

final program

AMERICATALYST

2011

CONVERGENCE

THE globalization 10 YEARS ON
of housing finance

1.0

 MONDAY, NOV. 7 | 8:15–8:30 AM

THE BIG PICTURE

The globalization of housing finance, 10 years on

Since 2002, our event discussions have monitored the trajectory and impact of globalization *on* housing finance, as well the globalization *of* housing finance. One of our main themes and greatest concerns has been the accelerated drive toward convergence, which we define as a universal state of intensified social, political and economic interconnectedness blurring the boundaries between domestic matters and global affairs. We see this convergence phenomenon in our own industry through increased accountability and risk not only from our own actions, but from the actions of others. Today, the world has reached that stage of convergence, as evidenced by the limits of U.S. and European national monetary policies in containing the spread of national (and inter-national) economic crises to prevent a profound global financial crisis. We now face risks that are entirely unique and unprecedented, with no historical compass upon which to rely and which renders all policy and actions from this point forward as grand social experiments of trial and error with entirely unknown consequences. As our industry struggles to comply with, cooperate, and compromise on our own internal issues, we see first-hand the difficulties of managing the complexities of a world very different than the one we knew even five years ago. Current events demand global cooperation and compromise among nations with short histories of experience in economic crisis diplomacy. In opening comments, Toni Moss and Todd Groome provide an overview of this year's event, and outline a framework for thinking about how this stage of convergence changes the landscape of the housing finance industry which, in turn, necessitates a change in how we think about our interaction and strategy, and how this convergence will impact the immediate and near future.

Coffee and other refreshments will be available in the WildFlower Atrium (immediately outside the main session room) from 7:45 am.

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SESSION HOST	Toni Moss , Founder and CEO, AmeriCatalyst LLC and EuroCatalyst BV
SESSION CO-HOST	Tim Skeet , Managing Director, Debt Capital Markets, Royal Bank of Scotland
PANELISTS	Alan Boyce , CEO, Absalon Project Todd Groome , Chairman, Alternative Investment Management Association (AIMA) and Advisor, AmeriCatalyst LLC Jeb Mason , Managing Director, The Cypress Group Paul Miller , Managing Director and Group Head of Financial Services, FBR Capital Markets Josh Rosner , Managing Director, Graham Fisher & Company and co-author, <i>Reckless Endangerment: How outsized ambition, greed and corruption led to economic Armageddon</i>

CONVERGENCE

Fait/fate accompli?

On Sept. 22, World Bank President Robert Zoellick warned that the global economy is “in a danger zone,” while his IMF counterpart, Christine Lagarde, stated, “downside risks” are high. On the same day, PIMCO CEO Mohamed El-Erian was more blunt, warning, “The world is on the eve of the next financial crisis, with sovereign debt its epicenter.” On Sept. 29, the cover of *The Economist* magazine simply read, “Be afraid,” in direct reference to the slow-motion nature of the unfolding global economic disaster. In addition to different forms of government support, over the past 20 years more than 50 percent of the U.S. housing finance industry has been funded from abroad. This fact requires a dramatic change in thinking about how the industry will be funded in the future. In this session we discuss the current state of the European crisis, the direction of cash flows and investment moving around the world, and the impact that this movement has on fixed income investments in global housing markets, including covered bonds and MBS. We also address the politicization of finance and a world in which politicians make financial decisions, financiers make political decisions, and how that shapes the global regulatory environment.

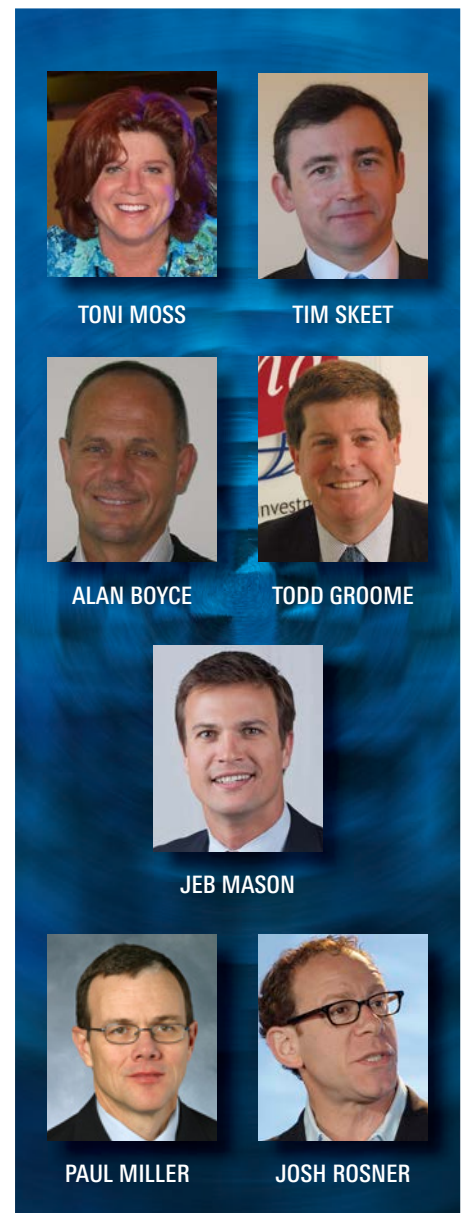
RECOMMENDED READING

July 7, 2011 | “Lessons From the Crisis”, Neil Barofsky, Huffington Post

October 18, 2011 | “Prize announced for painless euro death plan”, by Kiran Stacey, Financial Times

Gretchen Morgenson and Joshua Rosner, *Reckless Endangerment: How Outsized Ambition, Greed, and Corruption Led to Economic Armageddon* (New York: Times Books, 2011).

15-MINUTE COMFORT BREAK



1.2 MONDAY, NOV. 7 | 9:45–10:45 AM

SESSION HOST	Todd Groome , Chairman, Alternative Investment Management Association (AIMA) and Advisor, AmeriCatalyst LLC
SESSION CO-HOST	Toni Moss , Founder and CEO, AmeriCatalyst LLC and EuroCatalyst BV
FEATURED SPEAKER	J. Kyle Bass , Managing Partner, Hayman Capital Management

COME UNDONE

Kyle Bass Redux

For the past two years our opening agenda has focused on the potential for sovereign default in G20 nations in onstage conversations with J. Kyle Bass, founder and principle of Hayman Capital Management, LP. For several years, Bass has warned that a global secular change – powerful, long-term directional moves that happen once every 100 years – is underway. Make that 50 years. Maybe 20 years. Okay, kind of often . . .

Until recently, Kyle's perspective has run contrary to that of most investment managers, whose investment decisions assume that current events mark a cyclical, or short-term change. While Bass' predictions and investments focus on Japan as one of the major nations poised to fall, recent events point to the default of Greece as the initial trigger of a domino effect of default among the most highly indebted nations, which could lead to the end of the fiat currency system. Following Greece, immediately under threat are Portugal, Ireland, Italy and Spain. This year picks up where we left off last year, as we move closer to what appears be the beginning of a global financial crisis of epic proportions. Often, where there is chaos, there is a profitable opportunity. In this session Bass discusses the potential timing, order, and magnitude of sovereign default, and how he is investing ahead of the curve. In the context of the health of the debt-ridden global financial system, we also discuss the status of the U.S., how it would be impacted by serial defaults in Europe, and its own potential for sovereign default.

30-MINUTE REFRESHMENT BREAK



J. KYLE BASS



TODD GROOME



TONI MOSS

1.3 MONDAY, NOV. 7 | 11:15 AM–12:30 PM

SESSION HOST | **Toni Moss, Founder and CEO, AmeriCatalyst LLC and EuroCatalyst BV**
SESSION CO-HOST | **Ivy Zelman, CEO, Zelman & Associates**
PANELISTS | **Ben Graboske, SVP, Product and Technology, CoreLogic**
Ted Jones, SVP, Chief Economist, Stewart Title Guaranty Company
Paul Miller, Managing Director and Group Head of Financial Services, FBR Capital Markets
Josh Rosner, Managing Director, Graham Fisher & Company
David Stevens, President and CEO, Mortgage Bankers Association

ENTROPY

The State of the US Housing Market

Somewhere, a clock is ticking. The longer it takes to stabilize housing markets, the less likely the economy will recover; yet many of the fundamental problems of the housing market remain unaddressed. While there are pockets of optimism and improvement, unresolved legacy assets continue to increase consumer skepticism, hinder intermediaries' balance sheets and prevent finding a bottom to the real estate market. This session provides a comprehensive overview of the current state of the US housing market and an analysis of problematic areas that are being addressed vs. those that need further action and attention to move the market forward.

SEATED BUFFET LUNCH IN HILL COUNTRY DINING ROOM (1 HOUR)



TONI MOSS



IVY ZELMAN



BEN GRABOSKE



TED JONES



PAUL MILLER



JOSH ROSNER



DAVID STEVENS

1.4 MONDAY, NOV. 7 | 1:30–2:45 PM

SESSION HOST | **Faith Schwartz**, Executive Director, HOPE NOW, and President, Housing Finance Strategies LLC

SESSION CO-HOST | **Jeb Mason**, Managing Director, The Cypress Group

PANELISTS | **Jo Ann Barefoot**, Co-Chair, Trelia Risk Advisors

Todd Groome, Chairman, Alternative Investment Management Association (AIMA) and Advisor, AmeriCatalyst LLC

Adam J. Levitin, Professor of Law, Georgetown University

Tim Rood, Partner and Managing Director, The Collingwood Group

David Stevens, President and CEO, Mortgage Bankers Association

WHO'S GOT THE POWER?

Navigating the Political and Regulatory Landscape

Amid the looming threat of global sovereign default, the epic dysfunction in Washington could not come at a worse time. World leaders have been stunned by the negative tenor of public discourse as the American political landscape becomes increasingly polarized. Regulators are equally impacted by the dysfunction. Lacking clarity on their roles and jurisdiction, enduring frequent key personnel changes, and made increasingly redundant due to the convergence of and increased competition from peer regulatory institutions for the power to impact change. Given the fragile state of global economics and geopolitics, the importance of housing finance to the economy and the continuing downward spiral of its trajectory, we naturally ask ourselves, "Who's calling the shots?" This session seeks to answer that question, discussing the current landscape of regulatory oversight in Washington, identifying private and government initiatives intended to provide wide-scale remedies for the housing market, and analyzing the commercial impact of regulation intended to mitigate risk in the future. The session ends with a discussion on how the void in industrywide leadership is finally being filled.

15-MINUTE BREAK



1.5 MONDAY, NOV. 7 | 3:00-4:45 PM

SESSION HOST | **Toni Moss**, Founder and CEO, AmeriCatalyst LLC and EuroCatalyst BV
SESSION CO-HOST | **Sean Dobson**, CEO, Amherst Securities Group, LP
PANELISTS | **Alan Boyce**, CEO, Absalon Project
Andrew Davidson, President, Andrew Davidson & Co., Inc
Laurie Goodman, Senior Managing Director, Amherst Securities Group, LP
James Lockhart III, Vice Chairman, WL Ross & Co.

FOUR ACES AND A WILD CARD Four ideas to move the industry forward

Despite the state of entropy in the housing market, leaders within the industry have emerged with innovative ideas and comprehensive plans to move the market forward. This session features four "Aces" in the industry who present their best ideas, with interactive discussion between the panel and audience on their practicality and viability for adoption and implementation. The "Wild Card", as always, are the decisions made by government officials in adopting proposed plans for implementation. That said, we strongly anticipate that one of the proposals, in addition to a hybrid of another in this session, are highly favored by the current administration, and likely to be announced in mid-November.

Alan Boyce presents what has come to be known as the "Boyce/Hubbard/Mayer Plan", which proposes a streamlined refinancing program that could potentially benefit up to 30 million borrowers with government-backed mortgages, resulting in possible savings of \$70 billion a year in lower mortgage payments.

Laurie Goodman discusses her views on the best way for government to structure increased investor participation in the market through supply side measures (increasing the success of mortgage modifications through principal reductions) and meeting housing demand by allowing investors to purchase REOs and turn them into rental properties.

Jim Lockhart outlines a plan for distressed "short sales" of notes out of MBS issues or more specifically, to permit the short sale of the note itself out of an MBS trust to a new investor. His solution requires minor amendments to PSAs and modest support from Treasury.

Andrew Davidson presents a hybrid private-public residential loan securitization market by proposing a government guarantee with private capital support and three forms of credit enhancement.

15-MINUTE COMFORT BREAK



TONI MOSS



SEAN DOBSON



ALAN BOYCE



ANDREW DAVIDSON



LAURIE GOODMAN



JIM LOCKHART

1.6

MONDAY, NOV. 7 | 5:00-6:15 PM

CHAMPAGNE DEBATE SPONSORED BY STEWART LENDER SERVICES

SESSION HOST	Toni Moss , Founder and CEO, AmeriCatalyst LLC and EuroCatalyst BV
SESSION CO-HOST	Amy Brandt , CEO, Vantium Capital
PANELISTS	Paul Hayman , President, TenantAccess
	Dave Reedy , SVP, Ranieri Partners Management LLC
	Mike Simonsen , Co-founder and CEO, Altos Research
	Tim Skeet , Managing Director, Debt Capital Markets, Royal Bank of Scotland
	Mark Willis , Resident Research Fellow, the Furman Center for Real Estate & Urban Policy, New York University
	Ivy Zelman , CEO, Zelman & Associates

A CHANGE OF HEARTH

Homeownership vs. Rental Housing Policy and the Fate of the REO Inventory

If old habits die hard, the transformation of national ideology dies even harder. In the aftermath of the Great Depression of the 1930s, homeownership became a pillar of economic security promised by “the American Dream”. Since that time the US government has implemented serial policies and programs designed to incent Americans to own their own home, including the Housing Act of 1949, the Fair Housing Act (1968) and the National Affordable Housing Act of 1990. As a measure of success, homeownership rates rose from 44% in 1940 (HUD figures) to as high as a seasonally adjusted 69% in the fourth quarter of 2004 (US Census Bureau). However, the implications of the ongoing crisis have seriously challenged the traditional rationales and ideology of homeownership as a fundamental aspect of the American Dream. Over the past two years, increasing demands for a national rental housing policy finally gained traction in Washington in 2010 with a groundbreaking conference supported by the White House and the Departments of HUD, Treasury and Agriculture. On Aug. 10 of this year, FHFA issued a public Request for Information to solicit ideas for sales, joint ventures or other strategies to augment or enhance the current and future disposition of REO properties, including their transition to rental housing. While the public dialogue moves toward balance between homeownership and rental policies, the debate over the definition, models, incentives and implementation of rental policy has only just begun.

RECEPTION follows in Wildflower Atrium



2.1

TUESDAY, NOV. 8 | 8:30–10:00 AM

SESSION HOST	David A. Hurt III , Senior Vice President, CoreLogic
SESSION CO-HOST	Theodore W Tozer , President, Government National Mortgage Association (Ginnie Mae)
PANELISTS	Stephen Fulton , Head of Agency Structured Product and Member US Broad Market Strategy Committee, Western Asset Management Co. (WAMCO)
	Laurie Goodman , Senior Managing Director, Amherst Securities Group, LP
	Kyle Lundstedt , Managing Director, LPS Applied Analytics
	Ray Romano , Senior Advisor, The Collingwood Group
	Phillip Thigpen , Director, Financial Instruments, Structured Products and Real Estate Group, PriceWaterhouseCoopers LLP

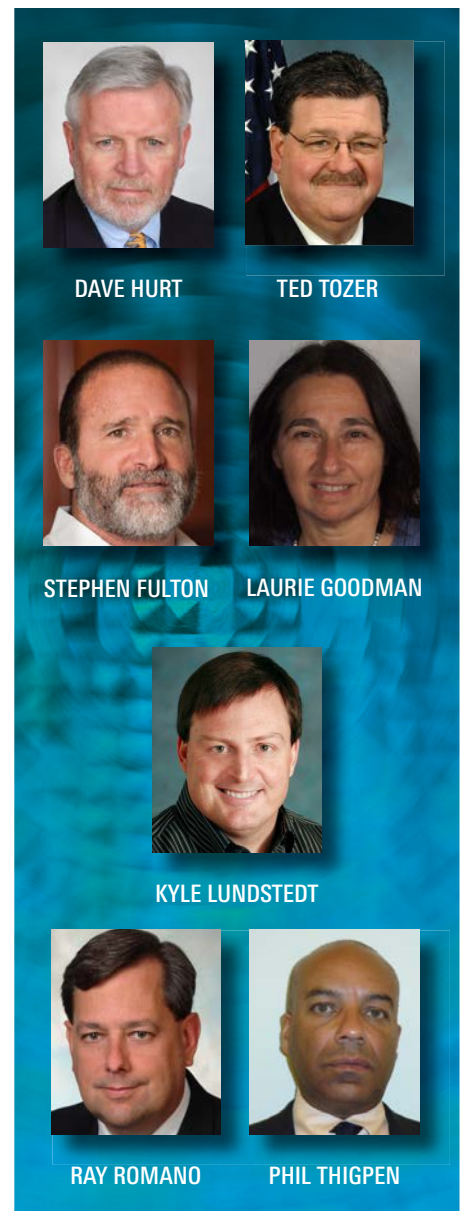
TWIST AND SHOUT IN A BIPOLAR MARKET

Credit performance and projections for mortgage origination and MBS

On Sept. 21 the Federal Reserve introduced Operation Twist (hence the Twist in the session title), marking a departure from its previous two rounds of quantitative easing by buying bonds. Now, the Fed is selling shorter-term Treasury holdings, and buying long-term debt and mortgage-backed securities, as a partial effort to dramatically lower market interest rates. They also committed to re-invest paydowns in their agency MBS portfolio and agency debt portfolio back into agency MBS rather than U.S. Treasuries, which serves as a “game changer” for MBS supply/demand dynamics. Given the already low natural net supply of agency MBS due to diminished new home sales, tighter lending standards, and falling home prices, this substantial re-investment has resulted in out-performance by agency MBS relative to U.S. Treasury returns (hence the “and Shout” in the session title). In the session, we discuss the impact of the Fed’s policy with regard to agency and non-agency RMBS, as well as the role of government stimulation in housing recovery, asking if and when the government will step aside to allow private capital to return to the market. We also discuss the increasing role of Ginnie Mae, the current performance and prepayment speeds of agency and non-agency RMBS, investor perceptions of how close the private sector is in returning to the market, and an overview of mortgage origination volume, performance and products.

Coffee and other refreshments will be available in the WildFlower Atrium (immediately outside the main session room) from 8 am through 3 pm.

20-MINUTE BREAK



2.2 TUESDAY, NOV. 8 | 10:20–11:00 AM

KEYNOTE SPEAKER | **Tony Meola, Default Servicing Executive, Bank of America**

NAVIGATING THE FUTURE OF MORTGAGE SERVICING

A Conversation With Tony Meola

Unprecedented shifts have occurred in the loan servicing industry, placing Servicers at the forefront of mortgage related issues. Loan servicing has gone from processing standard transactions to a complex business with multiple customer paths that require a relationship management approach to assist customers during one of the most challenging and anxiety filled times in their lives. Bank of America Default Servicing Executive Tony Meola will describe how innovation will help the way we navigate the future of loan servicing. He will discuss the opportunity servicers have to help preserve the American Dream of home ownership and will share the three key building blocks necessary to move our industry forward. With this keynote speech, Tony begins this year's servicing sessions.



TONY MEOLA

2.3 TUESDAY, NOV. 8 | 11:00 AM-12:00 PM

SESSION HOST	Dennis Stowe , Chief Executive Officer, Residential Credit Solutions, Inc.
SESSION CO-HOST	Laurie Maggiano , Director of Policy, Homeownership Preservation Office, Office of Financial Stability, U.S. Department of the Treasury
PANELISTS	Jim Davis , EVP, Government Affairs, AHMSI American Home Mortgage Servicing, Inc. Laurie Goodman , Senior Managing Director, Amherst Securities Group, LP Diane Pendley , Managing Director, Operational Risk, FitchRatings

NO MOUNTAIN HIGH ENOUGH Establishing National Servicing Standards

Mortgage servicers continue to be in a losing position. In the period up to 2007, servicers could not get enough attention in this industry to get arrested. Today, it seems as though everyone wants to see them arrested. For an event that is focused on the most significant issues across the entire lifecycle of the mortgage market, our deep concerns about and support of the servicing sector have led us to place servicing issues at the center of our programs since 2002. We view servicing not as the originator's back office, but as the customer and investor's front office. As such, we see servicing at the center of the mortgage lifecycle, as opposed to the end of a linear process. While it is unfortunate that such crucial changes to the servicing sector have come so late in the crisis (and primarily shaped by punitive action due to homeowners' experience), the creation and enforcement of national standards is a strong step toward overall economic remediation, market stability and establishing a degree of trust in a sector that has previously been isolated and dangerously neglected. This session examines the current status of standards being set, including the rationale and intended outcome of the new rules to follow for all stakeholders impacted by servicing performance. We also discuss the benchmarks being used for standardization. Finally, we discuss whether or not – and the timeframe in which – servicers can realistically comply with the standards being set, with one important caveat . . .

30-MINUTE STANDING BUFFET LUNCH IN
WILDFLOWER ATRIUM



2.4 TUESDAY, NOV. 8 | 12:30–1:45 PM

SESSION HOST

Amy Brandt, CEO, Vantium Capital

SESSION CO-HOST

Ted Tozer, President, Ginnie Mae

PANELISTS

Louis Amaya, Chief Investment Officer and Chief Operating Officer, National Asset Direct, Inc.

John Britti, EVP, Ocwen Financial Corporation

Steve Horne, Founder and CEO, Wingspan Portfolio Advisors LLC

Wes Iseley, President, Carrington Mortgage Services

Michael Lau, Executive Vice President, Phoenix Capital

Marina Walsh, Director of Policy Research, Mortgage Bankers Association

NO VALLEY LOW ENOUGH

Servicer Compensation and the Economics of Servicing

...are servicers being compensated enough to cover the costs of compliance while achieving higher standards in a foreclosure economy? Currently, servicers are overcompensated for their administration of performing loans, and under-compensated for the administration of sub- and nonperforming loans. While consolidation in the servicing industry has led to economies of scale for the administration of performing loans, no such scale exists for the inordinate detail and complexities involved in loss mitigation activities for sub- and nonperforming loans. By nature, "special" servicing implies special treatment that requires a substantial increase in staff and training, close coordination and monitoring of a series of third-party vendors, the need to adapt or build new servicing platforms which are not available off-the-shelf, compliance with relentless new government programs and regulation, and, of course, coordination and communication with inherently reluctant and fearful borrowers in distress. But wait, the plot thickens. Upcoming Basel III capital requirements are poised to dramatically increase capital requirements for (and thereby diminishing the value of) mortgage servicing rights. This combination of negative factors renders servicer compensation untenable in today's market, causing most servicers to reevaluate the economic choices of maintaining a servicing platform. This session explores the crucial dilemma of servicer compensation and finding the right balance between mandatory processes and fair compensation, with a detailed discussion of the FHFA's recent Alternative Mortgage Servicing Discussion Paper.



AMY BRANDT



TED TOZER



LOUIS AMAYA



JOHN BRITTI



STEVEN HORNE



MICHAEL LAU



MARINA WALSH

2.5 TUESDAY, NOV. 8 | 1:45-3:00 PM

SESSION HOST | **Toni Moss, Founder and CEO, AmeriCatalyst LLC and EuroCatalyst BV**
SESSION CO-HOST | **Adam J. Levitin, Professor of Law, Georgetown University**
PANELISTS | **Talcott Franklin, Shareholder, Talcott Franklin, P.C.**
Darius Kingsley, Deputy Chief, Homeownership Preservation Office, Office of Financial Stability, U.S. Department of the Treasury
Brian Norton, EVP & COO, Arch Bay Capital, LLC
Annette Rizzo, Court of Common Pleas of Philadelphia Judge, First Judicial District of Pennsylvania
Yves Smith, Naked Capitalism and Aurora Advisors

NO RIVER WIDE ENOUGH

Drowning in Litigation: the Impact on Banks and the Mortgage Industry

As the economic crisis has worsened over the past five years, the American public has transitioned through varying stages of grief. Of the Five Stages of Grief in the famous Kübler-Ross model, thus far we have encountered Denial, Bargaining and Depression. The increase in federal and state investigations and the increased lawsuits filed against financial institutions over the past year clearly indicate the latest stage – Anger. Current lawsuits center around flawed processes in servicing and foreclosures (the OCC/OTS Consent Letters and the State Attorneys General Lawsuit); the flawed process of securitization (NY AG Schneiderman), and the latest, the Sept. 2 announcement of the FHFA's suit against 17 financial institutions to recover losses to Fannie Mae and Freddie Mac due to alleged false representations on \$196 billion worth of mortgage-backed securities. Those inside the financial services industry question the rationale and timing of the suits aimed at systemically important institutions, particularly at such a critical stage of an ailing economy. Others view the cases as part of an ongoing "culture war" to appease Americans who feel that they are the victims of greedy, incompetent, predatory and unpunished bankers. This session discusses current litigation, outcomes and implications, as well as upcoming penalties and litigation as the industry struggles to move forward.

3:00 AMERICATALYST 2011 CONCLUDES
SEE YOU NEXT SEPTEMBER



TONI MOSS



ADAM LEVITIN



TAL FRANKLIN



DARIUS KINGSLEY



BRIAN NORTON



ANNETTE RIZZO



YVES SMITH