

Report on NAR's Meetings with Large Lenders
to Discuss Originations and Servicing Issues

Bank of America Home Loans

Wells Fargo Home Mortgage

Chase Home Mortgage

Citimortgage [May 18, 2012]

Prepared by NATIONAL ASSOCIATION of REALTORS®

May 4, 2012

SUMMARY

In continuation of meetings that began in 2010, we have met with several of the largest national mortgage lenders in an effort to build upon our established relationships and obtain commitments to improve the origination, short sale, and valuation processes. Direct results of these meetings include a joint communication strategy with Bank of America and Chase on originations and short sale documentation requirements, collaboration on Chase's 'Priority Partners' pilot program, and the establishment of a short sale workgroup with Wells Fargo. The attached chart lists attendees and information for our points of contact.

LEADERSHIP TEAM UPDATE

As of May 1st, we have met with executives from Wells Fargo Home Mortgage, Bank of America Home Loans, and JPMorgan Chase. In addition, we have received commitments from each bank to meet again in the 3rd quarter to follow up on specific issues and make sure that, jointly, we are making progress.

Building upon the prior discussions, these meetings have focused on three key areas that are currently effecting real estate transactions, in addition to looking to the future of mortgage finance.

A number of key issues were discussed with a focus on addressing existing problems:

Mortgage Originations and Credit Accessibility

- Wells Fargo, Bank of America, and Chase each described a similar lending strategy for 2012-13. All three lenders are focused on increasing the quality of service to existing banking customers, while reducing lending through other conduits (i.e. warehouse and correspondent lending).
- All three lenders also acknowledged a pullback in mortgage lending, but again, attributed the decision to repurchase risk (GSEs and FHA), valuation issues, and to incomplete documentation.
- To directly address the documentation issue, we are working with the lenders to come up with ideas to broadly communicate standard documentation requirements for mortgage applications. Bank of America reported that problematic documentation has resulted in a 15% fall out rate in originations. The idea is to enable REALTORS[®] to play a bigger role in educating borrowers throughout the process.

Appraisals and Valuation

- Lenders acknowledged that the valuation of properties is a significant impediment to many real estate transactions and that problems persist with proper valuations even in improving markets.
- NAR staff is arranging meetings between the lenders and RPR to incorporate agent market knowledge with servicer and investor valuation methods. The goal is to make sure that all parties are connected and more consistent on valuation.

Short Sales and REOs (Bank-Owned Properties)

- All of the lenders posited that improvement was happening, but more still needed to be done. In response, Chase and Wells Fargo both made specific commitments to working with NAR on solutions that will continue to improve the processes.
- Chase is piloting a client referral program in California to build on partnerships Chase loan officers have with agents, in order to increase transaction completion rates in short sale transactions. Chase will accomplish this by providing targeted training opportunities for their ‘Priority Partners’. Details of the ‘Priority Partners’ program rollouts are still being finalized, but Chase will work with NAR to distribute the information as the program expands. The goal is to ensure REALTORS[®] have an understanding of how to become a Chase ‘Priority Partner’. We will consider this a success if we can provide members further business opportunities.
- Wells Fargo Home Mortgage executives asked that we organize members to discuss the barriers, difficulties, and challenges to short sales, as well as things that may be working. The working group will be meeting throughout the year to address REALTORS[®] concerns.

Dodd-Frank Wall Street Reform and Consumer Protection Act

- All of the lenders discussed the current and potential impact on mortgage finance due to pending regulations, namely, the proposed definitions under the ‘Qualified Mortgage’ and ‘Qualified Residential Mortgage’ rulemakings.
- Chase, Wells Fargo, Bank of America and NAR policy staffs are working together to coordinate advocacy efforts. There was wide agreement that the future of credit accessibility will be shaped in part by these rules.

NEXT STEPS

- The meetings have been productive in continuing the dialogue that began in 2010. Both sides understand that better communication and education is still a priority. Our message has been about action – we need lenders to respond to the needs of the membership and consumers.
- Along with specific agreement and goals to work together on short sales, valuations, and coordinated advocacy efforts, we made a point of articulating the apparent ‘standoff’ between the lenders, the GSEs, and FHA that seems to be restricting credit accessibility. Our conversations for the rest of the year will focus on the need for broader credit availability, continued improvements on short sales transactions, and coalescing support for changes that will provide responsible borrowers with increased homeownership opportunities.

Meetings with the Big Banks/Lenders

(Update as of May 2, 2012)

Bank	Contacts	NAR Attendees	Bank Attendees	Meeting Date
Bank of America Home Loans HDQ: Calabasas, CA	Kris Yamamoto Senior Vice President Corporate Communications Bank of America 805-526-3205 (direct) kris.yamamoto@bankofamerica.com	Moe Veissi Gary Thomas Steve Brown Scott Louser Dale Stinton Joe Ventrone Charlie Dawson Ken Trepeta	<ul style="list-style-type: none"> • Matt Vernon, Home Loans Sales Executive • Mike Malloy, Regulatory Affairs Executive • Bob Hora, Short Sales and REO Executive • Patrick Ames, Valuations Executive at LandSafe, a Bank of America Co. • Kris Yamamoto, Senior Vice President, Corporate Communications 	April 11 Chicago, Illinois
Wells Fargo Home Mortgage HDQ: Des Moines, IA	Joe Rogers Executive Vice President Well Fargo Home Mortgage 410-872-1935 (direct) Joe.rogers@wellsfargo.com	Moe Veissi Scott Louser Joe Ventrone Charlie Dawson	<ul style="list-style-type: none"> • Mike Heid, President, Well Fargo Home Mortgage (WFHM) • Greg Gwizdz, Wells Fargo National Sales Manager • Joe Jackson, Head of Wells Fargo Ventures • Jim Taylor, SVP – National REO Sales (in place of JK Huey, SVP, Short Sales and REO) • Franklin Codel, EVP and CFO, WFHM • Dan Archer, Director - Government Relations • Joe Rodgers, EVP, WFHM 	April 3-4 Des Moines, Iowa
Chase Home Lending Columbus, OH	Patrick M. Sheehy Executive Vice President, Industry Relations JPMorgan Chase Phone (202)585.6306 Cell (301) 606.4035 patrick.m.sheehy@jpmchase.com	Moe Veissi Steve Brown Scott Louser Dale Stinton Jerry Giovaniello Joe Ventrone Charlie Dawson	<ul style="list-style-type: none"> • Patrick Sheehy, Executive Vice President, Industry Relations • Kevin Watters, Senior Vice President, Retail Lending Executive • Joe Cartellone, Senior Vice President, Home Lending Channel Executive • John Rieger, Vice President, Operations Manager 	April 19 Washington, DC

<p>Citi HDQ: O'Fallon, MO (near St. Louis)</p>	<p>Jeff Jaffee Chief Regulatory Affairs Officer - CitiMortgage (O) 972-653-5944 (C) 347-325-3683 Jeffrey.jaffee@citi.com</p>	<p>Moe Veissi Scott Louser Joe Ventrone Charlie Dawson</p>	<ul style="list-style-type: none"> • Mark Danahy, President of CitiMortgage • Stephen Peletz, REO 	<p>May 18 Washington, DC</p>
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