

9TH ANNUAL

Legal and Compliance Strategies to Prevent Claims of

PREDATORY LENDING

The Leading Regulatory Forum for Prime and Sub-Prime Mortgage Lenders

LEARN FROM THE FOLLOWING INDUSTRY LEADERS:

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Illinois Attorney
General's Office

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Option One Mortgage

ACC Capital Holdings

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NHEMA

November 16-17, 2006 • The Bellagio Hotel • Las Vegas, NV

State and Federal regulators, senior compliance executives and leading counsel will provide expert analysis to help you:

- Examine and upgrade your policies in light of the *Ameriquest* settlement
- Coordinate your anti-predatory lending program with **fair lending practices** to meet anti-discrimination laws
- Prepare for the potential litigation from the latest HMDA data and analysis
- Ensure proper disclosures to customers as part of your best practices
- Incorporate procedures to meet new requirements in Ohio, Tennessee, and Illinois
- Evaluate suitability and measure net benefit
- Define ambiguities in state anti-predatory legislation
- Sustain marketability on the secondary market

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Plus! Don't Miss the Interactive Workshop

Conducting a Self-Assessment of Your Anti-Predatory Lending Compliance System
November 17, 2006

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Regulators are monitoring industry conduct closer than ever.
Can you afford the risk of non-compliance with new regulations and best practices?

State legislatures continue to aggressively pass anti-predatory laws throughout the country, making it difficult to keep your compliance processes up to date. And, with definitions varying from state to state, it has become harder and harder to identify how regulators are applying these new laws. How far must you go to ensure your anti-predatory lending policies are sufficient? Is *Ameriquest* the new model?

This *American Conference Institute* event will help you determine whether your current compliance approach will protect you from becoming the next enforcement target. **State and federal officials will collaborate with senior executives from ACC Capital Holdings, HSBC, Option One Mortgage, New Century Financial, Wachovia, Fannie Mae, and Freddie Mac** and leading legal experts to help you determine how to:

- **Implement practices** to avoid becoming the next target
- **Evaluate suitability and measure net benefit**
- Coordinate your anti-predatory lending program with **fair lending practices** to meet anti-discrimination laws
- **Benchmark** your current compliance systems and approaches against market leaders
- **Ensure marketability** of your loans on the secondary market
- **Focus your efforts** in areas where regulators are looking to monitor more closely

Don't miss the opportunity to network with colleagues from across the country who are grappling with similar issues and to get answers to vital questions from the experts. We look forward to seeing you in Las Vegas at the premier industry conference of the year.

There will be ample time for questions and answers during the conference. If you would like to submit a question for a speaker in advance of the conference, please email your questions to j.sobrino@americanconference.com.

AGENDA-AT-A-GLANCE:

- ✓ Recent State Settlements: Impact on Lending Policies and Practices
 - ✓ New Developments in State & Local Actions Limiting Sub-Prime Lending
 - ✓ Status of Federal Regulatory and Congressional Actions: Preemption and Beyond
- DAY 1**
- ✓ Defining "Net Benefit" and the Future of Suitability Requirements
 - ✓ Fair Lending in Play – Protecting yourself when Anti-Predatory Lending and Fair Lending Intersect
 - ✓ Upgrading Compliance Processes through Technology and Operational Solutions
 - ✓ Moving Loans into the Secondary Market: New Guidelines and Practices
- DAY 2**
- ✓ Regulator Update: Enforcement of Anti-Predatory Lending Regulations
 - ✓ HMDA Data: Implications for the Sub-Prime Lending Market
 - ✓ Best Practices for Balancing Profitability and Compliance

WHO WILL ATTEND

- **In-House Counsel**
- **Regulatory Counsel**
- **Directors/Managers of Compliance**
- **Mortgage Brokers**
- **Attorneys Representing Consumer Lenders**

Continuing Education Credits

Accreditation will be sought in those jurisdictions requested by registrants which have continuing legal education requirements.



To request credit, please check the appropriate box on the Registration Form.

This course has been approved in accordance with the requirements of the **New York State Continuing Legal Education Board** in the amount of 12.0 hours. An additional 3.5 credit hours will apply to workshop participation.

ACI certifies that this activity has been approved for CLE credit by the **State Bar of California** in the amount of 10.0 hours.

An additional 3.25 credit hours will apply to workshop participation.

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Director of Business
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(212) 352-3220 ext. 238 or
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Day One: November 16, 2006

7:30 Registration and Continental Breakfast

8:30 Chairs' Opening Remarks

Donald Lampe

Partner

Womble Carlyle Sandrige & Rice, PLLC (Charlotte, NC)

Loretta Salzano

Partner, Franzen & Salzano, PC (Norcross, GA)

8:45 Recent State Settlements: Impact on Lending Policies & Practices

- Practices you need to adopt to avoid becoming the next enforcement target
 - use of model scripts to ensure “full and accurate oral disclosures”
 - 3-day written disclosure requirement
- Documentation requirements post-*Ameriquest*
- Policing interest rates and discount points for similarly-situated borrowers
- Limits on refinancing solicitations
- “Independence and integrity” in appraisal and closing – what’s required?
- Implementing new restrictions on communication between branch managers and mortgage specialists/appraisers
- Ramifications on mortgage brokers
- What *Ameriquest* indicates for future violators: under what circumstances will AGs stop short of putting lending institutions out of business?

Amy Schallop

Assistant Attorney General

Consumer Frauds and Protection Bureau

New York Attorney General’s Office (Albany, NY)

Adam Bass

Senior Executive Vice President & Vice Chairman

ACC Capital Holdings (Orange, CA)

John L. Culhane, Jr.

Partner

Ballard Spahr Andrews & Ingersoll, LLP (Philadelphia, PA)

9:45 Coffee Break

10:00 New Developments in State & Local Actions Limiting Sub-Prime Lending

- New state regulations
 - Ohio and Tennessee’s new regimes
 - Illinois database and compliance issues – will other states follow?
 - updates on state enforcement actions
- Significant local anti-predatory ordinances: Montgomery County, Maryland and others
- Differences and similarities among state regulations
- Unique compliance challenges and risk-based strategies
- Key court decisions and the future of litigation

- Studying the studies: has anti-predatory lending legislation had the desired effect? How far should laws go?
- Upcoming initiatives aimed at tracking the predators (loan officer licensing and registration)
- Preparing for what is coming next: foreclosure reform and other state initiatives

Thomas James

Senior Assistant Attorney General

Illinois Attorney General’s Office (Chicago, IL)

Donald C. Lampe

Partner

Womble Carlyle Sandrige & Rice, PLLC (Charlotte, NC)

Marsha Williams

Partner, Middleberg Riddle & Gianna (Dallas, TX)

David Berenbaum

Executive Vice President

National Community Reinvestment Coalition

(Washington, DC)

11:00 Status of Federal Regulatory and Congressional Actions: Preemption and Beyond

- Potential pitfalls and benefits of preemption proposals in Congress
 - *Ney Kanjorski v. Miller-Watt* – which will it be?
 - what can/will be done to prevent compromise from leading to confusion
 - Senate proposals including the Prohibit Predatory Lending Act
- Recent federal agency actions – OCC, OTS and HUD
- “Non-traditional” products regulations and impact on federal preemption
 - where the proposed regulations stand now
 - CSBS and other state proposals
 - watershed or drop in the bucket – future of federal regulation
- Recent Fed HOEPA hearings and expected outcomes
- Case law update

C. Vance Beck

Senior Vice President & Assistant General Counsel

Wachovia Corporation (Charlotte, NC)

Kathleen Keest

Senior Policy Counsel

Center For Responsible Lending (Durham, NC)

Nanci Weissgold

Partner

Kirkpatrick & Lockhart Nicholson Graham LLP

(Washington, DC)



12:15 Networking Luncheon for Delegates and Speakers

1:30 Defining “Net Benefit” and the Future of Suitability Requirements

- Guidance from various state regulations on suitability and net benefit: what is sufficient?

- How courts have (and will) interpreted “benefit to the borrower”
- Consumer advocate views on “suitability” – will it become the law?
- “Suitability” requirements from state laws – Ohio SB 185
- Federal Reserve and regulator comments: formal findings and anecdotal reports
- Meeting HOEPA and benefit guidelines for refinancing
 - what is the definition of “benefit?”
 - how is a benefit determined?
- Evaluating unique circumstances
- Documenting support for “net benefit” or suitability
- Determining suitability when marketing exotic/alternative loan products

Loretta Abrams

VP for Consumer Affairs, HSBC
(Prospect Heights, IL)

Kathleen Keest

Senior Policy Counsel
Center For Responsible Lending (Durham, NC)

Jeffrey Zeltzer

President, NHEMA (Washington, DC)

2:15 Navigating the Intersection of Fair Lending and Predatory Lending to Protect Against Claims of Discrimination

- Assessment of predatory lending as a surrogate for enforcing fair lending practices
- Finding the balance between high cost products and returns while avoiding allegations of redlining
- Determining whether sub-prime lending is inherently discriminatory
- Taking on the studies – what they do and don’t say
- Broker originations and discretionary pricing.
- Compliance commonalities – taking a comprehensive approach
- Will state regulators use HMDA data and other evidence in fair lending or predatory lending claims?
- The future of HMDA and Fair Lending, and what it means for anti-predatory lending compliance and risk management

Brad Blower

Of Counsel, Relman & Associates (Washington, DC)

Paul Hancock

Partner, Hogan & Hartson LLP (Miami, FL)

Nina Simon

Senior Attorney, AARP (Washington, DC)

3:30 Networking Break

3:45 Upgrading Compliance Processes through Technology & Operational Solutions

- Systems and approaches – which architecture works?
- Overcoming implementation and operational challenges
- Market acceptance of technology tools and the secondary market

- Pipeline management and the timing of audits
 - when to test?
 - format of audit and testing results
- Case studies: state of the art anti-predatory compliance systems
- Working with vendors towards a “best practices” approach
- Liability and recourse issues – who pays if systems fail?
- Alternative strategies to minimize legal and reputation risk

Jeffrey McFadden

Senior Vice President Compliance
New Century Financial Corporation (Irvine, CA)

4:30 Moving Loans into the Secondary Market: New Guidelines and Practices

- Assignee Liability under State and Federal Laws
- What’s New from the Rating Agencies
 - updated guidance
 - comprehensive and unusual laws on assignee liability– Ohio, Illinois and Montgomery County, MD
- Seasoned pools and the experience thus far – have policies worked?
- Curing problems in the pool and correcting high-cost loans
- GSEs: Anti-Predatory Lending Policies and Due Diligence
- GSEs and the Subprime Market
- Fair Lending from the Secondary Market Perspective

Susan M. Camp Stocks

Assistant General Counsel
Freddie Mac (Washington, DC)

Kenneth M. Scott

Associate General Counsel
Fannie Mae (Washington, DC)

Benjamin Klubes

Partner
Skadden Arps Slate Meagher & Flom LLP
(Washington, DC)

John Cassidy

Vice President, FICC Structured Products Group
Goldman, Sachs & Co.

5:30 Conference Adjourns for the Day

Day Two: November 17, 2006

8:30 Continental Breakfast

9:00 Chairs’ Recap and Remarks

9:15 Regulator Update: Enforcement of Anti-Predatory Lending Regulations

- Where regulators are monitoring more closely
- How state officials expect ambiguities to be worked out
- Enforcement/regulator viewpoint on developing standardized definitions for key terminology in anti-predatory lending laws
- Where state officials see the line between predatory and sub-prime lending

- Current enforcement activities
- Regulators' view on where regulatory landscape is headed

Mariana Rexroth

Senior Compliance Examiner
Office of Thrift Supervision (San Francisco, CA)

Joseph Smith

Commissioner of Banks
North Carolina Banking Commission (Raleigh, NC)

Andrew Sandler

Partner
Skadden Arps Slate Meagher & Flom LLP
(Washington, DC)

10:30 Coffee Break ☕

10:45 HMDA Data: Implications for the Sub-Prime Lending Market

- Implications of the increase in loans reported
- Analysis of changes in rates on higher cost loan in the sub-prime lending market
- How the "Yield Curve" affects data reported
- Consequences of risk-based pricing
- How to break down HMDA data to limit risk of being a target of enforcement proceedings
- Using your data to protect your lending practices
- Status of new and ongoing HMDA investigations

Frank Hirsch

Partner
Nelson Mullins Riley & Scarborough LLP
(Raleigh, NC)

Warren Traiger

Partner
Traiger & Hinckley LLP (New York, NY)

Anand Raman

Counsel
Skadden Arps Slate Meagher & Flom LLP
(Washington, DC)

Joseph T. Lynyak, III

Partner, Buckley Kolar LLP (Washington, D.C.)

12:00 Balancing Profitability and Compliance: Real World Strategies for Managing Costs of Compliance

- What to consider before withdrawing from highly regulated markets
- Preparing for resolving increased claims of non-disclosure as market sours
- Techniques for ensuring your employee training keeps pace with the rapidly changing state and local regulations
- Precautions for high-risk products to minimize the risk of litigation or enforcement actions
- Ensuring user-friendly disclosures
 - specific language for exotic products and complex issue loans
- Pushing back against the growing call for fiduciary obligation on the part of the lender
- Working with regulators to weed out industry "predators"
- Servicing strategies to avoid allegations of predatory practices

- How to respond to an investigation by regulators or state officials
- Consumer outreach efforts to educate your customers as offense

William Smith

Vice President, General Counsel
Option One Mortgage Company (Irvine, CA)

Loretta Salzano

Partner
Franzen and Salzano, PC (Norcross, GA)

1:00 Conference Concludes

Post Conference Workshop*
November 17, 2006
2:15 p.m. – 5:30 p.m.

Conducting a Self-Assessment of Your Anti-Predatory Lending Compliance System

Thomas James

Senior Assistant Attorney General
Illinois Attorney General's Office (Chicago, IL)

Jeffrey McFadden

Senior Vice President Compliance
New Century Financial Corporation (Irvine, CA)

This in depth session will provide guidance on how to analyze and evaluate the effectiveness of your overall compliance program. Led by a senior compliance executive and a senior government enforcement attorney, you will engage in an interactive environment you will not find anywhere else.

- When is a compliance audit necessary?
- What types of audit should be used (internal investigations, process reviews, detailed compliance reviews, monitoring)
- How often should an audit occur?
- Who should conduct the audit?
- How to effectively use outside counsel during a compliance audit
- What personnel should you interview?
- What kinds of documentation should you review during the audit?
- Effective internal audit methodologies: targeting high risk and duty saving areas
- Wrapping up the audit. When enough is enough and drafting the report
- How to use your audit results effectively
- Working with management: implementing process improvements and duty saving opportunities
- How to effectively address compliance shortcomings
- Ripped from the headlines: where other compliance systems have gone wrong
- To disclose or not to disclose: the benefits and disadvantages of prior disclosure

* Workshop attendees will be served lunch

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