

AMERICAN PREDATORY LENDING AND THE GLOBAL FINANCIAL CRISIS

ORAL HISTORY PROJECT

Interview with

Mark Pearce

Bass Connections

Duke University

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## PREFACE

The following Oral History is the result of a recorded interview with Mark Pearce conducted by Andrew O'Shaughnessy on June 9, 2020. This interview is part of the Bass Connections American Predatory Lending and the Global Financial Crisis Project.

Readers are asked to bear in mind that they are reading a transcript of spoken word, rather than written prose. The transcript has been reviewed and approved by the interviewee.

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Interviewer: Andrew O'Shaughnessy

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Andrew O'Shaughnessy: My name is Andrew O'Shaughnessy. I'm a JD candidate at the Duke University School of Law. I'm also a research assistant for the Global Financial Market Center's American Predatory Lending Project. It is Tuesday, June 9th, 2020. I am speaking remotely with Mark Pearce to conduct an oral history interview. Mr. Pearce, thank you for joining me today.

Mark Pearce: Happy to do so, Andrew.

Andrew O'Shaughnessy: So I want to start with a little about your background. I understand you graduated from UNC Chapel Hill and then headed to Harvard Law School. Is that right?

Mark Pearce: That's correct.

Andrew O'Shaughnessy: And so what led you from Harvard to start a career at Self-Help and the Center for Responsible Lending?

Mark Pearce: Sure. I was interested in law school because I was concerned about economic justice issues. While I was there, I particularly became interested in community development and ownership as an opportunity to help low-income families move into the middle class. And I was fortunate enough to be able to do a fellowship called the Skadden Fellowship with Self-Help to work on two different kinds of homeownership issues. One was helping to improve financial systems to fund mortgages that were made to low-income homeowners due to the Community Reinvestment Act. That was sort of a national project that really tried to promote the opportunity to spend more financing, more funds, to support low-income, first time home buyers. The second project was working on affordable housing development in Durham, North Carolina, to help transform a neighborhood that had pretty significant disinvestment, and transition that and actually return it back to the stable middle-class African-American neighborhood that had been there in years prior.

So really two different types of projects that I was able to work on at Self Help when I started there. Both really directed on using home ownership to reduce the racial wealth divide between white families and African American families.

Andrew O'Shaughnessy: So the development that you were doing, were those single-family units or apartments?

Mark Pearce: They were eventually single-family units. They were originally built as shotgun duplexes, if you're familiar with what those are. They're basically the size of the single-family home, but they were designed to have a two different families living in them. Some of them were single family houses, but overall the goal was to use single family houses for homeownership.

Andrew O'Shaughnessy: So am I correct that the Center for Responsible Lending was founded in 2002?

Mark Pearce: Probably around there. 2001 or 2002 to my recollection.

Andrew O'Shaughnessy: So what led you to move from a role where you're working on sort of a program level on these issues that interested you, to policy, research, and advocacy?

Mark Pearce: It was really driven by the mission. I mean, as I mentioned earlier, I was really motivated to try to help reduce a racial wealth gap in ownership, and really focused on using what I've called positive tools to try to help people become homeowners and to help improve financing of home ownership. But in the late 1990s, what we at Self-Help witnessed was that many of the families that we had worked with and we were supporting to become homeowners, were targets for predatory lenders who would seek to refinance borrowers, who recently owned their home, or they may have owned their home for decades, but they became targets for really high-cost lending that would ultimately lead to them losing their home.

And so, if you think about trying to do good in the world and trying to make a difference, if you help someone become a homeowner only to have them become a target for predatory lending and ultimately ending up in foreclosure, then what have you really done? That was sort of the driving force. Not just for me. The policy of Self-Help overall was of trying to get involved in more of a public policy, research, and advocacy ground with predatory lending issues because we just felt like in order to protect the home ownership work that we were doing, we needed to address the use of these practices, which was a huge need in the marketplace.

Andrew O'Shaughnessy:

So I know that CRL has a number of different policy focuses, but is it fair to say that mortgage lending practices were at, or near, the top from the beginning?

Mark Pearce:

Yeah. Mortgage was definitely a driver. It was really the origin for creating the Center. In 1999, we were involved in efforts to enact what was one of the first state anti-predatory lending laws in the country. And after that was enacted, we had states, advocates and legislators from other states, contact us and talk to us about what made that legislation successful and how it happened. And frankly, after the 1999 law passed in North Carolina, I thought I was going to go back to doing homeownership development work, but interest from other states who were facing the same problems led the organization to realize that this was more than a part-time job. It's something that we really needed to look at more on a national basis, and that really was the impetus for the Center.

Andrew O'Shaughnessy:

So I'm curious about what sort of lessons, at that point early on in CRL's history, the institution was sharing with other jurisdictions about its success in 1999?

Mark Pearce:

When I look back at that time, the thing that was pretty compelling that we had done in North Carolina was that we had examples of homeowners who had been victimized by predatory lending. And so we had some case examples for individuals. Another thing that was useful at the time is we had done research across North Carolina to look at Habitat for Humanity homeowners. And we identified that close to 10% of the people who had gotten a 0% interest at the Habitat for Humanity level had been refinanced into what was in fact a predatory loan with interest rates that were north of 10 or 15%, and the refinance itself would draw thousands of dollars in equity from the home at the time of origination.

So those were pretty compelling stories, and documenting that those were really not isolated was important. I think another really critical piece, when I think about sort of the legislative success, is that we had support from the banking industry. It took a little long to get there, but I think many of the bankers that we worked with were as disappointed or outraged, depending on the bankers involved, by the practices that we were seeing. But those are not the kinds of practices that the local banks were generally offering in North Carolina. And so we were able to form coalitions with the financial industry to really rein it into practice.

Andrew O'Shaughnessy: So Self-Help and CRL have both played a role in a number of the interviews that we have heard as a part of this project. And I understand that CRL and by extension, you, were critical to the passage of that 2007 anti-predatory lending law. Do you see that as sort of a capstone achievement of your time? I know 2007 followed your tenure at CRL, but I imagine a big piece of legislation is something that happens over years.

Mark Pearce: Yeah. Not for me personally, that's probably... I think folks carried the baton after I left in 2006 to move forward with that. It was certainly the case that we were seeing more and more states introducing predatory lending legislation while I was at CRL. And while I was there to support that effort, I think I'd probably defer the credit to others on the 2007 legislation.

Andrew O'Shaughnessy: Well, so how did you see your role at CRL?

Mark Pearce: My role at CRL...There were several talented people at CRL. We were doing a lot of great work. My job was mostly to keep track of what they were doing and to help support them in their efforts. And we had researchers who were developing what I think was really groundbreaking research at the time to really highlight the challenges, and the thing is that if I do anything well, it's probably in trying to identify how to help support people and make sure they have the resources they need and the support they need to do their job effectively in that process. So that's probably my value added in that process.

Andrew O'Shaughnessy: Fair enough. So I understand in 2006, you moved over to the office of the Commissioner of Banks in North Carolina. So for your tenure at CRL, what was your perspective on how the mortgage lending market had changed during that time?

Mark Pearce: I mean we were certainly seeing more and more states that were enacting legislation and interest from Congress on legislation as well. Doing a lot of research for mortgage lending practices across the country and particularly how they were affecting minority communities. And the other thing that...really in my last couple of years at CRL, we gained a real nervousness and trepidation and fear about the potential for a foreclosure crisis. What I was seeing is a lot of mortgage loans that were originated that had low teaser payments. They get people to sign up for the mortgage, but they would skyrocket two or three years down the road to what would be an unaffordable payment.

And when you saw the increases in the subprime, in a number of subprime originations, in the mortgage market, and the terms of those loans continued to reflect weaker and weaker underwriting, it became, at least our opinion, that there was likely to be a significant rise in the number of foreclosures. I didn't quite think it would cause the financial crisis as a result, because I didn't quite understand all the different tentacles that mortgage-backed securities had in the financial industry across the globe. But I certainly knew we were going to have a foreclosure crisis. So in 2005 and 2006, I was working on a foreclosure paper that I think was really important in trying to think through the strategies that, as the organization, we could employ to help reduce the impact of what this foreclosure crisis was going to look like.

Andrew O'Shaughnessy:

So I think you all at CRL were publishing research as early as 2004 or so about how that generation of mortgages lacked really any tangible benefit for the borrowers. I was looking at a couple about prepayment penalties in particular. And I'm just curious, in terms of the policy advocacy work you were doing at this point, we've got a federal system with lots of different jurisdictions and regulators, so how varied was the receptiveness with which policymakers and regulators met that research?

Mark Pearce:

Sure. I would say most of the energy and support came from states around the country. There were state legislatures involved of all political persuasions, community organizations and others that I think really saw the problems happening in their communities and wanted to take some action. At the time, one of the significant challenges in particular came from the federal regulatory community, most specifically related to the OTS, the Office of Thrift Supervision, and the OCC, Office of the Comptroller of Currency, that had exercised their authorities in a way that maximized preemption of state laws. And so that has posed a significant challenge in that some of the legislative efforts wouldn't apply to national banks or federal thrifts which had affiliations with subprime lenders. And there was not a complete coverage of the marketplace at the state level that you could really enforce. And so a challenge that I think they thought of was trying to address the issues related to preemption in the mortgage market. My sense from the research is that it didn't get a lot of attention among the federal regulators with maybe the exception of the FDIC, where I work now. But I think preemption was certainly a challenge.

Andrew O'Shaughnessy: What did you understand at the time to be the motivation of the federal regulators pushing for preemption?

Mark Pearce: The theory is that there is a national bank charter that would enable an institution to originate loans nationwide using basically the same set of rules. And so if different states enacted different laws, it would make them more challenging for their institutions to do their lending and financial services. So one of the things that we would hear things about was called the patchwork quilt of state regulation, where you could have 50 different states with different rules that would make it challenging for a national bank or federal thrift, but that was the stated motivation.

Andrew O'Shaughnessy: So in 2006, you did move on to your next role...what motivated your change?

Mark Pearce: So one of the things that, for me, was my frustration when I worked at the Center for Responsible Lending is that we could see positive laws being enacted in different places across the country regulating predatory lending activity or requiring mortgage brokers to get licenses in certain states. And so we were seeing a regulatory framework and laws being enacted, that addressed some of the most abusive practices, but at the time we weren't seeing a significant amount of enforcement related to those laws. And so, for me, the opportunity to go work in a senior leadership role at a state agency that had responsibility for supervision of non-bank mortgage lenders, non-major bank mortgage verbiage, was an opportunity to put up or shut up, I'd like to say. "Do you think these laws should be enforced more rigorously? Why don't you go try to do it?" And so that was sort of my primary motivation in taking that opportunity.

Andrew O'Shaughnessy: So before you got into the day-to-day enforcement in North Carolina and you still had that wide-angle lens, where do you think some of the reluctance stemmed from on the enforcement side? Did you have a sense of that?

Mark Pearce: Primarily at the state level, resources was a major challenge. Some of the issues were quite complex as well. Somewhere in the neighborhood of 50% or maybe the high 40% of all mortgages were originated by non-banks, and many of them were licensed in multiple states maybe all 50 states. And so for a state, for instance, to take a regulatory action, maybe tackling one of the largest mortgage companies in the world, or, certainly in the country. And they have a talented legal



staff with lots of talented lawyers that are prepared to defend them.

And I think for the most part an individual state was often out matched in its capacity to manage litigation. So that really required more collaboration amongst states and law enforcement officials to be effective. Another area, which we haven't really touched upon, was mortgage fraud, which was pretty rampant at the time because of the weak underwriting practices. You could get originations without having appraisals in some cases, or what would be called a "drive by appraisal" or maybe an automated valuation of the house. And so we were seeing that increase, and those again are complicated but smaller instances, and it's really just hard for law enforcement to obtain the resources to be commanded.

Andrew O'Shaughnessy:

So how did this understanding inform the way that you carried out your duties in North Carolina?

Mark Pearce:

We work closely, first, with the Attorney General's office in North Carolina, and I think the Attorney General also was successful in getting some additional resources to focus on issues. We did add some resources to doing enforcement in the mortgage market within the state of North Carolina, which was helpful. In addition, we were able to enact a mortgage fraud law in North Carolina that made mortgage fraud a felony. And we were one of the first states to do that. And the benefit of that, was really to give local jurisdictions more incentive to bring those sorts of investigation to closure... that more significant penalties would help prioritize those efforts at the County and other jurisdictions, because they would have greater impact.

Andrew O'Shaughnessy:

...[D]id you see that law as disincentivizing fraud on the part of borrowers, appraisers, originators, or a combination thereof?

Mark Pearce:

Yeah, having a greater criminal penalty for mortgage fraud would be hopefully a disincentive for the fraudsters, which range from developers of subdivisions, mortgage brokers, real estate agents, appraisers, etc. That you'd have the whole ecosystem of the mortgage market there, which would sort of send a signal that there were greater likelihoods of jail time for engaging in mortgage fraud. So hopefully they had a disincentive. I think an additional benefit is that it helped law enforcement and local jurisdictions pay more attention to those cases where they were seeing mortgage fraud. But it was pretty frustrating from our conversations with local law enforcement to really identify that they could put in lots of

time on some of these cases and the outcomes could be misdemeanor offenses that would not really result in jail time. And these things were costing tens and hundreds of thousands of dollars and affecting property values and communities and having significant impacts in local jurisdictions and the consequences of that, at the time, were not really a significant deterrent. And so it really made it difficult for local law enforcement to really see the benefit of pursuing some of the more complicated cases that were happening at the time.

Andrew O'Shaughnessy:

So as a regulator, what sort of role did you see yourself playing in passing legislation?

Mark Pearce:

Sure. Well, in the General Assembly, there were certainly leaders who were interested in the issue and they went to the Commissioner of Banks office for advice on things they could do to address the issues they were seeing as a community. And so I think we played an advisory role in suggesting some actions that they could take to address the issues they were concerned about.

Andrew O'Shaughnessy:

I was curious about that. I didn't mean to sidetrack you from what you were saying about how you approached your duties...

Mark Pearce:

So as I mentioned earlier, with the size of the mortgage company, the non-bank mortgage companies in particular, it really was incumbent on the states to seek opportunities to work together more frequently. And so, there's an umbrella group for the state banking regulators called the Conference of State Bank Supervisors. And over the period that I was at the Commissioner of Banks[' Office], we really sought to collaborate with other states who were seeing similar problems to try to figure out how we could work together to attack them. And so, we ended up creating multistate committees focused on the mortgage market so that we could collaborate better, see what was happening, see the interconnections and also leverage the scarce resources that each individual case had. So that really enabled us to gain a better handle on what was going on and be more effective in addressing it.

Andrew O'Shaughnessy:

Could you give me an example of what it means to leverage each other's resources? So I think the example you provided of "sharing what you were seeing" is intuitive. Were there other ways?

Mark Pearce:

So for instance, if we were engaging with a particular company, a non-bank company, that operated on a multistate basis, we could develop a common information request for that company and gather information from it. And then each state could take different pieces of that information and evaluate it, and then we could all come back and discuss what we saw. So some of it was just numbers of people with expertise, and some of it was just having what I'd call a peer network to discuss, you know, "This looks like something that might violate our law. Does it violate your law?" "How are you seeing this information and spotting problems?" So really to enable us to extend our network to better address issues posed by companies that worked in multiple states.

Maybe another example that comes to mind is when foreclosures started happening there were challenges in the financial markets, some of the non-bank mortgage companies were very thinly capitalized. They were unable to remain going concerns. And so they would shut down their businesses almost overnight in some cases. And at the time when they would shut down, they may have thousands of consumers who are in the process of getting a mortgage loan from that company. And those loans can be in lots of different states. And so by coordinating with the other state regulators, we could identify those consumers. We would sort of identify how to reach out to them, how to connect with them, and then what their options were. And so that's something where if a lender is based in California and you have no real ability to connect with them easily, instead of having 10 or 15 different regulators call that one company, we could have one regulator call that company on a coordinated basis and kind of gather that information and help the other states manage the wind down of the company.

Andrew O'Shaughnessy:

So what you were describing with the CSBS, am I correct in saying that that was separate from the State Foreclosure Prevention Working Group, which you also were active in?

Mark Pearce:

Yeah. I think that among the state and with CSBS, we moved, over time to a lot more coordination and collaboration among state banking regulators. But when the foreclosure issues really started increasing, there was a companion movement amongst state Attorney Generals who had been involved and active in enforcement of state laws against some of the non-bank mortgage companies. They were also seeing challenges in this area. And so really what the state foreclosure prevention working group was, was the combination of those two efforts where you had state Attorney Generals led

primarily by the Attorney General of Iowa, [Tom] Miller, and the state banking regulators, under the umbrella of CSBS, working together so that we could really bring together the law enforcement capacity ... to really look at what was happening related to foreclosure prevention among the largest mortgage services in the country.

Andrew O'Shaughnessy:

So we've been talking a lot about this collaboration that you were doing, that you identified before you took the job as being important. Could you paint more of a picture about what enforcement actions would look like? Maybe just paint a portrait of what enforcement looked like in North Carolina?

Mark Pearce:

So thinking back to my time in North Carolina, there were a few cases that we brought enforcement and one which involved Countrywide, which was at the time, a large mortgage originator in the country. That was one that we undertook on our own in North Carolina. We had a unique provision in North Carolina law that some other States didn't have, which is why we chose to do that on our own. And I got to experience what was challenging with a large nationwide mortgage lender. They could bring in the resources and the law firm that they were able to bring in those cases. But we were able to reach a resolution that resulted in over \$10 million in restitution to North Carolina homeowners. So that was a positive outcome for that case.

It really emphasized in my mind the limits of that strategy. So I do think that the collaboration with other states, while it is not always easy to do that, if you can find common cause, it's a more effective strategy in addressing the issue. We also focused on other issues while I was there. Manufactured housing... some of the financing in manufactured housing was really problematic. Some of the issues related to new home development... and the financing and the affiliation between home builders and affiliated lending companies. Those are other areas where we were seeing a piece of the marketplace that we sought to correct, some through rulemaking and other things like that. But some of it with enforcement as well.

Andrew O'Shaughnessy:

So what would be an example of a rule that might curb some abuse like that?

Mark Pearce:

Yeah, so I think in...I'm trying to remember exactly the form that it took...but for instance, in the home builder case, we developed approaches that would address some of the concerns we had around the affiliated lender relationship and

the terms of how that worked and disclosures to consumers regarding those relationships. Yeah, that's probably one example. We also enacted a, a mortgage licensing law in North Carolina, the SAFE Act.<sup>1</sup> I can't remember what that acronym stands for exactly, but it required licensing of all mortgage loan originators, as well as the company. So that was a really important piece because one of the challenges we saw is that there might be someone who was a mortgage loan officer, and they could bounce from company to company and engage in harmful practices. And it was really hard to keep track of them. And now nationwide everyone who's a mortgage originator has a number and that number stays with them as they move from company to company. Every company has a number. And so we have much better tracking and impact across the country as to who's making mortgage loans where.

Andrew O'Shaughnessy:

So you mentioned something I thought seems interesting a couple of minutes ago. We've talked a lot about the benefits of interstate coordination, but you mentioned that it also could be difficult. What were some of the challenges that you faced building coalitions and getting things done as part of them?

Mark Pearce:

Yeah, so I think it's probably common in any situation where you have multiple entities trying to work together and they all have the same common goal. If you have unique challenges, some could be as simple as information sharing. So the ability of one state to share information with another state would require some special agreements that had to be put together. And then you could also have differences of opinion that it might emerge as to what your strategy should be and what your next action should be. And those were resolvable, but they take a lot of communication and collaboration and trust that you build up over time to do that. And so it takes longer and you can do it that way. But I think it's a really essential to be able to adequately address the issue.

Andrew O'Shaughnessy:

Were there particular states or agencies or individuals who were especially good or even bad, if you're comfortable talking about it, at this collaboration?

Mark Pearce:

It varied. I think one of the most positive experiences in my career with working, both with state regulators and the Attorney Generals across the country, and really passionate, committed people at the staff level at all of these agencies,

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<sup>1</sup> The **North Carolina** Secure and Fair Enforcement Mortgage Licensing Act.

and it was a group that is really dedicated to addressing consumer harm and the abuses we were seeing in the market place. So I say, on balance, most of my experiences were positive. The one maybe caveat I would flag or maybe add to that is that the Attorney General position, and I think all the States are political appointees and I think there is the issue of who gets credit and how it's seen in your local state matters to people.

And that can sometimes pose challenges, but I don't think they were significant at the end of the day, but you would sometimes have challenges because...I had an Attorney General in one state that may want to be seen in a leadership role on a particular issue and push hard for it. But that is kind of endemic to working with agencies with elected representatives who have their own sort of pressures and challenges that they're dealing with as well.

Andrew O'Shaughnessy:

Sure. So in 2010, you move on to the FDIC and for the most part, we are focused on the period prior to that origination up until the crisis. But I'm curious about why you moved on from North Carolina and then also, whether and how your perspective on federal regulators might've changed. And then, I'm piling a couple of questions on here at once, forgive me, but also, over time, do you think it has become any more difficult to have interstate collaboration on the part of regulators?

Mark Pearce:

Sure. I think speaking to the motivation on taking the opportunity, it was a fantastic opportunity for me to take what I was doing primarily at the state level and trying to make an impact at the national level. So by the FDIC at the time, the board determined to create a separate division for consumer protection and offered me the opportunity to lead that. So an opportunity to kind of take the reins of the new division with a nationwide impact at the federal level. And so these were all attractive opportunities to give me an opportunity to make a greater impact in, and addressing abuse in, the marketplace. I think one of the things I learned as a result, and I think it's true of any federal regulator compared to a state regulator is that the federal system is, by virtue of being larger, there is a bureaucracy that comes with that.

There are many valid reasons for and benefits of that. And the talent and capabilities of my colleagues here at the FDIC are top notch. The one challenge, I think it poses for me personally is agility and speed. I think one of the things you

can do at the state regulator is move quicker when you spot issues. And I think that it is a little harder to move through the aircraft carrier that is a federal regulator compared to a speedboat that's a state regulator. So the benefit is you have additional resources. So when you are pointed in the right direction, we can make a significant impact. It just may take a little bit longer to get through that process.

As far as state coordination goes, I would say the states have continued to grow in their coordination across the states. I think with some of the things that I worked on as a state regulator, I think we see the states continue to collaborate more and more on over time. And I regularly engage with CSBS in their oversight of the banks and that collaboration is really important for the dual banking system.

Andrew O'Shaughnessy:

So as we wrap up, there are a couple of questions that we ask everyone, one being that we have seen over the last decade, a number of different narratives emerge about what caused the mortgage and financial crises, and so we make a point of asking everyone to speak to what their perspective on it is.

Mark Pearce:

Yeah. I mean, the cause in a nutshell was the origination of loans with very weak underwriting that were marketed in such a way to encourage people to refinance at rates in which they would eventually not be able to repay those loans. And so I think it's really a breakdown in the mortgage origination market fueled by the development of mortgage-backed securities that were able to distribute that risk of bad origination. So you'd have bad origination that would then get sold off and packed into securities, where that risk was dispersed across the globe. So the individuals who were at the front end of that origination pipeline had little or no incentive to monitor the quality of their origination activities. They were motivated primarily by how many loans they could originate and how many fees they could extract in the process. And that was really the driver and fundamental essence of what led to a crash in the mortgage market, and financial market I recall.

Andrew O'Shaughnessy:

Relatedly, what would you say the most important lessons for state level policy makers are on the other side of these crises?

Mark Pearce:

When I reflect back on what happened in the mortgage market, while I was in North Carolina, it really was state policymakers that took leadership role and they did so even though there were federal policymakers and maybe your major voices on the other side telling them not to. And I think

that leadership is really the lesson I take from that period. And I think that applies more broadly, which is that states have the ability to respond to problems when they see them in the local communities. And I think that leadership is really fundamental in leading to a nationwide change. And whether it's sort of an individual state by state basis or federal legislation down the road, I think what you see is that laboratory of democracy works, that these efforts that happen at the state level do bubble up and do result in systemic changes. But it really requires that local leadership to make that happen.

Andrew O'Shaughnessy:

Finally, given our focus on state level policy making, is there anything else that you wish I had asked you about, or that I should have asked you about?

Mark Pearce:

Maybe I would just end with one example of that. When North Carolina started seeing a rise in foreclosures, I remember meeting my boss, Joe Smith. I know you've interviewed him as part of this as well. And Alan Hirsch, I don't know if you remember. I don't know if you interviewed him, but he worked for the governor's office in North Carolina at the time talking about what we as a state could do related to foreclosures. And we developed an idea to get advanced warning before foreclosure submitted to our office. And then we did outreach from the Office of the Commissioner of Banks to individual homeowners. And the idea being that if maybe when people get bills from their mortgage company, they throw those in the trash, or they put them in the bad news pile, but maybe if they got a letter from a state agency, they might be more likely to open it up.

And what we put in there was a toll-free number to contact housing counselors. And if we could make that contact, we could actually delay the foreclosure for a period of time. We also worked with the Bar Association and others to provide legal support for individuals who had been victims of predatory lending or some other problems from the origination before. So we were able to put together a coalition part of this project that helped reduce foreclosures in North Carolina. But I guess the point I wanted to get to there was that could happen at a state level where you could develop a program, work with leaders in the General Assembly to develop and impact that legislation. And then we were responsible for implementing that within a couple of months after it went into effect.



And so the speed by which we were able to move from an idea, to legislation, to a program...it's still something that I'm still sort of amazed that, that we pulled it off at the time of just making sure it worked, operationally. But I think it's another lesson of how policymakers and leaders can act quickly when they identify a challenge and develop a strategy. It's not just getting it implemented, but also the network that you have available. I mentioned the Bar Association as one example, also the North Carolina Housing Finance Agency. There were other organizations that played a role, but we were able to leverage those networks all for the common cause, to address a significant problem that policymakers were seeing in this environment.

Andrew O'Shaughnessy:

Mark, thank you very much for your time.

Mark Pearce:

All right. Thank you, Andrew. Enjoyed it.

[END OF SESSION]