



Statement of David C. Holland, Executive Vice President

Rust Consulting, Inc.

**Before the Subcommittee on Housing, Transportation and Community Development of the Senate
Committee on Banking, Housing and Urban Affairs**

Introduction

My name is David C. Holland. I am an executive vice president based in Rust Consulting's Minneapolis, Minnesota headquarters. Rust Consulting, or "Rust," has been engaged by the servicers to administer certain aspects of the Consent Orders for the Independent Mortgage Foreclosure Borrower Outreach project. Since this program's inception, we have worked closely with each of the key stakeholders—the servicers, the Independent Consultants, the Office of the Comptroller of the Currency, and the Federal Reserve Board—to ensure that the terms of the Consent Orders, as defined and detailed in our Statements of Work with each servicer, are fully carried out.

Rust provides project management, data management, notification, contact centers, claims processing, and fund distribution, typically in support of large, complex, and time-sensitive programs.

Most often, these services are provided in the context of the settlements of class action lawsuits: Rust is one of the country's largest class action settlement administrators. However, we also provide these basic services in the context of other, similar programs, such as mass torts, data breach responses, product recalls, and an assortment of public sector programs. Rust has handled approximately 3,500 programs in all.

We typically are engaged as a neutral, third party with respect to the issues behind the programs we administer: our clients include both plaintiff and defense law firms; businesses of all sizes and spanning many industries; and government agencies at the federal, state, and local levels.

Beginning in June 2011, we were contacted by several individual servicers regarding our interest in and capabilities with respect to this program. Throughout the summer, Rust submitted several proposals to servicers according to their own RFP processes and eventually we were engaged by all 14 servicers to serve as the single administrative provider under the Consent Orders—a decision we believe benefits borrowers as well as the parties to the Consent Orders by minimizing points of contact for all involved, streamlining processes and communications, and helping ensure consistency in all aspects of these tasks.

Responsibilities Under the OCC and FRB Consent Orders

Broadly speaking, our responsibilities under the Consent Orders are to notify borrowers about this program, to answer their questions, to receive their complaint forms, and to handle in- and outbound mail associated with these general tasks. The content of materials involved in this process, such as request for review package and complaint forms, website text, and telephone scripts, was developed by or with the servicers and OCC, and is put into use only after approval of all of those parties. A more specific listing of our responsibilities includes the following.

1. Rust collaborated with the servicers to prepare different plans for various contingencies to ensure appropriate staffing or service levels across our responsibilities, e.g., for staffing our call center with an appropriate number of representatives to meet various situations.
2. Rust received relevant data comprising the borrower lists from the 14 servicers.
3. Rust standardized the formatting of names and addresses of those borrowers and arranged for corrections to be made to addresses, when possible, through the National Change of Address



service. Rust also performed up-front “skip-tracing” on the last known addresses for certain borrowers as noted by the servicers in their data.

4. Rust continues to oversee the printing and mailing of request for review packages to borrowers, with this mailing campaign having begun on November 1 and scheduled to conclude the series of weekly mailings on December 27. We continue to follow up with additional mailings on-request or as better addresses are received.
5. Rust has arranged for publication of media notices according to a media plan prepared by the parties. These advertisements will increase the likelihood that any borrowers who did not receive a notice via direct mail could hear of and participate in the program. These advertisements will begin running in January 2012.
6. Rust established a call center to take incoming calls from borrowers with questions about the program, their eligibility for it, or their options under it. We have been answering calls since November 1. Borrowers’ requests for complaint forms may be placed through this call center, with Rust fulfilling those requests.
7. Rust established an informational website to provide basic information about the program to the public.
8. Rust has established separate Post Office boxes for each servicer to handle inbound mail related to the Consent Orders.
9. Upon receipt of complaint forms, Rust sends borrowers acknowledgement of receipt.
10. Rust images, data captures, and forwards submitted complaint forms to servicers and ICs.
11. To facilitate the processing of those forms that are not signed, Rust follows up with the associated borrowers by sending deficiency letters requesting they sign and resubmit their forms.
12. Rust receives and handles other inbound mail.



- With mail sent by Rust to borrowers but returned by the U.S. Postal Service as undeliverable, Rust attempts to find better addresses and, whenever possible, to re-mail the notices to those new addresses.
 - With mail not categorized as undeliverable or as completed complaint forms, Rust processes according to agreed-upon procedures, attempting to link the information to a specific borrower and complaint file.
13. Rust provides comprehensive daily statistical reporting on the activity and service levels related to the previously listed activities to the associated parties, including the servicers, the ICs, and the OCC and the FRB.
14. Rust may be asked to follow up on complaints in some manner not yet defined, per the servicers' future needs and instructions.

