



## NAMFS: Mortgage regulations require a more stringent approach to field services

Industry professionals must satisfy both client and legislative requirements

DECEMBER 11, 2014

*This article is part of HW PartnerDirect™*

**THIS YEAR**, the default servicing industry saw the enforcement of Dodd-Frank rules, fluctuations in foreclosure volumes, and new licensing requirements. Business practices of default mortgage field services providers were audited by the Federal Housing Finance Agency's Office of Inspector General (FHFA OIG), while loan servicers – who are clients of field services companies – required these organizations to increase their resources to manage risk, review and compliance practices.

Aligning business practices with new regulations and client expectations requires an investment in research, legal assistance, human resources and technology for both national and regional field services providers. Industry professionals must maintain quality services and execute them in a timely manner to remain in business and now, more than ever, there is no room to fail.

Throughout the year, the Consumer Financial Protection Bureau (CFPB) has taken action against – and outlined expectations of – mortgage servicing providers and nonbank entities. Regulators are not accepting compliance exemptions due to limited resources, technology deficiencies or third-party failures. Additionally, clients of field services providers are implementing new work performance standards, documentation procedures, and periodic auditing of work in the field and the office.

As the premier association for field services providers, The National Association of Mortgage Field Services (NAMFS) continues to identify and present new technologies to help its members meet both legislative requirements and client expectations. NAMFS has taken the lead in reviewing measures as they are introduced, and has published commentary on rules affecting mortgage field services providers.

In April, NAMFS published a white paper providing an industry perspective on the FHFA OIG report titled FHFA Oversight of Enterprise Controls Over Pre-Foreclosure Property Inspections. Additionally, a report on pool safety best practices was published, offering solutions and insight to regulations surrounding swimming pools at vacant properties. NAMFS obtained a legal opinion on Maine's "Act to Expedite the Foreclosure Process," which identified work performed by field services providers as debt collection activities requiring licensing. In November, NAMFS submitted feedback on the Federal Housing Administration's draft update of the FHA Single Family Handbook, serving mortgages section.

While NAMFS member companies are aware of these actions, the association offers collective insight and review on how the challenges and changes to default mortgage-servicing policies affect the industry.

Industry challenges are also affecting the clients of field services companies. Field services companies must adjust operational practices to meet client expectations. This year, we've seen field services providers incorporate technology to streamline and strengthen their organizations. NAMFS provided its members with a series of webinars to help sort through the technological offerings that assist with the management of legislative and client demands. The NAMFS business resource center invited members to live presentations on software that manages workflow, products that improve the securing of vacant property, and GIS data mapping aimed at helping members provide service that is accurate, efficient and compliant.

Additionally, NAMFS provided webinars to help its members in the running of their operations. The association hosted sessions on key field services company knowledge, HUD guidelines, insurance policy requirements, mold remediation, soft skills and social media practices.

Another resource for association members is training provided by the NAMFS Academy e-learning program. These self-paced training courses are designed for property inspectors and contractors providing industry standards for performing field services work.

NAMFS' reach includes creating relationships with those impacted by foreclosed property. In May, the association collaborated with the American Association of Code Enforcement to survey code officers and homeowners' association teams on the problems and solutions surrounding vacant property.

Each year, NAMFS hosts the Annual Conference of Mortgage Field Services. This year, we invited technology providers, code officers, insurer/investors and loan servicers to participate and present sessions to not only NAMFS members, but all default-servicing professionals. The 27th Annual Conference of Mortgage Field Services takes place next September in New Orleans, Louisiana.

NAMFS will continue to provide topical updates, insights and solutions that benefit our members and the communities where field services work is performed. To keep up with NAMFS' response to news affecting the default mortgage serving industry, please follow NAMFS on Twitter, LinkedIn and Facebook.