

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

Building and Maintaining a Customer Base

- The importance of maintaining customer relationships
- Keys to successful customer service operations
- Potential problem areas in customer service
- Customer communication methods
- Communication with other operations areas in the organization

- The importance of retaining and training quality staff
- Common customer service training issues
- Efficiency in customer relations operations via technology deployment

Day 3

Investor Administration

- Relationship between the mortgage banker, secondary marketing, and investor administration
- Importance of 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 shortfalls.
- Challenges regarding investor administration

Vendor Selection and Management

- Vendor role in servicing
- Vendor selection criteria
- Terms for 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 noncompliant 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