



## School of Mortgage Servicing Detailed Course Outline

### *Day 1*

#### **Servicing Principles**

- Principles of mortgage servicing
- Areas of mortgage servicing
- Corporate governance

#### **Escrow Administration**

- Definition of escrow and escrow administration
- Categories of insurance
- Servicer's responsibilities regarding insurance and taxes
- Types of taxes related to real property
- Tax servicing practices and payment methods
- Strategies for managing escrows
- Escrow analysis

#### **Cash Management**

- Corporate governance with regard to cash management
- Sources of and paths for funds that flow through the servicer's cash management system
- Cash management costs; cost analysis; remittance
- Processing payments for loans in default
- Communications essential to cash management
- Cash balancing
- Importance of cash management system

### *Day 2*

#### **Building a Servicing Portfolio**

- Servicing in an organization's strategic plan
- Due diligence in the servicing portfolio acquisition process
- Issues managing the servicing operations



- Essential components for managing servicing operations
- Achieving efficiency in servicing operations via technology deployment

**Day 3**

**Investor Administration**

- Relationship between the mortgage banker, secondary marketing, and investor administration
- Importance for corporate governance
- Guidelines for investor administration
- Issues and challenges regarding investor- purchased loans
- Corporate governance in investor administration
- Policies and procedures for handling advances, repays, and short falls
- Challenges regarding investor administration

**Vendor Selection and Management**

- Vendor role in servicing
- Vendor selection criteria
- Terms of inclusion in vendor contracts
- Governance model for vendor management
- How to manage and track vendor performance
- Strategy for outsourcing and vendor management
- Challenges regarding investor administration

**Day 4**

**Bankruptcy**

- Bankruptcy overview
- Impact of automatic stay
- Purpose and impact of the major bankruptcy chapters: 7,13,11,12
- Discharge and multiple filings

**Foreclosure**

- Use of foreclosure recent changes to the foreclosure process



- Pre-foreclosure considerations
- Referrals
- Foreclosure methods (non-judicial and judicial)
- Bidding strategies
- MI claims
- Key measures of success
- Property considerations

## **REO**

- The “REO dilemma”
- REO department components
- Methods for determining value of REO
- REO market strategy
- Repair decision analysis
- Listing the property
- Considering offers to purchase
- Closing considerations
- Auctions and bulk sales
- Key measures of success

## ***Day 5***

### **Quality Control**

- Purpose of quality control audits
- Characteristics of an effective quality control staff
- Methods for selecting loans for quality control review
- Audit reports
- Significance of the audit report
- Post-audit actions

### **NSS & Regulatory Compliance**

- Importance of legal/regulatory compliance in mortgage servicing operations
- Major laws/regulations governing or affecting mortgage servicing operations
- National Servicing Standards - CFPB servicing regulations



- Purpose and requirements of the various laws/ regulations
- Compliant and non-compliant practices

## *Day 6*

### **Policies and procedures**

- Policies and procedures template overview

### **Financial Management**

- Creation of the mortgage servicing right
- Balance sheet recognition
- Loan origination P&L statement
- Managing the mortgage servicing right
- Revenue streams
- Expense streams
- Changes in MSR valuation and implications

## *Day 7*

### **Loss Mitigation**

- Cost of default
- What loss mitigation is
- Retention and disposition options
- Working with a borrower
- Evolution of loss mitigation
- Changing role of the collector
- Regulatory requirements
- Future of loss mitigation:
  - Borrower outreach
  - Programs
- HAMP vs MP
- A closer look at preferred disposition options
- Resources



*Day 8*

**Current Issues**

- Current issues in the mortgage servicing arena