



*What every lender must know
to survive in turbulent times*

Loss Mitigation and Default Resolution

Strategies for California Lenders

A no-cost seminar on reducing
loan losses in the wake of
the subprime fall-out.

*Underwritten by Standard Trust Deed and
Scheer Law Group, LLP.*

Date and Time: Friday, November 16, 2007, 8:00 am to 12:30 pm. Light refreshments will be served

Location: The Hilton Garden Inn, 1800 Powell Street, Emeryville, CA

Registration: No charge. This seminar is underwritten by Standard Trust Deed and Scheer Law Group, LLP

Reservations: *Limited seating available.* Call Lou Ann Maihofer at 925.603.1031
or e-mail her at louann.maihofer@standardtrustdeed.com

Overview

Designed for banks, credit unions, lenders, loan servicers and private investors doing business in California, this special half-day seminar provides practical approaches drawn from real-life scenarios for managing and resolving non-performing loans. Subjects include:

- Foreclosure, repossession and borrower liability: the rules are changing, but is leverage really shifting?
- How far will California home prices fall before the market reaches equilibrium?
- The subprime crisis: how far will it spread?
- Loss mitigation: do you have a strategy to protect your rights and reduce losses?

Speakers have been selected for their experience in dealing with a variety of loss mitigation issues, from negotiating with borrowers to meeting the state's strict requirements for notice and disclosure to moving failed loans off of the balance sheet.

Seminar Outline

8:00–9:00: Q&A on California Foreclosure Requirements

Hosted by June Cristy, Vice President of Operations for Standard Trust Deed

Participate in a question-and-answer session on California foreclosure processing with one of the industry's most experienced foreclosure processing experts.

9:00–10:00: California Home Prices: When Will We See Bottom?

Nima Nattagh, PhD., Principal, Geo-Stat Advisory

While California home price trends are flat to declining, experts disagree on how the duration and significance of the current trend. Widely hailed and often quoted on regional and national home price trends, Dr. Nattagh offers a unique analysis of California's housing market based in part on the relationship between home prices and rents. His presentation will answer:

- Are homes overvalued in California? If so, by how much?
- Are some areas more susceptible to price corrections than others?
- What sort of price correction can we expect?
- When will home prices reach equilibrium?
- What should prudent lenders do when valuing residential real estate in California?

10:00–10:15: Break, with light refreshments served

10:15–12:30: Surviving and Prospering in a Changing World

Spencer Scheer, Scheer Law Group, LLP

An AV-rated litigator and advocate of lenders for more than 20 years, Spencer offers practical guidance that can be forged into loss mitigation strategies that protect lender interests. Specializing in loss mitigation strategies, the effects of bankruptcy law on foreclosure proceedings, predatory lending and TILA, and tenant-in-common lending issues, Spencer is frequently called upon to speak at lender and creditor trade associations.

His presentation will cover:

- Subprime fall out what has happened-what is likely to happen. *Is the worst over or yet to come?*
- Regulatory responses to subprime and non-conventional loans: The potential for regulatory backlash is significant and will increase in scope and intensity. *What you don't know can hurt you.*
 - ◆ New DRE disclosure requirements for mortgage brokers in California (10 CCR 2842).
 - ◆ SB 385: This bill, signed by the Governor and effective January 2008, will change the way banks, credit unions and DOC/DRE brokers do business. You may become an insurer of your borrower's ability to understand the loan and the consequences of non-payment. *Yes, there are criminal penalties.*
 - ◆ Proposed changes to the bankruptcy code may remove specific mortgage lender protection provisions now in effect.
- Auto lenders: New case law changes the playing field for auto lending. The effect of the Arcadia case on re-possession rights: the appeal has been denied and the case will not be certified. *Now what?*
- Bankruptcy responses to real estate subprime lending fall-out:
 - ◆ Cram-downs are back. Recognize them and protect yourself.
 - ◆ Plan confirmation issues: Local bankruptcy rules have made it even easier for borrowers to rearrange your loan rights and eliminate your security interest.
 - ◆ Cash collateral issues
- Borrower or third-party personal liability: It can be the difference between collecting and a write-off. *Understanding the following will help:*
 - ◆ When can you obtain a personal judgment on a loan?
 - ◆ Sold-out juniors and short sales
 - ◆ Loan fraud/appraiser fraud
 - ◆ Broker/lender and lender/investor agreements and issues to consider
- Loss mitigation tools and strategies. *Each of these can save you thousands of dollars:*
 - ◆ Forbearance and loan modification agreements: What you need to know to protect your interests
 - ◆ Obtaining rents with and without a receiver
 - ◆ Guarantees: Can they be enforced? When?
 - Judicial foreclosure. Is it a viable option?
 - Reaffirmation Agreements. How do you get them?
 - Responses to loan fraud.
 - Obtaining judgments that will withstand bankruptcy
 - Evictions and post-foreclosure sale agreements that allow your borrower to stay on or repurchase. *This is a minefield and must be carefully negotiated.*