



Five Star Panelists Declare Industry's Commitment to Communities

Four experts with different perspectives of the mortgage service industry cover plenty of common ground when it comes to demonstrating the industry's commitment to communities.

In a panel discussion during the recent Five Star Conference and Expo in Dallas, the experts discussed community responsibility and also offered their insights on the effect pre- and post-foreclosure properties have on the area around them. The audience included some 120 brokers, asset managers, contractors, property preservation specialists and compliance representatives.

Moderator Eric Chader, an advisor to the U.S. Department of Housing and urban Development, kicked off the session by posing the question, "What is our responsibility to the communities we serve?"

"Our primary responsibility is to keep borrowers in their homes," said panelist Matt Martin, director of servicing and loss mitigation for HUD. "We need to act more responsibly and more quickly," he added, suggesting services like relocation assistance as an example.

Darin Decker, vice president of operations for JP Morgan Chase, noted, "We have seen innovative developments in the last five years. We need to improve the preservation value of vacant properties."

Robert Klein, founder and chairman of Safeguard Properties and Community Blight Solutions, pointed out the two primary causes of community blight – the length of time the foreclosure process takes once a property becomes vacant, and the use of plywood to secure vacant and abandoned properties, which he said "announces to the world" that a property is vacant.

"Foreclosures sometimes take as long as 600 to 700 days, and properties become 'zombies' in that time," he said. Klein commended Ohio lawmakers for recently enacting H.B. 390, which accelerates the foreclosure process to as little as six months in certain situations when the property is verified as being vacant. He called the measure "groundbreaking legislation" that can serve as a model for other states.

"It's time for the industry to take a proactive approach," he said. "Vacant properties weren't born zombies. Let's not allow these properties to become zombies."

Panelist Ronnie Ory, CEO of Cyprex Services, LLC, told the audience, "The role of field servicers has become more complicated in recent years. We are the foot soldiers in the fight against neighborhood blight. Our responsibilities have increased, which means we have a larger role in contributing to the recovery."