

NATIONAL MORTGAGE SETTLEMENT

Harnessing the Power of Strategic
Communication to Help Homeowners



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BACKGROUND



THE RISE OF THE GLOBAL HOUSING FINANCE INDUSTRY

NATIONAL
MORTGAGE
SETTLEMENT

- Securitization of home mortgages
- The need for a new line of business: Mortgage Servicing



STATE ATTORNEYS GENERAL : A HISTORY OF MULTISTATE COOPERATION

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SETTLEMENT

- State CP laws and predatory lending enforcement
- Household Finance Company (HFC) (2002)
- (\$484 million)
- Ameriquest Mortgage Company (2006)
- (\$325 million)
- Countrywide Financial Corporation (2008-9)
- (\$ 150 Million/\$8 Billion)
- Wells Fargo/Wachovia/World Savings/Golden West)



THE STATE FORECLOSURE PREVENTION WORKING GROUP

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SETTLEMENT

- Collapse of the mortgage servicing business model
- AGs partner with state banking regulators
- Begin collecting data in 2007



TWO KEY DEVELOPMENTS

- Federal-State Partnership
- “Robo-signing”



NEGOTIATIONS BEGIN

- Joint state-federal negotiations begin
- Joint Statement re: robo-signing issued in Oct. 2010
- Executive committee developed
- Negotiating team formed—Miller to chair and McKenna among leaders
 - Internal v. external negotiations
 - Focus on 5 banks



ELEMENTS OF AN AGREEMENT

NATIONAL MORTGAGE SETTLEMENT

- \$25 billion – hard and soft dollars
- Servicing standards
- Menu concept
- Enforcement provisions
- The “renegade” states



WHY DID IT WORK?

- Long relationships
- Strong leadership
- Bipartisan cooperation



SWOT ANALYSIS



STRENGTHS

- What advantages worked in our favor?
- Who was on our side?



WEAKNESSES

- What challenges did we face?
- What barriers blocked our ability to reach affected homeowners?



OPPORTUNITIES

- What could we use to our advantage to build credibility and support?
- How did the executive team affect the outcome?



THREATS

- What internal and external issues threatened to destroy the settlement?
- Who played a role?
- How did they threaten successful communications?



AUDIENCES



WHO DO WE NEED TO REACH?

- Who is impacted?
- Who can help us build support?
- Who needs details to help their constituencies?
- Who needs information to help them do their jobs?



PLANNING PROCESS



GOALS

- What were our overarching goals in communicating this settlement?

OBJECTIVES

- What were our measurable objectives?
- How do we measure success?

STRATEGIES

- How did we plan to succeed?



TACTICS

- Who communicates?
- How do they communicate?
- Who develops the communications tools?
- How do we disseminate it?
- When do we disseminate it?
- How does communication evolve?



EVALUATION



WHAT IS SUCCESS?

- What do we measure?
- How do we gather data?
- With whom do we partner?
- How do we adapt and improve?



QUESTIONS?

