans on evictions for renters and mortgage holders were "always intended to be temporary."

The CDC order goes on to reiterate the CDC's initial reasoning for the moratorium, that "keeping people in their homes and out of crowded or congregate settings—like homeless shelters—by preventing evictions is a key step in helping to stop the spread of COVID-19."

A Biden administration official told the *Associated Press* that July will be used for an "all hands on deck multi-agency campaign to prevent a massive wave of evictions."

Dozens of members of Congress previously wrote to Biden and Walensky, calling for the moratorium to be both extended and improved in some ways. The letter called for an unspecified extension that would allow the nearly $47 billion in emergency rental assistance included in the American Rescue Plan to get into tenants' hands.

"The impact of the federal moratorium cannot be understated, and the need to strengthen and extend it is an urgent matter of health, racial, and economic justice," the letter read.

Rep. Maxine Waters, Chairwoman of the House Financial Services Committee, sent a letter to the U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture (USDA), U.S. Department of Veterans Affairs (VA), Consumer Financial Protection Bureau (CFPB), and the Federal Housing Finance Agency (FHFA) requesting that these agencies extend their moratoria on foreclosures at least until the CFPB is able to finalize and implement its pandemic recovery mortgage servicing rule.

The mortgage finance industry and housing finance professionals expressed mixed reactions to eviction bans. The CDC moratorium last fall triggered what the *Washington Post* called a "flurry of lawsuits," with landlords, lobbyists, and housing industry groups launching an all-out "legal war" in opposition. Many lawyers have argued the CDC had no right to enact it. The CDC and the Justice Department in a pronouncement last fall clarified that landlords are allowed to start eviction processes while the federal moratorium is active.

To learn more about The **Voice** of the FORCE click here.

FROM THE CHAIR

State of the Market

With the nation opening up and the ongoing distribution of vaccines, there is light at the end of the tunnel, but we can never forget the lessons we have learned during the pandemic. We have learned to appreciate our frontline workers, which included all the people who continued to work: delivery people, grocery store workers, first responders, and many volunteers. They kept us safe while the world shut down and looked gloomy.

Let's continue to support all the small businesses such as restaurants and service industries as they start to open up.

I learned from my daughter, who was working as a hostess in a restaurant during the pandemic, just how important tips are to people in this industry. I began to recognize the impact of my business for these restaurants and workers.

There were many people who lost their jobs and the ability to earn a paycheck.

The COVID-19 crisis significantly impacted the residential real estate market starting in the spring of 2020. Health concerns and stay-at-home orders led to fewer buyers looking for homes, with fewer sellers willing to list their properties or allow strangers to enter their homes during the pandemic.

Despite the steep downturn, home sales rebounded in the summer. The combination of low supply and historically low mortgage rates allowed prices to remain steady throughout April and May 2020.

There is much commentary about how the pandemic will reshape the nature of work and home. There are already many vacant offices.

In 2021, the decline in first-time homebuyer sales is not due to a lack of demand, but rather a combination of low inventory and increasing prices fueling fierce competition. There have been as many as 25 offers soon after a home is listed.

The U.S. housing market shortage increased to 3.8 million units by the end of 2020, according to data from Freddie Mac. Where will we be at the end of 2021?

Lumber prices have soared since mid-April 2020, increasing the average price of a new home by great amounts, putting a hold on new construction and altering contracts. Many builders are adding potential buyers to waiting lists, without contracting for a certain price. New listings are being shown just a few days, with buyers being told that the sellers will review all offers within 72 hours to make a decision.

It is a time to sharpen your skills and use all your tools to get those buyers into their homes to make sure you are preparing them for a win!

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 Be the Best You in the Upcoming REO Market

These Skills Will Help With Post-COVID Interactions

By Jim Hastings

REO agents are basically on sabbatical now. REO inventory levels will rise significantly in the future, and during this sabbatical I have written articles on how to prepare for the upcoming REO flow. Prior articles have touched on topics such as predicting the new REO wave, recommended office systems, how to get and keep REO clients, and Search Engine Optimization (SEO). You can find them online at the Five Star Force page, under "Publications." When it comes to preparing for the upcoming REO flow, the next logical topic to tackle is how to learn skills to handle the increased interactions you will have with homeowners, asset managers, staff, other agents, contractors, locksmiths, etc. I refer to this list to help my interactions with people flourish. I don't get it right all the time; it is a work in progress. Here are some tips:

1. Don't compromise your integrity; tell the truth at all times.
2. Don't push people's buttons or compare, condemn, or contradict them.
3. Don't minimize people's feelings; be gentle and considerate. Don't feel you need to get back at them, look at their feelings (not just their words), don't invalidate what they feel even if you don't feel the same way. Offer kind words, and not always proposed remedies.
4. Don't criticize suggestions. Be teachable, open to new ideas, and not defensive. Let people talk. I myself often cut people off when they are talking, and I am working on this. I have started counting to 10 in my mind before I begin responding, just in order to slow myself down and give room for the other person's thoughts.
5. Be forgiving. Don't dwell on mistakes, and don't judge or try to change people.
6. Don't disguise your intentions; be authentic and clearly stated.

FORCE Vice Chair **JIM HASTINGS** *is the Broker of Hastings Brokerage, Ltd., a Las Vegas real estate firm that, since 1984, specializes in helping mortgage servicers and residential real estate portfolio managers with their complete REO process. He holds a bachelor's degree in real estate from Arizona State University and has closed over $1 billion in residential REO.*

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NEWS BRIEF

Delinquencies on Pace for Return to Pre-Pandemic Levels

According to a report, there were still four times as many serious delinquencies as compared to prior to the pandemic, though the vast majority are in forbearance.

Housing has not been so unaffordable since 2018, the national delinquency rate is improving, and foreclosures are way down, for now, according to numbers from Black Knight, whose monthly Mortgage Monitor Report looks at a variety of issues related to the mortgage finance and housing industries.

"...while the number of loans 90 or more days past due also saw strong improvement, down 151,000, there are still four times as many such serious delinquencies as there were prior to the pandemic, though the vast majority are in forbearance."

As for foreclosures, just 3,700 were initiated in April, for a total of 153,000 loans in active foreclosure. "Widespread moratoria and extended forbearance utilization continue to limit foreclosure activity,"

Black Knight's researchers reported.

April's report showed the highest annual home price growth rate on record since it began tracking the metric in the mid-1990s. Black Knight reported that this marks the 17th consecutive month of home price increases, with the growth rate accelerating sharply in recent months as inventory challenges continue to put upward pressure on prices.

The national delinquency rate improved in April, dropping to 4.66%. "At the current rate of improvement, delinquencies could return to pre-pandemic levels by year's end," reads April's report.

Black Knight's forbearance report, summary available here, was included in the Mortgage Monitor Report. It showed the overall number of loans in active forbearance has dipped to 2.18 million. June marked the final quarterly review before early forbearance entrants begin to reach their 18-month plan expiration; 830,000 plans were slated for review for extension or removal in June.

Black Knight Data & Analytics President Ben Graboske said that a dwindling inventory of homes for sale was pushing home price growth rates to previously unseen levels.

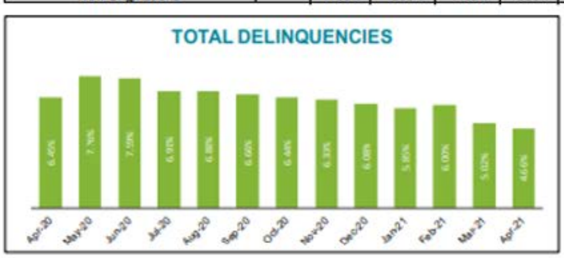
"Home prices grew at 14.8% on an annual basis in April," Graboske said. "That's the highest annual home price growth rate we've ever seen—and Black Knight's been tracking the metric for almost 30 years now. Single-family homes saw the greatest gains, with prices up 15.6% from last April, also an all-time high, while condo prices are up 10%. Driving this growth are two key elements: historically low interest rates and—more acutely—the lack of available-for-sale inventory. The total number of active listings was down 60% from the 2017-2019 average for April. It's not getting any better, either. Data from our Collateral Analytics group showed there was two months' worth of single-family inventory nationwide in March, the lowest share on record and trending downward. In fact, there were 26% fewer newly listed properties in April as compared to pre-pandemic seasonal levels."

He continued: "Of course, such aggressive home price growth has had an impact on affordability levels, even with interest rates back under 3% and within roughly a quarter point of historic lows. Entering June, the share of the median income needed to make the monthly payments on the median-priced home had risen to 20.5%. While still more affordable than the 25-year average of 23.6%, housing has surpassed its 5-year average of 20.1% even with interest rates back below 3%. In recent years, 20.5% has roughly been the tipping point at which appreciation begins to decelerate, but given the severity of inventory shortages, home prices have—at least for now—continued to sharply accelerate even in the face of tightening affordability."

Summary Statistics

	Apr-21	Monthly Change	YTD Change	Yearly Change
Delinquencies	4.66%	-7.11%	-20.31%	-27.68%
Foreclosure	0.29%	-6.29%	-10.73%	-28.67%
Foreclosure Starts	3,700	-26.00%	-37.29%	-50.00%
Seriously Delinquent (90+) or in Foreclosure	3.58%	-8.37%	-15.22%	180.87%
New Originations (data as of Mar-21)	1785K	48.1%	32.2%	94.1%

	Apr-21	Mar-21	Feb-21	Jan-21	Dec-20	Nov-20	Oct-20	Sep-20	Aug-20	Jul-20	Jun-20	May-20	Apr-20
Delinquencies	4.66%	5.02%	6.00%	5.85%	6.08%	6.33%	6.44%	6.66%	6.88%	6.91%	7.59%	7.76%	6.45%
Foreclosure	0.29%	0.30%	0.32%	0.32%	0.33%	0.33%	0.33%	0.34%	0.35%	0.36%	0.36%	0.38%	0.40%
Foreclosure Starts	3,700	5,000	3,900	5,900	7,100	4,400	4,700	4,500	6,000	9,900	5,900	5,100	7,400
Seriously Delinquent (90+) or in Foreclosure	3.58%	3.91%	4.23%	4.23%	4.35%	4.44%	4.57%	4.71%	4.77%	4.57%	3.89%	1.57%	1.28%
New Originations		1785K	1205K	1182K	1350K	1238K	1405K	1291K	1242K	1225K	1205K	1050K	1022K



BLACK KNIGHT

NEWS BRIEF

Supreme Court, FHFA Back Tenant and Borrower Protections

The Supreme Court denied a request to invalidate the CDC's eviction moratorium, and the GSEs issued loan modifications to ease borrowers' pandemic-related financial stresses.

The United States Supreme Court denied a request by a group of landlords and real estate associations to invalidate the Center for Disease Control (CDC) moratorium on evictions.

In a 5-4 decision, the court ruled to allow the pandemic-related stay on all evictions related to non-payment of rent to remain in place through the end of July. Both the Federal Housing Finance Agency (FHFA) and the CDC previously announced one-month extensions to foreclosures and eviction bans, respectively, which had been set to expire at the end of July.

Justice Brett Kavanaugh, who, along with Chief Justice John Roberts, sided with the liberal-leaning judges in the denial, wrote that his decision was based on the fact that the CDC moratorium ends in one month. He indicated that his decision would be different should the bans be extended any further, something the CDC has said it will not do.

"In my view, clear and specific congressional authorization (via new legislation) would be necessary for the CDC to extend the moratorium past July 31," Justice Kavanaugh wrote in his opinion. He expressed agreement with the applicants that the CDC was "exceeded its existing statutory authority by issuing a nationwide eviction moratorium."

CDC Director Rochelle Walensky signed the extension of the CDC eviction moratorium, which prevents the ousting of tenants from rental homes and apartments, and said "this is intended to be the final extension of the moratorium."

The CDC order reiterated the initial reasoning for the moratorium: "keeping people in their homes and out of crowded or congregate settings—like homeless shelters—by preventing evictions is a key step in helping to stop the spread of COVID-19."

The CDC moratorium triggered what the Washington Post called a "flurry of lawsuits," with landlords, lobbyists, and housing industry groups launching an all-out "legal war" in opposition. Many lawyers have argued the CDC had no right to enact it. The CDC and the Justice Department in a pronouncement last fall clarified that landlords are allowed to start eviction processes while the federal moratorium is active.

On the heels of the Supreme Court's ruling, the FHFA issued changes to loan modification terms for COVID-19 impacted

borrowers with mortgages backed by Fannie Mae or Freddie Mac. The updated terms, which allow payment reduction for home retention, "are specifically for borrowers with permanent COVID-19 hardships and respond to the unprecedented nature of the pandemic," according to a news release from FHFA.

Flex Modification terms will be adjusted for COVID-19 hardships making interest rate reduction possible for eligible borrowers, according to FHFA, regardless of the borrower's loan-to-value ratio.

"Allowing more families to qualify for an interest rate reduction will prevent unnecessary foreclosures, help strengthen the [GSE's] books of business, and make sustainable homeownership a reality for more families currently living with the uncertainty of forbearance," said Acting FHFA Director Sandra L. Thompson.

NEWS BRIEF

2021's Best Cities for Real Estate Agents

Researchers and other housing experts dove into data and emerged with a comprehensive list of the metros in which agents stand to benefit the most.

These are interesting times for the housing market, with home prices hitting record highs, inventory down to half of what existed a year ago, and sometimes as many as 20 hopeful house hunters bidding above the asking price on a property.

Conditions could spell opportunity for agents, but, as they say, "location is everything."

To pick prime places for people in this profession, the researchers at WalletHub compared more than 170 American cities using 22 key indicators of a healthy real-estate environment.

To determine the best markets for this profession, WalletHub compared more than 170 U.S. cities across 22 key indicators of a healthy real-estate environment.

WalletHub's top 10 metros for real estate agents are:

- Seattle, Washington
- Pearl City, Hawaii
- Sacramento, California
- Salt Lake City, Utah
- Denver, Colorado
- Nashville, Tennessee
- Washington, D.C.
- Huntsville, Alabama
- Austin, Texas
- San Jose, California

The WalletHub data team examines sales per agent, agent wages, what areas were most attractive for real estate employment, highest median home prices, highest home turnover rates, housing market health, and fewest days on the market. They also broke those down by category as well. For example, Denver and Aurora, Colorado; San Jose, California; Sacramento, California; Boston; and Nashua, New Hampshire topped the annual-wage list.

David Bouvin, Faculty Member and Management Program Ph.D, Walden University, discussed what he looks for when it comes to ideal market conditions.

"When looking at properties to sell or purchase, the top indicators I pay attention to include tax policies, job growth, educational and workforce training opportunities, as well as key features that may bring additional visitors, such as beaches, mountains, and theme parks," Bouvin said. He added: "More homeowners are looking at properties to relocate or to buy based on trends in specific locales, such as tax policy and job opportunities. The housing market appears to be rebounding through and even after the pandemic. There may be more isolated areas for real estate growth in the U.S., where some states may see a boom in home sales and purchases while others may lose residents."

Philip G. Swicegood, Department Chair and James Professor of Finance at Wofford College, said there are certain questions agents should ask themselves prior to relocating.

"Do you have natural relational connections in that market? Where is the diversified jobs growth? Where is bureaucracy/zoning/regulation moderate enough to not inhibit market growth? Moderate weather allows for year-round transactional environments rather than the spring/summer focus of the north and the mountain west." Swicegood said.

Law Professor Michael P. Seng, Director of the Fair Housing Legal Support Center, University of Illinois at Chicago, John Marshall Law School, brought up the role of housing policy from city to city.

"I think the best cities are those that are the most integrated and free from discrimination in housing, education, employment, etc.," Seng said. "I would also rank high those cities that have the most accessible housing and services for persons with disabilities. Persons with disabilities are a growing segment in our communities and more and more persons will be demanding accessible housing."

The detailed report, complete with methodology, is available at Wallet.Hub.com.

MEMBER INSIGHT

Using All the Tools in Your Toolkit

How long has it been since you posted in the FORCE Facebook group?

By Brandon Jordan

Many of us are busy with traditional sales, trying to find any homes on the market for customers, and perhaps haven't had the time we'd like to spend on social media. Some of us even outsource our social media posting to those better skilled at it, who see the marketing value to reach future customers. But there's one easy option that you should make sure you aren't neglecting: posting in the FORCE Facebook group.

If you can carve out just a few minutes a week to share in the FORCE group and with our membership, this group can be a powerful tool. Your FORCE network can provide a strong return on investment for members if utilized properly. The FORCE Facebook group remains a great tool to stay informed, get inside information, and maximize networking opportunities for all FORCE members.

Have a referral you need to send out? Try the search box within the Facebook group. If you know of a referral that's upcoming, go ahead and throw up a post that you have a need in that area.

When elected to join the FORCE Advisory Council, one of the things I said was that I wanted to help members maximize their network opportunities in dealing with banks. The FORCE Facebook group can assist with that by helping other members know of issues within the REO community. If there is a certification you completed, let the members know how it went and how it impacted your business. If you get a useful email from a bank about a known scam, post about it. If you had a company use you for free BPOs but which never listed anything, post about it. We can all get a better return on investment if we utilize the FORCE Facebook group as a venue to share our experiences, insights, and advice.

"Have a referral you need to send out? Try the search box within the Facebook group. If you know of a referral that's upcoming, go ahead and throw up a post that you have a need in that area."

The open sources that many tech companies are investing in, such as Github and blockchain initiatives, are happening for a reason. The collective sharing of info with active participation provides an excellent data set that will be useful to all FORCE members. As a nationwide network, these interactions can help create immense value for all of the FORCE.

BRANDON JORDAN, *SVP, ERE American Real Estate Brandon Jordan is certified in RES.NET, Equator, has the Five Star Short Sale Designation, REO designation, has worked with Pyramid, Exceleras, REOcentral with reverse mortgages, VA direct through VRM. Jordan was previously with Fannie Mae while at Coldwell banker for five years. Jordan has a wide range of services that he has worked with and is a member of NAGLREP and Policy Committee for NAGLREP.*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Mortgage Industry and Government Collaborate on Solutions for "Housing Crisis 2.0"

Crisis born from prolonged forbearance plan.

This June, the Five Star Institute presented the 2021 Government Forum: A Virtual Event, bringing together leaders from the mortgage servicing sector and government representatives for a day full of impactful conversation on the industry's most pressing issues.

Kicking the day off was Five Star Global Chairman Ed Delgado who welcomed attendees to the virtual event and introduced Rep. Steve Bartlett, Senior Advisory Board Member for Treliant; President & CEO of the Financial Services Roundtable from 1999-2012; and Representative to the U.S. Congress from 1991-1993. While in Congress, Bartlett served as a member of the House Banking Committee, where he led the successful push to let the market set interest rates on government-insured mortgages. He served as Deputy Whip and was a sponsor or principal co-sponsor of nearly 20 major pieces of legislation, including the Enhanced Secondary Mortgage Market Act, Fair Labor Standards Act Reforms, FHA Deregulation, and the Americans with Disabilities Act.

Among the topics of discussion brought up by Delgado was that the industry is heading toward a "Housing Crisis 2.0."

"There are too many similarities to what the industry was going through back in 2008," said Delgado of the current state of the marketplace. "This crisis is born not from subprime lending or irresponsible credit, but more from the long-term and last effects of a prolonged forbearance plan."

Bartlett noted some concerns that need to be addressed by the industry to avoid a potential housing crisis.

"We have some issues the industry needs to deal with," Bartlett said. "This is nothing like the mess we found ourselves in during the last crisis. The industry is strong, and I have never seen such a good and solid use of technology in any industry that I can recall. They are increasing the use if AI to serve all types of customers. Secondly, the industry is all about serving their customers… finding a mortgage that works and people can pay back."

The Mortgage Bankers Association (MBA) recently reported that approximately 2.1 million homeowners are in some stage of forbearance, and that, according to Bartlett, is a challenge.

"With the clients we work with at Treliant, the last thing we want to do is foreclose on someone, except in extreme circumstance where someone has abandoned the property," said Bartlett. "The last thing an originator or servicer should do is foreclosure because, as we say in Texas, 'All hell will break loose' if we start doing that! That's a different mindset than we have had historically with mortgages, but that's the mindset we have to go into now."

The "Economic Precipice" panel discussion followed, where Moderator Stanley C. Middleman, Founder and CEO of Freedom Mortgage Corporation led a chat on the fallout of the pandemic and a deeper look at when the U.S. economy will rebound as a result.

Panelists joining Middleman included Edward Golding from the MIT Golub Center for Finance and Policy and Head of the FHA from 2015-2017; Tobias Peter Director of Research for the American Enterprise Institute's Housing Center, and Jesse Roth, EVP of Business Development for Auction.com.

"We are coming off a pandemic, which I have absolutely no experience with prior to this in handling," Middleman said. "We have seen some significant events in our lives—hurricanes, earthquakes, disasters—but certainly nothing of this magnitude. We have seen a significant government response, directing private enterprise to go out and do the job of supporting the people in this country. From my perspective, we have done an unbelievable job of protecting people and their homes, helping them continue life as close to normal."

As Middleman noted, the government and servicing industry have worked in unison to keep more Americans in their homes as the nation faced the crisis of the pandemic over the past year.

"I think it's important we take on that social responsibility of taking care of homeowners…I call it 'Capitalism With a Conscience,' but it's best when private meets public," said Middleman. "When the government can do good to help homeownership, I think that's a real positive thing."

Goulding noted a number of actions that the government can take not only to ease the volume of forbearances, but also to level the playing field and make affordability a possibility for all.

"We know a lot of groups have been left behind," Gouding said. "We need a way, and homeownership, along with education, is a way to build up wealth in communities that had not had access to wealth."

And as the presidential regime transitioned in January, with it brought a number of new appointments to the housing industry's top regulators. With new leadership at the U.S. Department of Housing & Urban Development (HUD), Consumer Financial Protection Bureau (CFPB), and the Federal Housing Finance Agency (FHFA), the "Setting Priorities" panel examined the focus of these new leaders and what they can do to facilitate a smooth transition for those coming out of forbearance.

Led by Moderator Alex McGillis, Senior Director, Product Development, The Answer for Quicken Loans, the "Setting Priorities" panel featured Leslie Meaux Pordzik, SVP in the Office of Issuer and Portfolio Management at Ginnie Mae; Chad Mosley, President of Mortgage Contracting Services (MCS); Prasant Sar, Supervisory Policy Analyst for the FHFA; and John Vella, Chief Revenue Officer for Altisource.

Innovation and adapting new technologies was a topic of the panel as more and more in the servicing space are utilizing AI-powered solutions to assist borrowers through their forbearance plans. In turn, government agencies too are adapting these tech solutions as evidence by Ginnie Mae's recent announcement that their Office of Enterprise Risk (OER) has launched a series of machine learning and AI model pilots. One AI algorithm being deployed by Ginnie Mae will reduce the probability of false negatives and false positives when identifying issuers that may pose enhanced risk, but may slip through the cracks of traditional methods of risk identification.

"We are currently moving our entire platform to the cloud," Pordzik said. "By doing so, it will open up a lot of doors for Ginnie Mae in terms of being very agile and quick to modernize our platform."

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a $2.2 trillion economic stimulus bill passed by the Congress and signed into law by the President last March in response to the economic fallout of the pandemic has impacted the servicing industry. The Government Forum featured the "Caring for Homeowners" panel which took a deeper dive into just how this far-reaching legislation affected servicers. Let by Steve Meyer, AVP, High Risk and Investor Compliance for Safeguard Properties, those on the panel included Marissa M. Yaker, Managing Attorney of Foreclosure for the Padgett Law Group; Kristin Wong, Financial Analyst for the CFPB; and Jack

("Housing Crisis 2.0" continued on page 7)

INDUSTRY INSIGHT

("Housing Crisis 2.0" continued from page 6)

V. Konyk, Executive Director of Government Affairs for Weiner Brodsky Kider, PC.

"The industry has done a great job of identifying people who are seriously delinquent and getting them into forbearance," Wong said. "Of the borrowers who became seriously delinquent due to COVID, just 2% of them have not taken advantage of forbearance. Ideally, that number should be 0%, but a real effort has been made by the industry to reach out and assist these struggling borrowers."

As the GSEs prepare for what has been determined as their "ultimate exits from conservatorship," the "Charting the Future of the GSEs" session discussed the challenges that still exist to this plan, and if the events of the past year have slowed the GSEs' momentum.

Moderator Tim Rood, Head of Industry Relations for SitusAMC, led the GSE discussion that featured panelists Marcel Bryar, Founder and Managing Director for Mortgage Policy Advisors, LLC; Ron Haynie, SVP Mortgage Finance Policy for Independent Community Bankers of America; and Edward J. Pinto, Resident Fellow/Director for the American Enterprise Institute Housing Center.

Fannie Mae SVP and Chief Economist Doug Duncan followed the GSE discussion offering his expert views on housing finance, the mortgage industry, and the broader U.S. economy, providing insight into buyer and seller attitudes about homeownership in his presentation "Where Housing is Headed."

"Our expectations for economic activity in 2021 is that we will see a continued decline in unemployment, down to something in the 5% range," Duncan said. "At the same time, we will see economic growth continue to accelerate and over the full year, grow to somewhere around 6.8%, which will be the strongest annual growth rate we will have seen since the very early 1980s."

Closing out the Government Forum was the "Eye on the Horizon" session where industry leaders discussed key takeaways from the day and presented their outlook for what lies ahead for the housing market.

Michael Waldron, General Counsel and Chief Compliance Officer with Community Loan Servicing, LLC led the discussion, featuring panelists John Bell III, Deputy Director of the U.S. Department of Veterans Affairs; Maria Fernandez, Senior Associate Director, Office of Housing and Regulatory Policy for the FHFA; and Brian D. Montgomery, Chairman and Founding Partner of Gate House Strategies, LLC and former Deputy Secretary at HUD (2019-2021).

"During the pandemic, web-based and mobile technologies really helped keep borrowers connected and engaged," said Fernandez. "Quite frankly, it also helped keep mortgage credit flowing."

While the pandemic impacted every pocket of the nation, Montgomery noted the industry had preparation for such a widespread crisis on a smaller scale when battling through events such as hurricanes and other natural disasters.

"We had all had warmups for COVID-19, and we didn't know it at the time, but we would have regional natural disasters, sometimes in large urban areas like Hurricane Harvey, but never had anything with the reach of COVID-19 where every city was impacted by it," Montgomery said. "Collaboration among the governmental agencies was very important, we were talking almost every day, in particular with the FHFA. We didn't want the enterprises going in one direction. We looked at the situation from the perspective of homebuyers and what would be the best situation to stay in their homes. Communication was important not only with the government agencies, but in getting back to the public."

The Five Star Institute would like to thank those companies that supported the 2021 Government Forum as sponsors, including Host Sponsor Auction.com; Co-Host Sponsor Altisource; and Partner Sponsors Insight One Solutions, Mortgage Contracting Services, Padgett Law Group, and Safeguard Properties.

Coming this September, the Five Star Conference & Expo returns with an in-person event to the Dallas landmark Reunion Tower, Hyatt Regency Dallas, September 19-21. Click here for more information or to register for this event.

MEMBER INSIGHT

The Strength in Staying Connected

By Steven Pagano

Back during the pre-pandemic era, it seemed like the whole world was connected by only two degrees of separation. Our world is interconnected in ways never available to previous generations. I could leave my office in the evening on the west coast and then be sitting at my desk on the east coast with a cup of coffee before the first agents started rolling in. Times have changed—and fortunately, we have too.

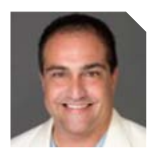
> *"This September, the Five Star Conference & Expo will also be returning as an in-person event, after switching to a virtual presentation in 2020. The Five Star Conference is always an excellent opportunity to connect with your peers and clients and to make new contacts."*

As the pandemic's impact increased, Zoom and Skype calls began to replace in-person meetings. In-person showings began to see significant delays, and then virtue showings took center stage. In addition, many in the default space watched as the industry as we knew began morphing into something entirely different.

While things may not look remotely like they used to, opportunity always presents itself if you keep your eyes open. Now is an excellent time to check your portals and make sure your profiles and insurance are up to date. Newer and seasoned agents can always brush up on skills over at the Five Star Academy. This September, the Five Star Conference & Expo will also be returning as an in-person event, after switching to a virtual presentation in 2020. The Five Star Conference is always an excellent opportunity to connect with your peers and clients and to make new contacts.

The REO Redbook is also an excellent resource for staying connected with your fellow agents in other parts of the country. We have placed several outgoing referrals with some great agents this year, and we received some in return as well. We have a great network, and if you aren't utilizing it to its capacity, you really should.

Regardless of how busy we are, we should always make a little extra time each day to reach out to stay connected with our fellow brokers, asset managers, and sphere of influence. Who knows what opportunities we might miss out on if if we don't pick up the phone? See you in September at the Five Star Conference!



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.*