

PERSON OF THE WEEK: Richard Rydstrom And A New Coalition Of The Willing

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In the face of mounting challenges and growing concerns facing the nation's economy, a new coalition of mortgage, finance and credit industry professionals has come together to address pending and potential regulatory and litigation activities. Their goal is to help bring about a new slate of governmental and private-sector solutions.

This new group is called the Coalition for Mortgage Industry Solutions. Richard Rydstrom, an attorney based in Newport Beach, Calif., is a founding principal in this coalition, and he recently spoke with MortgageOrb on the coalition's genesis and goals.

Q: What was the reason for creating the Coalition for Mortgage Industry Solutions?

Rydstrom: The mortgage, finance and credit industries are becoming increasingly fragmented with disparate interests - from regulators and enforcement agencies to politicians and interest groups - trying to shape their future.

The Coalition for Mortgage Industry Solutions provides a unique forum in which leaders from across these industries can work together and take a leading role in defining meaningful and viable solutions for the welfare and benefit of their industries, the economy and the consumer. The coalition converts all related industry and consumer diverse and conflicting self-interests into comprehensive workable solutions, legislative and regulatory initiatives. The coalition also acts as an arbiter for conflicting self-interests.

Q: How does this coalition differ from other coalitions or trade associations related to the mortgage industry?

Rydstrom: The coalition is the first to step up and offer a centralized forum for all related and conflicting self-interest trade associations or interests arising from industry, consumer, regulatory and legislative initiatives. The coalition will invite all related associations, industry and consumer leaders to join and participate. The coalition will bring together the brightest and the best minds to explore solutions and refinements.

The Coalition for Mortgage Industry Solutions operates as a reconciliation clearing house for the mortgage, finance and credit industries, its consumers and related governmental, regulatory and legislative interests or priorities. Its goal is to convert conflicting self-interests into comprehensive solutions for all participants, and act as a depot and arbiter

of critical issues, solutions, information, education and coordination.

There is no other organization that offers this comprehensive function to the mortgage, finance, and credit industries. The Coalition for Mortgage Industry Solutions is the first to offer these solutions to a diverse set of interests.

The coalition also provides a unique opportunity for these diverse interests to work collaboratively within a neutral setting, permitting an unparalleled opportunity to work constructively and proactively.

At a time when consumers, investors and regulators are seeking answers from industry leaders, coalition members will be considered "part of the solution" to the serious challenges we are confronting.

Q: What will be the coalition's short-term goals and long-term goals?

Rydstrom: In the short term, for example, the coalition will deal with the related conflicting authority precluding effective and efficient loss mitigation and loan modifications, including related investor, servicer, REMIC, capital, credit and related secondary market issues as well as reconciliation of bankruptcy, foreclosure and alternatives. This will assist the heart of the industry, as well as its consumer, the homeowner. The coalition will also explore new solutions or refinements for the affordability- and liquidity-related issues.

Additionally, the coalition will explore new safe harbor solutions that may allow industry and consumers to opt in to solutions that resolve conflicting interests, and serve both the economic and liability uncertainty issues facing all related parties, including but not limited to the servicer, investor, trusts, lender, borrower, etc.

The coalition will hold a summit on June 17 in Washington, D.C., for related industry, congressional, regulatory and consumer group leaders to vet and participate in defining the immediate and short-term issues facing the mortgage, credit and capital market concerns. The coalition will provide the forum and framework to immediately begin the coordination of working groups in fashioning solutions to these diverse sets of interests.

For the intermediate and longer term, but starting in first order, the coalition will provide the forum and framework to allow related industry, congressional, regulatory and consumer group leaders to vet and participate in defining intermediate and longer-term concerns, including but not limited to reconciliation of international and domestic "fair value" accounting conflicts, sustainability of homeownership, safeguards in structured finance, the banking system and credit rating systems, new and innovative products for loan origination, refinance and credit enhancements, fraud detection, etc.

Q: What will be your specific duties in the coalition?

Rydstrom: As founding principal, I will be the chairman of the advisory and

reconciliation boards. We will soon begin our search for an executive director.

Q: As things stand today, where do you see the industry heading?

Rydstrom: Without making predictions, let me say where the industry needs to go. The industry needs to reconcile its conflicting self-interests in a comprehensive manner for the betterment of not only the industry, but its consumers as well. To grow the industry, we need to grow homeownership and the economy at the same time.

We need more creative products, not less. We don't need more disclosures or regulations for disclosure or regulations' sake, but we do need intelligent disclosures (for borrowers and investors), refined and coordinated regulations that update the regulatory system to the 21st century, more self-regulation and structural safeguards and refinements in the mortgage, credit and capital markets.

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