

Taking Control of What's Within Your Control

HOPE NOW Letter Committee



A year ago HOPE NOW Alliance members held a closed door session to look at current challenges with servicing delinquent mortgage customers. A comprehensive list was developed which became our template for action in 2015. At the top of the list was written communication with delinquent customers. Since HOPE NOW was formed, servicing delinquent customers has been our bread and butter. Our wheelhouse includes; face-to-face experiences through HOPE NOW led outreach events in hardest hit markets, implementing new tools in the market to streamline loss mitigation processes and sharing best practices and managing risk. HOPE NOW members have always been on the forefront of understanding delinquent, high touch customers and know how to best meet their needs.

In the wake of the housing crisis there was a push through settlements, consent orders and new regulation to drive towards better mortgage servicing practices. Many government entities weighed in with various servicing rules that mandated how, when and how often mortgage servicers engage their customers. These new rules are overlaid on top of rules that servicers must follow from the investors of pooled loans such as the Government Sponsored Enterprises Fannie Mae and Freddie Mac, and those requirements are then overlaid on top of requirements by the states which also outline mortgage customer engagement. Our member servicers created the HOPE NOW Letter Committee, as a way to help all stakeholders better understand how to manage these mandated letters.

The objective of the committee is to have a working group that meets quarterly to work through challenges in creating clear and actionable-focused letters to delinquent customers that meet regulatory requirements. The ultimate goal of the committee is to improve the overall customer experience and to gain valuable insights from other HOPE NOW members in how to best serve these customers. This is a proactive approach to understand how peer institutions are managing letters and meeting state and federal regulatory compliance requirements. Written communication is not only informative and helpful but an opportunity to gain trust with homeowners working through a difficult process.

The coalition has not only been working with each other, but engaging industry experts like Katherine Porter, the former California Mortgage Monitor, and Barbara Kingsley from the Center for Plain Language to contribute their expertise to this important dialogue. These strategies support servicers in their work to be creative and purposeful with improving customer engagement that results in customer satisfaction. Serving as a host for these meetings has been HOPE NOW member Nationstar Mortgage.

Since forming, the HOPE NOW Letter Committee has established a series of helpful guidelines for mortgage servicers when creating letters for delinquent customers such as:

- Remembering that the letter is for your customer, not your regulator
- Reduce long narratives and work towards bullet points
- Place clear action items up front that require homeowner engagement
- Be distinct with language (ie. missing vs incomplete documents)
- Keep language at an eighth grade comprehension level
- Create bite-sized decision trees wherever possible

To learn more about our HOPE NOW Letter Guidelines please visit www.hopenow.com