

Tough questions for tough times

Now more than ever, we're all looking for ways to meet market challenges. It's always easier when you know you're not in it alone. That's why real estate and industry professionals, mortgage lenders and servicers, homeowners and homebuyers alike may benefit more by sharing perspectives, information and working together.



To that end, Brian Buffini, Chairman and Founder of Buffini & Company™, the largest real estate training and coaching company in North America, recently sat down with Mary Coffin, Executive Vice President and head of loan servicing for Wells Fargo Home Mortgage. Their frank, candid exchange sheds light on how real estate professionals can move forward, exposing some myths and discussing ways to seek solutions for today's mortgage challenges.

Together we'll go far



About managing payment challenges

Q. What is Wells Fargo's view on homeownership these days?

A. Wells Fargo is committed to making homeownership both achievable and sustainable. We live by responsible lending and servicing principles. And when our customers face financial difficulty, we work hard to help them remain in their homes.

Q. What advice should real estate professionals give to their customers who are facing payment challenges?

A. Most importantly, homeowners should contact their loan servicers as soon as they feel there could be a problem with making their payments. The earlier contact is made, the more options available. It's also important they begin the process of preparing their financial documentation, like a hardship letter, W-2s, pay stubs, tax returns and financial statements. All these documents are needed in the process to determine the options available to the customer. The faster the documentation is provided, the quicker a decision can be made about the appropriate option for each individual customer.

Q. Some of my clients were told they have to be behind in their payments before the bank will consider them for assistance. Is this true?

A. No, it's not true. You do not have to be delinquent to qualify for a workout option. However, it is true the homeowner needs to be facing some form of financial hardship to be considered for a workout option.

Q. What proactive steps is Wells Fargo taking to help customers who are facing payment challenges?

A. Wells Fargo contacts delinquent customers early and often to identify potential options and to help customers work through their payment challenges. The sooner we're able to find a solution, the better. We're doing everything we can to work with customers when, where and how they want to be served. Whether it's on the phone, online or face-to-face, we're using multiple channels to help people avoid foreclosure. Wells Fargo has aggressively expanded our face-to-face events and local offices to help customers work through the documentation requirements. We're also providing a single point of contact, so customers don't have to work through multiple team members while they work on finding a solution.

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About short sales

Q. Now let's get to the subject of short sales.

Why does the approval on some short sales take longer than on others?

A. There are a number of decision makers involved in a short sale. And it's a fact — the more parties involved, the more complex the decision process becomes because all parties must be in alignment before a home can be sold.

- Ultimately, the decision rests with the investor, who is the owner of the loan. For example, Wells Fargo owns approximately 20% of the loans we service. The other 80% are owned by investors (Fannie, Freddie, FHA, private groups, etc.). We're under contract to handle the servicing for these investors, so in these cases, we're acting not as the owner but as the investors' agent with their fiduciary interest in mind. Each of these investors will try to minimize their losses, and their unique contractor guidelines must be followed.
- In addition to the investor, there are other interested parties, too — such as mortgage insurance companies and second lien mortgage holders.

Q. What can a real estate professional do to make the short sale process go more smoothly?

A. Understand the process and the requirements that must be met before a home can be sold. Ask your local Wells Fargo Home Mortgage consultant for a copy of the REALTOR® Short Sale Guide (#104567). This comprehensive tutorial is complete with time line expectations and requirements that will help real estate professionals help sellers prepare. Then, there are really two steps in the short sale process — the customer evaluation phase and the property evaluation phase.

- **Customer evaluation phase:** The investor will want proof of a number of things, including the customer's hardship, financial situation and what alternatives have been considered. The first "to do" is to make sure all of the customer's documentation is in order, like W-2s, pay stubs, tax returns, a hardship letter and other financial documents.
- **Property evaluation phase:** The servicer will need a current appraisal on the property as quickly as possible, so it's important that our appraisers have access to the property so they can complete the appraisal.

If all the paperwork and the approval process are completed upfront, things go much more smoothly. And once an offer is in place, we can respond more quickly because we're in a position of knowing exactly what we can accept. It's important — the short sale must be an "arm's length transaction." This means a personal friend, family member or business partner cannot purchase the home.

There's one more thing to keep in mind, and it is the number one reason for short sale fallout — an unqualified buyer. Make sure your buyer has been preapproved before you submit the offer. Talk to your local Wells Fargo Home Mortgage consultant about our **Priority Buyer**® program.

Q. Is there any truth to the claim that banks are sitting on significant levels of inventory they are planning to release at a later time?

A. No — this is a myth, at least at Wells Fargo. As I mentioned earlier, 80% of the loans we service are owned by other investors, so holding those properties would be an issue because we'd be in violation of our servicing contract responsibilities. And for the 20% that we own, holding those properties would carry too much risk. Overall, we work hard to get properties ready and back on the market as soon as possible.

About working together

Q. What is Wells Fargo's attitude toward real estate professionals?

A. We must work together for the customer and the investor. We all need to understand what's required so we can meet the needs as quickly and as smoothly as possible. Now more than ever, we have to work together to develop innovative options that address the immediate needs, while securing the future of homeownership.

Q. As a real estate professional, why should I work with a Wells Fargo Home Mortgage consultant?

A. Wells Fargo has a long history of working with the real estate community. Whether it's before or after the sale, we are committed to helping real estate professionals succeed in helping their clients and customers. That commitment is visible through our network of home mortgage consultants — the largest in the country — plus our home preservation and short sale specialists dedicated to providing outreach and educational opportunities to real estate professionals and customers in local markets.

Help for homeowners

If you're working with Wells Fargo Home Mortgage customers who may be experiencing financial hardship, encourage them to contact us to explore the options that may be available to help them.

- Go to wellsfargo.com/homeassist
- Call 1-800-678-7986
Eastern Time, Monday to Friday, 9:00 a.m. — 10:00 p.m.
Saturday, 9:00 a.m. — 2:00 p.m.

Working with someone who's not a Wells Fargo Home Mortgage customer?

- Encourage them to call the HOPE NOW Alliance at 1-888-995-HOPE

About...



Brian Buffini
Chairman & Founder
Buffini & Company™

Brian Buffini founded Buffini & Company in 1995, now the largest real estate training and coaching company in North America. He has been in the real estate industry since the 1980s. Instead of following traditional methods, he developed a unique system to grow his business *100% by referral*. Rather than spending time advertising, Buffini focused on providing first-class service to core clients and generating a predictable supply of high-quality referral leads. He also has provided expert training to nearly two million clients in more than 20 countries, teaching entrepreneurs how to improve their business, increase net profit and enhance their quality of life.



Mary Coffin
Executive Vice President
Servicing Operations and
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Wells Fargo Home Mortgage

Mary Coffin is Executive Vice President of Servicing Operations and Post Closing for Wells Fargo Home Mortgage and a member of the company's Executive Management Committee. She leads loan servicing operations for more than nine million customers, overseeing the company's eight national customer service centers, statement and payment processing, default management, sales and acquisitions, Wells Fargo Real Estate Tax Services, escrow and insurance operations. Coffin also oversees the Servicing Transition and Integration Group, which includes post closing and business architecture design. She joined the company in 1998, bringing with her 15 years of experience in the service industry.

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