



YOUR VOICE - By JOSEPH BADALAMENTI

Heightened Foreclosures

In response to heightened levels of foreclosures, leading field service providers are strengthening their service offerings along multiple fronts. Though many are seeing increases in base business, long-term success will increasingly favor those with the infrastructure, innovative technology and broad-base expertise needed to deliver comprehensive, end-to-end solutions.

Technology is playing a key role as servicers look to their field service partners for more productive and cost-effective approaches to default management. Solutions such as those below are finding traction with servicers of all sizes, nationwide.

HUD P260 Data Entry – Mandated use of the HUD P260 portal – particularly in terms of data preparation and entry – has introduced a whole new set of administrative and procedural challenges. Missteps can be costly: Compliance failure can mean interest penalties for every day a property exceeds conveyance deadlines. Or costs for work the servicer discovers too late aren't reimbursable under HUD.

To address this challenge, some field service companies now include data preparation, formatting and entry for the P260 portal as a service to their customers. Not only does this relieve client compliance worries, it saves valuable time.

Vacant Property Registration – With today's swelled default and REO inventories, many servicers are finding vacant property registration to be a troublesome and frustrating task.

To help servicers respond, some service providers maintain and continually update a comprehensive vacant

property ordinance database. Such a database provides a single online reference for all municipalities nationwide, so that a user can access regulations and registration rules that apply to each property, by location.

Utilizing functionality integrated into the database, the field services provider can handle vacant property registration from start to finish, establishing rapport with municipal leaders, notifying mortgagees, filling out and submitting registration paperwork and coordinating actions needed to assure compliance.

Integration of pre-foreclosure and REO services. Given today's inflated default and foreclosure rates, an effective partner must be able to provide both pre-foreclosure services, such as property preservation, inspections and valuations, and REO services, such as occupied property management, pre-marketing services, marketing services, and closing and title services. For the servicer, working with a single-source for both pre-foreclosure and REO services can provide a number of important advantages leading to better overall returns on REO assets.

Improving and streamlining default and REO processes will remain a primary focus of servicers and their field services partners as elevated foreclosure rates continue and regulatory compliance becomes more urgent and complex. The field service provider's first step in navigating these realities will be to become an even more capable and efficient resource – a true problem-solving partner who understands both broad market forces and the servicer's particular needs and business circumstances. ♦

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Joseph Badalamenti (Joe Bada) got his start in the default management industry in 1967 as a HUD contractor. Now, 43 years and over 5 million inspections later, Joe has built Five Brothers into a highly successful and respected industry leader offering a full range of default management services and technology solutions.