

June 25, 2012



Alfred Pollard, Esq.,
General Counsel
Federal Housing Finance Agency
400 7th Street, SW
8th Floor
Washington, DC 20024

Dear Mr. Pollard:

In February of 2012, the FHFA was kind enough to meet with representatives of the United Trustee Association (UTA). Aside from introducing the UTA and offering our assistance to the FHFA as it develops the proposed guidelines to replace Freddie Mac and Fannie Mae's designated counsel programs, the single purpose of the meeting was to explain the value of adding "trustees" to the list of those who may qualify under the FHFA's proposed guidelines. Our message was simple and clear: foreclosures in nonjudicial states should be handled by the experts that have been doing them for decades – foreclosure trustees.

At the time, our message appeared well received. As Mr. Pollard correctly summarized, the UTA is simply asking that instead of using the word 'attorney' in the guidelines, it would read something like 'attorney, trustee or other qualifying entity'. This type of language is exactly what the UTA had requested. It is our understanding now that the proposed guidelines may be limited to qualifying attorneys only. For the reasons discussed in our February 1, 2012 memo provided to the FHFA, we believe this limitation is a serious mistake. We also believe all or part of the decision to restrict the language to attorneys only stems from a misleading and wholly unsupported report prepared for the San Francisco County Tax Assessor (the "Aequitas Report" named after the report's author). A team of senior level managers, experienced auditors and default professional with years of foreclosure experience, audited the Aequitas Report and its supporting documents, finding that:

- There were significant discrepancies between the findings in Aequitas Report and a review of the actual documents recorded with the County Recorder's office.
- For example, in 8 of the categories where Aequitas cited significant errors, the UTA's audit found NO errors whatsoever.
- The Aequitas Report showed a serious lack of knowledge of existing foreclosure laws.
- The Aequitas Report appears biased and skewed to exaggerate purported errors or find errors where none exist.

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- Based on the information provided on their website and input from seasoned professionals in the default industry, the UTA seriously questions the experience and expertise of the Report's authors.

Attached is a summary of the differences we found in auditing the Aequitas Report, highlighting many of the items mentioned above. The UTA would be happy to provide the underlying documentation to support the summary and the extensive qualifications of the professionals who audited Aequitas' findings.

To the extent that the FHFA's decision to limit the language in its proposed guidelines to attorneys was based in any part on the Aequitas Report or an unwarranted fear that trustees are somehow not equipped to properly handle nonjudicial foreclosures, the UTA and its over 400 members respectfully asks that the FHFA reconsider and add 'trustees' to its proposed guidelines. As discussed in detail in the UTA's original communication in February, foreclosure trustees have been effectively handling nonjudicial foreclosures since the 1930s and are the best equipped to effectively, efficiency and safely handle Freddie Mac and Fannie Mae's nonjudicial foreclosures.

Sincerely,



T. Robert Finlay, Esq.
President

Enclosure