

**Call for Papers for
One-Day Symposium:
Improving Assessment of the Default Risk of Single-Family Mortgages**

**Jointly Organized by the
Federal Deposit Insurance Corporation's Center for Financial Research and
the Federal Housing Finance Agency**

The FDIC's Center for Financial Research and the Federal Housing Finance Agency (FHFA) invite submissions for a one-day symposium on "Improving Assessment of the Default Risk of Single-Family Mortgages" to be held in Arlington, VA, on Wednesday September 16, 2009.

The performance of single-family mortgages in the U.S. has deteriorated sharply since mid-2005, revealing weaknesses in existing methods for predicting mortgage defaults and estimating default loss severities. Events have shown there is need for improvement in the data and models used to assess single-family mortgage default risk and in the processes and controls surrounding models used in the mortgage lending process. This symposium will provide a forum to discuss the causes of recent experience and ways to improve the assessment of single-family mortgages default risk, as well as policy issues raised by the use of automated underwriting systems and mortgage scoring in the lending process. The program committee encourages the submission of papers on topics such as the following:

- Default risk assessment
 - Definition of default
 - Historical data series used to estimate single-family mortgage default risk
 - Approaches to estimation of the default risk of different types of loan products
 - Why models missed the recent deterioration in performance
 - Models of house price dynamics and their role in default risk estimation
 - Variation of mortgage default risk by house price tier
 - Challenges of model validation
 - Single-family mortgage default risk and fraud
 - Use of default risk assessments in mortgage lending and servicing decisions
 - Effect of government mortgage support programs on mortgage default rates
- Estimation of default loss severity
 - Approaches to estimation of mortgage default loss severity
 - House prices and mortgage default loss severity
- Modifications of delinquent/defaulted/at-risk mortgages
 - Pros and cons of alternative approaches to modifying mortgage loans
 - Effects of loan modifications on mortgage default loss severity
 - Behavior of modified mortgage loans
 - Estimation of the "re-default" risk of modified mortgages

- Technology and single-family mortgage lending
 - Historical performance of scoring technology in underwriting and servicing single-family mortgages
 - Use of scoring technology to evaluate the default risk of non-traditional mortgages
 - Effects of the use of automated underwriting systems on the performance of single-family mortgages
- Policy issues
 - Provisioning for loan losses on single-family mortgages
 - Potential effects, including potential changes in default rates, of requiring lenders to retain an interest in single-family mortgages they originate that are securitized
 - Uses of models of single-family mortgage default in the lending process
 - Ways to improve processes and technologies used to evaluate single-family mortgage default risk
 - Approaches to standardizing the measurement of single-family mortgage default risk
 - Potential effects of such standardization on the safety and soundness of financial institutions and innovations in risk measurement and management

Section 1602 of the Housing and Economic Recovery Act of 2008 (HERA) requires FHFA to conduct a study of “ways to improve the overall default risk evaluation used with respect to residential mortgage loans...” and to focus “particular attention... [on] the development and utilization of processes and technologies that provide a means to standardize the measurement of risk.” FHFA intends to publish the papers presented at, and the proceedings of, the symposium in fulfillment of this statutory requirement. No submitted paper will be quoted or used without permission of the author.

Paper Submission Procedure:

Papers will be selected for presentation based on reviews by the organizing committee. Expenses for travel, food, and lodging will be reimbursed for paper presenters. Papers must be submitted for consideration by June 30, 2009. Authors will be notified about the status of their papers by July 31, 2009.

Please submit papers as “pdf” attachments to an e-mail sent to:

MortgagePapers@fdic.gov

Please name the file “Your last name.pdf.” For more information, contact:

Contact: Paul Kupiec
 Tel.: (202) 898-6768
 Email: pkupiec@fdic.gov

Contact: Robert S. Seiler, Jr.
Tel.: (202) 414-3785
Email: Robin.Seiler@fhfa.gov