

# NATIONAL MORTGAGE NEWS

VOLUME 33 / NUMBER 5

THE NEWSWEEKLY FOR AMERICA'S MORTGAGE INDUSTRY

MONDAY, OCTOBER 20, 2008

c. 8,498

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AT THE MBA ANNUAL

NATIONAL MORTGAGE NEWS OCTOBER 20, 2008

## New Tide of Regulation May Hamper Mortgage Executives

BY BRIAN COLLINS

Lou Pizante always seems to be thinking about what is coming around the bend and right now he sees regulation coming on fast that could put the mortgage industry in a straight jacket.

"The pendulum is going to swing very fast," the chief executive of Mavent said. The government is trying to fix the credit markets

and "there is going to be risk to product innovation and competition," he says. "The industry is really in for a pretty big battle and significant change."

The software service provider is concerned lawmakers and regulators want lenders to go back to basics and offer borrowers simpler mortgage products.

"If regulation forces everyone to offer the exact same product," he said, "it will impact

competition and differentiation within the marketplace."

Meanwhile, the credit crisis has accelerated industry consolidation, creating even bigger players in the mortgage industry. So you could have a handful of very large institutions offering "very similar products," Mr. Pizante said in an interview.

The CEO has worked in structured finance at Greenwich Capital Markets. He also has

worked at Nomura Asset Capital, Goldman Sachs and Deloitte & Touche.

At Mavent, Mr. Pizante runs a company based in Irvine, Calif., that evaluates mortgages and whole portfolios for consumer protection violations and litigation risks.

"Our clients use us when they are originating loans, purchasing loans or acquiring an institution," he said.

He says the Treasury Department should be careful in purchasing mortgage assets under the new Troubled Asset Relief Program.

"I think to the extent possible, the federal government should require the seller to certify that those loans comply with consumer protection laws," he said. Treasury also could conduct post-acquisition reviews, he said, which would identify borrowers who might benefit from loan modifications.

"If the government is not properly analyzing the regulatory and litigation risk, it cannot properly price these assets," Mr. Pizante said.