

Womble Carlyle Financial Services Focus: Mortgage Lending in Turmoil

Experience Matters

Current turmoil in residential mortgage markets is creating unprecedented legal challenges. Professional services firms are forming practice teams and task forces to assist clients with legal needs arising out of the “subprime meltdown.” At this time, it is more important than ever for industry participants to choose outside counsel carefully, while dealing with emerging enterprise-level risk and other business challenges. In fact, “subprime lending,” while now a term that appears everywhere in media reports, is not a new phenomenon.

Real Experience

At Womble Carlyle, our attorneys have been there all along. Mortgage lending regulation always has been important to us, not just because of recent media attention. We have offered top-notch representation to our retail financial services clients on cutting-edge issues for many years, through our Regulatory Compliance and Consumer Credit Practice Team and our Consumer Financial Services Litigation Team. Over two dozen lawyers in our Firm provide in-depth counseling and advice based on our long experience in the residential mortgage lending industry, from our “front-row seat” in the current market turmoil.

Industry Knowledge

Clients who call on us now, whether banks, mortgage companies, investment vehicles, vendors or creditors, do so not just because of the Firm’s legal acumen, but for our extensive experience in problem solving and vigorous advocacy for primary and secondary mortgage market participants. Over the years, Womble Carlyle has handled a full complement of consumer financial services matters, including multi-state compliance projects, class action lawsuits, enforcement actions, entity formations, financial transactions and retail product development. Few firms today can claim that their “subprime” practices are built on the same foundation.

Focus

We are ready to assist clients, without the need for “learning time” related to the mortgage lending industry and the unique legal issues arising now. In this regard, our recent work has included:

- Representing private investment firms as regulatory counsel in the acquisition of mortgage companies and mortgage assets.
- Defense of numerous mortgage lending and lending practice class action and individual lawsuits, running the gamut from loan origination, loan sales, servicing and foreclosure.



- Defense of a mortgage lender in a nationally significant fair lending investigation by a federal government agency.
- Representing creditors and others in bankruptcy proceedings of major subprime lenders.
- Testimony before state legislatures and the U.S. Congress on the impact of mortgage legislation on current mortgage markets, along with representation of national lending trade groups and industry organization in state legislative and regulatory matters.
- Defense of examination and enforcement actions before state mortgage regulators keyed to current examination priorities such as defaults, entity structures and licensing.
- Design of residential mortgage products and mortgage processing flows to comply with new state, federal and GSE guidelines and laws.
- Representing, as regulatory and procurement counsel, national service providers to the residential mortgage industry, including compliance and BPO solutions providers.
- Advice to major secondary market participants on legal liability arising from newly-enacted state “predatory lending” and similar laws and appropriate steps to mitigate such liability in secondary market transactions.
- Internal investigations into and follow up advice on lending practices, internal controls and risk mitigation programs in residential mortgage lending.
- Representing a major debt buyer in the acquisition and servicing of “scratch-and-dent” portfolios of residential mortgage loans.
- Handling federal government investigations into marketing, lending and settlement practices.
- Negotiations and disputes involving credit insurance, mortgage insurance and other ancillary credit-related products.

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