



# **MORTGAGE INDUSTRY PANDEMIC SUMMIT 2.0 ONE YEAR LATER**

**MORTGAGE INDUSTRY PANDEMIC  
SUMMIT POST-EVENT SUMMARY**



# TABLE OF CONTENTS

**Executive Summary ..... 3**

**Keynote: State of the Mortgage Industry Based on the Impact of Politics & the Pandemic .... 4**

    Poll Questions..... 5

**The Economist’s Magic 8 Ball: What to Expect in the Next Year..... 6**

    Poll Questions..... 7

**2021 and Beyond: Managing Operations in a Post-Pandemic World..... 8**

    Poll Questions..... 9

**The Rental Roller Coaster: The Rebirth of the SFR Market..... 10**

    Poll Questions..... 11

**Product Pivot: An Evolving Origination Marketplace ..... 12**

    Poll Questions..... 13

**Government Update: How Emergency Actions Are Impacting the Market..... 14**

    Poll Questions..... 15

**Appendix A: Speakers ..... 16**

**Appendix B: Observations ..... 22**

## EXECUTIVE SUMMARY

A lot has changed in the past year. COVID-19 turned our world upside down. New health concerns, travel restrictions and stay-at-home measures greatly impacted businesses' ability to provide services in almost all industries and the mortgage and real estate industries were no exception. We were forced to quickly adjust and pivot to the new ways of life in order to navigate the challenges of the pandemic.

In many ways, the mortgage industry succeeded in keeping things afloat despite a slew of new challenges. The forbearance policy aimed to keep as many families in their homes without disruption. Companies increased their communications to keep staff engaged and productive and found new ways to connect with clients in a typically face-to-face environment. Many adopted new technology services to create seamless experiences for clients.

### AS OF MAY 2021, WE ARE SEEING:

- Hopeful indicators of returning to normalcy with rising vaccination rates and decreasing infection rates
- The upcoming expiration of the moratorium that many fear might lead to guideline confusion
- Low inventory rates and increased demand, resulting in higher prices in the housing market
- 1.7 million borrowers exiting forbearance in September, urging servicers to prepare and follow CFPB guidelines
- Higher expectations for a seamless and accessible virtual environment, pushing many companies to adopt digital technology
- ...and much more

One year later, on May 6, 2021 Altisource® hosted the Mortgage Industry Pandemic Summit (MIPS) 2.0, a virtual symposium in partnership with Five Star, IMN and HousingWire. The summit featured 24 leading experts discussing the major obstacles we faced in the past year, what new challenges we see today and possible solutions.



Over 1,900 mortgage industry professionals registered for six sessions full of relevant and in-depth industry information, analysis and statistics.

This white paper summarizes and highlights the summit's key ideas, best practices, guiding principles and expert advice. It also includes results from the polls conducted during the sessions with the attendees so you can see what other industry insiders think about the current environment and what they expect to see in the future. We hope this paper and its recommendations will prove valuable in helping you keep your business moving forward in this evolving industry.

To see the full summit, we invite you to watch the replays of all the sessions [here](#).



# KEYNOTE: STATE OF THE MORTGAGE INDUSTRY BASED ON THE IMPACT OF POLITICS & THE PANDEMIC

## SESSION ABSTRACT:

A panel of experts discussed the impact the pandemic has had one year later on the mortgage and real estate industries and what the rest of the year will bring. This session addressed the obstacles and solutions as the country moves toward a recovery and how companies are adapting to the evolving landscape ahead. It also touched upon political guidelines under the new administration.

### MODERATOR:

#### JACK V. KONYK

Executive Director of Government Affairs  
Weiner Brodsky Kider PC

### SPEAKERS:

#### ROB CHRISMAN

President  
Chrisman LLC

#### ED DELGADO

Chairman, Five Star Global  
Managing Partner  
MPA

#### MARCIA DAVIES

Chief Operating Officer  
Mortgage Bankers Association

#### JOHN VELLA

Chief Revenue Officer  
Altisource

During his opening remarks, Jack Konyk gave a brief overview of the massive impact the pandemic has had on the industry over the past year and what we expect to see in the coming months. **Here are three takeaways:**

1. Overall, the industry handled the pandemic well, battling a long list of challenges to keep homeowners in their homes, allow for virtual productivity and keeping businesses moving forward. Systems were in place to respond to a crisis. Improved and targeted communications between management and staff kept companies engaged and focused.
2. After a rocky start in the first few months of 2020, capital markets were able to stabilize. We still expect to see a successful year for the non-QM market.
3. Vendors have had to change the way they are working with clients. A greater need for staffing and the ability to maintain staffing continue.

This Mortgage Industry Pandemic Summit 2.0 aimed to help us all understand where we've come from, what changes we've adjusted to and what we can expect for the rest of year and beyond. The biggest takeaway from this session is that we've overcome many hurdles and pivoted in many ways to respond to the past unprecedented year.

Marcia Davies highlighted the critical wins of the past year. At this time last year, there were a long list of challenges. The MBA worked with the FHFA and GSEs to enact flexibility such as loan the origination process, worked with the FHFA to extend the power of attorney and remote online notarization and GSE payment extending deferral options for those who needed to recover from going into forbearance. Many processes were mobilized so businesses could operate.

Ed Delgado discussed how well the mortgage industry has responded to a new crisis. After the housing crisis of 2008, the mortgage industry was more prepared and had the right systems in place. The biggest shift was bringing the workforce remote. However, with open communication channels, a steady leadership at MBA combined with technology, it was a win for the mortgage industry and homeowners.

Rob Chrisman walked us through insights from capital markets. According to him, capital markets were no exception to the chaos and uncertainty. After a difficult first half of 2020, the market stabilized. Investors have come back, and the non-QM market is still expected

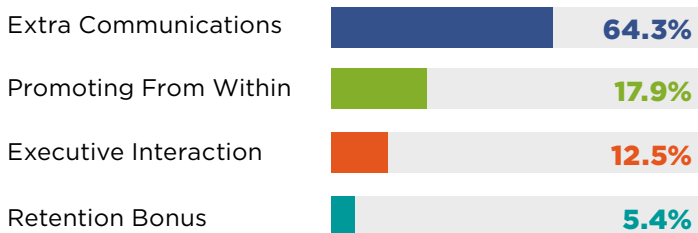
to have a good year. As time went on, markets improved and rates went down and stayed there. The volatility subsided and stabilized capital markets.

John Vella highlighted the impact the pandemic had on vendors, service providers and lenders. Vendors, who typically had the ability to meet face-to-face either on-site or at an office, had the new challenge of connecting with their clients and establishing new relationships. Originators have had more opportunity but had to ensure they have the back office and capacity for scale. Servicers have been forced to pivot as late-stage REO and foreclosures have slowed down.

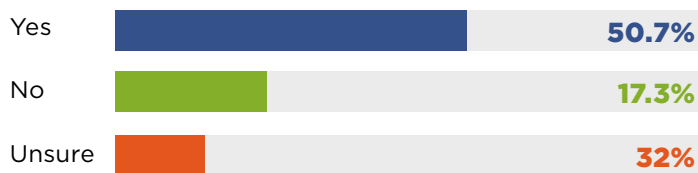
Now the industry is seeing varying degrees of shutdowns and reopening, infections and vaccinations, and reluctance to get vaccinations. Coupled with a new administration, there is a lot still in flux.

The industry reacted well and quickly accommodated borrowers, but there is a lot of uncertainty. The new regulatory environment will be dependent on having a solid compliance operation. The regulatory environment is still uncertain and getting ready will take time and training.

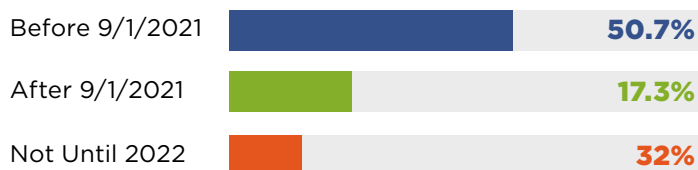
## HOW ARE YOU RETAINING YOUR STAFF IN THIS NEW ENVIRONMENT?



## DO YOU BELIEVE THAN NON-QM INVESTORS WILL STEP IN TO ABSORB THE SECOND HOME LOAN AND NON-OWNER PRODUCTION SEGMENT?



## WHEN WILL YOU BE COMFORTABLE ATTENDING AN IN-PERSON INDUSTRY CONFERENCE AGAIN?



The mortgage industry has historically relied on face-to-face interaction and in-person workforces, but companies have stepped up to the new work-from-home lifestyle. They seem to have been successful with internal communications from management to employees and done a good job of keeping their employees engaged. **Over two-thirds (64.3%) of the polled attendees said they are retaining staff with extra communications.** Nearly 18% answered they are promoting from within, 12.5% said executive interaction while only 5.4% said a retention bonus.

Rob Chrisman weighed in on the current state of the capital markets. This serves as a reminder for originators that the capital markets determine what happens in the primary markets. As the jumbo investors and non-QM investors came back throughout 2020, we are looking at an environment and determining what's going to happen with Fannie Mae and Freddie Mac and their footprints.

**Half (50.7%) of the polled attendees believe that non-QM investors will step in to absorb the second home loan and non-owner production segment.** Almost a third (32%) of the polled attendees are still unsure while 17.3% do not believe non-QM investors will step in. Many non-QM investors are excited about non-owner loans second home loan and securitizing that product.

As the United States continues to see a decline in daily COVID-19 cases and an increase in vaccinations, **half (50.7%) of the polled attendees stated they would be willing to attend an in-person industry conference before September of this year.** Over 17% (17.3%) said they would be open to attending after September of this year while 32% said not until 2022. These results show steps toward normalcy and a return to in-person events as companies feel comfortable.

# THE ECONOMIST'S MAGIC 8 BALL: WHAT TO EXPECT FOR THE REST OF THE YEAR

## SESSION ABSTRACT:

A year has already passed and the future of the industry has massively shifted. Now, economists are trying to determine how companies, revenue and the economy will recover. This session took a look behind the curtain and asked what the economists think. Panelists laid out a macroeconomic overview of the pandemic's current and ongoing market impact, including employment, retail, credit and housing.

### MODERATOR:

#### D.J. VANDEUSEN

Editor in Chief  
HousingWire

### SPEAKERS:

#### MIKE FRATANTONI

Chief Economist & Senior Vice President  
Mortgage Bankers Association

#### CHRIS MICHAELS

Chief of Staff  
Calterra Capital

#### RICK SHARGA

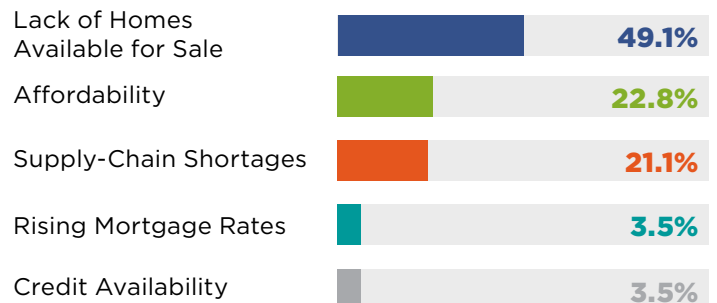
Executive Vice President  
RealtyTrac

#### MARK VITNER

Managing Director and Senior Economist  
Wells Fargo Securities, LLC

Overall, the economic experts at this session were optimistic about the current state of the economy and expectations for the rest of the year. The first quarter ended on a strong note and the mini boom is occurring earlier than anticipated. Stimulus checks, extended unemployment benefits and job growth are helping overall purchases while declining coronavirus risks and the reopening of the economy are helping fuel home buying. We are also seeing an affordability migration from urban areas to suburban areas. Home sales have risen across the country as COVID-19 concerns have decreased and home buyers are ready to buy after a year at home during the pandemic. While employment rates are increasing, economists projected that the job market will likely not return to pre-pandemic rates until life is back to normal.

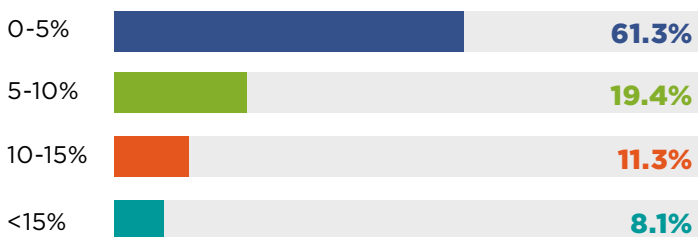
## WHAT DO YOU BELIEVE IS THE GREATEST RISK TO THE HOUSING OUTLOOK IS?



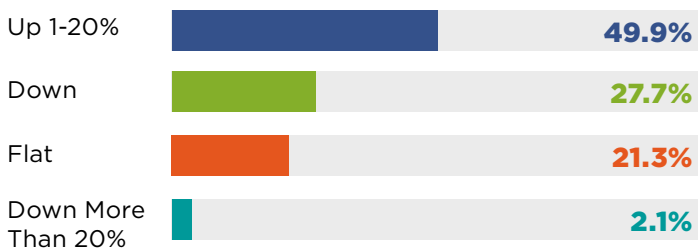
Almost half (49.1%) of the polled attendees believe that the lack of homes available for sale is the greatest risk to the housing outlook and this challenge is not expected to get better. Nearly 23% (22.8%) said affordability was the greatest risk and 21.1% feel supply-chain shortages. Only 3.5% feel credit availability is the biggest concern.

Housing has been a bright spot in the past year. The most recent numbers continue that trend. Existing home sales are off to a good start. Despite historically low inventory levels, we are already seeing 2021 new home sales outpacing last year. The demand continues to surge driven by demographics, low mortgage rates and pandemic-accelerated trends. Millennials are at a prime age for homeownership and while Gen X is coming to age to sell houses, they are slower to sell. Millennials are looking for affordable houses that have room to home-school, a home office and overall space. Low inventory coupled with high demand is resulting in higher prices. Higher prices are also driving equity to all-time highs.

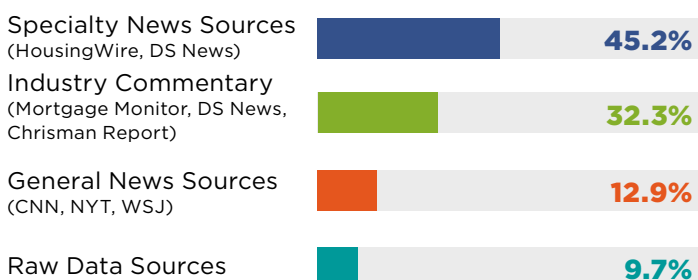
## DURING THE GREAT RECESSION, DISTRESSED HOME SALES — FORECLOSURE HOMES AND SHORT SALES — PEAKED AT OVER 30%. WHAT PERCENT OF HOME SALES IN Q1 2021 WERE DISTRESSED ASSETS?



## WHAT IS YOUR EXPECTATION FOR YOUR COMPANY'S ORIGINATION VOLUME FOR 2021 COMPARED TO 2020?



## WHAT IS YOUR PRIMARY SOURCE OF INDUSTRY DATA?



**Over half (61.3%) of the polled respondents answered that 0-5% of home sales in Q1 2021 were distressed assets.** Close to one-fifth (19.4%) believed it was 5-10% while 11.3% believed 10-15% and only 8.1% believed greater than 15%. Economist Rick Sharga revealed that in the first quarter of 2021 we were back at 5%. Distressed sales in the first quarter of 2021 are at a 17-year low and panelists don't expect to see those numbers go up until foreclosure moratoriums and/or mortgage forbearance program expire.

Economists don't expect a flood of foreclosures. The policy initiative to allow longer forbearance for those who have hardships due to the pandemic has been successful. Overall, this is a positive story where many homeowners have been able to get back on their feet. Homeowners in forbearance have exited forbearance by making payments even in forbearance and lump sum payments and borrowers put together a deferral plan.

**Almost half (49.9%) of polled attendees expect their company's origination volume to increase between 1-20% for 2021 compared to 2020.** More than a quarter (27.7%) believe they will go down between 1-20% and 21.3% believe they will remain flat. According to the economist panelist, we are seeing and expect a continued booming economy, robust recovery in job market coupled with the age structure of the population and relatively low mortgage rates to support a strong purchase market.

Panelists highlighted the breadth of data sources available. **Almost half (45.2%) of the polled attendees answered that their primary source of industry data comes from specialty news sources** such as HousingWire or DS News. About one-third (32.3%) responded that their primary source is industry commentary such as Mortgage Monitor or the Chrisman Report. Nearly 13% (12.9%) said they follow general news sources while nearly 10% (9.7%) said raw data sources.

Economists caution that there are often multiple right answers. There might be slightly different statistics, but accurate trends will still be revealed. They advised to pick a source that you trust and align with for consistency.

# 2021 AND BEYOND: MANAGING OPERATIONS IN A POST-PANDEMIC WORLD

## SESSION ABSTRACT:

This session examined how originators and bank servicers are managing current operational fluctuations. Industry experts covered an evolving list of issues such as capacity, fraud and moratoriums. Panelists discussed how some top financial institutions plan to emerge from this global crisis to manage customer satisfaction and retention.

### MODERATOR:

**STEVEN GREENFIELD**  
General Manager  
Altisource

### SPEAKERS:

**PERRY HILZENDEGER**  
President of Servicing  
Home Point Financial

**SCOTT HOLZMEISTER**  
SVP, Early-Stage Default  
ServiceMac

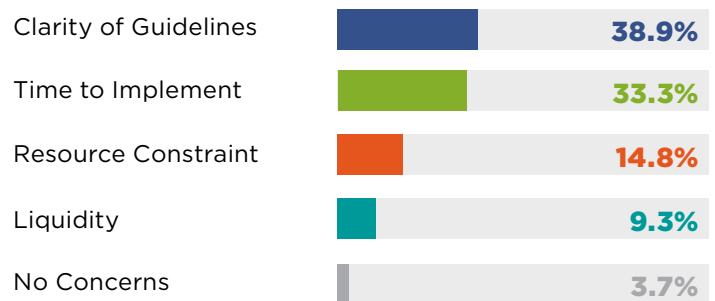
**WES ISELEY**  
Senior Managing Director  
Carrington Holding Company, LLC

**VANESSA LINDOW**  
Co-CEO/Co-President  
Community Loan Servicing, LLC

The pandemic shook up the world in many ways. Many companies went from in-person to fully remote with little notice or preparation. A year later, we reflect on the short- and long-term effects, benefits and challenges that arose from the new work-from-home environment. In the short term, employees felt safe, were often grateful to be employed during a tumultuous time and increased communications to stay engaged and productive. Long-term effects will be the birth of companies embracing a work-from-home or a hybrid strategy. Risk has been lower and communication has been stronger. There have been process improvements in place — both AI and bot technology majorly helped the mortgage industry and those trends are expected to continue.

Of course, the newly remote world was not without its challenges. Misinformation and misinterpretation were challenges that resulted in more access to resources, more education and ongoing training for staff.

## WHAT CONCERNS YOU MOST PREPARING FOR THE POST-MORATORIUM SERVICING OPERATIONS?



**Clarity of guidelines (38.9%) is the biggest concern for the post-mortatorium servicing operations.** With potential misinformation in the marketplace, clarity of guidelines will be critical and consistency will be key for servicing operations to be most effective. A third (33.3%) of the polled attendees answered that time to implement was their largest concern. More than 14% (14.8%) answered resource constraint, 9.3% said liquidity and 3.7% said they don't have any concerns.



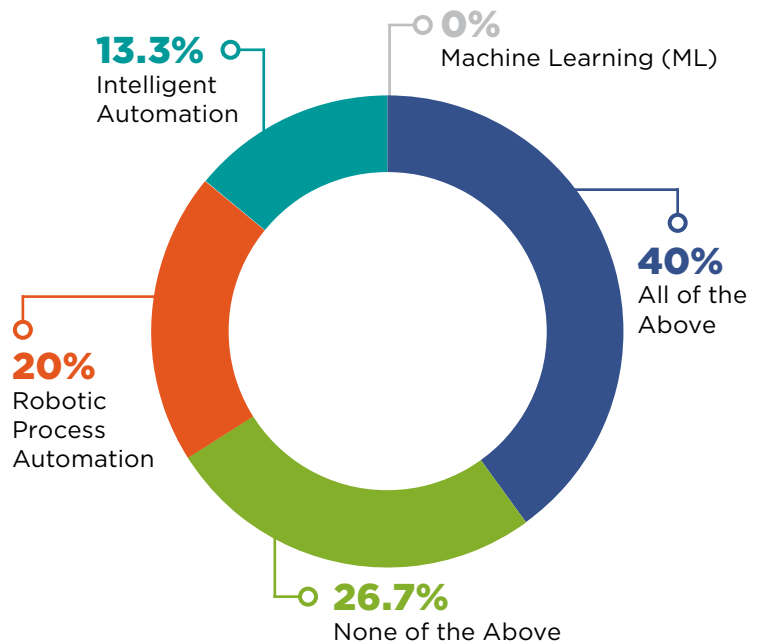
With customers forced to stay home, many faced the reality that their financial health was suffering, leaving them to engage with mortgage services for assistance. This was the catalyst for them to use technology. Since the pandemic, more mortgage services post-pandemic have adopted or enhanced self-service portals or mobile apps as a way to boost the customer’s digital experience. Panelist Vanessa Lindow believes that digital process automation is the next step in the digital transformation journey and is necessary in establishing and maintaining high marks in customer experience. The focus will be on creating an online experience that meets customer needs, reduces costs, improves accuracy and is adaptable.

## WHICH OF THESE DIGITAL TOOLS DOES YOUR SERVICING ORGANIZATION USE?

Of the polled attendees, **40% are using some form of digital tools (robotic process automation, intelligent automation, machine learning.)** This is a stark difference from the 26.7% who are not using any of the digital tools listed. This speaks to the potential opportunity for servicing organizations to adopt digital tools and take an advantage of opportunities to improve customer experience, become more efficient and save more time.

This session also addressed the future of loan servicing, highlighting the recent direction from the CFPB that being unprepared is unacceptable. One million and seven hundred thousand borrowers will exit forbearance in September and the following months with many a year or more behind on their mortgage. The CFPB will focus on how well servicers are being proactive, working with borrowers, addressing language access, evaluating income fairly, handling inquiries promptly and preventing avoidable foreclosures.

The panelists also flagged the ongoing issue of fraud. An insufficient supply of affordable housing, rise in interest rates and change in purchase/refi mix, and new GSE guidance on financing investment/second homes are all drivers of fraud in 2021. Expert panelist Scott Holzmeister advises servicers to prepare by understanding the CFPB guidelines, ensure staffing and capacity to handle volumes, review and modify servicing policies and procedures, employ automation to expedite processes, understand all workout options available to homeowners, establish and manage SLAs, and always err on the side of the customer.



**Digital Process Automation**

- BPM Automation**
  - Dynamic Case Management
  - Workflow
  - Rules
- Robotics**
  - Robotics Desktop Automation (RDA)
  - Robotics Process Automation (RPA)
  - Workforce Intelligence
- Cognitive Computing**
  - Artificial Intelligence / Machine Learning (ML)
  - Predictive and Adaptive Analytics

**Robotic Process Automation**

- Structured Data
- Rules-Based
- Outcomes Based on Single-Correct Answer

**Cognitive Automation**

- Unstructured Data
- Inference-Based
- Outcomes Based on Set of Likely Answers

**Digital process automation** is a necessary catalyst in establishing and maintaining high marks in customer experience by concentrating on key trends, customer preferences and value proposition for live processes.

- Mortgage servicers who anticipate the needs of their clients and proactively provide relevant information to them, typically around payment options and loan modification, had more favorable rankings.\*
- The online experience must be able to meet customer demands by providing enough information and making it as accessible as possible to keep customers off the phone.\*

\*J.D. Power 2020 U.S. Primary Mortgage Service Satisfaction Study, July 2020

Altsource

# THE RENTAL ROLLER COASTER: THE REBIRTH OF THE SFR MARKET

## SESSION ABSTRACT:

This fourth session discussed how the pandemic has reshaped the SFR market as well as what to expect in 2021 and beyond.

### MODERATOR:

#### ANDY BOERMAN

Head of Product, Single-Family Rental  
Altisource

### SPEAKERS:

#### MICHAEL FINCH

Executive VP and Principal, SVN  
SFRhub

#### DAVID HOWARD

Executive Director  
National Rental Home Council

## DO YOU EXPECT IN THE NEXT YEAR SFR RENTS OVERALL TO:



Single-family rental rents have historically stayed positive even in recessionary periods. SFR rents are up Y-O-Y in several major markets with an average of 8% across the country. In the next year **all the polled attendees believe that SFR rents overall will increase (78.9%) or remain about the same (21.1%) as 2020.**

The single-family rental (SFR) industry has been around for a long time, but in the past decade this industry has matured and developed into a professionalized business, resulting in more affordable and quality housing for Americans.

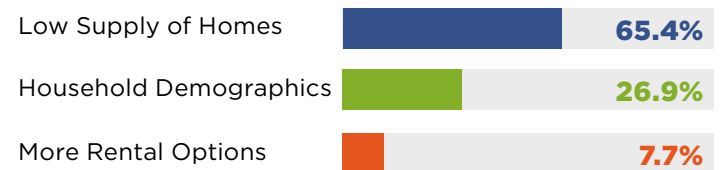
Despite the pandemic recession, there has been sustained growth in SFR. Economic factors such as higher credit standards, home prices, and more student loan debt coupled with demographic factors of population growth and desire for more space contribute to the expansion of the SFR market.

While the number of homeowners has remained stagnant, the number of new renters has skyrocketed. Single-family rental is capturing a majority of this growth and demand and that's expected to continue in the coming years despite the lack of rental homes available.



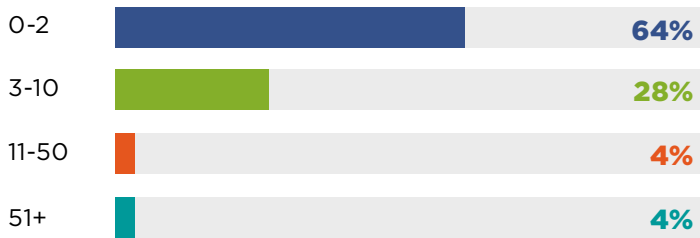
Panel experts David Howard and Michael Finch believe that these trends are here to stay and will continue to impact the housing market. However, there needs to be new solutions for the shortage of rental homes available. One potential solution is build for rent.

## WHAT DO YOU BELIEVE IS THE BIGGEST DRIVER OF LONG-TERM GROWTH IN THE SINGLE-FAMILY RENTAL MARKET?



A low number of entry-level homes in desirable locations at affordable prices continues to affect the housing market. **Almost two-thirds (65.4%) of polled attendees believe the low supply of homes is the biggest driver of long-term growth in the SFR market.** Nearly 27% (26.9%) believe household demographics as the biggest driver while only 7.7% see more rental options.

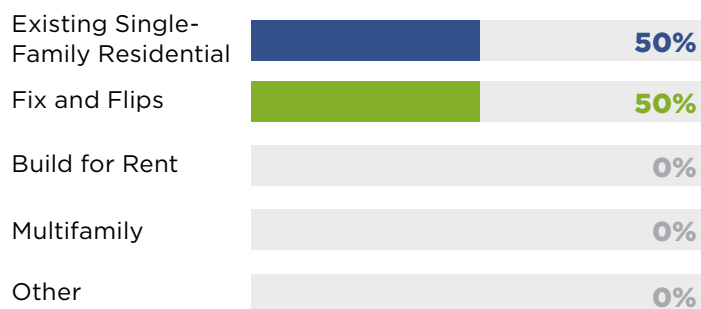
## HOW MANY SINGLE-FAMILY RENTAL PROPERTIES DO YOU OWN?



From the polled attendees, **64% responded that they own 0-2 single-family rental properties. Another 28% own 3-10 properties.** Eleven to 50 and 51+ each accounted for 4%, showing us that it is still a very fragmented market.

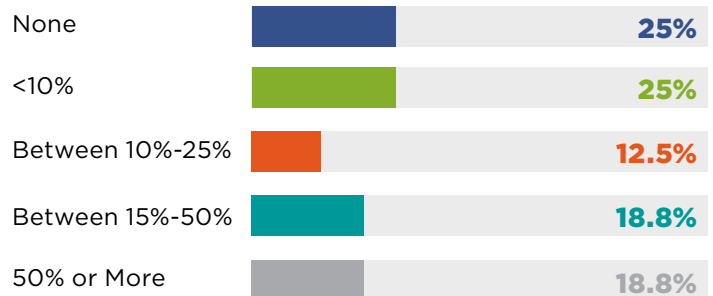
It's no surprise that COVID-19 has also reshaped the SFR market. Panelists predict that after this year, smaller business and individual owners might decide now is a good time to consider selling their home. New challenges have arisen, including tenants not paying rent, rent freezes and caps. The longer-term impact might be the realization that the SFR market can be a difficult business. There is a new range of issues to consider such as federal policy, national eviction moratorium and rental assistance. This might lead to larger players in the space that could have a positive impact on the industry.

## WHICH ASSET CLASS ARE YOU INTERESTED IN INVESTING THIS YEAR?



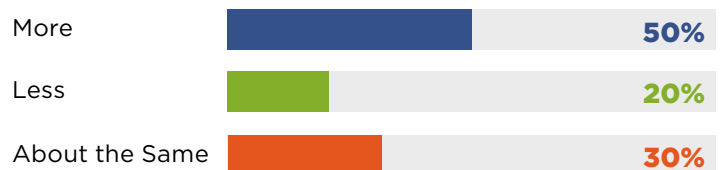
Polled attendees were split between two asset classes. Half of the polled attendees answered they were interested in existing single-family residential and the other half replied fix and flips in investing this year.

## WHAT PERCENTAGE OF YOUR TENANTS HAVE NOT PAID FULL RENT AT ANY POINT SINCE APRIL 2020?



Since April 2020, **a quarter of the polled attendees responded that all their tenants have paid full rent while another quarter answered that less than 10% haven't paid full rent.** Nearly 19% (18.8%) responded that between 15% and 50% haven't paid in full and another nearly 19% (18.8%) replied that 50% or more haven't paid in full. Only 12.5% said between 10% and 25% haven't paid full rent at any point since April 2020.

## ONE YEAR FROM NOW, HOW MANY SINGLE-FAMILY RENTAL HOME PROPERTIES DO YOU PLAN TO OWN COMPARED TO 2020?



After an unprecedented year, this is an interesting time to think about what the SFR market might look like in the year to come. **Half of the polled attendees answered they are planning to own more SFR home properties in a year from now** and another 30% answered they plan on owning about the same. Only 20% of polled attendees plan on owning less.

Panelists discussed a few emerging trends that will continue to shape the SFR market in the coming years, including new housing technology coming to the market and build for rent that will make up a larger piece of the overall economy. In the past, the options have been to either buy a house or rent an apartment. The SFR industry is bringing another exciting option to the table. One thing was made clear — we are in the early innings of SFR and there is much more to come.

# PRODUCT PIVOT: AN EVOLVING ORIGINATION MARKETPLACE

## SESSION ABSTRACT:

Panelists discussed the impact of the pandemic on the origination marketplace as we move through 2021. They looked at the forecast on loan volume as interest rates are rising as well as examined borrower demand and continued lender operational challenges.

### MODERATOR:

#### JASON DEMOLA

President  
Lenders One

### SPEAKERS:

#### PATTI COOK

Chief Executive Officer  
Finance of America Equity Capital, LLC

#### SCOTT GESELL

CEO and General Counsel  
Gateway First Bank

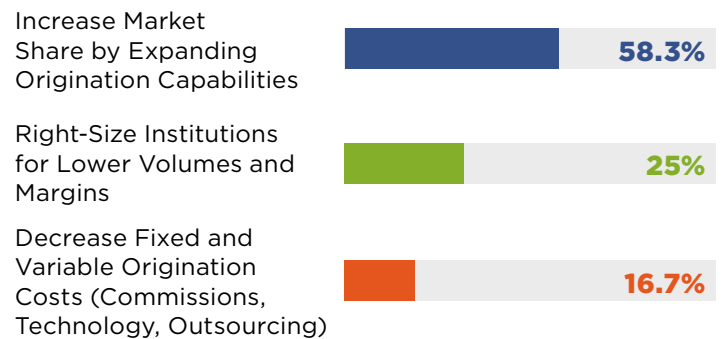
#### STAN MIDDLEMAN

President and CEO  
Freedom Mortgage Corporation

Last year was a tremendous market for refi and we are still seeing a strong market in 2021 with the caveat that we are seeing a significant impact on production because of the lack of product available. While speakers believe production levels will be down compared to last year, levels will still rank high.

Post-pandemic, we expect to see some transitional challenges. From an operational perspective, returning to the office as well as data security will be difficult for some. Expectations of customer experience has also evolved. There is now demand for an online, virtual experience and high expectations for a seamless experience both for website access and functionality.

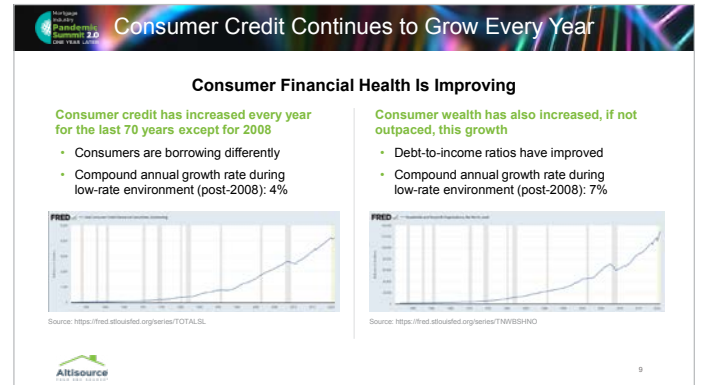
## LAST YEAR WAS AN AMAZING ONE FOR LENDERS IN VOLUME, MARGIN AND PROFITABILITY. HOW IS YOUR INSTITUTION ADDRESSING 2021 VOLUME AND MARGIN COMPRESSION?



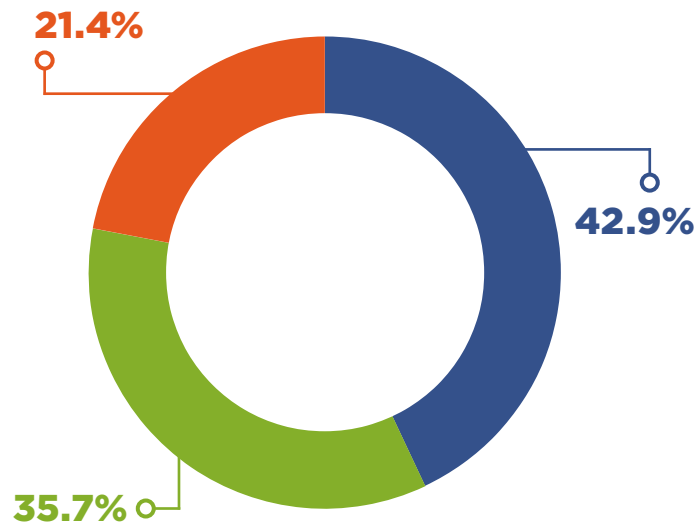
More than half (58.3%) of the polled attendees answered that their institution is addressing 2021 volume and margin compression by increasing market share by expanding origination capabilities. A quarter of the attendees said they will right-size institutions for lower volumes and margins and 16.7% said they will decrease fixed and variable origination costs through commissions, technology and outsourcing. Some institutions might consider all these options as ways to address volume and margin compression.



With the exception of 2008, consumer credit has grown for the past 70 years. While financial health is improving, it's important to think about diversifying and adding new products that will be increasing in demand during this time. Panelist Patti Cook highlighted ways to diversify, including migrating from refi to purchase, reverse mortgage and, in the commercial segment, fix and flip financing and SFR. To adjust to the evolving product market, take advantage of what's left in refi, pivot to capitalize on the products consumers are going to want to borrow and take advantage of the tailwinds that are still in place in today's market.



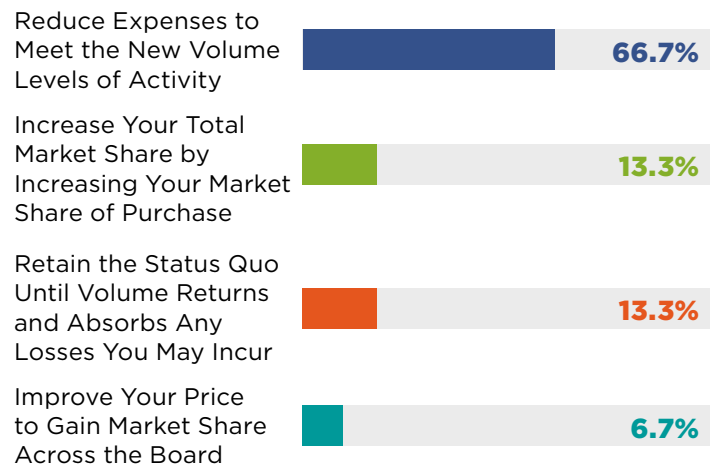
## WITH THE SHIFT TO A PURCHASE MARKET, WHAT IS THE FUTURE OF THE DISTRIBUTED LOAN ORIGINATOR?



- Stays at the Current Level of Market
- Decline as Percentage of Total Market
- Increase as Percentage of Total Market

Nearly 43% (42.9%) of the polled attendees believe that with the shift to a purchase market, the future of the distributed loan originator will decline as a percentage of total market. Over one-third (35.7%) believe it will increase as a percentage of total market and 21.4% believe it will stay at the current level of the market.

## IF YOU SUSPECT YOUR BUSINESS WILL BE IMPACTED BY SHRINKING REFI VOLUME, HOW WILL YOU RESPOND?



Expert panelist Stan Middleman highlighted a key challenge arising in today's market. It will be difficult to keep your volume high when the market share is shrinking. The new normal is starting to look like more of the old normal of 2019 when there was lower margin and lower volume. One way to adjust to this new normal is consolidation instead of opening the credit funnel. Middleman left us with a prediction that the changes we'll see in the coming year won't be a straight line and we might have more opportunity at larger loan sizes per loan in the next couple years.

Over two-thirds (66.7%) of polled attendees replied they will reduce expenses to meet the new volumes levels of activity. Over 13% (13.3%) said they will increase their total market share by increasing their market share of purchase. Another 13.3% answered they will retain the status quo until volume returns and absorbs any losses they may incur. Only 6.7% may improve their price to gain market share across the board.

# GOVERNMENT UPDATE: HOW EMERGENCY ACTIONS ARE IMPACTING THE MARKET

## SESSION ABSTRACT:

With the change in our political administration, this esteemed panel of government speakers discussed the new COVID-19-related policies. Our panelists discussed the Biden administration's response to our current health and economic crisis and the impact it will have on the mortgage and real estate industries.

### MODERATOR:

#### MARCEL BRYAR

Managing Director  
Mortgage Policy Advisors

### SPEAKERS:

#### JOHN A. DUNNERY

VP, Government Loan Servicing  
Community Loan Servicing, LLC

#### MICHAEL KEATON

Chief Servicing Officer  
Shellpoint Mortgage Servicing

#### PRASANT SAR

Supervisory Policy Analyst, Servicing Policy  
& Asset Management  
FHFA

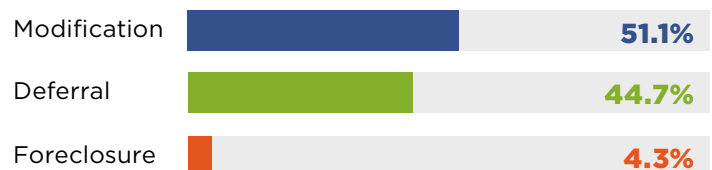
Expert panelists discussed the role of the government and how the emergency actions are impacting the market. Forbearance gave families time to recover. They were not bogged down with paperwork and were given the ability to choose forbearance as long as they were impacted by the pandemic, making it a much better policy approach. However, this could eventually lead to unequal treatment of some segments of the population and the question remains if the programs in place will be able to help these people. The goal with this approach was to give many people a fresh start, however, parts of the economy have been slower to open, making it harder for everyone to return to normal. As the market starts to recover, it's unknown what lingering effects will remain. Expert panelist John Dunnery commented that even though we may not face another pandemic soon, business cycles, trends and occurrences are inevitable and will affect the market once again.

# 58%

SHELLPOINT/NEWREZ  
(AS OF DEC. 31, 2020)

## OF COVID-19-RELATED FORBEARANCES HAVE BEEN RESOLVED

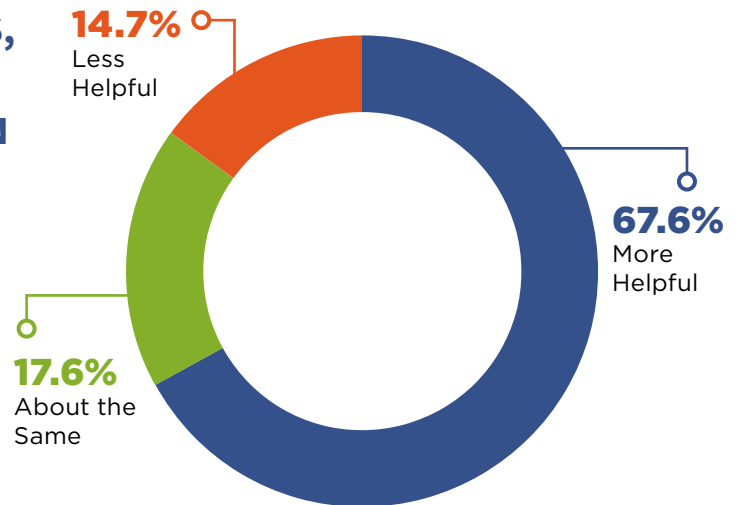
## A YEAR INTO PANDEMIC PAYMENT FOREBEARANCE, WHICH RESOLUTION PATH WILL HAVE THE HIGHEST USE FOR BORROWERS STILL UNDER FOREBEARANCE PROTECTION?



Over half (51.1%) of the polled attendees believe that modification is the resolution path that will have the highest use for borrowers still under forbearance protection. Nearly 45% (44.7%) believe deferral will have the highest use and 4.3% answered foreclosure. The deferral has been an effective tool for some customers but for many are still experiencing the inability to make the mortgage payment they were making in the spring of 2020 and will need modification.

## COMPARED TO THE 2008 FINANCIAL CRISIS, HOW WOULD YOU RATE THE EFFICACY OF GOVERNMENT PROGRAM COMMUNICATION DURING THE PANDEMIC?

In many ways the 2008 financial crisis prepared our country and government for future crises. Compared to the 2008 financial crisis, **over two-thirds (67.6%) of the polled attendees rated the efficacy of government program communication more helpful during the pandemic.** Nearly 18% (17.6%) rated the efficacy about the same and 14.7% replied less helpful.

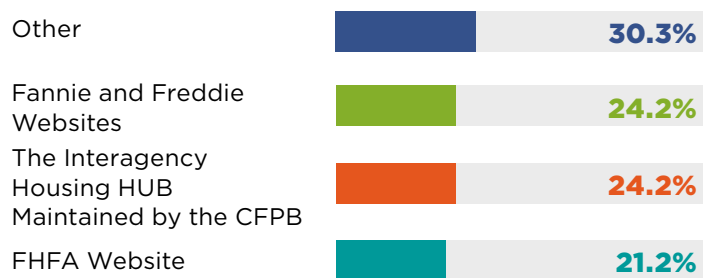


Panelist Pransant Sar discussed changes rolled out by the FHFA. The temporary changes in selling policies allowed for enterprise counterparties to continue originations and appraisals with stay-at-home orders and social distancing guidelines. These included appraisals, verification of employment, power of attorney (PoA) and risk reduction requirements.

From a servicing perspective, these temporary adjustments included forbearance, modifications, credit reporting, foreclosures and eviction, pay deferral, FHFA/CFPB borrower protection program as well as servicer strips in multiple languages.

Since March 2020 there were approximately 2.1 million forbearance plans initiated. As of March 2021, 65% have exited forbearance and 35% are in active forbearance. Some encouraging numbers shared were the 32% of borrowers who have already exited forbearance using the payment deferral product. There is also a large number of reinstatements and borrowers who took forbearance as a hedge and consistently made payments. For the 35% in active forbearance, there are still some unknowns on how this will play out but the outlook is promising.

## WHERE DO YOU PREFER TO ACCESS COVID-19 POLICY GUIDANCE?



Polled attendees were split more evenly on where they preferred to access COVID-19 policy guidance. **The highest number of attendees (30.3%) answered other.** Nearly a quarter (24.2%) of the polled attendees answered the Interagency Housing HUB maintained by the CFPB. Another quarter (24.2%) replied Fannie and Freddie websites and 21.2% said the FHFA website.

## SHOULD THE COVID-19 FORECLOSURE MORATORIA BE EXTENDED TO YEAR-END 2021 FOR ALL HOMEOWNERS?



**An overwhelming 92% of polled attendees answered that the foreclosure moratoria should be allowed to expire on June 30 with individual extensions granted on a case-by-case basis to homeowners with their servicer in loss mitigation.**

Eight percent responded that all homeowners would benefit if the foreclosure moratoria were extended to year-end 2021.

Overall, servicers have been successful helping homeowners, third-party clients and investors handle the pandemic environment. Many servicers stepped up in 2020 by deploying off-the-shelf and proprietary loss migration technologies to help homeowners move from forbearance into permanent solutions. Services have also been successful in resolving homeowner hardships and keeping homeowners in their home. Existing proactive engagement efforts by servicers have helped homeowners navigate forbearance and avoid foreclosure.

## APPENDIX A: SPEAKERS



### ANDY BOERMAN

Head of Product, Single-Family Rental, Altisource

Andy leads revenue growth efforts across Altisource's suite of services in the single-family rental sector. Altisource is a vertically integrated service provider to large- and mid-sized investors and private lenders providing data and analytics, valuations, title and settlement, field services, construction risk management and online auction services. Andy has a B.S. from the University of Vermont and an MBA from the University of Denver.

**Session: The Rental Roller Coaster: The Rebirth of the SFR Market**



### MARCEL A. BRYAR

Managing Director, Mortgage Policy Advisors

Marcel has more than 20 years of experience working in mortgage operations, business development, regulation and oversight. His expertise includes mortgage origination, servicing, securitization, regulation, policy and market analysis. Marcel is a founder of Mortgage Policy Advisor, LLC, a Washington, DC-based advisory firm. Mortgage Policy Advisors advises mortgage companies seeking to manage regulatory and government policy uncertainty. He has served in executive positions at Fannie Mae and JP Morgan Chase. Most notably, he played leadership roles in the development and implementation of the Making Home Affordable program, the servicing alignment initiative of the Federal Housing Finance Agency, Fannie Mae's regulatory consent order and JP Morgan Chase's implementation of the National Mortgage Settlement.

**Session: Government Update: How Emergency Actions Are Impacting the Market**



### ROB CHRISMAN

Capital Markets Consultant, Chrisman LLC

Rob is best known for his free morning commentary and speaking engagements on the mortgage business and the economy. He began his career in capital markets in 1985 and his background includes hedging pipelines, running a small subprime company, and consulting with various companies. He was on the board of directors of Peoples Bank in Overland Park and is still on the board of directors, or advises the boards, of several financial companies.

**Session: Keynote: State of the Mortgage Industry Based on the Impact of Politics & the Pandemic**



### PATRICIA COOK

CEO, Finance of America Companies

A dynamic and inspiring leader, Patti is CEO of Finance of America Companies. She has a proven track record of delivering results, managing change and engaging employees. Her goal is to continue building a company whose products and services meet customers' needs throughout each phase of their financial lives.

**Session: The Product Pivot: An Evolving Origination Marketplace**



### MARCIA DAVIES

Chief Operating Officer, Mortgage Bankers Association

Marcia is responsible for ensuring cross-organizational strategic initiatives and priority oversight for the MBA. Previously, she worked at the U.S. Department of Housing and Urban Development (HUD) as the senior advisor to the assistant secretary for housing and federal housing commissioner. Before joining HUD, Marcia spent 21 years at Freddie Mac in a variety of officer positions. Marcia has received several awards, most recently the silver Stevie Awards for Women in Business 2018 Maverick of the Year.

**Session: Keynote: State of the Mortgage Industry Based on the Impact of Politics & the Pandemic**



**ED DELGADO**

Chairman, Five Star Global / Managing Partner, MPA

With executive positions at Wells Fargo and Freddie Mac, Ed has more than 25 years' experience in mortgage banking and is recognized as a thought leader and innovator in the industry. Ed has hosted discussions on housing and financial markets with various global leaders, including U.S. Presidents Bill Clinton and George W. Bush, U.S. Secretary of State Dr. Condoleezza Rice and U.S. Secretary of Housing and Urban Development Dr. Ben Carson.

**Session: Keynote: State of the Mortgage Industry Based on the Impact of Politics & the Pandemic**

**JUSTIN DEMOLA**

President, Lenders One

Justin leads Lenders One as President and is focused on defining and executing the overall strategic direction of the cooperative. Focused on delivering unique value to members through new benefits, innovative solutions and opportunities to connect, Justin brings 27 years of experience in mortgage, consulting and business development to this role. Prior to his time at Lenders One, Justin was COO of MLB Residential Lending, LLC, a member of Lenders One and President of The Hills Mortgage and Finance Company, LLC. Justin is a licensed mortgage loan originator and Certified Mortgage Banker (CMB).

**Session: The Product Pivot: An Evolving Origination Marketplace**

**JOHN A. DUNNERY**

VP, Government Loan Servicing, Community Loan Servicing, LLC

John manages Community Loan Servicing's non-performing GSE/agency residential loan portfolio. Community services and subservices 180,000 loans in 50 states and Puerto Rico. He is responsible for management and oversight of the government loan portfolio to regulatory and servicing guide requirements including electronic data reporting, investor reporting and loan accounting, servicing advances and claims.

**Session: Government Update: How Emergency Actions Are Impacting the Market**

**MICHAEL FINCH**

Executive VP and Principal, SVN

Michael is EVP & Principal of SVN | SFRhub Advisors, a national single-family residential (SFR) and build for rent (BFR) dedicated commercial real estate brokerage and an independently owned and operated franchise of SVN International Corp (SVNIC). With over 15 years of experience, Michael has developed broad local and national relationships with top-ranked, high-density mid- to large-scale developers for commercial mixed use and multifamily development. He enjoys being an integral partner for client teams focused on large-scale, income-producing portfolios while specializing in SFR and BFR investment portfolios in more recent years.

**Session: The Rental Roller Coaster: The Rebirth of the SFR Market**

**MIKE FRATANTONI**

Chief Economist, SVP, Research and Industry Technology, Mortgage Bankers Association

Michael oversees MBA's industry surveys and benchmarking studies, economic and mortgage originations forecasts, industry technology efforts and policy development research for both single-family and commercial/multifamily markets. Mike is also a member of the board of directors of MISMO and the membership committee of MERS. Before joining MBA, he worked in risk management and senior economist roles at Washington Mutual and Fannie Mae.

**Session: The Economists' Magic 8 Ball: What To Expect for the Rest of the Year**



### SCOTT GESELL

CEO and General Counsel, Gateway First Bank

Scott has been an integral part of Gateway First Bank's leadership since 2013. During his time at Gateway, he played a leading role in the merger of a 100-year-old community bank with a 20-year-old mortgage company to become Gateway First Bank. As CEO, Scott is poised to lead the company through the pandemic that is affecting customers, employees and the industry in ways unforeseen. Under his leadership, the Gateway team has shown remarkable commitment and amazing resilience during the pandemic.

**Session: The Product Pivot: An Evolving Origination Marketplace**



### STEVE GREENFIELD

General Manager, Mortgage and Real Estate Solutions, Altisource

Steve is General Manager of Altisource's Mortgage Real Estate Solutions where he is responsible for managing and overseeing product management and operations for Premium Title™, Springhouse Valuations®, Trelis™ and CastleLine® lines of business. Steve brings over 20 years of experience within the financial services and mortgage banking industries with a deep expertise in risk management, fraud, quality control, appraisal and vendor management. Passionate about mortgage banking, he is a Certified Mortgage Banker (CMB®) through the Mortgage Bankers Association, the highest qualification offered by the MBA. Prior to joining Altisource, he served as Director of Operations and Vendor Management for loanDepot.

**Session: 2021 and Beyond: Managing Operations in a Post-Pandemic World**



### LORA HELT

VP of Business Development, Altisource

Lora has been leading the customer account planning cycle, maintaining key client relationships and managing strategic industry relationships for Altisource since 2015. Prior to joining the company, she was Director of Sales and National Accounts at Bradford Technologies where she was responsible for retaining and growing the customer base of new and existing software solutions. In her 25-year financial services career, she has also worked for GE Capital and Chicago Title Insurance Company.

**Session: Executive Roundtable: Originations**



### PERRY HILZENDEGER

President of Servicing, Home Point Financial

Perry is a 30-year veteran in the consumer finance and mortgage industry. At Home Point, he is responsible for leading the mortgage servicing team, delivering a superior customer experience while aligning with the organization's strategic growth expectations. Prior, Hilzendege spent 30 years with Wells Fargo, most recently with Wells Fargo Home Lending, in a variety of leadership positions, including Head of Retail Operations, Head of Servicing Operations, SVP of Default Services and SVP of Real Estate Servicing.

**Session: 2021 and Beyond: Managing Operations in a Post-Pandemic World**



### SCOTT HOLZMEISTER

SVP, Early Stage Default, ServiceMac

Scott is an accomplished mortgage default servicing executive with more than 30 years of experience managing various mortgage product types and risk grades. Throughout his career, he has worked with the Department of Housing and Urban Development and the GSEs in the development of default servicing policy. He began his career leading collection and loss mitigation operations at various mega banks. He currently serves as Senior Vice President, Early-Stage Default at ServiceMac in Fort Mill, South Carolina.

**Session: 2021 and Beyond: Managing Operations in a Post-Pandemic World**



### DAVID HOWARD

Executive Director, National Rental Home Council

David serves as Executive Director of the National Rental Home Council, the nonprofit organization representing the interests of the single-family rental home industry. In this capacity, David is responsible for managing all aspects of NRHC's operating priorities and directing the organization's legislative and public policy objectives. Prior to joining NRHC, David served as Chief Development Officer of the Home Builders Institute (HBI), the workforce affiliate of the National Association of Home Builders (NAHB), where he was responsible for the organization's overall fundraising, business development, constituent outreach operations and government affairs activities.

**Session: The Rental Roller Coaster: The Rebirth of the SFR Market**



### WES ISELEY

Senior Advisor to the Assistant Secretary for Housing, U.S. Department of HUD

Wes is a customer service-focused general management executive with proven success leading organizations to profitability throughout all economic cycles. His experience ranges from directing large firms to developing growing companies into industry leaders. At Carrington Holding Company, Wes is responsible for all external transactions and manages Carrington's relationships across the Carrington family of companies. Prior to Carrington, he was President of Saxon Mortgage, a Morgan Stanley Company. He worked daily with the trading desk at Morgan Stanley and reported directly to the Global Head of Residential Real Estate.

**Session: 2021 and Beyond: Managing Operations in a Post-Pandemic World**



### MIKE JANSTA

Senior Vice President, Hubzu Product, Altisource

Michael leads the marketing team of the online real estate auction platform Hubzu.com, a business unit of Altisource. Since 2006, Michael has facilitated over \$45 billion in closed sales by bringing sellers and buyers together in residential and commercial real estate auctions. His passion is creating data-supported technology solutions to better market and enable transparency in real estate transactions through the auction format.

**Session: Executive Roundtable: Single-Family Rentals**



### MICHAEL KEATON

Chief Servicing Officer, Shellpoint Mortgage Servicing

Michael has been subservicing mortgages for third-party clients for nearly 30 years, 10 of which were spent at Wendover where he was VP of Default Administration. In 2002, he managed in-house recovering operations for Resurgent Capital Services filing as many as 10,000 proofs of claim per month. He was also a key player in the development of Shellpoint Mortgage Servicing that now services nearly 1.6 million loans across all product types.

**Session: Government Update: How Emergency Actions Are Impacting the Market**



### JACK V. KONYK

Executive Director of Government Affairs, Weiner Brodsky Kider PC

Jack has over four decades of consumer banking and lending experience concentrated in mortgage finance, regulatory compliance, enterprise risk and public and government affairs. He is a frequent speaker at conferences across the country and a prominent voice for industry with legislators and regulators at all levels of government. Jack is involved with the MBA, the American Association of Residential Mortgage Regulators and the American Bankers Association's Mortgage Markets committee, among others.

**Session: Keynote: State of the Mortgage Industry Based on the Impact of Politics & the Pandemic**



### VANESSA LINDOW

Co-CEO/Co-President, Community Loan Servicing, LLC

Vanessa has over 20 years' experience in the real estate industry. She joined Community Loan Servicing (formerly Bayview) in February 2008. During her tenure in the mortgage banking industry, she has been responsible for process improvement, customer support and client relations with various executive leadership titles. Most recently, she held the title of SVP, responsible for several cross-functional departments overseeing production and industry compliance of loss mitigation, fulfillment retention, government loan servicing and operations.

**Session: 2021 and Beyond: Managing Operations in a Post-Pandemic World**



### ROBERT MCKINLEY

VP of Business Development, Altisource

Robert is responsible for creating new relationships and managing existing strategic accounts across all of Altisource's products and services. Before expanding his role, he held the same position at Equator® where he managed large client accounts, building and maintaining relationships, and overseeing implementations. Prior to that, he was an account executive for IndyMac Bank responsible for loan origination production and business development.

**Session: Keynote: Executive Roundtable: Servicing**



### CHRIS MICHAELS

Chief of Staff, Calterra Capital

Chris is Chief of Staff at Calterra Capital where he works closely with portfolio companies to align market conditions and product capabilities to ensure maximum market impact. With over 20 years of mortgage and technology experience, he has developed mortgage solutions for leading financial services companies such as Wells Fargo, Bank of America, Mr. Cooper and JP Morgan Chase. Prior to joining Calterra, Chris spent time with Equator, Banc of California and Altisource Portfolio Solutions developing market, product and technology strategies.

**Session: The Economists' Magic 8 Ball: What To Expect for the Rest of the Year**



### STANLEY MIDDLEMAN

President and CEO, Freedom Mortgage Corporation

Stanley is a nationally recognized business strategist, real estate investor and philanthropist with over 30 years' experience in the mortgage banking industry. Since founding Freedom Mortgage in 1990, he has grown the company into one of the nation's largest U.S. originators and servicers with over 4,300 employees and contractors in more than 75 U.S. locations. Freedom Mortgage has been named a "Top Workplace" by the Indianapolis Star Tribune and Philly.com and has been ranked on the Inc. 5000 list of America's Fastest Growing Companies for six consecutive years.

**Session: The Product Pivot: An Evolving Origination Marketplace**



### PRASANT SAR

Supervisory Policy Analyst, Servicing Policy and Asset Management, FHFA

Prasant directs single-family servicing policy and asset management in the Office of Housing and Regulatory Policy at the Federal Housing Finance Agency (FHFA). In this role, he oversees the servicing and real estate-owned asset portfolio practices undertaken by Fannie Mae and Freddie Mac. This includes oversight over the government-sponsored enterprises' development and implementation of loss mitigation, property preservation practices and counterparty operational reviews for non-bank servicing transfers. During the pandemic, his servicing team has focused on how to dynamically address servicing management policies in response to the unparalleled impacts.

**Session: Government Update: How Emergency Actions Are Impacting the Market**





### RICK SHARGA

EVP, RealtyTrac

Rick is the EVP of RealtyTrac, a leading foreclosure search and discovery website used by real estate agents and investors. One of the country's most frequently quoted sources on real estate, mortgage and foreclosure trends, Rick has appeared on CNBC, CBS News, NBC News, CNN, ABC News, FOX, Bloomberg and NPR. He is a founding member of the Five Star National Mortgage Servicing Association. He was formerly an EVP for Carrington Mortgage Holdings and Chief Marketing Officer of the company's Vylla business unit. Rick was previously Chief Marketing Officer of Ten-X and Auction.com, the leading online real estate marketplace.

**Session: The Economists' Magic 8 Ball: What To Expect for the Rest of the Year**



### JOHN A. VELLA

Chief Revenue Officer, Altisource

John serves as Chief Revenue Officer of Altisource. Previously, he served as Chief Operating Officer of Equator, LLC. He began his financial services career with the FDIC and Freddie Mac and later served as Chief Sales Officer for H & R Block's mortgage company, Chief Executive Officer of Household International's Automotive Business, President and Chief Executive Officer of Bear Stearns EMC Mortgage Company and Executive Vice President for Special Servicing of GMAC/RESCAP. He holds a B.S. in English from Springfield College.

**Session: Keynote: State of the Mortgage Industry Based on the Impact of Politics & the Pandemic**



### MARK VITNER

Managing Director & Senior Economist, Wells Fargo Securities, LLC

Mark is responsible for tracking U.S. and regional economic trends for Wells Fargo Securities. He also writes for the company's Monthly Economic Outlook report and the Weekly Economic and Financial Commentary as well as provides regular updates on the housing markets, commercial real estate, regional economies, consumer spending and issues impacting small business. His commentaries have been featured in The New York Times, The Wall Street Journal Bloomberg, and other major publications.

**Session: The Economists' Magic 8 Ball: What To Expect for the Rest of the Year**



### SARAH WHEELER

Editor-in-Chief, HousingWire

Sarah is HousingWire's Editor-in-Chief, overseeing news content, premium content, sponsored content and event content. She joined HousingWire in 2013 and has served as content editor, magazine editor and managing editor. In 2016, Sarah won Folio's Top Women in Media: Director-Lever Doers award. Before her time at HousingWire, she held marketing and editing roles at several ad agencies and health care companies and early on in her career worked as a newspaper reporter.

**Session: The Economists' Magic 8 Ball: What To Expect for the Rest of the Year**



Mortgage  
Industry  
**Pandemic  
Summit 2.0**  
ONE YEAR LATER



1000 Abernathy, NE, Atlanta, GA 30328 | [BusinessDevelopment@altisource.com](mailto:BusinessDevelopment@altisource.com) | [altisource.com](http://altisource.com)

