Help for America's Homeowners

MAKING HOME AFFORDABLE

Making Contact: The Path to Improving Mortgage Industry Communication with Homeowners

A Report on the U.S. Department of the Treasury's Guidance on Homeowner Single Point of Contact

Table of Contents

I. Executive Summary

At the start of the financial crisis, the mortgage servicing industry was ill-equipped to help the overwhelming number of homeowners in need of assistance. Servicers' business models were focused primarily on collecting mortgage payments for investors instead of providing customer service to homeowners. Many homeowners were not getting the help they needed. There was no standardized process for assisting homeowners, and when mortgage modifications did occur, they often increased—not lowered—monthly payments.

To help responsible homeowners avoid foreclosure, the Obama Administration launched Making Home Affordable (MHA) in March 2009, which provided a structured framework for mortgage modifications as well as financial incentives to encourage modifications. However, in order for the program to succeed, servicers had to change their business models. That is why the Department of the Treasury issued a number of requirements for servicers participating in MHA—not only to establish standards as to how to make modifications affordable and sustainable, but also to improve the customer service relationship between mortgage servicers and homeowners. That is also why over a year ago, Treasury required the largest MHA servicers to provide each homeowner seeking help through MHA a "single point of contact" (SPOC) who would work with the homeowner to avoid foreclosure. The fact that over one million families have received MHA modifications, and more than four million additional families have received proprietary modifications, or other loss mitigation assistance through the Federal Housing Administration, is in large part because of the cumulative effect of these standards in helping to change the industry's behavior.

The purpose of this special report is to review the implementation of the SPOC requirement by the largest servicers participating in MHA. This report is intended to serve as a basis for a broader discussion on how the SPOC requirement can best be implemented for all servicers, not only those participating in MHA, so that communication between the homeowner and servicer can be improved from the dismal conditions that marked the beginning of the crisis.

Highlights from the Report

- **Through the Single Point of Contact requirement, homeowners now have dedicated personnel that will work with them from the beginning to the end of the process to avoid foreclosure.** Servicers report that they have reorganized their homeowner communication areas and expanded staff capacity. The nine servicers surveyed for this report now have more than 12,000 individuals whose primary, if not sole, responsibility is to communicate with homeowners seeking assistance. Nearly 6,000 other personnel are assigned to help SPOCs collect and process documents from homeowners.

- **Three primary implementation models have emerged.** Of the nine servicers surveyed for this report, seven use a "Direct Model" whereby an individual SPOC serves as the relationship manager, one uses a "Pod Model" whereby there is a team of SPOCs available to assist the homeowner, and one uses an "Appointment-Based Model" whereby a customer service representative takes inbound calls and schedules an appointment with the SPOC. Each is described in detail in the body of the report. Regardless of the model, SPOC requires servicers to assign homeowners dedicated personnel to work with throughout the complex process of resolving their difficulties paying their mortgages.

- **Servicers communicate with homeowners in different ways.** While all servicers make their SPOCs available to homeowners by phone, some also employ email or web-based interaction capabilities. Servicers also vary widely in the alternatives offered to homeowners attempting to contact a SPOC who is currently unavailable—for example, some use voicemail, while others route the call to another SPOC.

- **There is no standard caseload for SPOCs.** Servicers exhibit a wide range in both the target and actual number of homeowner cases a SPOC is expected to handle at any given point in time. Across servicers, actual caseloads range from 64 to 210 homeowners per SPOC. Servicers are developing different methods of calculating SPOC caseload to optimize their effectiveness since not all cases require the same level of effort.

- **Challenges remain in improving how servicers communicate with homeowners.** While the changes discussed in this report have begun to improve the likelihood of better outcomes for homeowners, it is still too early to tell whether the industry will improve its customer service to the desired level. The SPOC model, as applied to mortgage servicing, is still in the process of maturing and there is likely to be a dynamic environment, with servicers continuing to experiment with different concepts and new promising practices.

As with many of the servicing standards and homeowner protections developed under MHA, a SPOC requirement was also included in the servicing standards agreed to in the National Mortgage Settlement, and a similar requirement (referred to as "continuity of contact") has been included in the servicing standards recently proposed by the Consumer Financial Protection Bureau (CFPB). The changes represent a broad effort to implement the Obama administration's Homeowner Bill of Rights. The fact that the National Mortgage Settlement and the CFPB, as well as other Federal and state regulators, are adopting similar SPOC requirements will help solidify that this new way of ensuring more personalized help for homeowners will continue beyond the life of the MHA program.

II. Introduction

This is a report on actions being taken to improve how mortgage servicers communicate with homeowners who are having trouble paying their mortgages. Specifically, it is a report on the implementation of “single point of contact” (SPOC), a servicer-homeowner communications standard required by the U.S. Department of the Treasury (Treasury) for servicers participating in the Making Home Affordable Program (MHA).

The issue of how well mortgage servicers communicate with homeowners has been fundamental to our nation’s ability to address the housing crisis. The reason is simple: unless mortgage servicers communicate successfully with at-risk homeowners, there can be no modification of a mortgage and no path to avoiding a foreclosure. All stakeholders concur that the nation’s mortgage industry did a poor job of this at the outset of the crisis. Servicer business models were set up to collect payments on loans, not to work collaboratively with distressed homeowners and certainly not with the overwhelming volume of homeowners who were struggling to keep up with their mortgage payments in 2008 and 2009 as the crisis unfolded.

There is a basic business reality to the servicing relationship that is at the core of the situation. Homeowners are the customers of financial institutions when it comes to products such as checking accounts, savings accounts, or trust and advisory services, but, in most cases a mortgage servicer’s customer is the investor who owns the loan and not the homeowner. Mortgage servicers have contracts with and fiduciary duties to the investors who own the loans. A servicer’s job is to collect payments from homeowners on behalf of those investors. Investors can choose which financial institution has the right to service their loans and can transfer their business if service levels are unacceptable. Homeowners do not have those rights and until recently, had very few opportunities for redress when they received poor customer service. It is not surprising then that many struggling homeowners, who tried unsuccessfully to communicate with their servicers, stopped opening mail, or responding to phone calls from those servicers.

In this crisis, when millions of homeowners had trouble paying their mortgages, whether or not servicers were able to communicate effectively with homeowners has mattered a great deal.

In early 2009, Treasury launched MHA, which combined financial incentives and a standardized modification structure to encourage homeowners, servicers, and investors to participate in the first nationwide mortgage modification program. However, even before MHA there were efforts within government and the mortgage industry to develop more effective foreclosure prevention options and educate homeowners about those options.

As early as 2005, a coalition of mortgage servicers and housing counselors founded the non-profit Homeownership Preservation Foundation (HPF), which established and continues to operate the Homeowner’s HOPE™ Hotline, a toll-free phone resource for homeowners who are having trouble making their mortgage payments. Over the years, millions of homeowners who have called the HOPE Hotline have received free foreclosure prevention assistance from housing counselors approved by the U.S. Department of Housing and Urban Development (HUD). When Treasury was looking for a way to make information about MHA available to the public, it recognized the important resource that HPF provided and contracted with HPF to expand the HOPE Hotline to include screening for MHA eligibility.

In 2007, then Treasury Secretary Henry Paulson and HUD Secretary Alphonso Jackson worked with key industry leaders to create the HOPE NOW Alliance, a voluntary coalition of nearly 30 mortgage servicers who mutually agreed to increase the volume and effectiveness of mortgage modifications through sharing of data and best practices, development of new technologies, sponsorship of homeowner outreach events and other strategies. Most servicer members of the HOPE NOW Alliance also eventually became participants in MHA.

Also, in 2007, the National Foreclosure Mitigation Counseling (NFMC) Program was launched with funding appropriated by Congress to address the nationwide foreclosure crisis by dramatically increasing the availability of housing counseling for families at risk of foreclosure. NeighborWorks America was chosen by Congress to administer the NFMC program. Since that time, Congress has provided annual appropriations totaling $620 million.

In July 2008, the second largest bank failure in history occurred when the Federal Deposit Insurance Corporation (FDIC) seized the assets of IndyMac. This California-based lender had massive mortgage defaults and its homeowners needed immediate help. The FDIC created a standard mortgage modification program that required limited homeowner data to complete a modification. The program, which because of its streamlined nature became known as “Mod in a Box” was extended to all FDIC-regulated entities in November of 2008.

While these, as well as other efforts by cities and counties to implement local mediation programs and foreclosure prevention taskforces, laid the foundation for a nationwide modification policy, the pace of modifications to struggling homeowners was slow by the time President Obama took office. When mortgage modifications did occur, they often increased—not lowered—monthly payments. MHA was launched in an environment where there were few – if any – standards regulating how servicers interacted with delinquent homeowners. As MHA was implemented, it became apparent that critical changes had to be made in the way that mortgage servicers contacted and worked with struggling homeowners.

Treasury spent a good portion of 2009 and 2010 designing and refining requirements that defined how MHA participating servicers should communicate with homeowners. These requirements covered such topics as early intervention, minimum outreach standards, limitations on dual tracking loss mitigation and foreclosure actions, written notices regarding eligibility, ability to request an independent review of servicer decisions, and opportunities for escalation of homeowner complaints. These innovative requirements were intended to provide struggling homeowners with a fair opportunity to understand their options and be evaluated for assistance. Treasury reinforced the importance of homeowner communication by implementing compliance efforts to determine how effectively servicers implemented these requirements and requiring servicers to improve where necessary. As a result, today the largest servicers demonstrate that they are able to make contact and evaluate the vast majority of homeowners who are eligible for assistance. Homeowners who receive assistance under MHA show a high likelihood of long-term success in avoiding foreclosure.

These actions helped create standards for mortgage modifications and protections for struggling homeowners that had not existed before. While these actions gave rise to many improvements in the industry’s behavior, as time went on, it became clear that even more was required.

In May 2011, Treasury issued Supplemental Directive (SD) 11-04 requiring the largest servicers participating in MHA to implement a SPOC homeowner communication model, and to assign a SPOC to each homeowner potentially eligible for MHA to work with the homeowner through the entire application and resolution process.[1] The SPOC SD became effective on September 1, 2011 and November 1, 2011, for new and existing loss mitigation cases, respectively.

This report is intended to provide an overview of how and why the SPOC guidelines came about and describe the implementation of those guidelines by the nine largest MHA servicers of non-GSE loans.[2] Treasury collected data for this report through a survey of the nine largest MHA servicers, through discussions with servicer personnel, and through observation of performance within the MHA program.[3] The report constitutes the most descriptive source of information available on non-GSE servicer implementation of SPOC and serves as a snapshot of the approaches being taken across the industry.

The report covers:

- The evolution of MHA servicing standards and the challenges Treasury guidance sought to address;

- A summary of the main requirements of MHA SPOC guidance;

- A general overview of the implementation of the SPOC guidance as reported by the largest MHA servicers;

- An assessment of the servicing industry's progress in developing best practices for SPOC and a suggested framework for future research on the effectiveness of servicers' implementation of SPOC guidance; and

- Specific descriptions of how each of the largest MHA servicers has implemented the SPOC guidance.

The purpose of this report is to shine a spotlight on SPOC, and to create a more informed public discourse on the issues of how the mortgage industry assists struggling homeowners. It is equally important to note what this report does not cover:

– It is **<u>not</u>** a report that offers a conclusion on the best way to implement SPOC. As discussed in the report, industry participants have created a wide range of approaches. It is vital to evaluate what works and that evaluation will benefit from time and experience with the various models. This report seeks to advance that effort by outlining the approaches to date as well as some of the questions that will need to be asked and debated. There may not be one "right" answer.

– This report is not an audit, or an assessment of how well servicers comply with MHA guidance. Treasury has been evaluating servicer compliance with these guidelines, and the results from those compliance reviews have been included in the quarterly MHA Servicer Assessments as part of the metrics evaluating servicer internal controls for the MHA program.

– This report offers a description rather than an evaluation. Much of the information in this report is based on each servicer's description of how its model is *supposed* to work. Whether a given model does in fact work as

[1] SD 11-04 was fully incorporated into Chapter I, Section 4 of the *Making Home Affordable Program Handbook for Servicers of Non-GSE Mortgage* (the *"Handbook")*.
[2] Bank of America, NA; CitiMortgage Inc.; GMAC Mortgage, LLC; Homeward Residential; JPMorgan Chase, NA; Ocwen Loan Servicing, LLC; OneWest Bank; Select Portfolio Servicing; and Wells Fargo Bank, NA.
[3] Survey data as reported by the servicers as of March, April, and May 2012. Survey data is reported on an aggregate level by servicers. Therefore, it is not subject to the same data quality checks as transactional data reported into the Home Affordable Modification Program (HAMP) system of record.

designed is obviously of critical importance. For now, a report on how the models are designed will help the public—as well as other governmental agencies that have an interest in these matters— judge whether they are in fact working.

The purpose of this report is therefore to give as much clarity as possible on a major operational change being made by servicers in the way they interact with struggling homeowners. The report is designed to identify the issues and questions that must be examined in order to make sure this change succeeds within MHA and more broadly.

There are a number of questions with respect to SPOC that are yet to be answered. As discussed later, these questions include the timing of SPOC assignment, SPOC caseloads, how SPOCs communicate with homeowners, and SPOC compensation and career path. Although it is outside the scope of this report, the advent and maturation of SPOC in the servicing industry may also play a role in, and be affected by, a broader conversation about changes in the overall servicing industry as well as the methods by which servicers are compensated.

While answers to those questions may not yet be clear, what is already clear is that SPOC—together with other complementary steps taken to reform servicer behavior—is having an impact on servicers' capacity to communicate with struggling homeowners. The survey data collected for this report indicate that the nine servicers in this report have more than 12,000 individuals whose primary, if not sole, responsibility is to communicate with and assist homeowners seeking home retention solutions and other foreclosure alternatives, with another 6,000 in roles supporting the SPOCs. While not all of this capacity is new, SPOC guidance is widely understood by servicers to have vastly increased their capacity for communicating and assisting homeowners.

Finally, there is an important caveat on language and terminology. A certain amount of terminology specific to the servicing industry is used—terms such as "right party contact," "homeowner entry point," and "warm transfer," for example. The report uses the industry terminology for the sake of clarity and efficiency in describing and comparing these different models and includes a Glossary of Terms in Appendix B that provides plain English definitions of these terms. Readers should keep in mind, however, that underlying this technical terminology—which often sounds sterile and cold—is the critical issue of how servicers communicate with homeowners struggling to retain their homes. That is one of the most difficult, emotional, and traumatic issues any family can face, and the language should not cause us to forget that. The intent of SPOC is to ensure that these homeowners receive the best possible outcome as expeditiously as possible.

III. How We Got Here: The Path Towards the Single Point of Contact Requirement

In early 2009, the U.S. economy was facing the fallout from a housing bubble that by some measures had doubled home prices in a period of six years. Delinquency rates had risen significantly, resulting in a backlog of seriously delinquent loans as a consequence of the inability of servicers to manage the unprecedented volume of defaults. Foreclosures were increasing, yet policy response up until then had been limited, largely leaving it to the private sector to decide when a foreclosure or modification was appropriate. During this time, many modifications weren't even reducing homeowner payments.

In the spring of 2009, Treasury introduced MHA, a program designed to help struggling homeowners obtain more affordable mortgages and thereby prevent avoidable foreclosures.[4] MHA was funded through the Troubled Asset Relief Program (TARP), under which Treasury was legally authorized to develop certain types of programs to assist struggling homeowners, but it did not have the authority to establish a mandatory modification program. Consequently, Treasury established a voluntary program, and encouraged mortgage servicers representing the vast majority of the industry to participate. In announcing the components of MHA—most notably the Home Affordable Modification Program (HAMP)—Treasury sought to provide a structured plan for affordable and sustainable mortgage modifications that participating servicers would adopt as their first response for homeowners who had experienced a financial hardship. Under HAMP, servicers receive financial incentives in recognition of the additional staff and administrative expenses involved in gathering documentation, underwriting, and processing modifications necessary to help at-risk homeowners. At the time the program was launched, there were no comprehensive servicing standards or homeowner communication guidance.

Designing a program to improve the affordability of mortgages for responsible homeowners was challenging particularly because of the nature of the mortgage industry at that time: mortgage servicers were simply unequipped to manage the magnitude of the crisis before them. The servicers were structured and staffed to perform a limited role: collecting payments on mortgages and managing delinquencies based on historical levels using traditional approaches. They did not have the systems, staffing, or operational capacity to engage with homeowners on a large scale and offer meaningful relief from unaffordable mortgages. Indeed, as Treasury[5] conducted its initial reviews of servicer performance, it became clear that servicing organizations were significantly challenged in implementing MHA and in communicating with delinquent homeowners in a timely and efficient manner. Treasury observed that servicer response to delinquent homeowner communication was often compartmentalized based on factors such as length of delinquency, cause of the hardship, investor type, loan type, and geographic location. Additionally, in large to mid-sized servicing organizations, separate teams or departments handled different aspects of default servicing (*e.g.*, collections, bankruptcy, repayment plans, modifications, short sales, foreclosure processing) with communication among these teams frequently ineffective or non-existent. Moreover, these teams often lacked adequate technology to easily share data or provide effective homeowner communications either orally or in writing.

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[4] http://www.treasury.gov/press-center/press-releases/Pages/tg33.aspx

[5] Treasury has engaged Freddie Mac as the Compliance Agent. Freddie Mac has created an independent division, Making Home Affordable Compliance (MHA-C), which works with Treasury, for this purpose.

Thus, during the early months of the housing crisis, many homeowners who tried to get help had difficulty in dealing with their servicers. They typically had to work with multiple servicer employees across different departments and locations to obtain help, with no assurance that any single individual knew all aspects of their situation. Typically, there was no single servicer representative that was capable of explaining available foreclosure prevention options or that had responsibility for ensuring that homeowners received the help appropriate for their circumstance.

In addition to the observations from Treasury's compliance activities, there were frequent homeowner complaints and reports from homeowner advocacy organizations that:

- Homeowners were unable to locate an informed representative at the servicer who could assist them in completing required documents or who could verify that the documents had been received.
- Homeowners were directed to a different servicer representative each time they called for assistance and, each time, were required to begin again with their request for assistance because the new representative could not access notes from prior conversations. Homeowners reported that they were often required to submit multiple copies of the same documents or were denied assistance because the servicer could not find documents that had previously been provided.
- Homeowners frequently received contradictory oral or written policy information from different servicer representatives and information that was not consistent with published HAMP program requirements.
- Homeowners were concurrently offered modification assistance from one department while receiving foreclosure notices from another.

This confusing experience increased homeowner frustration and slowed down the pace of modifications. It discouraged many from even seeking help.

Many who tried to help homeowners—such as Congressional staff, housing advocates, and counselors—also became frustrated and pushed for creation of an Office of Borrower Advocacy, independent of all regulators and empowered to direct servicers to stop foreclosures. Eventually, in 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) created such a function within the new Consumer Finance Protection Bureau (CFPB). However, Treasury, realizing that it would be many months before the newly formed bureau could effectively provide this needed homeowner assistance, reconfigured the existing HOPE hotline to provide a direct and effective means for MHA homeowners to reach a Treasury advocate empowered to interact with servicers on their behalf. Additionally, MHA participating servicers were required to establish internal escalation offices independent of the servicing staff who make foreclosure prevention decisions.

To ensure adherence to these new customer care requirements, Treasury launched a compliance effort to examine what servicers were doing on a daily basis. Compliance activities consisted of both on-site and off-site reviews of servicers' compliance with MHA requirements, which ranged from examining servicers' internal controls and processes to reviews of individual loan files. As issues were identified, Treasury required participating servicers to take remedial action at two levels. First, servicers were required to identify homeowners who had been affected by a particular problem, correct any errors, and re-evaluate the homeowners for assistance under MHA. Second, servicers were directed to correct the underlying process and improve internal controls to ensure that the weaknesses that gave rise to the initial errors did not recur.

While Treasury did not have regulatory authority over the servicing industry or particular servicers, it could issue guidance defining servicers' responsibility to communicate with homeowners potentially eligible for HAMP and other MHA foreclosure prevention options, as part of the terms of the program.

Throughout the life of MHA, Treasury has continued to define specific actions participating servicers must take to reach out and work with struggling homeowners. Specifically, in the fall of 2009, Treasury defined standard time frames within which servicers must respond to homeowner inquiries regarding eligibility for a modification and also established requirements regarding the format, content, and timing of notices that are sent to homeowners regarding their HAMP modifications. In January, and again in March 2010, Treasury provided additional guidance to servicers regarding how to acknowledge receipt of homeowners' modification packages, defined the reasonable actions a servicer must take to make contact with a homeowner who has missed more than two mortgage payments, and established additional protections regarding when a loan could be referred to the foreclosure process or a foreclosure sale. In the fall of 2010, Treasury issued guidance for addressing and resolving homeowner complaints regarding their modification, and provided additional guidance in March 2011 on homeowner case escalations. That same month, Treasury also established the homeowner net present value (NPV) calculator (at CheckMyNPV.com) to independently validate the inputs used by servicers in making MHA decisions. Each of these steps resulted in incremental improvements in the homeowner experience under MHA.

As a result of these policies, servicers are now required to:

- Proactively contact delinquent homeowners early in the delinquency when it is most likely they will be eligible for assistance;
- Abstain from referring a loan to foreclosure or conducting a foreclosure sale while a homeowner is actively working with the servicer on a MHA foreclosure prevention option to resolve the delinquency;
- Use standard, plain-language homeowner notices and adhere to Treasury timelines for collection of income verification documents;
- Provide written notices to homeowners who are evaluated and determined to be ineligible for a modification that includes all the data used to make the decision and allow the homeowner 30 days to request an independent review of most denial decisions before holding a foreclosure sale;
- Certify in writing that all foreclosure prevention options have been exhausted before they can hold a foreclosure sale;
- Establish a defined process for resolution of homeowner complaints that for all large and mid-sized servicers must be separate from the staff evaluating the homeowner for a modification; and,
- Provide each delinquent homeowner who asks for help with a single point of contact who is responsible for coordinating all servicer efforts to help the homeowner.

While these changes are many in number and have a cumulative effect, the most significant single change is the implementation of the SPOC requirements. Attached as Appendix A is a chronology of the specific homeowner protections and communications guidance issued by Treasury over the last three and a half years.

Technically, these standards applied only to mortgages eligible for MHA, and many mortgages fell outside that eligibility pool. Because Treasury required servicers to consider any mortgage that failed to qualify for MHA for other loss mitigation options before proceeding with foreclosure, the standards helped change servicer behavior more generally.

Just as the standards developed in MHA concerning how to make mortgage modifications sustainable—for example, the debt-to-income standards and NPV model—were subsequently adopted widely in the industry, so too were many of these customer care and communication servicing standards. Over time, the body of guidance issued to enhance the effectiveness of MHA was subsequently used by other industry stakeholders as source material in developing other industry standards and guidance. The servicing requirements included in the National Mortgage Settlement between the five largest national servicers, HUD and the Department of Justice, and 49 State Attorneys General in settlement of mortgage servicing deficiencies drew heavily on MHA servicing standards.[6] Most recently, the CFPB—which was given the responsibility to develop standards on homeowner outreach under the Dodd-Frank Act—used MHA guidance as a reference in creating its proposed rulemaking that, when published as final regulations, would apply to all mortgage servicers.

In 2011, Treasury began publishing quarterly compliance assessments on the largest servicers participating in MHA. Using a variety of compliance metrics, the reports reflect the level of servicer compliance with specific MHA guidelines. These reports are based on the extensive compliance reviews conducted by Treasury's compliance agent, which involve thousands of loan file reviews and multiple internal control reviews on-site at servicers. The metrics include the accuracy of a servicer's determination of whether a homeowner qualified for assistance under MHA as well as the accuracy of the servicer's calculation of a homeowner's monthly income, a central input in determining eligibility as well as an accurate modification payment. The assessments also include reviews of internal controls regarding processes for contacting and working with homeowners as well as reporting modifications properly. Treasury has withheld payment of servicer incentives where a servicer was deemed to be in need of substantial improvement until specified improvements were made. The assessments are also coupled with measurements of performance in several additional areas, such as how timely servicers are in assisting eligible homeowners, servicer effectiveness in modifying eligible mortgages, time needed to resolve homeowner complaints, and timely reporting of modification activity.

The publication of these assessments brought a much needed public spotlight on servicer behavior. It also attracted the attention of the senior management of servicers. As a result, servicer performance in HAMP has improved significantly. The compliance assessments include charts showing how performance on the designated metrics has improved over time, which are included in Appendix C.

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[6] Press release issued by the U.S. Department of Justice: http://www.justice.gov/opa/pr/2012/February/12-ag-186.html

IV. Development of the SPOC Guidance and Its Requirements

With the evolution of MHA servicing standards, communication between servicers and homeowners applying for mortgage relief improved in the areas of proactive outreach to newly delinquent homeowners and resolution of homeowner complaints related to denials, especially as it pertained to the MHA process. However, more progress was still needed. Homeowners and many housing advocates continued to report challenges with the application process. They continued to report requests for assistance and homeowner income documents were lost and that homeowners seldom spoke to the same servicer representative or one who was knowledgeable about their situation, requiring them to repeat or re-send information. Many stakeholders began to call for servicers to provide one designated servicing representative for delinquent homeowners, similar to the model widely used in loan originations, where a prospective homeowner interacts with a single individual (the loan officer) when obtaining a mortgage.

In early 2011, Treasury began discussing options for a single point of contact concept with other key stakeholders and constituencies, including Fannie Mae and Freddie Mac (the Government Sponsored Enterprises or GSEs) and their conservator the Federal Housing Finance Agency (FHFA); other Federal banking regulators and housing agencies including HUD; representatives of homeowner advocacy organizations; and large and mid-sized servicers participating in MHA.

Over a period of months, through discussions, face-to-face meetings and shared draft guidance, Treasury sought input on a number of key points including:

- When a SPOC should be assigned and when the SPOC's responsibility with respect to a homeowner should end;
- Whether the SPOC must be an employee of the servicer or whether the role could be performed by a contractor;
- The format and timing of notifications to the homeowner about the identity of the SPOC or any changes in SPOC assignment necessitated by employee departures or transfers;
- The specific responsibilities of the SPOC and whether these responsibilities must only be completed by a single individual or could be completed by any member of a team;
- Whether the SPOC should have the authority to stop a pending foreclosure or should be consulted prior to a foreclosure sale; and
- The impact of this requirement on servicer operations, staffing, and systems.

At the same time, the Office of the Comptroller of the Currency (OCC) was preparing to issue consent orders to a number of large banks under its supervision to address inappropriate foreclosure practices. The consent orders would eventually include a requirement to establish "an easily accessible and reliable single point of contact for each borrower," although the OCC did not provide in-depth guidance on implementation.[7]

The GSEs elected not to issue unique Fannie Mae or Freddie Mac SPOC requirements, but instead leveraged requirements of other agencies by stating that if a servicer of GSE loans was obligated by virtue of regulatory orders or contract compliance (via MHA), to implement a SPOC program, the same requirements would apply to all loans serviced for the GSEs.

[7] Press release issued by the OCC: http://www.occ.gov/topics/consumer-protection/foreclosure-prevention/correcting-foreclosure-practices.html

Treasury published its guidance containing the SPOC requirements in May 2011. The guidance provides comprehensive standards that reflected the input received from the diverse stakeholders who were consulted. The twenty largest MHA servicers are required to adhere to these standards, and all other MHA servicers are encouraged to implement the guidance.[8]

Under the SPOC guidance:

- Servicers must assign a SPOC to a delinquent homeowner, or a homeowner who requests consideration under imminent default, immediately upon successfully establishing contact with the homeowner, known as right party contact (RPC), and when it is determined that the homeowner may be eligible for any of the following MHA programs: HAMP, the Home Affordable Unemployment Program (UP), or the Home Affordable Foreclosure Alternatives Program (HAFA);
- The assigned SPOC must work with the homeowner until all available home retention and other non-foreclosure options, such as a HAFA short sale, have been exhausted;
- If a loan is subsequently referred to foreclosure, the SPOC must be available to respond to homeowner inquiries regarding the status of the foreclosure and must have immediate access to those who can stop foreclosure proceedings where appropriate;
- Servicers must make available an independent escalation team to receive and address homeowners concerns regarding the process or their evaluations; and
- Servicers must develop effective processes for assisting homeowners whose primary language is not English.

Once the servicer has assigned a SPOC to a homeowner, the SPOC is responsible for all actions taken by the servicer to resolve the homeowner's delinquency or imminent default. The SPOC must:

- Promptly contact the homeowner and provide written notice to the homeowner within five business days of being assigned. The notice must include a toll-free contact number for reaching the SPOC directly, other contact options, and the preferred method for sending documents to the servicer;
- Communicate all options available to the homeowner and the actions the homeowner must take to be considered for these options;
- Track all documents so that the homeowner won't be required to re-submit documents and to ensure that the homeowner is notified promptly of any need for additional documents;
- Respond to inquiries, be knowledgeable about the homeowner's current status, and communicate underwriting decisions on modification requests;
- Coordinate with other servicer personnel responsible for ensuring that a homeowner not eligible for MHA is considered for other foreclosure prevention options; and
- Be properly trained, have appropriate caseloads, and be supported by others in the organization who can fulfill these responsibilities when the homeowner's assigned SPOC is unavailable.

Differences in servicers' organizational structure and size, investor base, technology, and the size and characteristics of their servicing portfolios have resulted in SPOC implementation plans that differ in certain specifics while attempting to meet the overall objective of improved homeowner-servicer communication. This

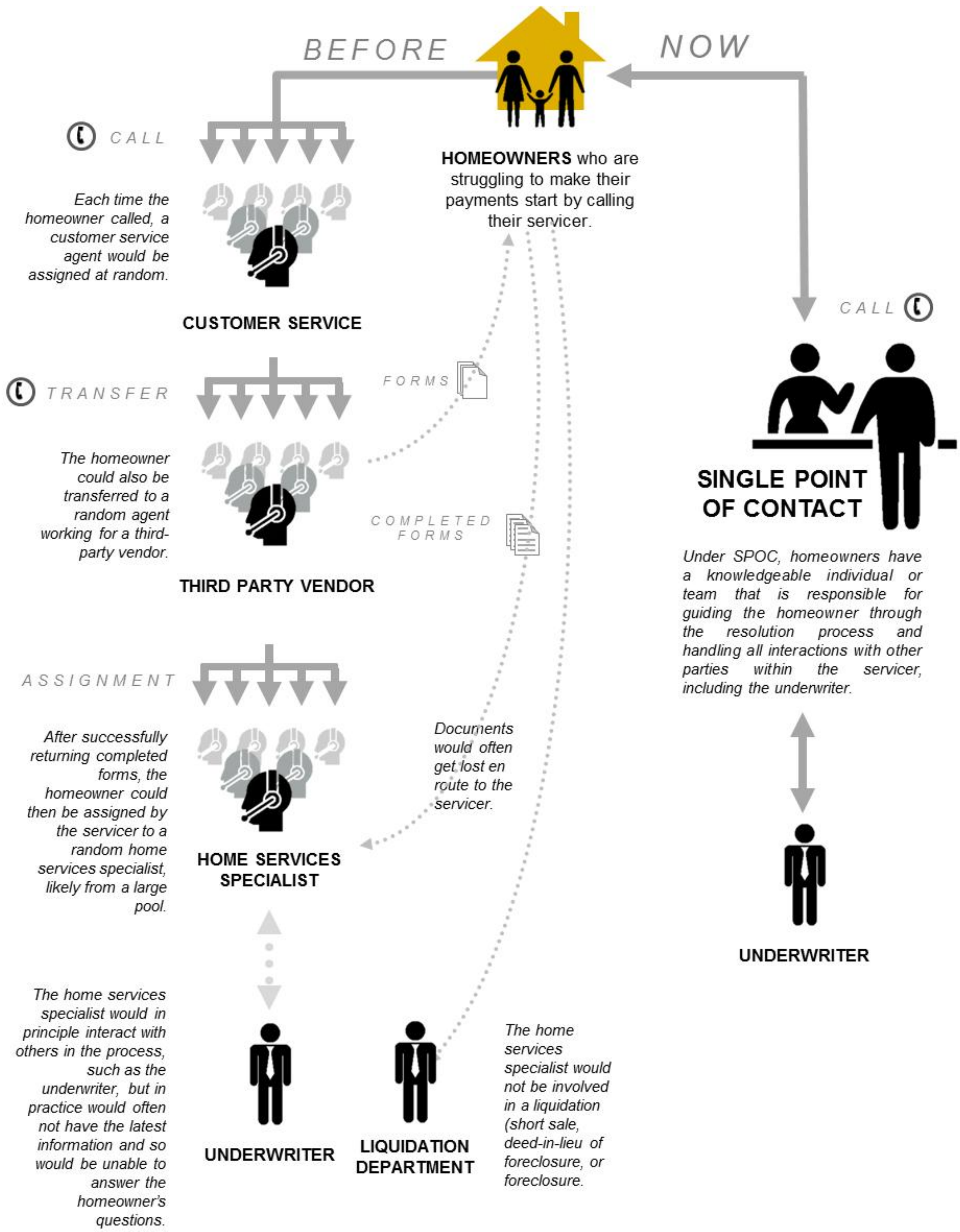
[8] As used in this report, the term "MHA servicers" means servicers of non-GSE mortgages participating in MHA.

report describes how the largest servicers are implementing SPOC in order to provide industry stakeholders, researchers, the public, and other interested parties with a deeper understanding of how SPOC is being implemented and how it may be affecting the experience of homeowners applying for help through MHA. As mentioned at the outset, it does not attempt to assess the relative merits or effectiveness of each servicer's implementation, nor the level of compliance with MHA guidelines in each servicer's SPOC implementation and effectiveness.[9]

The reasons for the focus on describing, rather than evaluating the merits of, servicers' SPOC implementations are straightforward. SPOC represents a significant operational and conceptual shift for the servicing industry as a whole; one that a number of stakeholders believe will improve customer service for homeowners. Servicers' descriptions to Treasury of their SPOC implementation show that when presented with the same general challenge, industry participants have attempted to create a wide range of solutions. As discussed in the Conclusion to this report, it is unlikely that there is one "right" answer to this challenge, and if there is, it is far too early to determine its nature. Thus, the focus is to provide a view into the different solutions to this common problem, and to identify the key questions and issues that must be considered in evaluating these solutions, in order to help further the dialogue among interested parties.

The chart below provides a generic, high-level overview of what the prior interaction between homeowners and servicers used to be compared to what the SPOC guidance now requires. It is a general depiction of what should occur in the interactions between the SPOC, the homeowner, and other key groups within the servicing organization. It is not a depiction of any particular servicer's operation.

[9] Treasury publishes quarterly Servicer Assessments for the servicers included in this White Paper. Results from reviews of servicers' SPOC implementation are factored into the Servicer Assessments.



BEFORE
NOW
HOMEOWNERS who are struggling to make their payments start by calling their servicer.
CALL
Each time the homeowner called, a customer service agent would be assigned at random.
CUSTOMER SERVICE
TRANSFER
FORMS
The homeowner could also be transferred to a random agent working for a third-party vendor.
COMPLETED FORMS
THIRD PARTY VENDOR
ASSIGNMENT
After successfully returning completed forms, the homeowner could then be assigned by the servicer to a random home services specialist, likely from a large pool.
Documents would often get lost en route to the servicer.
HOME SERVICES SPECIALIST
The home services specialist would in principle interact with others in the process, such as the underwriter, but in practice would often not have the latest information and so would be unable to answer the homeowner's questions.
UNDERWRITER
LIQUIDATION DEPARTMENT
The home services specialist would not be involved in a liquidation (short sale, deed-in-lieu of foreclosure, or foreclosure.
CALL
SINGLE POINT OF CONTACT
Under SPOC, homeowners have a knowledgeable individual or team that is responsible for guiding the homeowner through the resolution process and handling all interactions with other parties within the servicer, including the underwriter.
UNDERWRITER

V. Overview of Servicers' Implementation of SPOC Guidance

The survey data collected for this report indicate that following SPOC implementation, servicers have made significant changes in how they communicate with homeowners seeking assistance. Among the nine largest MHA servicers, there are now over 12,000 individuals whose primary, if not sole, responsibility is to communicate with and help homeowners seeking home retention solutions and other foreclosure alternatives—with nearly another 6,000 assigned to helping SPOCs with document collection and processing. While not all of this capacity was added since the policy became effective, the MHA guidance and other federal actions are widely acknowledged by the servicers to have significantly increased their capacity in this regard.

For the largest servicers, compliance with MHA's SPOC guidance is mandatory. However, servicers have flexibility in how they implement SPOC guidance, and, as noted above, servicing organizations have taken different approaches in integrating the SPOC guidance into their systems and processes for engaging homeowners. Thus, in implementing the SPOC guidance, servicers have adopted approaches that have a number of common elements, as well as significant differences.

Common Elements and Differences

Based on the surveys and interviews conducted by Treasury in connection with this report, the similarities in the models developed by servicers include the following:

- Homeowners are assigned a single identified individual or small team of individuals responsible for assisting the homeowner in preparing the necessary documents needed to evaluate a request for a modification and for communicating decisions;
- Homeowners are provided with multiple channels by which they can correspond with the SPOC or SPOC team (*e.g.*, telephone, email);
- Homeowners' SPOCs are expected both to handle incoming calls from homeowners and to initiate outbound calls to homeowners, as circumstances warrant;
- SPOCs are responsible for discussing liquidation options (short sale or deed-in-lieu of foreclosure) with homeowners in the event a home retention option is not feasible, with the SPOC remaining as the primary or secondary point of contact for the homeowner for 30 to 60 days after the close of the short sale or the foreclosure process.
- There are programs to provide training for SPOCs, benchmarks for managing SPOC caseloads, and performance metrics to measure SPOC effectiveness.

At the same time, survey data indicate differences among the largest servicers in the following:

- SPOCs' roles and responsibilities vary by servicers. SPOCs at some servicers, for example, are solely responsible for communication with the homeowner, relying on support teams for document processing and preparing the modification package for underwriting, while at other servicers the SPOCs are involved in most aspects of the evaluation process, including document collection and processing. Some servicers also have the SPOC lead the discussion regarding short sale or deed-in-lieu options, while other servicers dedicate short sale staff to work with the homeowner with the SPOC in a support role.
- One servicer assigns homeowners to a "SPOC team" rather than a specific individual.
- There is a wide range in both the target and actual number of homeowner cases the SPOC is expected to handle at any given point in time. This appears to be largely a function of organizational structure and the

roles and responsibilities of the SPOC—actual caseloads at servicers range from 64 to 210 homeowners per SPOC. Servicers continue to develop different methods of calculating SPOC caseloads to set appropriate targets, in some instances recognizing that different types of cases require different levels of effort.
- There are differences in the alternatives offered to homeowners attempting to contact a SPOC who is currently unavailable (*e.g.*, voicemail, routing the call to another SPOC, etc.).
- The metrics by which SPOC performance is measured appear to vary widely, with servicers measuring traditional call center metrics such as volume of calls and call abandonment rates, as well as newer metrics such as the average number of days from the receipt of the first document from the homeowner to completion of the full modification request package, or the number of loss mitigation resolutions achieved per SPOC.

It is important to understand the different ways in which servicers begin the process of working with a struggling homeowner and their various homeowner (or customer) relation models. These are summarized below, based on the information provided by the servicers during the surveys and interviews conducted. (The discussion below employs the servicing industry convention of referring to homeowners as "customers," even though, as noted previously, it is investors who are, in some fundamental respects, the true customers in the servicing industry's current business model).

How the SPOC Process Begins

For the largest servicers, the SPOC process begins for a typical homeowner through a collections team or customer service representative. This occurs either when a homeowner calls the servicer to discuss his or her situation or a collections team initiates outbound calls and other solicitations to the homeowner. Upon establishing RPC, the servicer conducts a preliminary evaluation of the homeowner's situation and, if appropriate, sends the loan modification application package to the homeowner. In some cases, the collections team begins collecting some or all of the required documents.

At this point, homeowners who require further payment assistance are assigned to a SPOC through a system transfer, a "warm" transfer, or an appointment-based transfer. The SPOC representative will explain the servicer's processes for resolving delinquent loans, discuss different options that are available for the homeowner, answer any questions the homeowner might have, and establish the best times and methods for communicating with the homeowner moving forward.

In a system transfer, the homeowner is told by the collection agent that a SPOC will be assigned and that the SPOC will return the homeowner's call within a set timeframe. The SPOC is then assigned to the homeowner automatically by a workflow system or other automated technology, often through a batch process at the end of the business day. Under this method, all new homeowner contacts received during the day are grouped together and then assigned to a SPOC based on current caseloads to ensure even distribution across the different SPOCs or SPOC teams. At the start of the next day, SPOCs receive their new assignments and are expected to reach out to the homeowner within a set timeframe.

A "warm" transfer, on the other hand, occurs when the collections agent is still in contact with the homeowner. With the homeowner still on the phone, the collections agent reaches out to the first available SPOC and initiates a conference call between the homeowner, collections agent, and the SPOC.

In an appointment-based transfer, the customer service representative schedules an appointment time for the homeowner to speak with the assigned SPOC. The assigned SPOC will then contact the homeowner at the date and time specified in the appointment.

Customer Relationship Models

There are generally three types of customer relationship models employed by the largest MHA servicers: the Direct Model, the Pod Model, and the Appointment-Based Model.

SPOC Direct Model

The most common model is the SPOC Direct Model, in which the servicer assigns the homeowner a SPOC who is responsible for all inbound and outbound communications with that homeowner and for ensuring that an appropriate loss mitigation solution is reached. Seven of the servicers (Bank of America, CitiMortgage, GMAC Mortgage, Homeward Residential, JPMorgan Chase, Select Portfolio Servicing, and Wells Fargo Bank) surveyed for this report have adopted this general model. Within this group, however, servicers have adopted different approaches for handling homeowner communications when the SPOC is not available or assisting another homeowner. Some servicers use voicemail while others route the call to other available members of the SPOC's team or to another available SPOC. Even in situations where voicemail is used as the first choice for the caller, homeowners always have the option to request to speak to the next available SPOC.

SPOC Pod Model

One MHA servicer surveyed, OneWest Bank, uses a SPOC Pod Model. Under this model, a homeowner is not assigned to an individual SPOC, but is instead assigned to a SPOC team (referred to as a "pod"). The name of the manager of the team will be provided to the homeowner as his or her assigned SPOC, but when the homeowner calls, any available team member can take that call. Processors and underwriters are assigned to the team to provide assistance when dealing with specific customer homeowner questions or issues. One of the stated goals of the Pod Model is to increase the likelihood that homeowners calling the servicer will reach a live agent who can immediately answer the homeowner's questions or otherwise assist them. A homeowner is also given the option of speaking to a specific individual on the SPOC team (often one with whom he or she has recently spoken) or, if that individual is unavailable, scheduling an appointment for a return phone call.

SPOC Appointment-Based Model

Another customer relationship model employed by one servicer, Ocwen Loan Servicing, is the SPOC Appointment-Based Model. In this model, a customer service representative acts as an intermediary to receive in-bound calls from homeowners and to schedule an appointment time for the homeowner to speak to the homeowner's SPOC. Customer service representatives are also available to answer simple questions that the homeowner might have about the process, although they are generally not in a position to answer questions about a homeowner's specific situation. This model seeks to ensure that the homeowner is always able to reach a live agent with little or no delay, and that when the homeowner holds the scheduled appointment with the SPOC, the homeowner will be better prepared for the conversation (including compiling any necessary documentation in advance) as a result of the discussion held at the time the appointment was scheduled.

VI. Conclusion

While SPOC is not a new concept in loan servicing, never before has it been the focus of such broad attention in the mortgage servicing industry. A number of stakeholders in addition to mortgage servicers and Treasury—including the Federal banking regulators, the CFPB, HUD, and the parties to the National Mortgage Settlement—are now examining the ways servicers interact with homeowners seeking assistance, especially those homeowners who have fallen behind on their payments.

Since the launch of MHA in the spring of 2009, servicers have invested significant resources in changing their organizational structures, technology systems, and workflows, as well as enhancing training for their employees, in order to change the way they engage with struggling homeowners. While these changes are many in number and have a cumulative effect, the most significant single change is the implementation of the SPOC requirements. The totality of these changes has resulted in better outcomes for homeowners, but it is still too early to tell whether the industry will improve its customer service to the desired level.

While SPOC guidance has led to the creation of significant new capacity for communicating with homeowners—including over 12,000 SPOCs and another 6,000 personnel assigned to helping SPOCs—the SPOC model, as applied to mortgage servicing, is still in the process of maturing. As the details communicated in this report demonstrate, SPOC implementation models are varied. Furthermore, there are still areas of debate related to SPOC requirements which have been articulated by the various federal stakeholders that have yet to be resolved.

Discussions on the best ways to put the SPOC concept into practice will likely continue for some time. As MHA winds down, other federal and state agencies will continue to examine servicing practices and may promulgate SPOC-related standards. There is likely to be a dynamic environment, with servicers continuing to experiment with different concepts and new promising practices. It is unlikely that one "best model" will emerge as differences in servicer organizations, homeowner and loan characteristics, and the ongoing evolution of regulatory requirements and new technologies will encourage different approaches to the same core issue—improved homeowner communications.

While the process is still too new to support definitive conclusions about the impact of SPOC implementation on improving the homeowner experience, servicers believe that the preliminary information they have received from their homeowner satisfaction surveys shows positive trends that they attribute to SPOC. However, independent analysis over time will be necessary to make any definitive conclusions. The information collected for this report provides a description of the practices, timelines, and operations of the SPOC process at the nine largest MHA servicers that can serve as a starting point for that evaluation.

There are several issues and areas that merit additional review, including:

- **SPOC Effectiveness:** What are the appropriate metrics for measuring the effectiveness of SPOC? For example, can SPOC effectiveness be measured by looking at:
    - Time from Right Party Contact to loss mitigation decision?
    - Percentage of SPOC assignments that result in home retention or other outcomes that prevent foreclosure?
    - Numbers of escalated complaint calls?

- Customer satisfaction scores?
- Internal efficiencies and employee satisfaction?

- **SPOC Assignment Timing:** Servicers have slightly different methodologies for assigning SPOCs, ranging from the moment of RPC to after receipt of all or part of a loss mitigation application. How does the timing of SPOC assignment affect homeowner outcomes and service levels?

- **SPOC Staffing and Caseload:** What is the optimal level of staffing in the SPOC function, and what are the drivers that determine optimum case load? The number of homeowners is clearly one driver, but loan characteristics, status, use of technology, organizational structure and the specific responsibilities the SPOC is required to perform are others. "Optimal" case load is highly dependent on these factors and may be difficult to determine.

- **SPOC Communications:** Servicers have different methods of communication between SPOCs and homeowners. All servicers employ phone and mail, but some also use secure email, texting, secure web sites, and other technologies. Some of these differences are operational in nature, while others derive from differing perceptions of risk. Many servicers consider "contact rates" to be one of their major challenges. "Contact rate" is the percentage of time the homeowner reaches the assigned SPOC when they call the servicer, and these are lower than many servicers prefer. Electronic communication such as email and text are ways that servicers could potentially improve contact rates, however some servicers are particularly concerned about legal and compliance risks that might result from allowing SPOCs to rely on email communications.

- **SPOC Compensation and Career Path:** For many servicers, the position of SPOC is relatively new, although most servicers have leveraged existing staff to fill the role to the greatest extent possible. It is considered a high-stress role, requiring continuous training on evolving programs available for distressed homeowners and improving relationship management skills. Many servicers consider turnover in the SPOC position to be one of their most significant challenges. As with any newly created function, setting appropriate compensation, evaluation, and incentive parameters will be crucial to maintaining a stable, motivated work force and allow servicers the best opportunity to meet the goal of improved customer service. A review of compensation and incentive programs for SPOCs would be worthwhile.

Clearly, servicing as an industry has been in the process of changing since the housing crisis began. MHA, including the requirements for implementing SPOC, has served as a catalyst for many of those changes. In addition to the specific questions above regarding how SPOC will mature, SPOC and other changes influenced by MHA will play a role in a larger conversation about how the mortgage servicing industry should continue to evolve and the way servicers are compensated.

Treasury's MHA program (and the significant compliance efforts related to it) has served an important role in creating and improving servicing standards during the crisis. As the MHA program approaches its termination date, Treasury's role in the development of servicing standards will understandably reduce as others fill this need, particularly the CFPB as well as the National Mortgage Settlement. All of these represent continuing efforts to implement the Obama Administration's Homeowner Bill of Rights. Treasury hopes that the initiation of SPOC by MHA servicers, and now more broadly across the industry, is establishing a framework that will improve outcomes for homeowners long after the sunset of the MHA program.

It is important to the continued development and improvement of the SPOC concept that all stakeholders engage in open and constructive dialogue about what works, what doesn’t, and how to measure performance at the individual and organizational levels. It is Treasury’s hope that this report, which offers a spotlight on the SPOC organizations at the largest servicers in the country, contributes to that dialogue.

VII. How Each of the Largest Servicers Is Implementing SPOC Guidance

Bank of America, N.A. (Bank of America)

This description of Bank of America's SPOC process is based on information provided by Bank of America.

Homeowner Entry Point

When a homeowner engages Bank of America and communicates a hardship, the customer service representative confirms the establishment of RPC and enters the information provided by the homeowner into an internal decision tool, which is designed to identify initial eligibility and workout options. At this point, Bank of America uses a system transfer to assign a SPOC (which Bank of America refers to as a Customer Relationship Manager) to the homeowner. A homeowner can also be assigned a SPOC, even if RPC has not been previously achieved, when at least one document of the initial package is submitted to Bank of America for review.

Customer Relationship Model – SPOC Duties and Processing Support

Bank of America uses a SPOC Direct Model, with each homeowner assigned to a SPOC who is responsible for all in-bound and out-bound communications and for ensuring that an appropriate loss mitigation solution is reached.

Bank of America's SPOCs are responsible for assisting the homeowner with completing the modification package and for communicating with the homeowner to provide status information as necessary. Once an application for assistance is evaluated and a decision is made, the SPOC is responsible for communicating the decision to the homeowner as well as the next steps or any additional options (depending on the circumstances).

Bank of America uses a process support staff to assist the SPOC with the collection and validation of documents prior to submitting a HAMP modification application to underwriting. In the event a homeowner is not approved for HAMP, the process support staff and underwriters, in conjunction with the SPOC, will work with the homeowner on any available alternative retention solutions.

If the homeowner is approved for a modification, the SPOC remains assigned for an additional 30 days after the modification is completed to answer any questions the homeowner may have throughout the process.

Bank of America reports that for the three-month period from March 2012 through May 2012, it averaged 1,968,026 total inbound and outbound calls per month and that contact was successfully achieved for 1,564,662, or 80 percent, of those calls. Bank of America also reports that the average number of days from SPOC assignment to HAMP decision (for all acceptances and denials) was 86 days.

Relationship with Liquidation Department

If a loan modification (either MHA or proprietary) is not feasible for the homeowner, Bank of America explores liquidation options. Although the SPOC remains assigned to the homeowner during the liquidation process, a member of Bank of America's liquidation team becomes the primary point of contact for the homeowner. If the homeowner does contact his or her assigned SPOC, the SPOC has access to pertinent information to update the homeowner and the SPOC can also conference in the liquidation team member assigned to the case.

Process if the Assigned SPOC Is Not Available

If the assigned SPOC is not available, homeowners have the option of leaving a voicemail with the SPOC or speaking to another SPOC associate within the "concierge" group. The concierge group offers expanded hours and is intended to handle inbound calls from homeowners who are otherwise unable to reach their assigned SPOC.

Bank of America recently completed a pilot of this concierge approach and has now rolled it out across the company. Bank of America reports that for calls routed to the concierge group during the pilot, the concierge agent was able to answer the homeowner's question 70% of the time with one call and without scheduling an appointment for a return call from the SPOC.

Staffing and Organization

Bank of America reports that it has over 8,700 personnel supporting its implementation of the SPOC guidance, including 4,594 SPOCs and 4,122 processing support staff, which include processors as well as 400 proficiency coaches and 1,000 managers. Proficiency coaches perform quality control checks of SPOC calls and offer guidance to SPOCs.

Bank of America has SPOCs located in 24 different geographic locations. The SPOCs are also segmented by investor type (*e.g.*, GSE, private label, portfolio, etc.).

Caseload

Bank of America's target caseload for retention options is 100 cases per SPOC. Bank of America utilizes a weighted average to calculate the SPOC caseload contingent upon the loss mitigation option the homeowner is seeking. For example, a homeowner that is being evaluated for a modification option will require a higher number of interactions than a homeowner seeking a liquidation option who is also working with a real estate professional.

For the three-month period from March 2012 through May 2012, Bank of America's average SPOC modification caseload—*i.e.*, those homeowners being explicitly considered for a retention option—was 85 cases. Bank of America did not report total SPOC caseload, which includes short sale or deed-in-lieu options as well as modifications or repayment plans, because they do not determine caseloads in that manner.

Training

Bank of America reports that it uses a training program for SPOC implementation with different curricula for each associate function (SPOC/ Process Support, Proficiency Coach, and Manager). In addition, each member of the staff must complete a SPOC core curriculum, which includes more than 80 learning modules addressing broad topics such as enterprise compliance, systems training, and customer treatment, as well as more specific topics on MHA and proprietary home retention options. Bank of America uses a combination of instructor-led and web-based modules, all of which require trainees to successfully complete assessments before receiving credit.

CitiMortgage, Inc. (Citi)

This description of Citi's SPOC process is based on information provided by CitiMortgage.

Homeowner Entry Point

Citi utilizes a warm transfer when assigning a SPOC (which Citi refers to as a Homeowner Support Specialist). Once a homeowner is contacted, basic information, including income data, tax and insurance information, as well as certain other eligibility information, is taken over the phone and run through Citi's internal decision tool. If a retention or liquidation solution is identified, a SPOC is then assigned. This assignment is done in real time, which allows the customer service representative to attempt a warm transfer by introducing the SPOC to the homeowner. In this introductory call, the SPOC notifies the homeowner that a welcome package will be sent out which will include the materials necessary for requesting assistance through MHA. In cases where a warm transfer is not possible, the assigned SPOC is expected to complete a welcome call with the homeowner within five business days.

Customer Relation Model – SPOC Duties and Processing Support

Citi uses a SPOC Direct Model, with each homeowner assigned to a SPOC who is responsible for all inbound and outbound communications and for ensuring that an appropriate loss mitigation solution is reached.

Once assigned, the SPOC works with the homeowner to collect all required documents and verify any possible loss mitigation solutions available to the homeowner. The SPOC submits the homeowner's completed package to underwriting and informs the homeowner of all decisions. Citi requires SPOCs to call each active homeowner at least once a week. The SPOC stays as the homeowner's point of contact until the loan is modified or liquidated.

Citi employs a variety of media to communicate with homeowners. In addition to phone communications, Citi SPOCs also interact with homeowners through email and automated outbound text messages communicating a status change in the modification review process. Additionally, a homeowner is able to access citimortgage.com to determine his or her documentation status.

Citi reports that for the three-month period from March 2012 through May 2012, it averaged 374,513 total calls (inbound and outbound) per month and that contact was successfully achieved for 217,398, or 58 percent, of those calls. Citi also reports that the average number of days from SPOC assignment to HAMP decision (for all acceptances and denials) was 95 days.

Relationship with Liquidation Department

If the homeowner is not eligible for a modification, the SPOC will refer the homeowner to the liquidation team. The SPOC will work with the homeowner and the homeowner's real estate agent during the liquidations process. The homeowner will remain in the SPOC's caseload, and the SPOC has access to the homeowner's information through final disposition.

Process if the Assigned SPOC Is Not Available

Citi does not utilize voicemail within the SPOC call centers. When a SPOC is unavailable to take a homeowner's call, the next available agent within the team will answer the call. If an agent on the team is not available, the homeowner's call rolls to an agent on a similar investor's team. If this agent is unavailable, the call will roll to any available SPOC regardless of investor. If a call is received after SPOC business hours or if the call is unauthenticated, it will be routed to the Customer Contact Center (which Citi refers to as the Homeowner Assistance Team). At this point in the process, any agent who receives the homeowner's call can access a scheduling system to set up a return call at the homeowner's convenience.

Staffing and Organization

Citi reports that it has 681 SPOCs and 79 processing support staff. In addition, Citi has a program that utilizes a separate document collection process to work with the homeowner to collect missing documents and help to complete packages. However, the SPOC will remain the homeowner's primary point of contact throughout the process.

The SPOC teams are located in four locations: St. Louis, MO; Tucson, AZ; Dallas, TX; and Fort Mill, SC. SPOCs are organized in teams of 12 and segmented by investor.

Caseload

Citi has a target caseload of 100 homeowners per SPOC, regardless of the type of resolution being pursued.

For the three-month period from March 2012 through May 2012, Citi's average SPOC modification caseload—*i.e.*, those homeowners being explicitly considered for a retention option—was 95 cases and the total monthly caseload, which includes short sale or deed-in-lieu options as well as modifications and repayment plans, was 117 cases per SPOC.

Training

Citi's SPOC training varies, depending on the employee's background and tenure at Citi. If an existing representative transfers to a SPOC position, he or she obtains 15 days of training. The first 10 days consist of instructor-led classroom training and web-based training on Citi's internal systems. The remaining 5 days consists of on-the-job training accompanied by a training coach. In order to complete the training, the employees are required to complete 7 knowledge assessments and 3 skills assessments. A newly-hired employee is required to obtain 25 days of more detailed training. Starting with day 5, the employee will participate in call observation for the first 1/2 hour of each day until the end of the training period. New hires are required to complete 7 knowledge assessments and 5 skills assessments.

GMAC Mortgage, LLC (GMAC)

This description of GMAC's SPOC process is based on information provided by GMAC.

Homeowner Entry Point

GMAC sends a loss mitigation notice on the 45th day of delinquency advising the homeowner of available loss mitigation options and inviting them to complete a workout package and/or call for SPOC assignment if they require assistance. GMAC assigns a SPOC to a homeowner once any portion of the homeowner's loss mitigation workout package is received or if the homeowner requests assistance in completing the package. GMAC will also assign a SPOC upon RPC to all homeowners who are eligible for referral to foreclosure or already in foreclosure. GMAC uses a system transfer to assign a SPOC to the homeowner, with assignments based on SPOC caseloads and availability.

Customer Relation Model – SPOC Duties and Processing Support

GMAC uses a SPOC Direct Model. The SPOC is responsible for all in-bound and out-bound communications and working with the homeowner to ensure that an appropriate loss mitigation solution is obtained. A "triage team" works with the SPOC to obtain all necessary documents from the homeowner, prepare homeowner communications, prepare the package for processing, and forward the completed package to underwriting.

Homeowners stay with their assigned SPOC for 60 days after the permanent modification or other resolution, including foreclosure.

GMAC reports that for the three-month period from March 2012 through May 2012, it averaged 295,336 total inbound and outbound calls per month and that contact was successfully achieved for 128,017, or 43 percent, of those calls. GMAC also reports that the average number of days from SPOC assignment to HAMP decision (for all acceptances and denials) was 26 days.

Relationship with Liquidation Department

When a loan workout option is no longer feasible or the homeowner indicates they no longer wish to keep the property, the SPOC refers the homeowner to a contact on the liquidation team. However, the SPOC continues to remain the homeowner's primary contact throughout the foreclosure process.

Process if the Assigned SPOC Is Not Available

If the SPOC is not available when a homeowner calls, the call is routed to one of the other members of the SPOC's team. If no one on the team is available, the call is routed to any other available SPOC within that geographic location. If those SPOCs are unavailable, the call is routed to any other available SPOC at any location. A homeowner who reaches a SPOC other than his or her assigned SPOC may speak with that staff member or schedule an appointment for the SPOC to return the call.

Staffing and Organization

GMAC reports that it has 280 SPOCs and 257 SPOC support professionals in two locations (Waterloo, IA and Dallas, TX). Each individual SPOC is assigned to a SPOC team. A team manager leads each team and is assisted by a team leader. Specialty teams are set up for accounts in bankruptcy, bank-owned accounts, private label servicing, and Spanish-speaking homeowners.

Caseload

GMAC has a total target caseload of 75-150 cases per SPOC, depending on the case type and disposition. GMAC does not set SPOC caseload targets for retention-only workouts; all targets are established for overall caseloads, including modifications, repayment plans, and short sale or deed-in-lieu options.

For the three-month period from March 2012 through May 2012, GMAC's average SPOC modification caseload—*i.e.*, those homeowners being explicitly considered for a retention option—was 122 cases and the total caseload, which includes short sale or deed-in-lieu options as well as modifications or repayment plans, was 150 cases per SPOC.

Training

SPOCs at GMAC attend a six-week training program for experienced collections professionals. This training includes five weeks of training on all types of modification programs and foreclosure alternatives. Trainees must also pass a one-week certification program in order to take inbound calls and receive case assignments. The training extends up to 13 weeks for hires without prior servicing/collections experience. The expanded training includes customer service, collections, and experiential/soft skills training. During the course of training, SPOCs role play, shadow, and engage in side-by-side live calls with their coach. SPOCs in training also make outbound calls to inactive accounts.

Homeward Residential (Homeward)

This description of Homeward's SPOC process is based on information provided by Homeward.

Homeowner Entry Point

Homeward utilizes a system transfer method to assign SPOCs to homeowners. Once a Homeward collections department member establishes RPC with a homeowner and identifies the homeowner as being potentially eligible for a loan modification, Homeward executes a system transfer to assign a SPOC and send the homeowner an application package.

Customer Relation Model – SPOC Duties and Processing Support

Homeward uses a SPOC Direct Model. The homeowner is given the choice of contacting his or her SPOC either by calling the SPOC's direct line or by email through Homeward's web portal.

Homeward's SPOCs are primarily responsible for all homeowner communications. SPOCs are responsible for reaching out to the homeowner within 5-10 business days of assignment to begin assembling the necessary documents for the loan modification application (as well as any additional documents required by the mortgage investor). SPOCs have teams of processors (known as Retention Specialists) to help with document collection and processing prior to submission to underwriting, but it is the SPOC's responsibility to ensure that all documents are received and transferred to the underwriter. The Retention Specialists might also contact homeowners directly in connection with document collection.

The SPOC remains the homeowner's point of contact throughout the entire resolution process, including any home retention and non-foreclosure liquidation options. The homeowner receives follow-up calls from the SPOC on final document completion. The SPOC is removed upon successful implementation of a permanent solution.

Homeward reports that for the three-month period from March 2012 through May 2012, it averaged 40,146 total inbound and outbound calls per month and that contact was successfully achieved for 17,919, or 45 percent, of those calls. Homeward also reports that the average number of days from SPOC assignment to HAMP decision (for all acceptances and denials) was 106 days.

Relationship with Liquidation Department

In the event a loan workout option is not feasible for the homeowner, Homeward will explore liquidation options with the homeowner. Homeward has specific associates who process liquidations and the SPOC introduces the homeowner to these associates, but the SPOC remains assigned to the homeowner during this phase, has access to all of the systems used by these specialists, and can review the status at any time.

Process if the Assigned SPOC Is Not Available

Homeowners unable to reach the SPOC on the phone are given the option of leaving voicemail or speaking to another member of the SPOC team. When speaking with the SPOC team member, the homeowner can either schedule a return phone call from the SPOC or receive immediate assistance on basic questions and status. If the SPOC is out of the office, the SPOC's supervisor is responsible for checking the SPOC's voicemail and responding to any homeowner questions.

Staffing and Organization

Homeward reports that it has 139 SPOCs and 112 processing support staff. All SPOC resources are located in one location in Addison, TX. The SPOCs are segmented into two groups by investor (GSE and non-GSE).

Caseload

Homeward's target modification caseload is 150 active accounts per SPOC. For the three-month period from March 2012 through May 2012, Homeward's average SPOC modification caseload—*i.e.*, those homeowners being explicitly considered for a retention option—was 149 cases and the total caseload, which includes short sale or deed-in-lieu options as well as modifications or repayment plans, was 494 cases per SPOC. [10]

Training

Homeward offers training for new hires and existing employees. SPOCs receive 16 days of classroom and on-the-job training (11 days of classroom training and 5 days of shadowing subject matter experts). SPOC training includes soft skills training and role play. SPOCs must pass a final certification for new hire training (where appropriate) and customer experience training.

[10] In most situations, Homeward will assign a SPOC to a homeowner at the earliest contact with a delinquent homeowner, regardless of the number of days the homeowner is delinquent when the contact is made. As a result, many homeowners have SPOCs assigned to them even though the homeowner has not missed more than one mortgage payment and is not actively pursuing a loan modification. These assignments remain in place with the SPOC until the delinquency is successfully resolved, the loan is modified, the homeowner receives a short sale or deed-in-lieu, or the loan ends in foreclosure.

JPMorgan Chase Bank, N.A. (Chase)

This description of Chase's SPOC process is based on information provided by Chase.

Homeowner Entry Point

Once Chase's collections or customer care team establishes RPC, Chase sends the homeowner a loan modification package. On the basis of discussions with the customer, or the return of at least one document from the solicitation package (such as the application, an income document, or a liquidation document), Chase assigns the homeowner a SPOC (which Chase refers to as a Customer Assistance Specialist) using a system transfer. The system assigns SPOCs based on several business rules including SPOC capacity.

Customer Relationship Model – SPOC Duties and Processing Support

Chase uses a SPOC Direct Model. Homeowners calling in to Chase using the SPOC's phone extension are automatically routed to their SPOC. Chase SPOCs handle all inbound and outbound communications and stay assigned to the homeowner throughout the resolution process, and for 60 days after a permanent modification.

Chase also has a group of processors (which it calls the Customer Assistance Operations group) that works directly with SPOCs to handle written correspondence and to review and organize incoming homeowner documents. The processor group does not interact with the homeowner.

Chase reports that for the three-month period from March 2012 through May 2012, it averaged 1,589,679 total inbound and outbound calls per month and that contact was successfully achieved for 1,146,353, or 72 percent, of those calls. Chase also reports that the average number of days from SPOC assignment to HAMP decision (for all acceptances and denials) was 78 days.

Relationship with Liquidation Department

In the event the case goes to liquidation, the SPOC will counsel the homeowner on short sale alternatives and refer the homeowner to a liquidations specialist (which Chase refers to as a List Assist Specialist). For any case that results in a short sale or deed-in-lieu, the SPOC remains assigned as a contact throughout the disposition process, although the liquidations team representative will become the homeowner's primary point of contact during the process.

Process if the Assigned SPOC Is Not Available

If a homeowner is unable to reach his or her SPOC, the homeowner has the option of leaving a voicemail message with the assigned SPOC, speaking to the next available agent with similar skills, or scheduling a return call from the homeowner's SPOC.

Staffing and Organization

Chase reports that it has 2,381 SPOCs and 946 additional processing staff. There are 13 SPOC sites in 10 cities. The sites are managed across two geographic divisions (East and West). SPOCs are also segmented into five additional sub-groups according to homeowner status or investor. Specialty teams are set up to handle military, employee, and litigation and bankruptcy cases. Additionally, Chase has 83 Homeownership Centers in 29 states and the District of Columbia where customers can meet face-to-face with a SPOC representative.

Caseload

Chase's target caseload for modification options is 75 cases per SPOC. For the three-month period from March 2012 through May 2012, Chase's average SPOC modification caseload—*i.e.*, those homeowners being explicitly considered for a retention option—was 64 cases and its total caseload, which includes short sale or deed-in-lieu options as well as modifications or repayment plans, was 154 cases per SPOC.

Training

Chase has a four-week training program consisting of two weeks of classroom and two weeks of on-the-job training. SPOCs must complete soft skills and negotiations training. SPOCs must pass a knowledge assessment test conducted in conjunction with the SPOC training and are also tested on weekly policy and procedure changes.

Ocwen Loan Servicing, LLC (Ocwen)

This description of Ocwen's SPOC process is based on information provided by Ocwen.

Homeowner Entry Point

Ocwen utilizes an appointment-based approach for assigning SPOCs to a homeowner. Ocwen's first point of contact for a homeowner seeking a loss mitigation resolution is the Customer Care Center. Once RPC has been established and potential HAMP eligibility has been established or when a homeowner requests assistance for any resolution, the customer service representative (referred to by Ocwen as the Customer Care Agent) is responsible for scheduling an appointment between the homeowner and an available SPOC (which Ocwen refers to as a Relationship Manager). In addition, even if RPC has not been established a SPOC will also be assigned if the homeowner submits any type of loss mitigation documentation.

The appointment date and time is determined based on customer requirements including the expected time required to fill out a package or provide any missing documentation. The Customer Care Agent sends the appropriate package to the homeowner in advance of the appointment, and provides instructions on how to complete the package and what documentation is required for evaluation.

Customer Relationship Model – SPOC Duties and Processing Support

Ocwen is the only large MHA servicer to use a SPOC Appointment-Based Model for having homeowners interact with their assigned SPOC. Any homeowner call into the SPOC is first routed through the Customer Care Center. The Customer Care Agent answers simple questions as appropriate, determines when the assigned SPOC is available, and schedules an appointment for the SPOC to contact the homeowner.

Ocwen's SPOCs are responsible for communicating with the homeowner at the scheduled appointment time, setting expectations, and providing timelines to the homeowner. The SPOC initiates any requests for any additional or missing information or documentation. It is also the responsibility of the SPOC to work with the homeowner to ensure receipt of a complete package, answer status questions, and communicate loss mitigation decisions and next steps.

The assigned SPOC remains the homeowner's single point of contact until a final resolution is reached, including cases of foreclosure.

Ocwen reports that for the three-month period from March 2012 through May 2012, it averaged 110,580 total inbound and outbound calls per month and that contact was successfully achieved for 70,025, or 63 percent, of those calls. Ocwen also reports that the average number of days from SPOC assignment to HAMP decision (for all acceptances and denials) was 47 days.

Relationship with Liquidation Department

In the event a loan workout option or other foreclosure alternative is not feasible for the homeowner, the SPOC refers the homeowner to Ocwen's Foreclosure Department. The SPOC remains the homeowner's single point of contact through the completion of a foreclosure.

Process if the Assigned SPOC Is Not Available

The Customer Care Agent answers any simple homeowner questions as appropriate and schedules an appointment when the SPOC will contact the homeowner at a time convenient for the homeowner. If the homeowner's assigned SPOC is not available at the time of a scheduled appointment, then the call is routed to a buffer agent who does not carry a caseload. The buffer agent offers to provide assistance or set up a new appointment with the assigned SPOC.

Staffing and Organization

Ocwen reports that it employs 687 Relationship Managers in West Palm Beach, Houston, and India. The Houston and West Palm Beach locations include specialized SPOCs who handle mediation and litigation cases. The majority of SPOCs are located in India.

Caseload

Ocwen does not have a target caseload specific to modification options. For the three-month period from March 2012 through May 2012, Ocwen's average SPOC modification caseload—*i.e.*, those homeowners being explicitly considered for a retention option—was 161 cases and its total caseload was 274 cases per SPOC.

Training

Ocwen has established a specific SPOC training plan that employs both course work and on-the-job training. Individuals newly hired by Ocwen for the SPOC position must complete a total of 200 hours of training, encompassing 160 hours of classroom training and 40 hours of on-the-job training. Internal employees transferring from an internal customer-facing department are required to complete an 8-hour training on MHA programs. As part of the training curriculum, SPOCs in-training are evaluated on call-handling skills. All employees hired for the SPOC role (internal and external hires) must complete and pass a 2-hour SPOC certification course to become a SPOC at Ocwen.

OneWest Bank (OneWest)

This description of OneWest's SPOC process is based on information provided by OneWest.

Homeowner Entry Point

OneWest utilizes a system transfer process to assign SPOCs to eligible homeowners. After RPC is established and an evaluation of the homeowner's potential eligibility for a workout option has been completed, a SPOC (which OneWest refers to as a Contact Manager) is assigned through a system transfer. If RPC is established directly through a phone call, the agent informs the homeowner that a SPOC representative will be sending a welcome packet and providing a welcome call within 48 hours. In addition, the homeowner will be assigned a SPOC if he or she applies for a modification or other foreclosure alternative or if the homeowner enters the foreclosure process and has not yet been assigned a SPOC.

Customer Relationship Model – SPOC Duties and Processing Support

OneWest uses a SPOC Pod Model, with homeowners not assigned to an individual SPOC, but to a SPOC team. Once SPOC assignment has been made via any of the processes described above, the homeowner receives a welcome letter that includes the name of the Contact Manager for the specific SPOC team.

Upon assignment, a SPOC within the assigned team reaches out to the homeowner with a welcome call explaining the SPOC process and providing the homeowner with necessary contact information. The SPOC is responsible for all document collection, submitting the package to an underwriter, and communicating any decisions back to the homeowner. In situations where additional documentation or information is needed from the homeowner, OneWest requires the assigned SPOC team members to place outbound calls to homeowners at least 3 times a day at various times throughout the day.

OneWest SPOCs remain with the homeowner through the entire resolution process until 30 days after the resolution option or foreclosure is completed.

OneWest reports that for the three-month period from March 2012 through May 2012, it averaged 1,441,713 total inbound and outbound calls per month and that contact was successfully achieved for 119,246, or 8 percent, of those calls. OneWest believes that this last figure (8 percent) is driven to a great degree by its practice (referenced above) of placing outbound calls at least 3 times a day to homeowners from whom additional documentation or information is needed. OneWest also reports that the average number of days from SPOC assignment to HAMP decision (for all acceptances and denials) was 69 days.

Relationship with Liquidation Department

If a loan modification is not feasible for the homeowner or the homeowner asks to be considered for a short sale, the SPOC will provide the required documents to the homeowner in order to be considered for a workout with the liquidation team. A short sale negotiator will be assigned to work with the homeowner (or the homeowner's real estate agent). Notwithstanding the resolution type, the homeowner remains in the SPOC's active inventory through foreclosure.

Process if the Assigned SPOC Is Not Available

OneWest has eliminated voicemail for all of their SPOCs. When a homeowner calls the SPOC team, if the Contact Manager is unavailable, the next available agent within the SPOC team answers the call. If an agent on the homeowner's SPOC team is not available, the call will go to an agent on a SPOC team familiar with the investor's guidelines for the homeowner's loan. If all agents are unavailable, the call will roll to the Customer Contact Center (or if the call is received outside of the Customer Contact Center's business hours, the call is answered by OneWest's Enterprise Call Center).

Regardless of who answers the call, any call center member has access to a scheduling system for each team and can arrange a return call at a homeowner's chosen time. The homeowner also always has the option to speak with a particular individual if he or she chooses. OneWest reports that less than 1 percent of homeowners actually ask for the SPOC named in the welcome letter, 6 percent of homeowners ask for the last person they spoke with, and 42 percent of homeowners ask for an individual on the team they have worked with in the past.

Staffing and Organization

OneWest reports that it has 289 SPOC team members and 58 processors in two locations in Austin, TX and Irvine, CA. Agents are divided into 28 teams that are segmented by investor type. Each team is comprised of one manager, 11 SPOC team members and two underwriters. The underwriters sit with the contact team to assist with the resolution of document questions.

Caseload

OneWest's target modification caseload is 131 cases per SPOC team member.

For the three-month period from March 2012 through May 2012, OneWest's average SPOC modification caseload—those homeowners being explicitly considered for a retention option—was 137 cases and its total caseload, which includes short sale or deed-in-lieu options as well as modifications or repayment plans, was 140 cases per SPOC.

Training

OneWest divides SPOC training into two curricula: one curriculum for existing associates and one curriculum for new employees. The training for existing associates is 40 hours. This training is classroom-based and includes training on all phases of the SPOC process. Trainees are required to pass daily tests. New associate training is more extensive, with each new employee receiving eight weeks of training comprising both classroom and on-the-job sessions. The first two weeks consist of classroom training on OneWest systems as well as homeowner interactions. This is followed by a mix of both classroom and on-the-job training with existing associates and supervisors. There is no additional training or certification required before a SPOC is assigned cases.

Select Portfolio Servicing (SPS)

This description of SPS's SPOC process is based on information provided by SPS.

Homeowner Entry Point

When a homeowner first engages SPS through the collections team, the customer center representative will determine initial eligibility for HAMP, which includes collecting income information and informing the homeowner of supporting document requirements. Once potential HAMP eligibility is confirmed, a SPOC is automatically assigned. The customer center representative will then attempt to connect the homeowner to the assigned SPOC through a warm transfer. If the SPOC is not available, the SPOC is required to attempt to communicate with the homeowner within the next few days.

Customer Relation Model – SPOC Duties and Processing Support

SPS uses a SPOC Direct Model. The SPOC is responsible for all inbound and outbound communications with the homeowner and for ensuring that an appropriate loss mitigation solution is reached.

SPOCs are supported by processors who are responsible for collecting documents and for reviewing the homeowner's initial package for completeness. If an incomplete package is identified, the processer notifies the SPOC to follow-up with the homeowner. Once the package is complete, processors make the final eligibility determination.

The SPOC remains assigned to the homeowner through the resolution process.

SPS reports that for the three-month period from March 2012 through May 2012, it averaged 30,063 total inbound and outbound calls per month and that contact was successfully achieved for 8,587, or 29 percent, of those calls. SPS also reports that the average number of days from SPOC assignment to HAMP decision (for all acceptances and denials) was 61 days.

Relationship with Liquidation Department

If the homeowner is not eligible for a modification, a SPOC will remain assigned to the homeowner. In the event a liquidation option is pursued, a SPOC remains engaged until completion of the deed-in-lieu, short sale, or foreclosure sale.

Process if the Assigned SPOC Is Not Available

If the assigned SPOC is unavailable when the homeowner calls, the homeowner can either request to speak with the next available SPOC or request that the assigned SPOC return the call. If the homeowner elects to have the SPOC call them back, SPS requires this call to be returned within 48 business hours.

Staffing and Organization

SPS reports that it has 26 SPOCs and 91 processing support staff.

Caseload

Each SPOC has a targeted caseload of 360 loans, which includes all workout options.

For the three-month period from March 2012 through May 2012, SPS's average SPOC modification caseload—*i.e.*, those homeowners being explicitly considered for a retention option—was 210 cases and its total caseload, which includes short sale or deed-in-lieu options as well as modifications or repayment plans, was 344 cases per SPOC.

Training

SPS SPOC-specific training lasts two days, half of which is devoted to shadowing and the remainder consisting of both classroom and online training. The instructor-based classroom training covers an overview of the SPOC process, the MHA Handbook, and SPOC expectations and responsibilities. At the completion of training each SPOC must successfully complete a certification exam. All SPOCs undergo Loss Mitigation training at the time of hire which spans a 60 day timeframe.

Wells Fargo Bank, N.A. (Wells)

This description of Wells' SPOC process is based on information provided by Wells.

Homeowner Entry Point

Once RPC is established and basic eligibility (including initial evaluation of the homeowner's financial information) is confirmed either verbally or in writing, the Wells collections agent or customer service representative uses a warm transfer to connect the homeowner with his or her assigned SPOC (which Wells refers to as a Home Preservation Specialist). This is done through a conference call among the homeowner, the agent, and the SPOC. Typically in these calls, the SPOC answers any immediate questions the homeowner might have, walks through the modification application process, the required documentation and timeline for delivery of these documents, and identifies next steps.

Customer Relationship Model – SPOC Duties and Processing Support

Wells uses a SPOC Direct Model. The SPOC is responsible for helping the homeowner complete the modification package, collect necessary documents, submit completed packages to underwriting, and communicate all decisions and status updates to the homeowner.

The SPOC is responsible for understanding all retention solutions and answering questions from the homeowner. Wells maintains assistance lines that SPOCs can access to assist them in responding to technical questions, such as foreclosure, bankruptcy and escrow related activities. The SPOC remains assigned to the relationship through the final resolution.

Wells reports that for the three-month period from March 2012 through May 2012, it averaged 1,293,008 total inbound and outbound calls per month and that contact was successfully achieved for 639,023, or 49 percent, of those calls. Wells also reports that the average number of days from SPOC assignment to HAMP decision (for all acceptances and denials) was 103 days.

Relationship with Liquidation Department

If a case goes to liquidation, the SPOC remains as the primary point of contact to the homeowner. The liquidation team will act as a technical resource to the SPOC, but the SPOC is still the point of contact to the homeowner throughout the process.

Process if the Assigned SPOC Is Not Available

All calls from a homeowner are directed to the assigned SPOC's direct phone line and are sent to voicemail if the SPOC is assisting another homeowner or otherwise unavailable. Homeowners also have the option to request an opportunity to speak immediately to another SPOC team member.

Staffing and Organization

Wells reports that it has 3,026 SPOC and 121 additional processing support personnel in 15 separate geographic locations. SPOCs are segmented by investor type (GSE, private label, portfolio, etc.).

Caseload

Wells' target caseload includes all resolution options. Its current overall caseload target for SPOCs is 85.

For the three-month period from March 2012 through May 2012, the Wells average SPOC modification caseload— *i.e.*, those homeowners being explicitly considered for a retention option—was 67 cases and the total modification caseload, which includes short sale or deed-in-lieu options as well as modifications or repayment plans, was 80 cases per SPOC.

Training

Wells offers training for both new hires and existing employees. All new SPOCs receive 120 hours of training, consisting of 16 training modules, each with a knowledge check. Training includes self-study, instructor-led training, and a final assessment that all SPOCs must pass. After their initial training, all SPOCs receive ongoing training on a monthly basis and are assessed to ensure understanding of new initiatives and investor implementations. All change training content is incorporated into the new hire program as appropriate.

Appendix A: MHA Guidance Directed at Protecting Homeowners and Improving Communications to Homeowners

Treasury's issuance of guidance in May 2011 for servicers to establish a Single Point of Contact was just one of a series of steps taken under the MHA Program to protect homeowners and facilitate communications between struggling homeowners and mortgage servicers. Others steps directed at these goals include:

Supplemental Directive Number	Issue Date	Effective Date	Summary
09-01	April 6, 2009	-	Established and defined guidelines for HAMP, which uses a uniform loan modification process to provide the homeowner with sustainable monthly payments.
09-02	April 21, 2009	-	Established additional HAMP guidelines, including provisions for the collection of homeowner information as part of the Hardship Affidavit.
09-03	July 6, 2009	-	Defined requirements for setting up and reporting HAMP trial period and permanent modifications.
09-06	Sep. 11, 2009	-	Provided guidance to servicers for the collection and reporting of information for homeowners evaluated for HAMP.
09-07	Oct. 8, 2009	Oct. 8, 2010/ March 1, 2010	Streamlined the HAMP evaluation processes by (1) defining standardized homeowner response timeframes, (2) introducing a uniform Request for Modification and Affidavit (RMA) form, and (3) updating income verification requirements.
09-08	Nov. 3, 2009	Jan. 1, 2010	Defined additional HAMP requirements related to the format, content (including the use of standard, plain language), and timing of notices that are provided to all homeowners who request consideration for a HAMP modification.
10-01	Jan. 28, 2010	June 1, 2010	Updated HAMP guidance to require full verification of HAMP eligibility prior to offering a trial plan. Established timeline requirements for acknowledging receipt of a homeowner's modification package, collecting income documents, and sending a (1) incomplete information notice, (2) trial period plan notice, or (3) notice that the homeowner is not eligible for HAMP.
10-02	March 24, 2010	June 1, 2010	Amended homeowner outreach and communication requirements: – Defined requirements prohibiting a loan from being referred to foreclosure or conducting a foreclosure sale while a homeowner is actively working with the servicer to obtain or maintain a HAMP modification. – Extended HAMP benefits for homeowners who have filed for bankruptcy.

Supplemental Directive Number	Issue Date	Effective Date	Summary
			– Established reasonable effort standards for servicers to solicit homeowners for HAMP. – Created a 30-day response period for homeowners to request an independent review of most HAMP denial decisions, during which time a foreclosure sale cannot be conducted.
10-15	Nov. 3, 2010	Feb. 1, 2011	Established guidance for the resolution of homeowner complaints, especially servicer processes for handling homeowner inquiries and disputes, including the following: – Servicer obligations for addressing homeowner escalations, including establishing an escalations team separate from the staff evaluating the homeowner for a modification. – Descriptions of the homeowner support centers (MHA Help for individual homeowners and the HAMP Support Center (HSC) for housing counselors and other third parties). – Requirements for providing the information (such as NPV inputs) used in the HAMP evaluation in the notices sent to homeowners when they are determined to be not eligible for HAMP. – Introduction of the Borrower NPV Calculator for homeowners to independently validate the information used in the HAMP evaluation.
11-02	March 30, 2011	March 30, 2011/ June 1, 2011	Defined additional guidance on case escalations, such as timing requirements associated with a homeowner escalation and new case resolution requirements. Also provided additional clarification on NPV inputs that are provided to homeowners as part of a HAMP non-approval notice.
11-04	May 18, 2011	Sep. 1, 2011	Required top 20 MHA servicers to establish a Single Point of Contact for all homeowners being evaluated for an MHA program and, among other things, to have the SPOC certify that all foreclosure prevention options were exhausted before a foreclosure sale is conducted.
11-10	Sep. 29, 2011	Dec.1, 2011	Provided additional HAMP clarifications for homeowner reconsideration, homeowner solicitations, and eligibility of non-responsive homeowners; established processes for rectifying situations where a homeowner is incorrectly declined for HAMP; and updated the RMA, Hardship Affidavit, and Dodd-Frank Act Certification forms.

Appendix B: Glossary

Appointment-Based Transfer: A method of assigning a SPOC to a homeowner. The customer service representative schedules an appointment time for the homeowner to speak with his or her SPOC, and then the SPOC calls the homeowner back at the scheduled time.

Caseload: The number of homeowners that have been assigned to a particular SPOC. Caseloads can be a target number – the ideal number of homeowners a SPOC can work with – or an actual number – the number of homeowners a SPOC is actually assigned.

Collections: A department within the servicer's organization that is tasked with contacting homeowners and collecting past due payment amounts.

Concierge Group: An additional support team implemented by Bank of America to handle inbound calls from homeowners who are not able to reach their assigned SPOC.

Consent Orders: A voluntary agreement worked out between two or more parties to a dispute generally with the same effect as a court order and enforceable by the court if anyone does not comply.

Customer Contact Center: A typical contact method for homeowners attempting to reach their assigned servicer for any mortgage-related questions. For modification-related questions when a SPOC has already been assigned, the Customer Contact Center will typically arrange an appointment with the homeowner for the SPOC to call them back.

Customer Relationship Model: Process by which a homeowner interacts with his or her assigned SPOC.

Customer Service Representative: A servicer representative who handles customer telephone calls and contacts on behalf of the servicer, including account inquiries, complaints, or support calls.

Deed-in-Lieu of Foreclosure: A foreclosure alternative in which the homeowner transfers all interest in a property to a lender/mortgagee to satisfy a debt and avoid foreclosure.

Delinquency: Failure of a homeowner to make timely mortgage payments specified under a loan agreement.

Delinquent: A loan in which the expected monthly contractual payment has not been received. A mortgage is generally considered delinquent when at least one payment is due and unpaid by the end of the month in which it is due.

Entry Point: The point at which the homeowner enters into the loss mitigation process.

Foreclosure Sale: The legal process by which a property is sold and the proceeds of the sale applied to an outstanding mortgage debt. A foreclosure occurs when the loan becomes delinquent because payments have not been made or when the homeowner is in default for a reason other than the failure to make timely mortgage payments.

Forbearance: A temporary reduction or suspension of a mortgage payment.

Government Sponsored Enterprise (GSE): Private organizations with government charters and backing. For example, Fannie Mae and Freddie Mac are GSEs. Fannie Mae and Freddie Mac own or guarantee mortgage loans. They have modification programs and requirements similar to MHA.

Home Affordable Modification Program (HAMP): An MHA loan modification program that provides homeowners the opportunity to modify their first lien mortgage loans to make them more affordable.

Home Affordable Foreclosure Alternatives (HAFA) Program: An MHA program that provides opportunities for homeowners who can no longer afford to stay in their home but want to avoid foreclosure to transition to more affordable housing through a short sale or deed-in-lieu of foreclosure.

Home Affordable Unemployment Program (UP): An MHA program that provides homeowners facing hardship due to unemployment with a temporary forbearance, during which their regular monthly mortgage payment is reduced or suspended.

Home Retention Options: A loss mitigation solution available to a homeowner struggling to make a mortgage payment that allows the homeowner to stay in his or her home. Home retention options generally include HAMP or other types of loan modifications, forbearance or deferment, and repayment plans.

Imminent Default: A homeowner status in which the homeowner has one or less mortgage payments outstanding, but is at risk of not being able to continue paying the monthly home loan payments due to financial hardship.

In-Process Caseload: The actual number of homeowners in the process of being evaluated for home retention solutions (*e.g.*, HAMP, alternative modifications, and other payment plan arrangements).

Knowledge Assessment: A test given at the end of a training course to evaluate how well the participant learned the materials that were covered.

Liquidation Department: A department within the servicer's organization that is tasked with working with homeowners that are completing a short sale, deed-in-lieu of foreclosure, or foreclosure transaction.

Liquidation Options: Options available to a homeowner who can no longer stay in his or her home. Liquidation options include short sales, deeds-in-lieu of foreclosure, and foreclosure.

Loan Workout: An alternative action to foreclosure to provide assistance to a homeowner who is facing difficulties making his or her monthly mortgage payment due to a hardship. Can include loan modifications, short sales, repayment plans, and various other forms of mortgage forbearance.

Loss Mitigation: The process of a homeowner and the servicer working together to devise a solution for avoiding foreclosure. Includes home retention options as well as short sales or deeds-in-lieu of foreclosure.

Modification: A change made to the terms of a homeowner's loan. Loan modifications may include lowering the loan's interest rate, extending the term of the loan, moving from an adjustable to a fixed-rate loan, deferring some portion of the unpaid principal balance to the end of the loan, and/or forgiving some portion of the unpaid principal balance.

Modification Application Package: A set of required documents needed to apply for a mortgage modification. For purposes of MHA, the application package includes a (1) Request for Mortgage Assistance (RMA), (2) list of income documents necessary to support evidence of income, and (3) an IRS 4506T form which allows a servicer to access tax records.

Portfolio: The collection of loans held for servicing or investment.

Private Label: Loans that have been securitized but that are not owned, insured or guaranteed by Fannie Mae, Freddie Mac, Ginnie Mae, or another Federal agency.

Processor: Servicer personnel that support the SPOCs in the collection and review of homeowner's documentation required for a loan modification application prior to being sent to underwriting.

Real Time: The actual time during which a process takes place or an event occurs.

Relationship Manager: An alternative title for a homeowner's single point of contact or SPOC.

Repayment Plan: A home retention option in which the homeowner and servicer agree to a schedule for past due amounts to be paid in addition to paying the regularly scheduled mortgage payments.

Resolution Times: The number of days from the date on which a SPOC is assigned to a homeowner to the date on which the servicer makes a final decision on a homeowner.

Right Party Contact (RPC): The successful effort by a servicer to establish contact and communicate with a homeowner.

Seriously Delinquent: A homeowner mortgage payment status in which the homeowner is generally at least 60 days or more past due on his or her mortgage payment.

Servicer: A firm that works on behalf of a mortgage investor in support of a mortgage, including collecting payments, ensuring payment of real estate taxes and insurance premiums, managing escrow accounts, managing communications with the homeowner, and negotiating loss mitigation options or foreclosure when necessary.

Short Sale: A loan workout program wherein the lender accepts the sale of a property to a third party for less than the total amount of the unpaid balance of the loan.

Single Point of Contact (SPOC): The single individual or team of individuals at the servicer organization who is responsible for serving as the homeowner's contact point through the entire process of seeking help with his or her mortgage. Also known as a relationship manager.

Skill Assessment: A test used to gauge how well a person can perform a particular task or action.

SPOC Appointment-Based Model: A customer relationship model in which a customer service representative acts as an intermediary to receive inbound calls from homeowners to schedule an appointment time for the homeowner to speak to his or her SPOC.

SPOC Direct Model: A customer relationship model in which the servicer assigns the homeowner a representative who is directly responsible for all inbound and outbound communications with that homeowner and for ensuring that an appropriate loss mitigation solution is reached.

SPOC Pod Model: A customer relationship model in which a homeowner is not assigned to an individual SPOC, but is instead assigned to a larger SPOC team. Usually the SPOC team will include 10 to 12 SPOC representatives, one or two underwriters, and a manager.

Soft Skills Training: Training that focuses on improving an individual's interactions with customers.

System Transfer: A method of assigning a SPOC to a homeowner. A collections agent or customer service representative informs the homeowner that a SPOC will be assigned and will return his or her call within a set timeframe. A system will assign the SPOC and notify them of all new assignments.

Trial Modification: Under HAMP, the temporary plan (generally, three months) governing payment of a homeowner's loan into which a qualified homeowner is placed. If the homeowner successfully completes the Trial Period Plan, the homeowner will be placed into a permanent modification of his or her loan.

Trial Modification Offer: A letter that outlines the terms and amount of a homeowner's mortgage payment as part of a Trial Period Plan to receive a permanent HAMP modification.

Underwriting: The process of examining all relevant information related to a homeowner's property and income to determine whether the mortgage modification should be issued. The person who does this is called an underwriter.

Warm Transfer: A method of assigning a SPOC to a homeowner. While the homeowner is still on the phone with the collections agent, the collections agent will contact an available SPOC and initiate a conference call between the homeowner, collections agent, and the SPOC.

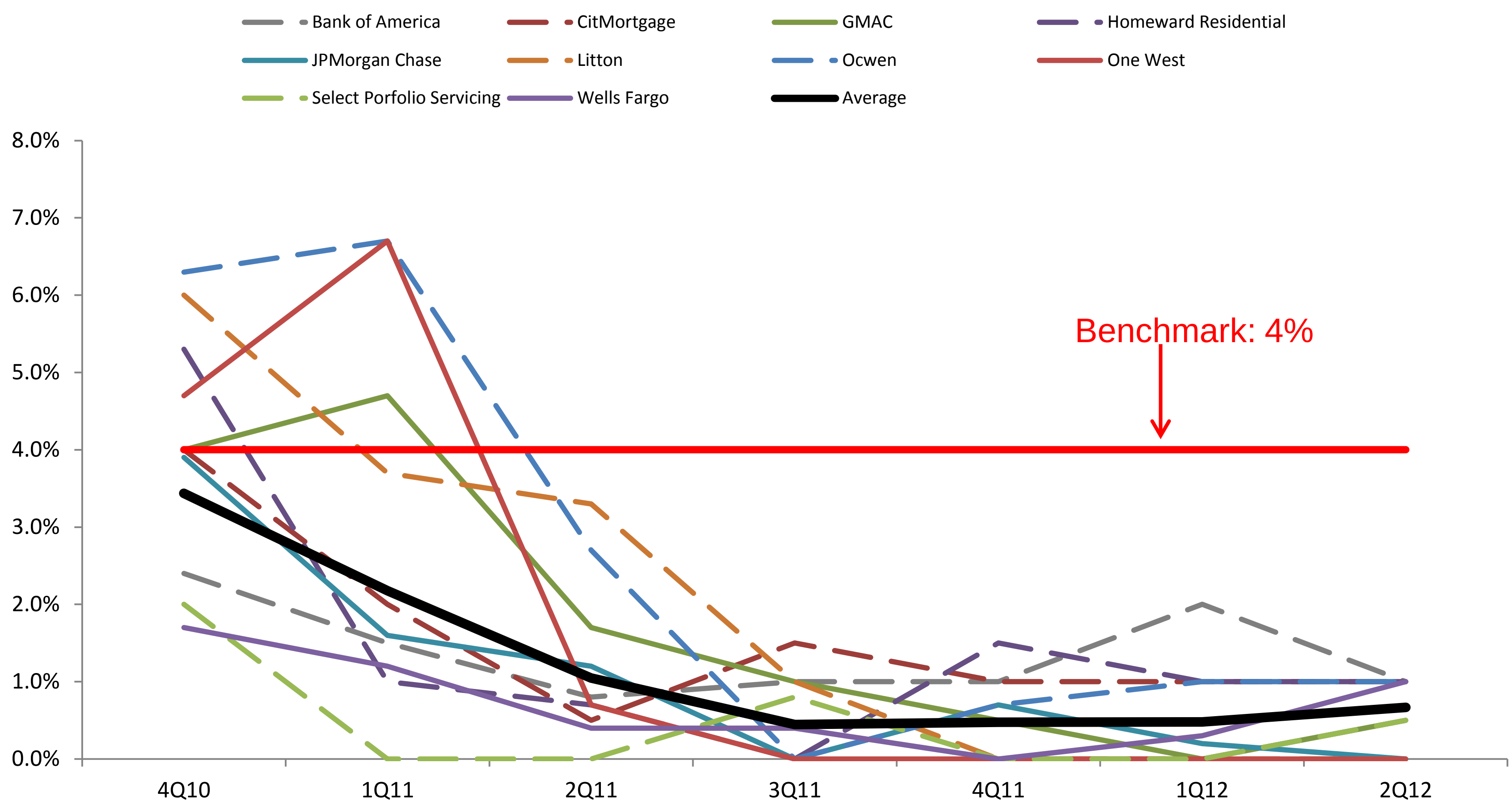
Web Portal: A web site that allows users to deliver or receive information in a secure, controlled manner.

Weighted Average: An average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average.

Appendix C: Excerpt from Q2 2012 Servicer Assessments

MHA Compliance Results, Loan File Review: Second Look % Disagree, 4th Quarter 2010[1]-2nd Quarter 2012

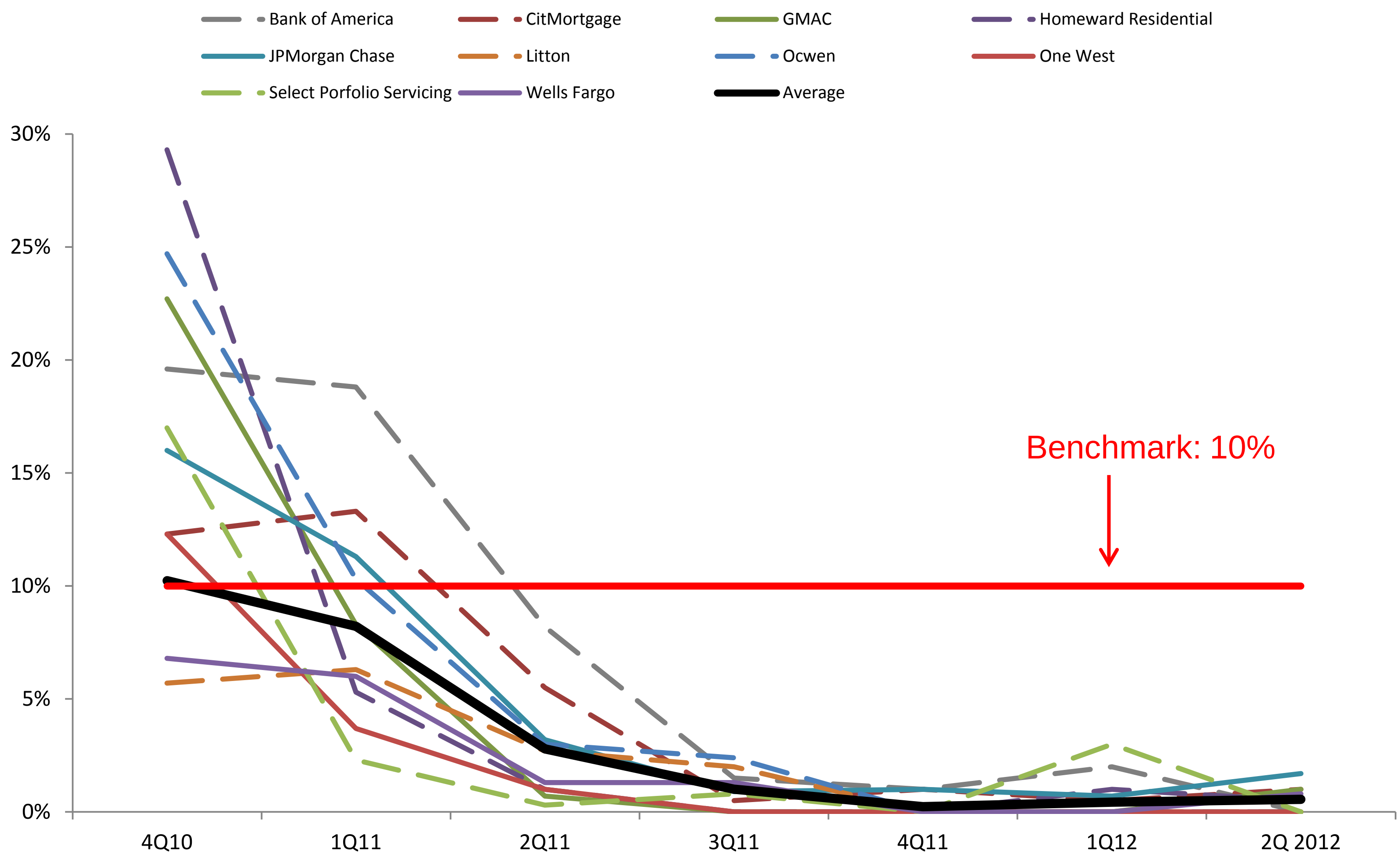
Second Look % Disagree: Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination. Treasury's benchmark is that the second look % disagree must be less than 4%. The first servicer assessment results published by Treasury covered the first quarter of 2011. The chart shows the change in performance from the quarter preceding the first published assessments (fourth quarter of 2010) through the most recent assessment.



[1] The first servicer assessment covered the first quarter of 2011. The

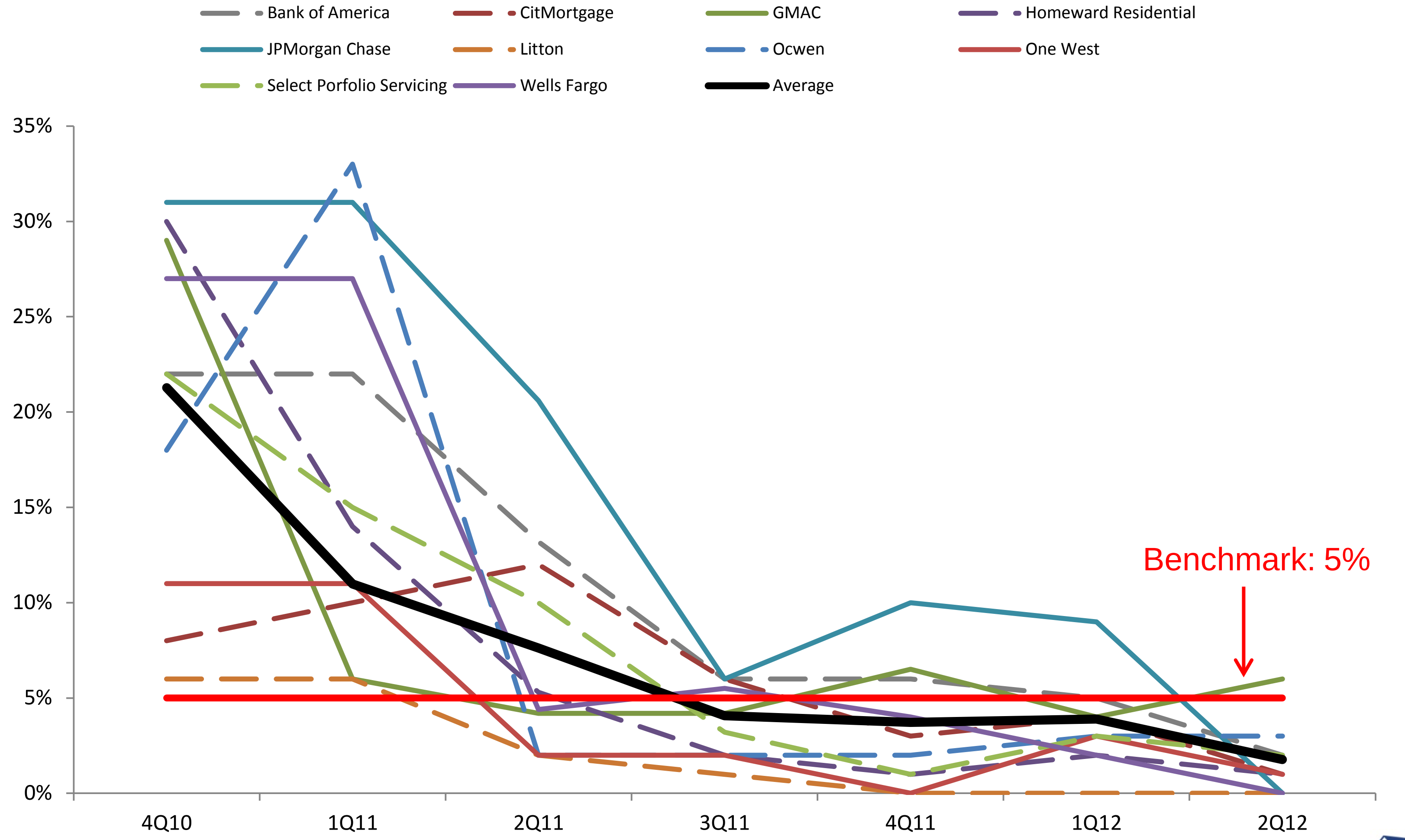
MHA Compliance Results, Loan File Review: Second Look % Unable to Determine, 4th Quarter 2010-2nd Quarter 2012

Second Look % Unable to Determine: Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination. Treasury's benchmark is that the second look % unable to determine must be less than 10%. The first servicer assessment results published by Treasury covered the first quarter of 2011. The chart shows the change in performance from the quarter preceding the first published assessments (fourth quarter of 2010) through the most recent assessment.



MHA Compliance Results, Loan File Review: Income Calculation Error %, 4th Quarter 2010-2nd Quarter 2012

Income Calculation Error %: Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%. Treasury's benchmark is that the income calculation error % must be less than 5%. Correctly calculating homeowner monthly income is a critical component of evaluating eligibility for MHA, as well as establishing an accurate modification payment. The first servicer assessment results published by Treasury covered the first quarter of 2011. The chart shows the change in performance from the quarter preceding the first published assessments (fourth quarter of 2010) through the most recent assessment.



MAKING HOME AFFORDABLE

MHA Compliance Results, Loan File Review: 4th Quarter 2010 – 2nd Quarter 2012

	Second Look % Disagree[1]							Second Look % Unable to Determine[2]							Income Calculation Error Rate[3]						
Servicer	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Bank of America, NA	2.4%	1.5%	0.8%	1.0%	1.0%	2.0%	1.0%	19.6%	18.8%	8.2%	1.5%	1.0%	1.0%	0.0%	22.0%	22.0%	13.2%	6.0%	6.0%	5.0%	2.0%
CitiMortgage, Inc.	4.0%	2.0%	0.5%	1.5%	1.0%	1.0%	1.0%	12.3%	13.3%	5.5%	0.5%	1.0%	0.5%	1.0%	8.0%	10.0%	12.0%	6.0%	3.0%	4.0%	1.0%
GMAC Mortgage, LLC	4.0%	4.7%	1.7%	1.0%	0.5%	0.0%	0.5%	22.7%	8.3%	0.7%	0.0%	0.0%	0.0%	1.0%	29.0%	6.0%	4.2%	4.2%	6.5%	4.0%	6.0%
Homeward Residential	5.3%	1.0%	0.7%	0.0%	1.5%	1.0%	1.0%	29.3%	5.3%	1.0%	0.0%	0.0%	1.0%	0.5%	30.0%	14.0%	5.3%	2.0%	1.0%	2.0%	1.0%
JPMorgan Chase Bank, NA	3.9%	1.6%	1.2%	0.0%	0.7%	0.2%	0.0%	16.0%	11.3%	3.2%	0.9%	1.0%	0.7%	1.7%	31.0%	31.0%	20.6%	6.0%	10.0%	9.0%	0.0%
Litton Loan Servicing, LP[4]	6.0%	3.7%	3.3%	1.0%	N/A	N/A	N/A	5.7%	6.3%	2.7%	2.0%	N/A	N/A	N/A	6.0%	6.0%	2.0%	1.0%	N/A	N/A	N/A
Ocwen Loan Servicing, LLC	6.3%	6.7%	2.7%	0.0%	0.7%	1.0%	1.0%	24.7%	10.3%	3.0%	2.4%	0.0%	0.0%	0.0%	18.0%	33.0%	2.0%	2.0%	2.0%	3.0%	3.0%
OneWest Bank	4.7%	6.7%	0.7%	0.0%	0.0%	0.0%	0.0%	12.3%	3.7%	1.0%	0.0%	0.0%	0.0%	0.0%	11.0%	11.0%	2.0%	2.0%	0.0%	3.0%	1.0%
Select Portfolio Servicing	2.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.5%	17.0%	2.3%	0.3%	0.8%	0.0%	3.0%	0.0%	22.0%	15.0%	10.0%	3.2%	1.0%	3.0%	2.0%
Wells Fargo Bank, NA[8]	1.7%	1.2%	0.4%	0.4%	0.0%	0.3%	1.0%	6.8%	6.0%	1.3%	1.3%	0.0%	0.0%	0.8%	27.0%	27.0%	4.4%	5.5%	4.0%	2.0%	0.0%

[1] Second Look % Disagree: Percentage of loans reviewed where MHA-C did not concur with the servicer's MHA determination.

[2] Second Look % Unable to Determine: Percentage of loans reviewed where MHA-C was not able to conclude on the servicer's MHA determination.

[3] Income Calculation Error %: Percentage of loans for which MHA-C's income calculation differs from the servicer's by more than 5%. Correctly calculating homeowner monthly income is a critical component of evaluating eligibility for MHA, as well as establishing an accurate modification payment.

[4] Effective November 1, 2011 Litton Loan Servicing, LP transferred its loan portfolio to Ocwen Loan Servicing, LLC.