

MCB's Farewell as MCM

Finishing a Great Run as HUD's First National Mortgagee Compliance Manager, MCB Looks Forward to Providing FHA Conveyance Compliance Services to the Mortgage Industry.

After all...

**Who Better
To Help
Mortgagees
Comply with HUD's
Conveyance
Process Than the
Company That
Enforced the
Rules?**

Consulting and Training

Quality Control

Processing

FAREWELL ISSUE

MCM UpDate

Reaching Out to Mortgagees for Stronger Partnerships



Issue 18. September 2015

MCM UpDate is published by Michaelson, Connor & Boul to provide news, information, and tips on how Mortgagees and Servicers can avoid the issues that cause delays in processing property conveyance to HUD. Our communication goal is to help Mortgagees and Servicers understand the MCM processes and improve the way the various transactions are submitted for pre- and post-conveyance activities.

Farewell, But Not Goodbye

MCB is Still Your Partner in Mortgage Compliance

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MCB Bids Farewell as MCM

Plans to Leverage MCM Expertise and Experience to Serve the Industry

Since 1999, Michaelson, Connor & Boul (MCB) had the honor to serve the United States Department of Housing and Urban Development (HUD) Office of Single Family Asset Management Division. MCB performed real estate acquisition to disposition services under HUD's Management and Marketing (M&M) I and II programs.

In 2010, when HUD reorganized the M&M structure under a third generation, M&M III, MCB was very pleased to win HUD's first national Mortgagee Compliance Manager (MCM) Contract.

As you probably know by now, HUD awarded the MCM II contract to Information Systems and Network Corporation (ISN), a newcomer to the HUD family of real estate contractors. Transition activities are underway to provide a smooth handoff to the new contractor.

Serving as MCM Was a Unique Experience

As HUD's first and only national MCM Contractor for more than five years, MCB has been in the position to experience some very unique perspectives and opportunities.

For more than 17 years throughout the M&M I, II and III period, MCB has been honored to be a staunch advocate for HUD, recouping and saving the Government billions of dollars. While we will miss our day to day working relationship with our HUD clients at the National Servicing Center, we look forward to a new interaction as we form our new role as a service provider within the Industry.

Our centralized MCM role meant that we had a bird's eye view of every Lender's (and their service provider's) business practices when performing pre and post-conveyance activities. We processed MILLIONS of your pre and post-conveyance transactions. To be exact, as of August 31, 2015, we processed 4,162,550!

You may not have always agreed with our decisions, but we have been consistent and fair, and we worked hard to make sure that you would understand them. Our goal has always been to do whatever we could to help your teams be more efficient, submit quality requests and appeals, and be compliant. We also enjoyed the partnerships that we built with you and your field and claims service providers.

So, we are sad that Wednesday, September 30, 2015 will be our last day as HUD's Mortgagee Compliance Manager. ISN will begin processing on Thursday, October 1.

MCB Also Became the Mortgagee's Consultant

As your MCM, you came to rely on our judgement and expertise. Together, we held phone meetings, exchanged hundreds of emails and participated in group meetings. Together, we resolved problems.

In essence, MCB became YOUR consultant.

Our Newsletter: MCM UpDate

Our newsletter called **MCM UpDate** made its debut in June 2010. Like our tagline says on the cover: *“Reaching Out to Mortgagees for Stronger Partnerships”*, we wanted to help the Industry understand the MCM processes and improve the way the myriad of transactions necessary to successful convey properties to HUD are submitted.

Since then, we have published 18 issues.

To the surprise and delight of this humble and unnamed editor, the **MCM UpDate** became wildly popular throughout the Industry. More than a thousand readers have subscribed.



MCB-Hosted Industry Conference in Oklahoma City

On April 2-3, 2014, MCB hosted 100 representatives from HUD, lender organizations and their field service and claim vendors for a first-ever Mortgagee Compliance focused conference.

The theme *“Navigating Change Together Through Partnerships”* underscored MCB’s intent to be active partners with the industry and provide assistance with the various compliance-related activities needed to manage FHA portfolios.

MCB Shares Experience and Best Practices



MCB's Chief Operating Officer, Gail Hyland-Savage welcomes attendees, with opening remarks.

As part of her opening remarks, MCB's Chief Operating Officer, Gail Hyland-Savage shared that MCB processed more than the 3 million transactions since beginning MCM work in April 2010.

With that much experience, MCB directors and managers were able to provide Mortgagees and their vendors an "inside look" at best practices for all MCM areas.

Mortgagees were able to see how good quality submissions could have a more favorable outcome for them. Adequate and the right kind of supporting documentation, along with the best way to attach photos so nothing is overlooked, was mentioned in all presentations. Each presentation was followed by lively Q&A sessions to give ample opportunity for discussion.

"We're proud of our highly trained staff and efficient operation that allow us to maintain high standards of compliance and accuracy while keeping up with volume."

- Gail Hyland-Savage



Special HUD Guests (L to R): Matt Martin, Jerry Himes and William Collins (not pictured is Keith Clay and Kaci Cheatham).

Attendees who filled out the feedback survey we distributed at the end of the conference told us that 100% of them would like to attend a future conference, and 98.3% said the information was useful to their company.

MCB's Service Offerings

Total Solutions for Your FHA Property Conveyance Compliance Challenges

Managing an operation that processed millions of Mortgagee's transactions – within high standards for accuracy and within 3, 5 and 30 day compliance timeframes, meant that we needed to employ strong quality control practices, rigorous workflow management and unparalleled experience and expertise.

Let our team apply this knowledge and experience to help your organization maximize your eligible reimbursements from the Federal Government through a variety of services that fall into three main categories:



For More Information, Contact One of Us!

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MCB Provides Great Customer Service...

Just Ask HUD!

Each year, HUD rates its contractors by using the Federal Government's Contractor Performance Assessment Report (CPAR). MCB is pleased that each year as MCM, we achieved exceptional ratings in the area of customer service. A few of HUD's comments:

"MCB provides excellent customer service for its diverse range of customers such as mortgagees, title companies, P&P companies, attorneys, etc."

"The quality of their work is very good and the strength of MCB's management team/key personnel and their dedication to quality and performance shows in their customer service and production."

"MCB has recovered significant amounts of overpaid claim expense and reconveyance funds according to the regulations."

MCB's Top Ten Farewell Pieces of Advice for Mortgagees

1. Hold your vendors accountable for the work they perform on your behalf. Remember, HUD holds YOU accountable – not your vendor. Poorly prepared requests and appeals result in denials and unnecessary costs for your organization.
2. Thoroughly document the property condition at initial entry and on the final visit prior to conveyance. For example, the ceiling stain reported by the FSM at HUD acquisition could become a costly demand or reconveyance if none of the property condition photos document the ceiling prior to conveyance.
3. Examine your processes as it relates to receiving and processing demands. Money is lost when a demand is appealed too late, and offsets occur when demand letters fall through the cracks.
4. The MCM does not process the claim payments for HUD. Contact Fha_SfClaims@hud.gov for information on suspended or unpaid claims.
5. Documentation! Documentation! Documentation!
6. If you appeal an MCM decision, be sure to state a stronger reasoning (with documentation) than just repeating the same language in the request that was initially denied.
7. Make sure to pay any outstanding HOA fees and utility charges prior to conveyance.
8. Provide relevant comments in the Mortgagee Comments section of the Part A; the MCM often refers to this information to determine if a demand or reconveyance may be necessary.
9. Clearly label and properly upload attachments to P260. Make sure your files can be opened.
10. Be sure to notify your attorneys and other professionals to remove MCB's name, address, and Delegate of Authority personnel names from HUD-related documents, such as the Notice of Pending Acquisition Letter (NOPA) and deeds.

As we close the chapter on our MCM work with HUD, we are excited to transition our expertise and experience to provide a range of pre and post-conveyance consulting services to the Mortgage Industry.

We've been enforcing HUD's rules for years, and we know what HUD expects.

There is no company better equipped to help you now, than MCB.

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