

Center for Financial Research

Improving Assessment of the Default Risk of Single-Family Mortgages

Jointly Organized by the Federal Deposit Insurance Corporation's Center for Financial Research and the Federal Housing Finance Agency

L. William Seidman Center
3501 N. Fairfax Drive - VS-C-3050
Arlington, VA

Wednesday, September 16, 2009

8:00- --Registration & Continental Breakfast--

8:30AM

8:30 Welcome and Introductory Remarks (John Quigley, University California at Berkeley)

8:40- Collateral and Appraisal Issues (Session Chair: Andrew Leventis, FHFA)

10:10

"The Contagion Effect of Foreclosed Properties," **John P. Harding**, The University of Connecticut, **Eric Rosenblatt**, Fannie Mae and **Vincent Yao**, Fannie Mae. [Presenter: Eric Rosenblatt. Discussant: Paul Willen of the Federal Reserve Bank of Boston].

"Appraisals, Automated Valuation Models, and Mortgage Default," **Austin Kelly**, FHFA. [Presenter: Austin Kelly. Discussant: Michael LaCour-Little of California State University-Fullerton].

10:10- --Coffee Break--

10:30

10:30- Underwriting Standards (Session Chair: Paul Kupiec, FDIC)

12:00

"Taking the Lie out of Liar Loans," **Michael LaCour-Little**, California State University-Fullerton and **Jing Yang**, California State University-Fullerton. [Presenter: Michael LaCour-Little. Discussant: Andreas Lehnert of the Board of Governors of the Federal Reserve].

"Liar's Loan? Effects of Loan Origination Channel and Information Falsification on Mortgage Delinquency," **Wei Jiang**, Columbia University, **Ashlyn Nelson**, Indiana University, and **Edward Vytlačil**, Yale University. [Presenter: Wei Jiang. Discussant: Bob Van Order of University of Michigan].

12:00- --Lunch--

1:15

(Lunchtime Addresses begin at 12:30)
Ed DeMarco, FHFA: Introduction of Raphael Bostic
Raphael Bostic, HUD: Keynote Address

**1:15-
3:00** **Developments in Vendor Models** (Moderator: John Quigley)

Effects of Mortgage Modifications on Proprietary Credit Models

- VantageScore
- FICO

Methods for Modeling Mortgage Transitions and Loss Severity

- Andrew Davidson and Co.
- Lender Processing Services
- First American Core Logic (LoanPerformance)

**3:00 -
3:25** **--Coffee--**

**3:25-
5:15** **Issues in Default Modeling** (Session Chair: Robert S. Seiler, FHFA)

"Why Don't Lenders Renegotiate More Home Mortgages? Redefaults, Self-Cures and Securitization" **Manuel Adelino**, MIT and Federal Reserve Bank of Boston, **Kristopher Gerardi**, Federal Reserve Bank of Atlanta, **Paul Willen**, Federal Reserve Bank of Boston. [Presenter: Paul Willen. Discussant: Rich Brown, Federal Deposit Insurance Corporation].

"Recourse and Residential Mortgage Default: Theory and Evidence from U.S. States", **Andra Ghent**, Baruch College, CUNY, and **Marianna Kudlyak**, Federal Reserve Bank of Richmond. [Presenter: Marianna Kudlyak. Discussant: Brent Ambrose, Penn State University].

"Securitization and Mortgage Default: Reputation vs. Adverse Selection," **Ronel Elul**, Federal Reserve Bank of Philadelphia [Presenter: Ronel Elul. Discussant: Anthony Sanders, George Mason University].

**5:15 -
6:30** **--Reception--**