

ANN B. SCHNARE
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PROFESSIONAL EXPERIENCE

AB SCHNARE ASSOCIATES, LLC, Washington, DC 2000-present

Provide a range of consulting services, including economic, financial and market analyses, public policy development and positioning, litigation support, and regulatory compliance. Focus on financial services, consumer credit, credit risk, mortgage performance, credit scoring, mortgage and housing markets, and fair lending. Clients include financial institutions, trade associations, law firms, and consulting companies. (See Attachment.)

FREDDIE MAC, McLean, VA 1993-2000

Senior Vice President, Corporate Relations 1996-2000

Led Corporate Relations Division of 85 professionals with a \$32 million budget, reporting directly to the Chairman/CEO. Served on a variety of executive management committees, including the Operating and Strategy Committee, the Credit Policy Committee, and the Board of Directors of the Freddie Mac Foundation. Responsibilities included industry relations, corporate communications, public policy development and philanthropic giving. Represented the corporation at numerous industry meetings and public forums.

Vice President, Housing Economics and Financial Research 1993-1996

Managed a staff of 60 economists and financial analysts, reporting to the CFO. Directed the corporation's financial modeling and economic research on housing and mortgage markets. Responsibilities included the development and maintenance of key business models (default and prepayment behavior, capital allocation, mortgage costing, house price appreciation), economic forecasting, market analysis and policy research.

ICF, INCORPORATED, Fairfax, VA 1987-1993

Senior Vice President; Member, Board of Directors 1989-1993

Established a premier consulting practice in Housing and Community Development at a large engineering and consulting firm. Increased revenues from \$150K in 1987 to \$6 million in 1993. Member of the holding company's management committee. Provided research and technical assistance to both public and private sector clients, focusing on financial analysis, housing finance, capital needs assessments, program design and implementation, and program evaluation.

THE URBAN INSTITUTE, Washington, DC

1984-1987

Director of the Center for Public Finance and Housing

Directed the Institute's research on housing and community development, urban transportation and public finance. Published seminal work on the relationship between welfare and housing assistance.

URBAN SYSTEMS RESEARCH AND ENGINEERING, Cambridge, MA

Vice President; Member, Board of Directors

1978-1984

Directed the company's consulting practice in housing and community development. Managed the 30-person Washington DC office.

THE URBAN INSTITUTE, Washington, DC

1974-1978

EDUCATION

Ph.D., Economics, Harvard University, Cambridge, MA; 1974

BA, Summa Cum Laude, Washington University, St. Louis, MO; 1969

PROFESSIONAL AFFILIATIONS

Center for Housing Policy: Chair (2000-2006); Board Member (1993-present)

Child Trends: Chair (2003-2006); Board Member (1999-present)

National Housing Conference: Second Vice President (1998-1999); Secretary (1997); Executive Committee (1994-present); Board of Directors (1987-present)

Harvard Joint Center for Housing Studies: Policy Advisory Committee, 1993-1999

Weimer School Fellow: 2000 – present

Project Performance Corporation: Board of Directors: 1993-2004

Attachment: Selected Projects

1.0 Business Support

- **Mortgage Scoring Models and Underwriting Guidelines for Emerging Markets.** Under multiyear contract, supervising efforts to develop alternative underwriting guidelines and scoring models geared to the unique characteristics of recent immigrants, e.g., lack of traditional credit, multiple borrowers, undocumented income, etc. Involves extensive market research, analysis of industry underwriting guidelines, development of rules-based automated underwriting system, default and prepayment modeling, and creation of a mortgage scoring model that incorporates non-traditional credit data.
- **Subprime Lending.** Worked with a large mortgage insurer to assess the impact of recent developments in the subprime market on the industry's potential loss exposure and future demand for mortgage insurance. Previously, worked with a large diversified financial company to prepare a communications and positioning strategy for its subprime mortgage subsidiary and to benchmark its performance against other lenders.

2.0 Policy Analysis/Legislative and Regulatory Support

- **Conforming Loan Limits.** Evaluated the impact of raising the conforming loan limit in high cost markets. Estimated regional differences in housing prices, the relationship between local housing prices and mortgage type, and the number and types of borrowers who would stand to benefit from proposed legislation.
- **Federal Home Loan Banks.** Designed and managed a research agenda to demonstrate the value-added of the Federal Home Loan Bank System to policy makers and other key constituents. Used call reports and HMDA data to examine the impact of advances on FHLB members' ability and willingness to originate and invest in mortgages. Prepared and delivered briefings to housing advocates, industry representatives, regulators, and Congressional staff.
- **GSE Affordable Housing Goals.** Worked with several companies and trade associations to help them structure and draft comments to HUD's proposed revisions to the GSE Affordable Housing Goals. Assessed the appropriateness of proposed targets and the types of transactions that should be included in the goals.
- **FCRA Reform.** Evaluated the impact of state and local proposals to limit the amount and kinds of data included in consumers' credit files. Used generic and industry-specific scoring models to assess effects on the cost and availability of different types of credit. Supported a coalition of financial services companies in efforts associated with the renewal of the Fair Credit Reporting Act (FCRA.)

- **RESPA Reform.** Examined the impact of HUD's proposed RESPA regulations on the competitive structure of the real estate and mortgage industries, focusing on the bundling of settlement services. Report was submitted as part of the client's comment letter to HUD.
- **FHA Risk Sharing.** Modeled the financial impact of a proposed risk-sharing program between private mortgage insurers and FHA, and documented consumer benefits. Conducted numerous briefings to HUD, industry groups, consumer advocates, members of Congress and their staffs.

3.0 Economic and Market Analysis

- **Competition in the Real Estate Brokerage Industry.** Conducted a comprehensive analysis of the extent of competition in the residential real estate brokerage industry. Analysis included: the current structure of the industry; the diversity of product offerings; consumer preferences towards different types of service packages; and recent trends in commission rates.
- **The Impact of Nontraditional Credit Data on Consumers' Access to Credit.** Estimated how the reporting of utility and telecom trades would affect consumers' access to credit. Generic and industry-specific scoring models were used to explore impact on different types of credit, including cards, mortgages, and auto loans. Study found that the widespread reporting of such data would increase the number of consumers who could be scored, improve the accuracy of scoring models, and increase access to credit, particularly for lower income and minority consumers.
- **Credit Quality of FHA Loans.** Examined trends in the credit quality of single-family FHA loans and the resulting impact on FHA delinquency and foreclosure rates. Documented the adverse selection that occurred in the FHA portfolio, beginning in 1996.
- **Multifamily Finance.** Examined trends in the financing of multifamily housing, documenting the shift away from the thrifts in favor of banks, commercial mortgage-based securities (CMBS) and the GSEs.

4.0 Expert Witness/Litigation Support

- **RESPA.** Served as an expert witness in a class action lawsuit concerning the legality of yield spread premiums (Glover vs. Standard Federal et al.) Issues included: industry structure and practices; mortgage pricing; securitization; broker compensation; yield spread premiums (YSPs); and RESPA intent. Also provided expert support on fair compensation issues related to title re-insurance.
- **Fair Lending.** Served as a consultant to counsel to assess evidence regarding yield spread premiums, their impact on closing costs and the experience of protected classes. Have also used HMDA data to assess the implications for fair lending and a

company's potential exposure to regulatory scrutiny. Worked on a recent redlining complaint involving underwriting guidelines related to row houses.

- **Mortgage Insurance.** Served as expert witness in arbitration proceedings involving the rescission of mortgage insurance. Issues included: methodology and validity of economic analysis; industry practices with respect to quality control; and factors affecting loan performance.

5.0 International Experience

- **Private Mortgage Insurance.** Prepared a comprehensive positioning document on the benefits of private mortgage insurance designed to support a company's international marketing efforts. Addressed the benefits of homeownership to individuals and the economy, and the role that private MI could play in diversifying risk and improving the efficiency of EU mortgage markets.
- **Emerging Mortgage Markets.** Worked with the International Finance Corporation, participated in the development of a comprehensive "mortgage toolkit" designed to promote the development of mortgage lending in emerging African markets. Primary responsibility was to develop detailed underwriting guidelines and procedures that reflected local conditions and norms.