

The State Working Group

Your contacting First American gives me a negotiating card with Sean as well as possibly producing an alternative. Please send First American the attached item, Draft of "About SCRC" as part of your inquiry and to pave the way for my potential discussion with them. I may get an update before the end of the day. If so, and if I get it to you, use it instead.

I assume you have seen "**ANALYSIS OF SUBPRIME MORTGAGE SERVICING PERFORMANCE DATA REPORT NO. 1 FEBRUARY 2008 STATE FORECLOSURE PREVENTION WORKING GROUP**"

<http://www.csbs.org/Content/NavigationMenu/Home/StateForeclosurePreventionWorkingGroupDataReport.pdf>

It is worth checking out, possibly as a data source. John Ryan, Exec VP of the Conference of State Bank Servicers is on the panel Wednesday and we are having lunch with the panel and I can ask about its availability.

Quotes from "**ANALYSIS OF SUBPRIME MORTGAGE SERVICING PERFORMANCE DATA REPORT NO. 1 FEBRUARY 2008 STATE FORECLOSURE PREVENTION WORKING GROUP**"

<http://www.csbs.org/Content/NavigationMenu/Home/StateForeclosurePreventionWorkingGroupDataReport.pdf>

STATE FORECLOSURE PREVENTION WORKING GROUP

|

Executive Summary

In the summer of 2007, the state attorneys general and state banking regulators formed the State Foreclosure Prevention Working Group to work with servicers of subprime mortgage loans to identify ways to work together to prevent unnecessary foreclosures. The touchstone of the State Working Group is to work to prevent those foreclosures where the homeowner has the desire and reasonable ability to make payments on a mortgage loan and the investors that own the mortgage loan have a financial incentive to modify the loan rather than incurring the significant costs and likely greater losses from foreclosing on the loan. In our experience with homeowners in our states, unnecessary foreclosures had been occurring all too often because the system for servicing subprime mortgage loans was not designed to conduct large numbers of loan modifications or other work-outs for homeowners in distress.

The State Working Group collaborated with industry and federal regulators to develop a uniform data reporting format to collect data to measure the extent of the foreclosure problem and the servicers' efforts to respond to it. As state officials, we believe that objective data is necessary to make informed policy decisions and to promote initiatives that could reduce foreclosures. In addition, we believe the public has a right to know how servicers are managing the foreclosure crisis. This report is our first effort to provide the public with data on servicer activities. Our key findings are:...

...The State Working Group continues to seek cooperation from a few servicers that have refused to provide this important data to our group. In particular, we ask the Office of the Comptroller of the Currency to urge national banks to provide this data to the State Working Group. The State Working Group has repeatedly emphasized that this is a voluntary and cooperative effort to prevent unnecessary foreclosures and has made assurances to the participating servicers that the State Working Group is not attempting to exercise jurisdiction over national banks or federal thrifts. Furthermore, we believe the HOPE NOW data collection effort complements our data collection efforts and that our projects are not mutually exclusive. In our view, this crisis is too important to waste time on turf battles between regulators.

Finally, the State Working Group will continue to work directly with the top twenty subprime servicers to remove barriers and obstacles to increasing the numbers of loan modifications. It is our sense that many servicers are making positive efforts to avert foreclosures, but that we are still losing the larger battle to stop unnecessary foreclosures and stem the foreclosure crisis.