

BEST FORECLOSURE PREVENTION SOLUTION

NACA & COUNTRYWIDE AGREEMENT – TESTIMONY

I AM BRUCE MARKS CEO OF THE NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA (“NACA”). I AM VERY PLEASED TO BE HERE TO DISCUSS THIS HISTORIC AGREEMENT BETWEEN NACA AND COUNTRYWIDE. THIS IS NOT ANOTHER STATEMENT ABOUT PRINCIPLES, PROMISES AND PROCESS. THIS IS ABOUT RESULTS IN SAVING HARD WORKING PEOPLE’S HOMES.

THIS AGREEMENT IS THE MOST EFFECTIVE FORECLOSURE PREVENTION SOLUTION BASED ON WHAT THE HOMEOWNERS CAN AFFORD. THIS IS THE FIRST BORROWER BASED SOLUTION. WE ARE TALKING ABOUT REAL FORECLOSURE PREVENTION THAT IS SETTING THE STANDARD IN THE FORECLOSURE PREVENTION INDUSTRY FOR SERVICERS, INVESTORS AND NON-PROFITS.

LETS BE CLEAR. THE PREVIOUS SOLUTIONS FOCUSING ON REFINANCES IS NOT THE ANSWER. HOME VALUES ARE NOT THERE AND ARE PLUMMETTING. DEBT-TO-INCOME RATIOS FAR EXCEED LENDER STANDARDS AND LATE PAYMENTS KNOCK THE REST OUT. VERY FEW

**LOANS HAVE BEEN REFINANCED THROUGH THESE PROGRAMS. AND
EVEN LESS WILL BE IN THE FUTURE**

**THE NACA PROCESS CONSIDERS THE INDIVIDUAL CHARACTERISTICS
FOR EACH BORROWER BUT PROVIDES A FRAMEWORK AND
STANDARDIZATION TO PROVIDE UNPRECEDENTED HOME SAVE
SOLUTIONS FOR TENS OF THOUSANDS OF HOMEOWNERS.**

a. STEP ONE:

**SUBMIT A MORTGAGE QUESTIONNAIRE ON OUR WEBSITE AT
WWW.NACA.COM**

b. STEP TWO:

**ATTEND A WORKSHOP TO LEARN ABOUT THE PROCESS AND
OPTIONS.**

c. STEP THREE:

**MOST IMPORTANTLY, MEET WITH A MORTGAGE CONSULTANT
WHO WORKS WITH THE HOMEOWNER TO SEE THEM THROUGH
THE PROCESS.**

d. STEP FOUR:

**THE HOMEOWNER IS REFERRED TO A NACA UNDERWRITER WHO
THEN TAKES OVER THE APPLICATION.**

e. STEP FIVE:

**THE COMPLETED FILE IS SUBMITTED TO THE LENDER.
THIS IS THROUGH NACA'S PAPERLESS STATE OF THE ART SOFTWARE
SYSTEM.**

**NOW LET'S TALK ABOUT THE HOME SAVE OPTIONS FOR THE
HOMEOWNERS. THIS IS BASED ON THE TERMS AND WHAT THE
HOMEOWNER CAN AFFORD, WITH A CASCADE OF OPTIONS AS
FOLLOWS:**

NUMBER 1:

PAYMENT PLAN

**APPROPRIATE FOR HOMEOWNERS WHO HAVE AN AFFORDABLE
MORTGAGE BUT HAVE EXPERIENCED A SHORT TERM FINANCIAL
SETBACK AND CAN BECOME CURRENT WITHIN 12 MONTHS**

NUMBER 2:

MODIFICATION

**WORKS FOR HOMEOWNERS WHO HAVE AN AFFORDABLE PAYMENT
BUT HAVE EXPERIENCED A LONG-TERM FINANCIAL SET BACK AND**

CANNOT BECOME CURRENT IN 12 MONTHS. FOR THESE HOMEOWNERS THE LOAN IS MODIFIED TO INCLUDE THE PAST DUE AMOUNTS.

NUMBER 3:

REFINANCE

THIS IS FOR HOMEOWNERS WITH A HIGH RATE AND UNAFFORDABLE MORTGAGE WHO CAN MEET THE ELIGIBILITY CRITERIA (I.E. LTV, PAYMENTS, ETC.). NACA PROVIDES ONE MORTGAGE PRODUCT, THE BEST IN AMERICA, THAT WE COUNSEL EVERYONE INTO. IT IS ALWAYS A FIXED RATE WITH NO FEES, PRE-PENALTIES OR POINTS. AND TODAY'S 30 YEAR FIXED RATE IS 5.375%. WE HAVE COMMITTED ONE BILLION DOLLARS

NUMBER 4

RESTRUCTURE

THIS IS THE MOST POWERFUL TOOL FOR HOMEOWNERS TO SAVE THEIR HOME. WE EVALUATE WHAT THE HOMEOWNER CAN AFFORD: LOOKING AT THE NET INCOME, DEDUCTING ONLY THE REQUIRED DEBTS, HOUSING EXPENSES AND \$200 FOR UNFORESEEN EXPENSES. THIS RESULTS IN A PAYMENT THAT THE BORROWER CAN AFFORD.

THIS PAYMENT IS THE FIXED FIGURE OR THE MORTGAGE PAYMENT (I.E. PITI). THE TWO VARIABLES ARE THE INTEREST RATE AND OUTSTANDING MORTGAGE AMOUNT. COUNTRYWIDE WILL REDUCE EITHER OR BOTH TO ACHIEVE THE MORTGAGE PAYMENT OVER THE LONG-TERM

NOW LETS DISCUSS THE INVESTORS.

THE AGREEMENT REQUIRES COUNTRYWIDE TO TAKE THE MOST FAVORABLE REASONABLE INTERPRETATION OF THE POOLING AND SERVICING AGREEMENT. IF THEN THE INVESTOR REFUSES TO RESTRUCTURE, COUNTRYWIDE WILL PROVIDE NACA WITH THE IDENTITY OF THE INVESTOR, ALONG WITH OTHER DETAILS...THE REASONS FOR THE DENIAL AND THE OPPORTUNITY TO APPEAL. AND BELIEVE ME CONGRESSMEN AND WOMEN, YOU WILL BE HEARING FROM THE HOMEOWNERS, NACA AND MANY OTHERS IF INVESTORS ARE FORCING HARD WORKING HOMEOWNERS INTO FORECLOSURE.

THE REALITY IS EXTREMELY POSITIVE. ON THE FIRST DAY, COUNTRYWIDE RESTRUCTURED OVER 25 HOMEOWNERS. ALL HAD THEIR INTEREST RATES REDUCED TO 5% AND 6%. THERE MONTHLY

PAYMENTS REDUCED BY \$300, \$1,000 TO \$1,700 A MONTH. AS ZENA COLINS, ONE OF THE FIRST TO BE RESTRUCTURED SAYS “I CAN NOW BREATHE AGAIN”.

NOT ONE WAS REJECTED BY AN INVESTOR.

NOW WHAT ABOUT THE OTHERS WHO REFUSE TO RESTRUCTURE

LOANS: LET’S NAME THE BOTTOM TEN. THEY INCLUDE SOME OF THE

TOP SERVICERS:

- 1) J.P. MORGAN CHASE**
- 2) WELLS FARGO**
- 3) CITI GROUP**
- 4) WASHINGTON MUTUAL**
- 5) BARKLEYS (HOMEQ)**
- 6) GMAC (HOMECOMINGS)**
- 7) LITTON**
- 8) H&R BLOOK - OPTION ONE**
- 9) FREEMONT**
- 10) WILSHIRE**

**WHEN THEY TELL YOU, THEY ARE RESTRUCTURING OR MODIFYING
LARGE NUMBERS OF LOANS TO WHAT THE HOMEOWNERS CAN
AFFORD, THEY ARE NOT.**

**THEY ARE PLAYING YOU. YOU NEED TO TREAT THEM LIKE THE OIL
COMPANY EXECUTIVES WHO WERE FORCED TO TESTIFY UNDER OATH.**

**THEY NEED TO BE HELD ACCOUNTABLE FOR THE FORECLOSURES ON
HARD WORKING PEOPLE AND THE DEVASTATION OF COMMUNITIES
NATIONWIDE. WE EXPECT TO SEE THE RAISED HANDS UNDER OATH
OF THE FOLLOWING:**

- 1) JAMIE DIMON - JP MORGAN CHASE**
- 2) KERRY KILLINGER - WASHINGTON MUTUAL**
- 3) RICHARD KOVACEVICH- WELLS FARGO**
- 4) CHUCK PRINCE – CITI**
- 5) TOM SCOTT - BARKLEYS**
- 6) ERIC FELDSTEIN - GMAC**
- 7) LARY LITTON – LITTON**
- 8) MARK ERNST- H&R BLOCK**
- 9) KYLE WALKER - FREMONT**
- 10) JAY MEMMOTT - WILSHIRE**

THIS IS PERSONAL. THEY NEED TO BE HELD PERSONALLY RESPONSIBLE.

TO GET THEM TO MEET THIS STANDARD, WILL SAVE HUNDREDS OF THOUSANDS OF HOMEOWNERS FROM THE DEVASTATION OF FORECLOSURE AND THE HUGE BROADER IMPACT.