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**FINAL REPORT:  
POLISH BANK  
ASSOCIATION STUDY  
TOUR TO THE  
UNITED STATES**

Prepared for



East European Regional Housing Sector Assistance Project  
Project 180-0034  
U.S. Agency for International Development, ENI/EEUD/UDH  
Contract No. EPE-C-00-95-001100-00, RFS No. 640

Prepared by

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Under Contract to  
The Urban Institute



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## BACKGROUND

The study tour for members of the Polish Bank Association (PBA) was the second phase of a USAID training program in the United States Housing Finance system. The first phase was completed in Warsaw, Poland and consisted of a basic course in the U.S. Housing Finance system conducted in two training sessions January 23-29, 1998 (this was known as "pre-tour preparation"). Following these training sessions, and before leaving Warsaw, a meeting was held with Mr. Ryszard Kowalski, PBA Director, to focus on the study tour subjects most appropriate for the participants.

In April 1998, the PBA decided on the dates for the study tour and the names of the participants. The tour was conducted from May 31, 1998 through June 12, 1998. The participants and the institutions they represented are listed as follows:

Mr. Janusz Giersz  
Vice-Director, Credit Risk Management  
BIG Bank Gdańsk

Mr. Marian Nowak  
Director of Mortgage Lending Division  
GBW Bank

Mr. Zbigniew Sadecki  
Vice-director  
PKO BP

Ms. Malgorzata Kroker-Jachiewicz  
Vice-president, Management Board  
Kredyt Bank PBI

Ms. Dorota Banat  
Vice-director of Investment Credit  
Department  
BPH Bank

Mr. Dariusz Dubas  
Director of Retail Banking  
PBG S.A. - Pekao Group S.A.

Mr. Pawel Bisek  
Vice-president, Management Board  
PBK Bank

Mr. Marek Kowalski  
Polish Bank Association Executive

Mr. Roman Chojnowski  
Executive Director of Credit Department  
BG Bank

Mr. Jerzy Radko  
President, Management Board  
BudBank



The host institutions were divided among functional lines and are presented below:

<b>Mortgage Market</b>	<b>Institution</b>	<b>Topics Covered</b>
Primary Market	Mortgage Banker's Association of America	Association services: analysis, forecasting and technology
	Federal Home Finance Board	Regulation, supervision, liquidity systems for home lenders
	Chevy Chase FSB	Origination, construction lending, servicing, costs, automation technology
	Weichert Realtors/ Metropolitan Regional Information Systems	Home sales process and multiple listing technology
	Charter One Mortgage	Loan servicing and technology
	1 <sup>st</sup> American Credco	Credit reporting Risk scoring Title insurance
	Bates & McDonough	Residential and commercial appraisals
Secondary Market	MorBank	Mechanics of structured financings/asset-backed securitizations
	Fannie Mae	Origination/underwriting technology, multi-family lending, pipeline risk management
	CS First Boston Corp.	Commercial lending and securitization
	Standard & Poor's Corp.	Credit rating process in structured finance and residential lending

All meetings with these institutions proceeded as scheduled with the exception of some last minute rescheduling on the part of CS-First Boston. To view the chronology of institutional visits, please refer to the schedule calendar in the attached *Briefing Book*.



### **Content Ratings**

As part of participant feedback, the quality and effectiveness of the institutions' presentations were rated by each participant. The average ratings are tabulated below:

<b>Institution</b>	<b>Rating</b>
Charter One	4.9
1st American Credco	4.5
CS/First Boston	4.5
Weichert Realtors	4.0
Chevy Chase Bank	3.9
Standard & Poor's	3.8
Fannie Mae	3.7
Federal Home Finance Board	3.7
MorBank Financial Corp.	3.5
Bates & McDonough	3.5
Mortgage Bankers Association	3.1

**Key to Rating**

1= Poor; 2= Below average; 3= Average; 4= Good; 5= Excellent

The ratings may have been affected by influences outside those considered pertinent to presentation quality. For example, Fannie Mae's lower rating may be due to the fact that the presentations lasted the entire day; the group was tired at the conclusion. Additionally, one poor presentation could easily weigh down the overall rating even if the majority of the presentations were excellent. Again, in the case of Fannie Mae, the group lauded the overall quality of the technology and risk presentations, however, the poor presentation on multifamily lending brought down the overall score. Also, consider that quality ratings correlated to a participant's area of interest in housing finance. Scores were generally spread over a wide range. To view this, refer to the rating detail attached to this report.

The overall study tour ratings were as follows:

<b>Criteria</b>	<b>Rating</b>
Overall rating on the content of the study tour	4.0
Applicability of material to the Polish situation	4.1



### Organization and Management Ratings

Criteria	Rating
Study tour design and chronology	4.2
Quality of Briefing Book	3.6
Service and responsiveness provided by Abt Associates and Urban Institute personnel	4.8

### Translation/Interpretation Ratings

Translator	Rating
Tad Kopinski	3.5
Krystyna Dollison	2.5

### Quality of Accommodations/Logistics Ratings

Item	Rating
Lincoln Suites Hotel- Washington	4.9
Best Western Hotel- NYC	3.8
Wash Transportation	4.7
NY Transportation	4.1
Welcome dinner	4.4

The farewell dinner was held after the ratings were completed by the participants, however, from comments of the group, the dinner went very well.

### Appropriateness and Quality of Cultural Enrichment Activities Ratings

Item	Rating
Washington City Tour	4.5
Capitol/House tour	4.6
Williamsburg, VA visit	4.6
New York City Tour	4.3
New York Stock Exchange tour	3



### ***Additional Comments***

When additional questions were posed to the group, the following were the responses:

<b>Question</b>	<b>Just Right</b>	<b>Too Much</b>	<b>Too Little</b>
Was the trip too long, too short or just right?	10	0	0
Was free time too much, too short or just right?	8	2	0
Was curriculum too long, too short or just right?	3	6	1

### ***Summary***

The study tour should be considered a success both in terms of quality of materials presented and in terms of satisfaction with logistics, accommodations and weather. This particular group of bankers showed a strong interest in all the presentations and most questions were posed in the Polish context.

The true measure of this study tour's success can perhaps be ascertained in approximately one year after further progress occurs in the Polish mortgage banking sector. It would be appropriate to hold a short workshop at that time to discuss and summarize study tour knowledge and its application in Polish banks.

### ***Recommendations for Follow-up Technical Assistance***

Based on comments and discussions with study tour participants, follow-up technical assistance in the areas below would seem appropriate:

- **Credit Repository/Credit Reporting:** assist in development of credit information database and credit reporting system. Develop credit scoring methodology for Poland (Fair-Isaacs-type).
- **Automated Underwriting/Processing:** assist in development of automated mortgage loan application processing and underwriting similar to Fannie Mae's "Desktop Underwriter". Also, technology-driven consumer applications, such as mortgage loan "stations" or kiosks in shopping centers, are of particular interest.
- **Real Estate Appraisals:** assist in continued development of detailed database of information needed to undertake appraisals on a national basis. Further refine appraisal methodology.

- Economic forecasting: assist in developing forecasting models tailored to the real estate and mortgage banking industries (home prices, housing starts, demand, interest rates, etc.).

Attached as Annex A are the evaluation results, a copy of the “Briefing Book” given to each participant (participants were given Polish versions) together with a calendar of actual tour events, and a copy of the completion certificate given to each participant at the end of the tour.

**ANNEX**

The following represents the raw results of the evaluations completed by the participants:

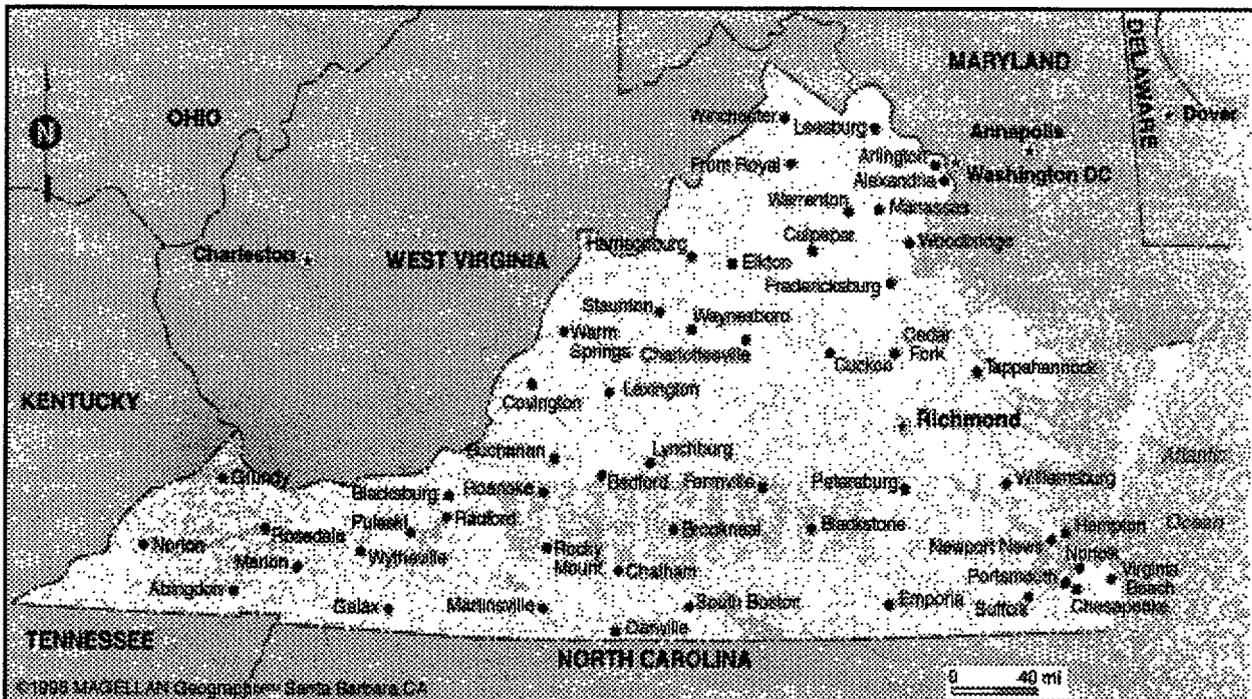
<i>Item</i>	<i>Rating</i>										<i>Avg.</i>
Overall Rating	3	4	4	4	4	4	5	4	4	4	4
Applicability in Polish context	4	4	5	4	4	4	4	4	4	4	4.1
<i>Host Presentations</i>											
Chevy Chase Bank	3	5	5	4	5	4	4	4	2	3	3.9
Weichert Realtors	5	4	3	4	4	3	4	4	5	4	4
MBAA	2	4	4	3	3	2	3	3	3	4	3.1
MorBank	2	4	4	3	4	3	3	4	4	4	3.5
Fannie Mae	2	5	4	4	4	3	4	5	3	3	3.7
Charter One	5	5	4	5	5	5	5	5	5	5	4.9
Federal Home Finance Board	3	4	5	4	4	3	4	4	3	3	3.7
1st American Credco	4	4	5	4	5	5	5	4	4	5	4.5
CS/First Boston	4	5	5	4	5	4	5	4	4	5	4.5
Bates & McDonnough	3	4	3	3	4	2	4	5	3	4	3.5
Standard & Poors	4	4	4	3	3	4	5	3	3	5	3.8
<i>Support</i>											
Overall design	4	4	4	4	5	4	5	4	4	4	4.2
Abt Personnel	4	5	5	5	5	5	5	5	4	5	4.8
Briefing Book	3	4	4	4	5	3	4	3	3	3	3.6
Kopinski	3	4	4	4	4	2	3	4	3	4	3.5
Dollison	2	3	2	2	2	2	3	3	3	3	2.5
<i>Logistics</i>											
Lincoln Suites	4	5	5	5	5	5	5	5	5	5	4.9
Best Western	3	4	3	5	4	3	4	5	4	3	3.8
Wash Trans	4	5	5	5	5	4	5	5	5	4	4.7
NY Trans	3	3	5	4	3	4	5	5	5	4	4.1
Welcome dinner	4	4	5	4	5	4	4	5	4	5	4.4
Wash Tour	5	5	4	4	5	4	5	5	5	3	4.5
Capitol tour	4	5	5	5	5	4	4	5	5	4	4.6
Williamsburg	4	4	5	4	5	5	5	5	5	4	4.6
NY Tour	3	5	5	4	5	5	4	5	3	4	4.3
NYSE tour	1	4	2	5	5	2	3	4	1	3	3
<i>Other Questions</i>											
Too long, too short, just right	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
Free time	OK	EX	OK	OK	OK	OK	EX	OK	OK	OK	OK
Curriculum	Fewer	OK	OK	Fewer	Fewer	Fewer	Fewer	EX	Fewer	OK	OK

Briefing Book

Polish Banker's Association  
U.S. Housing Finance System  
Study Tour

May 31- June 12, 1998

Washington, D.C.  
New York



## WELCOME!

The United States Agency for International Development (USAID) is sponsoring your two-week visit in the United States. This study tour is the conclusion of a two-part program on the U.S. Housing Finance system. The first part of this program was a training course conducted in Warsaw, Poland during January 1998. That training course concentrated on the basics of the U.S. housing finance system: terminology, processes and framework. This study tour will advance your understanding of housing finance and allow you to meet face-to-face with professional practitioners in all facets of one of America's most potent economic sectors.

For the most part, this study tour will be conducted in group meetings, in the offices of our hosts. Sequential translation will be provided at all meetings and of course, questions and discussions are warmly encouraged. At the end of our two-week tour, we will conduct a review session to discuss issues and ideas arising from the presentations. At this time, we kindly ask that you complete evaluation forms giving us your candid remarks and suggestions for future study tours.

This booklet includes detailed information about all aspects of your visit. You'll find inside a calendar of events, maps and information about Washington, DC and New York City, hotel information and an agenda for each meeting. We have planned some outside activities designed to enhance your visit and give you a better understanding of America's past and present. These activities are described inside.

We trust you will have a wonderful two-week visit here in the States. Please feel free to contact me or other tour staff members with any questions or needs.

Howard W. Kane  
*Abt Associates Inc.*

## JUNE 1998

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p>1900-Group arrives DC</p> <p>2000- Arrive hotel/check in Refreshments served</p>	<p style="text-align: right;">1</p> <p>0830- Leave hotel in bus 0900-1200 -Chevy Chase Savings Bank</p> <p>1200-1330-Lunch at Abt Associates</p> <p>1400-1600-Weichert Realtors</p> <p>2000- Welcome dinner (Daily Grill)</p>	<p style="text-align: right;">2</p> <p>0845- Leave hotel 0900-1130-Mortgage Bankers Association</p> <p>Dinner on your own</p>	<p style="text-align: right;">3</p> <p>0800-Walk to the Urban Institute</p> <p>0815-0915- Complete Tax forms</p> <p>0930-1130-MorBank</p> <p>1130-1330- Lunch (on your own)</p> <p>1330- Leave hotel in bus</p> <p>1400-1600-Capitol Tour</p> <p>1600- Return to hotel</p> <p>Dinner on your own</p>	<p style="text-align: right;">4</p> <p>0800- Leave hotel in bus</p> <p>0830-1700- Fannie Mae Lunch at Fannie Mae (provided)</p> <p>1730- Return to hotel</p> <p>Dinner on your own</p>	<p style="text-align: right;">5</p> <p>0800- Leave hotel for Richmond</p> <p>1000-1500- Charter One Mortgage (Lunch provided)</p> <p>1700- Return to hotel</p> <p>Dinner on your own</p>	<p style="text-align: right;">6</p> <p>0730- Leave hotel for Williamsburg/Potomac Mills trip (optional)</p> <p>1800- Return to hotel</p>
<p style="text-align: right;">7</p> <p>Free Day</p>	<p style="text-align: right;">8</p> <p>0800- Check Out of hotel!</p> <p>0900- Leave hotel for FHFB</p> <p>0930-1130- Federal Home Finance Board</p> <p>1130-1330- Lunch at Union Station on your own</p> <p>1400- Train to New York City</p> <p>1700- Arrive New York City. Transfer to Hotel</p> <p>Dinner on your own</p>	<p style="text-align: right;">9</p> <p>0830- Leave hotel on bus</p> <p>0930-1130 - 1<sup>st</sup> American (Credit reporting agency)</p> <p>1130- Return to hotel</p> <p>1230-1330- Lunch on your own</p> <p>1400-Leave hotel on tour of New York City</p> <p>1700- Return to hotel</p> <p>Dinner on your own</p>	<p style="text-align: right;">10</p> <p>0900- Leave hotel on bus</p> <p>0930-1130-Tour of New York Stock Exchange</p> <p>1230- Cruise New York Harbor</p> <p>1230-1330- Lunch on your own</p> <p>1400-1600- Afternoon free</p> <p>Dinner on your own</p>	<p style="text-align: right;">11</p> <p>0800- Morning free</p> <p>1200-1400- Lunch on your own</p> <p>1430-1630- Bates &amp; McDonough (AT HOTEL Suite 1406)</p> <p>1630-1730- Review of Study Tour and Evaluations</p> <p>2000- Farewell Dinner (La Veranda)</p>	<p style="text-align: right;">12</p> <p>0800- Leave hotel for CS First Boston</p> <p>0830-1000- CS First Boston</p> <p>1000- Leave for S&amp;P</p> <p>1030-1230- Standard and Poor's</p> <p>1230- Return to hotel and check-out. Lunch on your own.</p> <p>1500- Depart hotel for airport</p> <p>1815- Plane departs for Poland</p>	<p style="text-align: right;">13</p>

## GENERAL INFORMATION

### Washington, DC

#### Weather

Weather in Washington, DC can be very warm in the summer. Expect high temperatures of 33C and lows of about 17C. Humidity can be high and rain is unpredictable. Bring light business and casual clothing as well as a raincoat and/or umbrella.

#### Transportation (Taxies, Metro, Etc.)

The subway system (METRO) in Washington is extensive, clean, safe and relatively inexpensive. To use the system, one must purchase a "Fare Card" from a vending machine found in each station. This will be discussed at your welcome dinner/orientation.

Taxies in Washington are readily available and can be hailed from curbside. Washington uses a "zone" system for determining fares. This can be confusing for first-time visitors, as fares can vary widely when only short distances are involved. *Tipping: usually about 10%.*

#### Hotel

Lincoln Suites Downtown  
1823 L St., NW  
Washington, DC 20036

Telephone: (202) 223-4320  
Fax: (202) 293-4977

The Lincoln Suites is a "suites" hotel, rooms with a sitting area and a small kitchenette. Each room comes with a small refrigerator, coffee maker and microwave oven. Telephones have voicemail and a separate dataport for computer modems. Complimentary newspapers are provided each weekday. A complimentary continental breakfast is provided on weekends and fresh baked cookies and milk are served every evening in the lobby. Room service is available through a local Italian restaurant. The hotel offers free passes to Bally's Fitness Center—a two (2) block walk from the hotel.

There are two Metro (subway) stations within two (2) blocks of the hotel. Over 50 restaurants and shops are within an easy walk of the hotel.

#### Restaurants

Washington is the home of many fine restaurants offering cuisine from almost any part of the world. Check with the hotel staff or your tour staff for recommendations. Tipping in restaurants: normal is 15%, 20% for exceptional service and quality.

## **Museums**

The Smithsonian is composed of sixteen museums and galleries and the National Zoo and numerous research facilities in the United States and abroad. Nine Smithsonian museums are located on the National Mall between the Washington Monument and the Capitol. A three-level underground building that opened in 1987 houses two museums and the S. Dillon Ripley Center, which includes the International Gallery, offices, and classrooms. Five other museums and the Zoo are elsewhere in Washington, D.C., and both the Cooper-Hewitt, National Design Museum and the National Museum of the American Indian are in New York City.

*Smithsonian Museums on and near the National Mall in Washington, D.C.* Most Smithsonian museums in Washington, D.C., are open daily from 10 a.m. to 5:30 p.m.; all are closed December 25.

Extended spring and summer hours are determined annually. *Admission is free.*

### ***Smithsonian Institution Building (the Castle)***

Smithsonian Information Center: open 9 a.m. to 5:30 p.m. daily.

### ***Arts and Industries Building***

Changing exhibitions for Center for African American History and Culture 150 Years of Collecting (includes items from 1876 Centennial exhibition) Discovery Theater (for children).

### ***National Air & Space Museum***

History, science, and technology of aviation and space flight (IMAX theatres)  
VERY POPULAR!

### ***National Museum of American History***

History of science, technology, and culture in America.

### ***National Museum of Natural History***

History of the natural world and human cultures

### ***Arthur M. Sackler Gallery***

Asian art from ancient times to the present.

### ***Freer Gallery of Art***

Asian art and 19th- and early 20th-century American art.

***National Museum of African Art***

Collection, study, and exhibition of African Art.

***Hirshhorn Museum and Sculpture Garden***

Modern and contemporary art.

***National Museum of American Art***

Painting, sculpture, graphics, folk art, and photography; 18th century to the present, special exhibitions of American art.

***Renwick Gallery of the National Museum of American Art***

Permanent collection and exhibitions of American crafts.

***National Portrait Gallery***

Portraits of distinguished Americans.

***National Postal Museum***

History of postal communications and philately.

**Theatres**

***Ford's Theatre***

Ford's Theatre places a high priority on developing, nurturing and producing new American musicals and is one of only a few resident theatres able to provide a national showcase for such large-scale productions. Ford's second priority focuses on "American originals"—plays about influential and cherished Americans whose lives and works have enriched the cultural fabric of our nation.

Currently playing: "***Kudzu***" (musical comedy) Ticket prices \$28-40

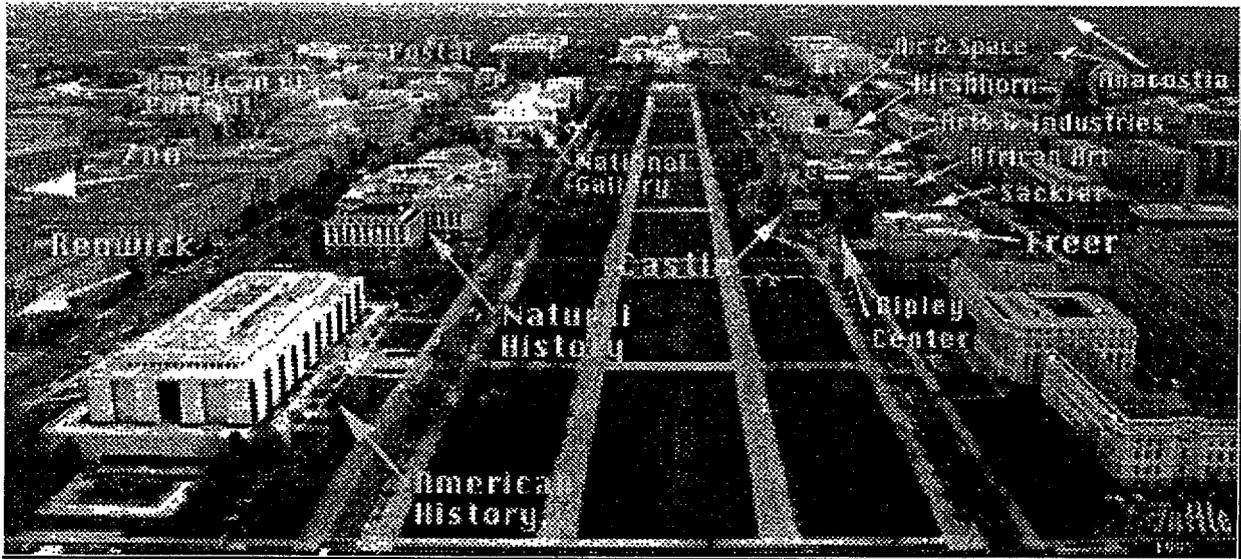
***Kennedy Center***

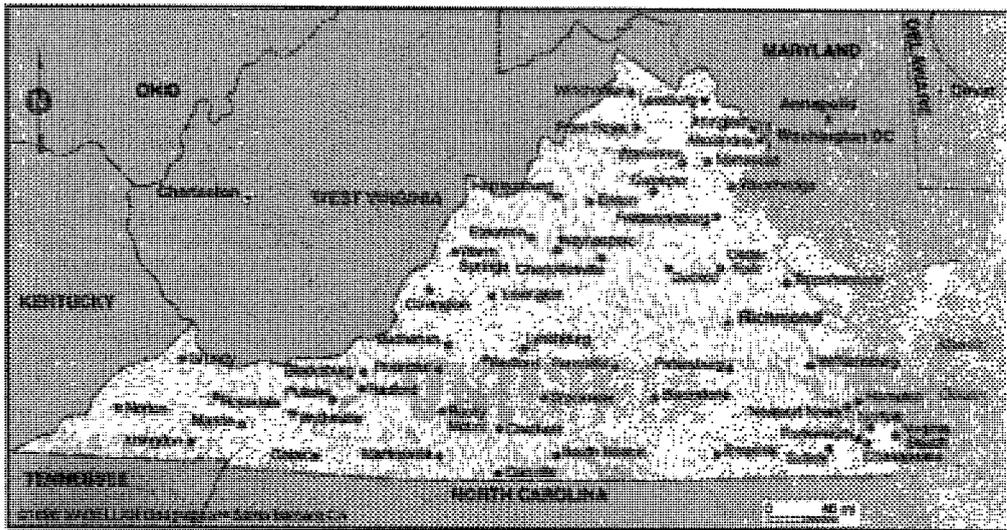
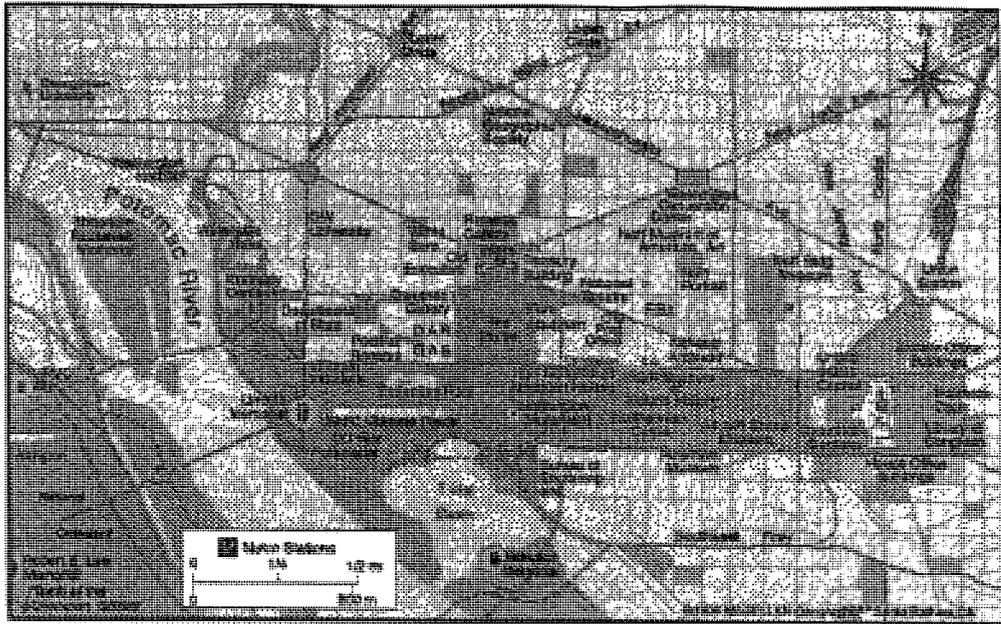
The Kennedy Center for the Performing Arts contains a number of theatres and concert halls. Check with hotel staff and in-room literature for current shows and concerts.

**Other Points of Interest:**

- Arlington National Cemetery
- Jefferson Memorial
- Washington Monument
- National Cathedral
- Lincoln Memorial
- Shrine of the Immaculate Conception

**Maps**





## **New York City**

### **Weather**

Weather in New York can be very warm in the summer (but a little cooler than Washington). Expect high temperatures of 32 C and lows of about 15C. Humidity can be high and rain is unpredictable. Bring light business and casual clothing as well as a raincoat and/or umbrella.

### **Transportation**

Taxis in New York are frequently difficult to find on the street, especially in rush hour or during rain. The hotel can assist in arranging taxis from the hotel.

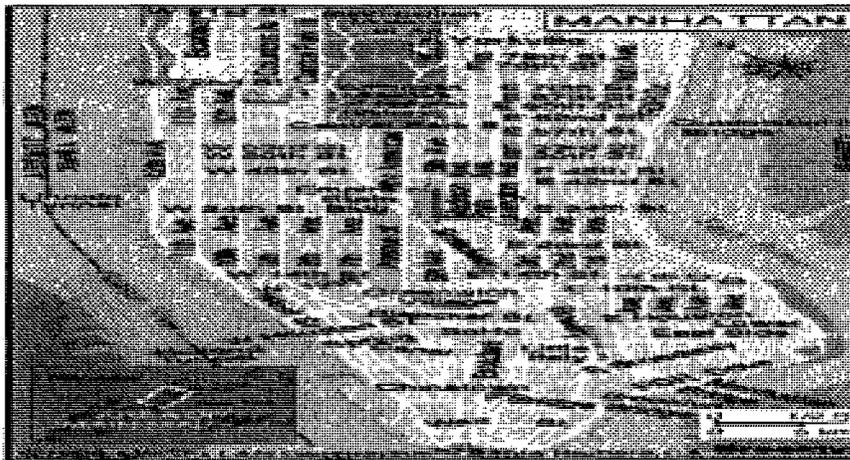
The New York subway system is one of the oldest in the U.S. While much improvement has taken place in making the system cleaner and safer, please avoid using the system unless someone with New York knowledge accompanies you.

### **Hotel**

Best Western Manhattan  
17 West 32<sup>nd</sup>. St  
New York, New York 10001

Telephone: (212)736-1600  
Fax: (212)790-2760

### **Map**



This is New York's only theme hotel. The lobby of this centrally located Beaux Arts building is decorated with drawings of different New York neighborhoods, and these in turn, provide a decorating motif for each guest floor. The hotel is flanked by a pair of restaurants. Tullio's Cafe offers Tuscan Italian cuisine and is open 24 hours a day and provides room service to guests. Tullio's Rooftop Sky Bar provides a unique Manhattan experience. On the other side of the hotel, also opening onto the lobby, Dae Dong serves eclectic Asian fare. The hotel offers 176 guest rooms including 35 suites. Amenities include complimentary continental breakfast, cable TV with on-demand movies, voice mail, coffee and coffee makers, irons and ironing boards. Bathrooms are equipped with hair dryers and many suites include Jacuzzi tubs. A modern business center provides facilities for faxing, photocopying and computing including Internet access. The conference room accommodates 65 people and is equipped with audiovisual equipment. The fitness center features state-of-the-art aerobic and workout machines.

### **Restaurants**

Like Washington, New York City is justly famous for its restaurants and variety of cuisine. Check with the tour staff and hotel staff for recommendations. Tipping in restaurants: normal is 15%, 20% for exceptional service and quality.

### **Museums**

- **The Pierpont Morgan Library.** The repository of one of the world's finest collections of rare books, prints, and incunabula. Don't miss J.P.'s own study and library within. 29 E. 36th St., tel. 212/685-0008. Suggested contribution: \$5 adults, \$3 students and senior citizens. Open Tues.-Fri. 10:30-5, Sat. 10:30-6, Sun. noon-6.

- **The American Museum of Natural History.** There's something for everyone in this collection of more than 30 million artifacts. The lifelike dioramas and newly restored dinosaur collection are especially popular with kids. Museum: tel. 212/769-5100. Suggested contribution: \$6 adults, \$4 senior citizens and students, \$3 children. Open Sun.-Thurs. 10-5:45; Fri.-Sat. 10-8:45. Planetarium: tel. 212/769-5920. Admission: \$5 adults, \$4 senior citizens and students; \$2.50 children 2-12; \$8.50 for laser show. Open weekdays 12:30-4:45, Sat. 10-5:45, Sun. noon-5:45. Naturemax Theater film: admission: \$6 adults, \$5 senior citizens and students, \$3 children under 13. Call 212/769-5650 for show times.

- **The Guggenheim Museum.** Since the opening of the new Tower Galleries annex in 1992, the Guggenheim has been able to display some of the extraordinarily large pieces from its phenomenal collection of modern art. 1071 5th Ave., at 88th St., tel. 212/423-3500. Admission: \$7 adults, \$4 students and senior citizens, children under 12 free. Joint admission to both branches of the Guggenheim, \$10 adults, \$6 students and senior citizens. Open Sun.-Wed. 10-6, Fri. and Sat. 10-8.

■ **The Cloisters.** The Metropolitan Museum's medieval collection is housed in an annex on a peaceful wooded hilltop in Washington Heights, near Manhattan's northernmost tip. Don't miss the room full of unicorn tapestries. Fort Tryon Park, tel. 212/923-3700. Suggested contribution: \$7 adults, \$3.50 senior citizens and students. Open Tues.-Sun. 9:30-5:15. Closes at 4:45 Nov.-Feb.

■ **The Metropolitan Museum of Art.** Simply one of the world's greatest museums. Select one or two galleries, but don't leave without visiting the European Sculpture Court. 5th Ave. at 82nd St., tel. 212/535-7710. Suggested contribution: \$7 adults, \$3.50 students and senior citizens, children under 12 free. Open: Tues.-Thurs. and Sun. 9:30-5:15, Fri. and Sat. 9:30-8:45.

■ **The National Museum of the American Indian.** Opened in fall 1994, this is the first national museum dedicated to Native American culture; housed in the Alexander Hamilton Custom House in Lower Manhattan. 1 Bowling Green, tel. 212/668-6624. Admission free. Open daily 10-5.

## Theatres

Theatres in New York are incredibly numerous, offering the latest in Broadway entertainment or experimental theatre. Refer to literature in your hotel rooms for current theatre offerings.

## Other Points of Interest:

- Empire State Building
- Chrysler Building
- World Trade Center
- *Rockefeller Center*
- Radio City Music Hall
- *United Nations*
- Statue of Liberty
- *Ellis Island*
- Central Park

## **PLANNED CULTURAL ENRICHMENT ACTIVITIES**

### **Washington, DC**

#### ***Tour of U.S. Capitol and Legislative Branches (Wednesday, June 3)***

This tour will comprise the capitol building and the two legislative branches, the Senate and the House of Representatives.

#### ***Tour of Colonial Williamsburg (Saturday, June 6)***

Colonial Williamsburg, a 1-mi-/1.6-km-long area of preserved buildings. It has more than 20 nationally acclaimed historical attractions depicting colonial times and other eras in U.S. history. Begin your visit by viewing the orientation film at the visitors center—it'll ensure that you get the most out of your visit. Then head out into the streets and take in the sights (it costs nothing to stroll through the area, but tickets are required to enter the buildings and museums). The re-creation of colonial times is truly fascinating—you can watch skilled craftspeople hand-stitch shoes, make musical instruments and even sew together powdered wigs, using the tools and techniques of colonial times. Stroll leisurely through the streets listening to the sound of the blacksmith's hammer, have a bite to eat in a period tavern (be sure to sample Southern spoon bread) or visit an apothecary (stocked with the cure-all herbs of the time).

There are 80 or so restored buildings in total, among them a jail, a mental hospital and the governor's palace. About 100 gardens and greens provide a beautiful setting. There's street theater as well—military parades, elaborate carriages, musicians and horse-drawn wagons may be around any corner. And you never know who will happen by: One actor plays Thomas Jefferson and remains in character while chatting with visitors.

There are some related attractions in the vicinity of the historic district. Bassett Hall was built in 1760 and used as a family home by John D. Rockefeller Jr. for 40 years. Items from his wife's American folk-art collection are on display at the house, as well as at the Abby Aldrich Rockefeller Folk Art Center.

#### ***Visit to Potomac Mills Mall (Saturday, June 6)***

Potomac Mills Mall is a large, "factory outlet" mall, where manufacturers sell directly without distributing through retailers. As a result, prices are generally very reasonable. The mall will be a stop on our return from Williamsburg.

#### ***Private Tour of the White House (Tentative for June 2)***

This is a very difficult tour to receive. The group is on a wait-list to see if the tour can be arranged. We will keep you updated.

**New York City**

*Tour of the New York Stock Exchange (Wednesday, June 10)*

*Tour of New York City (Tuesday, June 9)*

## **Chevy Chase Savings Bank, FSB**

7700 Old Georgetown Rd.

Bethesda, MD 20814

Tel. 301-907-5569

## **The Mortgage Origination and Servicing Process in Mortgage Banking**

### **Speakers**

- Mr. John Tharrington, VP Wholesale Lending Division
- Mr. Bob Broeksmit, President, B.F.Saul Mortgage Company
- Ms. Vicky Parry, VP Mortgage Loan Servicing
- Mr. Scott Watanabe, Information Systems

### **Company Background**

Chevy Chase Bank, FSB is one of the few financial institutions founded, owned and headquartered in the Washington metropolitan area. The bank's local commitment to home ownership was solidified when the B.F. Saul Mortgage Company was acquired as a subsidiary in 1984. The following is a brief profile of the bank:

- Founded in 1969.
- Part of the B.F. Saul family of companies operating since 1892.
- Assets over \$6 billion. Operates 140 branches and over 650 ATMs.
- Wholesale mortgage lending operation covers entire east coast of U.S. and is expanding.
- Currently services over \$4.8 billion in mortgages representing 40,000 loans.

### **Presentation Outline**

- Origination and origination avenues
- Loan Sales
- Loan Servicing
- Cost Structure and Margins
- Information Systems

**Weichert Realtors**

6610 Rockledge Drive, Suite 100  
Bethesda, MD 20817  
Tel. (301) 718-4111  
Fax. (301) 718-4144

**Metropolitan Regional Information Systems, Inc.**

9420 Key West Avenue, Suite 200  
Rockville, MD  
Tel. (301) 838-7100

**Residential Home Sales and Information Technology****Speakers**

Mr. Bruce Green  
Regional Vice President  
Weichert Realtors

Mr. Dale Ross  
Chief Executive Officer  
Metropolitan Regional Information Systems, Inc.

Mr. Jonathan Hill  
Chief Administrative Officer  
Metropolitan Regional Information Systems, Inc.

Mr. Sam Jackson  
Director of Education and Business Development  
Metropolitan Regional Information Systems, Inc.

**Company Background**

Weichert Realtors is the nation's largest individually owned real estate company with over 200 offices and 7,500 salespeople linking buyers and sellers worldwide. Weichert Realtors is supported by a family of companies which include Mortgage Access Corp., Weichert Title and Weichert Insurance.

**Presentation Outline**

- How the Realtor works with the purchaser and the seller in real estate transactions.
- Description and demonstration of how information on "for sale" and "sold" properties is conveyed to Realtors and the public.

## **Mortgage Banker's Association of America**

1125 15<sup>th</sup> St. NW

Washington, DC 20005

Tel. (202) 861-6500

Fax. (202) 828-1665

### **Association Services: Analysis, Technology and Forecasting in Mortgage Banking**

#### **Speakers**

- Mr. Doug Duncan
- Ms. Tiffany Rowan
- Mr. Brian Carey
- Mr. David Lereah
- Mr. Lyle Gramley

#### **Company Background**

The Mortgage Bankers Association of America (MBA) is a national association representing the real estate finance industry. The MBA works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership prospects through increased affordability; and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters excellence and technical know-how among real estate finance professionals through a wide range of educational programs and technical publications. Its membership of over 2,800 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, life insurance companies and others in the mortgage lending field.

#### **Presentation Outline**

##### **I. MBA Research Division Analytical Output**

- A. Company Performance Data (Tiffany Rowan 0900-0930)
- B. Market Data (Brian Carey 0930-1000)
- C. Policy Analysis (Doug Duncan 1000-1010)
- D. Conferences (Doug Duncan 1010-1020)

##### **II. Technology In Mortgage Banking (Doug Duncan 1020-1040)**

- A. Production Technology
- B. Workflow
- C. Servicing

III. Forecasting (David Lereah or Lyle Gramley 1040-1110)

A. Macroeconomic Forecast

B. Housing Forecast

IV. Questions and answers

**MorBanc Financial Corp.**  
712 Rugby Road  
Charlottesville, VA 22903  
Telephone (804) 296-1314  
Fax. (804) 977-6966

## **Securitization: Advanced Technology for Credit Delivery**

### **Speaker**

Mr. Michael BeVier  
Chairman and co-founder

### **Company Background**

Founded in 1984, MorBanc became one of the first companies to design and issue structured mortgage securities. MorBanc brought a number of innovations to structured securities, including:

- The first multi-class zero coupon mortgage securities;
- More efficient structuring computations to maximize proceeds from specific mortgage pools;
- The first to use stripped mortgage securities to collateralize multi-class bonds;
- The first private issuer to list mortgage securities in Europe; and
- The first issuer to structure multi-class securities using below market-rate mortgages from banks and thrift institutions.

MorBanc has also served as a consultant to banks and insurance companies and other financial institutions seeking to securitize automobile loans, high-yield bonds, and commercial receivables. In 1993, MorBanc assisted the US Agency for International Development to modernize the financial markets of Sri Lanka. Mr. BeVier made over nine trips to Sri Lanka between 1993 and 1996, serving as a consultant to the Central bank of Sri Lanka. In the Spring of 1997, Mr. BeVier spent time in Cairo, designing a USAID program to assist the Central Bank of Egypt in controlling Egypt's money supply.

### ***Presentation Outline***

Securitization as a technological revolution in credit intermediation:

- The Old Model: Banks as Utilities
- A stable but inefficient system
- The old model cracks under competitive/regulatory pressures
- Securitization vs. bank lending: fundamental efficiencies

The mechanics of securitization: Two examples:

- *Asset-backed commercial paper*
- Mortgage-backed securities with multiple tranches

### **Key elements of the legal/tax environment**

### **Future implications**

- Growth in securitization
- Competitive pressure on traditional lending

**Fannie Mae**

3900 Wisconsin Avenue  
Washington, DC 20016-2892  
Telephone (202) 752-4618  
Fax. (202) 752-5460

**Automation, Multifamily Lending and Pipeline**

Management for Mortgage Lenders

**Speakers**

- Mr. Michael Koch, Director of Technology Marketing
- Mr. Van McNair, Director, Multifamily Risk Management
- Ms. Peggy Cullom, Director, Multifamily Operations
- Mr. Rob Spellman, Director, Corporate Development

**Company Background**

Fannie Mae is America's largest supplier of conventional home mortgage funds, as well as the nation's largest corporation in terms of assets. After the U.S. Treasury, Fannie Mae is the largest issuer of debt in the United States. Fannie Mae's mission is to help make the dream of homeownership a reality for more American families. Since its inception in 1938, Fannie Mae has pursued its mission by providing financial products and services that increase the availability and affordability of mortgage credit for low-, moderate, and middle-income Americans.

**Presentation Outline**

- ***Automation Technology: Fannie Mae's Desktop Originator and Desktop Underwriter Automated Technology Demonstration (0830-1100)***
  - Demonstration of Fannie Mae's Customized Automation Software Technology for Mortgage Lending Systems (Mr. Michael Koch)  
Lunch (1100-1300)
- **Multifamily Origination and Servicing (1300-1500)**
  - *Multifamily origination and risk management (Mr. Van McNair)*
  - *Multifamily servicing operations (Ms. Peggy Cullom)*
- **Managing a Mortgage Pipeline (1500-1700)**
  - Pipeline Management and Secondary Marketing from a Lender's perspective (Mr. Rob Spellman)

### ***Charter One Mortgage***

2812 Emerywood Parkway  
Richmond, VA 23294  
Telephone (804) 756-6894  
Fax. (804) 756-6954

### ***National Mortgage Loan Servicing, Technology and Servicing Rights***

#### ***Speakers***

- *Mr. Mike Stank, Vice President, Customer Service and Escrow Administration*
- *Ms. Jan Layne, Vice President, Investor Accounting*
- *Ms. Gloria Evans, Vice President, Default Administration*
- *Ms. Donna Pedigo, Senior Vice President, Loan Administration*
- *Ms. Tanya Jones, Manager, System Support*

#### ***Company Background***

*Charter One Mortgage Corp. (COMC) is the mortgage banking subsidiary of Charter One Bank, FSB, Cleveland, Ohio. COMC headquarters and servicing operations are located in Richmond, Virginia. COMC has 39 loan production offices in 13 states. The company also originates mortgages nationwide through a telesales unit called Charter One Direct. In 1997, COMC originated over 15,000 loans for a total of \$1.7 billion. Over 90% of the company's originations are retail; the remainder are wholesale/correspondent. COMC has a servicing portfolio of 230,000 loans with an outstanding balance of \$16 billion. In addition to the major conduits—Fannie Mae, Freddie Mac and Ginnie Mae—COMC services loans for pension funds, insurance companies, commercial banks and other private investors.*

#### ***Presentation Outline***

- ***Servicing on a national basis (1000-1200)***
  - *Customer service*
  - *Disbursements*
  - *Payoffs*
  - *Lockbox and ACH*
  - *Investor Reporting*
  - *Defaults*

*Lunch (1200-1230)*

- **Technology (1230-1400)**

- *Interface from front-end system to CPI*
- *CPI system*
- *VRU*
- *RAID*
- *Passport*
- *Dialer*
- *Fannie Mae Risk Profiler*
- *Interfaces to vendors*
- *Payoff autofax*
- *Personal computers*
- *Internet*

- **Purchase and Sale of Servicing Rights (1400-1500)**

- *Concepts*
- *Formation of sale package*
- *Bidding process*
- *Contract negotiation*
- *Conversion*

**Federal Home Finance Board**

1777 F St. NW

Washington, DC 20006

Telephone (202) 408-2991

Fax. (202) 408-2850

**Regulation and Supervision of Banking Institutions in the  
US Housing Finance System**

**Speaker**

Dr. Scott L. Smith  
Deputy Director  
Program Development Division  
Office of Policy

**Company Background**

The Federal Home Loan Bank System was created in 1932 to supply funds to local lenders that, in turn, finance loans for home mortgages. The FHLBank System comprises 12 separate, regional Federal Home Loan Banks, each of which is a private, member-owned institution meeting the credit needs of its community. Presently, more than 6,000 locally owned banks, thrifts, credit unions, and insurance companies own stock in the 12 regional FHLBanks. Stock ownership gives these members access to low-cost funds that the FHLBanks raise in the capital markets, which the FHLBanks advance to the members for home mortgage and community development projects. Each FHLBank has its own management, employees, and board of directors. The Federal Housing Finance Board is both the safety-and-soundness regulator and program regulator of the FHLBanks, and the Finance Board is the issuer of consolidated debt for which the FHLBanks are jointly and severally liable.

**Presentation Outline**

- Development of S&Ls and the Great Depression
- Establishment of FHLBank System and insurance provisions
- Development and then problems with long-term fixed rate mortgages
- The Savings and Loan Debacle during the 1980s
- A new version of the FHLBanks System emerges
- The development and current role of secondary markets
- Current issues--mission regulation, privatization of GSEs

**1<sup>st</sup> American Credco**

333 Earle Ovington Blvd., Suite 300

Uniondale, NY 11553

Telephone (516) 832-3400

Fax. (619) 637-3710

**Credit Reporting and Title Insurance in the Housing Finance Process****Speakers**

- Mr. Rick Hearn, Sr. Vice President, Regional Sales Director
- Mr. Tom Busca, Regional Vice President

**Company Background**

1<sup>st</sup> American-Credco is the nations' number one provider of credit reports to lending institutions. Additionally, 1<sup>st</sup> American Title Insurance is the nation's largest title insurance underwriter. The meeting will be held in the company's operations center in Uniondale, NY (on Long Island).

**Presentation Outline**

- Credit, Credit Bureaus, and Point Scoring
- Title and Title Insurance

***Credit Suisse- First Boston***

11 Madison Ave.

New York, NY 10010-3629

Tel (212) 325-6061

Fax (212) 325-8161

**Commercial Lending and Securitization**

**Speakers**

- Mr. Joseph Rubino, Vice President, Structured Finance
- Mr. Gary Hall, Vice President

**Company Background**

CREDIT SUISSE FIRST BOSTON is one of the world's leading corporate and investment banking firms. Credit Suisse First Boston provides a comprehensive range of financial advisory, capital raising, research, sales & trading and financial products for users and suppliers of capital around the world. The company operates in over 50 offices across more than 30 countries, and has approximately 12,000 employees.

CREDIT SUISSE FIRST BOSTON is part of the CREDIT SUISSE GROUP, one of the world's leading financial services groups. CREDIT SUISSE GROUP also includes Swiss domestic banking, private banking, institutional asset management and the Winterthur insurance businesses.

**Presentation Outline**

- Commercial Loan Underwriting
- Commercial Loan Securitization

**Bates and McDonough**  
363 Eddy Street  
Providence, RI 02903  
Telephone (401) 273-7710  
Fax. (401) 273-7410

## **Real Estate Appraisals in a Developing Economy**

### **Speaker**

Mr. Mark Bates, MAI, CRE

Mr. Bates specializes in real estate consulting in Eastern Europe. He has provided consulting services and training programs for the U.S. Treasury in Albania, Lithuania and Poland. Mr. Bates developed the program "raising Capital in a Developing Economy" for the Eastern European Real Property Foundation/USAID for presentation in Slovakia and Romania. Additional activities have included delegation participation in Latvia and Russia. Mr. Bates is currently providing consulting services to the National Bank of Poland in the area of real estate appraisal standards and regulation.

### **Company Background**

Bates and McDonough, Inc., is a team of experienced real estate professional specializing complex appraisals, portfolio valuations, litigation strategies and international consulting. The staff includes experts trained in real estate economics, principals and valuation methodology, with the expertise to explore and apply the appropriate techniques to specific types of property. Cutting edge technologies, including GIS and internet research, are employed to provide an efficient, disciplined and responsive approach to the dictates of a rapidly changing market.

### **Presentation Summary**

As Poland rapidly moves toward membership in the European Union, real estate will provide the equity to jump-start development. Accurate real estate valuations are a critical component of the development lending process. The presentation will focus on what to look for in a real estate appraisal, the three approaches to value, potential sources of data and the marriage of technology and valuation analysis.

**Standard & Poor's**  
25 Broadway  
New York, NY 10004  
Tel (212) 208-8000  
Fax (212) 208-1900

## **The Credit Rating Process in Residential Lending Structured Finance**

### **Speakers**

- Mr. Mike Stock
- Mr. Chris Moriarty
- Ms. Wendy Dolberer

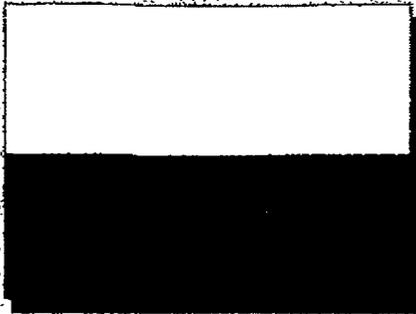
### **Background**

Standard & Poor's is the world's leading credit rating agency, having rated more than \$2 trillion in outstanding public and corporate debt. S&P's rating symbols provide investors with easily understood symbols of an issuer's credit strength—ranging from the highest rating, "AAA", to the lowest, "D". With more than 800 analysts in offices around the world, S&P's analyses, monitoring, and comprehensive publications enable investors to better balance risk with return.

### **Presentation Outline**

- I. Standard & Poor's Corporation
  - A. Definitions of creditworthiness
  - B. Objectivity of the organization
  - C. Issuer benefits
  - D. Investor benefits
  - E. The committee process
- II. The Mortgage Market
  - A. The primary market
  - B. The secondary market
  - C. Market size
- III. The primary market
  - A. Originators
  - B. Sources of funds
  - C. Products

- IV. The secondary market
  - A. Definitions
  - B. Flow of funds for liquidity by product type
  
- V. The role of government housing agencies
  - A. Goals
  - B. Policies
  
- VI. The Ratings Process
  - A. The players
  - B. Underwriting due diligence
  - C. Servicing due diligence
  - D. Collateral analysis
    - 1. The Loss Model
    - 2. Underwriting guidelines
    - 3. Mortgage scoring
    - 4. Loss severity assumptions
  
  - E. Closing a deal
    - 1. Structural analysis
  
  - F. Surveillance



**UNITED STATES AGENCY FOR  
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DEVELOPMENT AND THE  
POLISH BANKER'S  
ASSOCIATION**



**This is to certify that**

**has successfully completed training in the  
*United States Housing Finance System*  
through an instruction course conducted in Warsaw, Poland on  
January 23-29, 1998 and through a United States Study Tour in  
Washington, DC and New York City from June 1- 12, 1998.**

*June 12, 1998*

**Sally R. Merrill**



THE URBAN INSTITUTE



**Howard W. Kane**



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