A Word With
DEAN WILLIAMS

THE ROAD THAT LIES AHEAD
Dean Williams Shares His Vision for the Future of Williams & Williams and Discusses REO Management Trends

Dean C. Williams is CEO and president, Williams & Williams Inc., where he also served as general counsel and COO from 1986-1990 and CEO from 1991-2000, before becoming president of the company in 2001. Williams is an honors graduate of Western Illinois University (B.A., M.A.), Georgetown University (J.D.) and is a licensed real estate broker in 38 states.

In addition to being awarded the Certified Mortgage Banker (CMB) designation from the Mortgage Bankers Association, Williams has served in the industry’s Future Leaders Program. He also serves on the board of the Oklahoma Mortgage Bankers Association and is a member of the Tulsa County, Oklahoma and American Bar Associations.

As colorful as he is thought-provoking and well-spoken, the always forward-thinking Williams recently sat down with REO Magazine to answer a few questions about his business and our industry.

What trends do you anticipate in REO management during the next few years?

Our company sees two big trends, both related to default servicing.

First, we anticipate a shift in responsibility (and therefore opportunity) to achieving pre-foreclosure workouts (short sales) from the borrowers to lenders. We feel there is emerging consensus that default servicers can and should become more proactive in actually reaching out to cash-strapped borrowers facing foreclosure with a solution that not only relocates them into more affordable housing, but also then agreeably mitigates the potential loss by a sale of the property pre-foreclosure.

Servicing management will be looking to not only lower losses, but also negate the possibility of negative headline risk that occurs with each foreclosure.

Second, we feel that there are analytics models being built today that will help default/REO management more accurately track the net returns of asset sales, so that better comparisons can be made between competing marketing strategies and their benefits to lenders and/or borrowers (in the case of equity).

This trend is being supported by the continuing scale up of internal automation and sales data, as well as the lenders’ desire to find and use best practices for asset sales that produce “full value” vs. just meeting sales quotas.

What is your vision for Williams & Williams in five years?

Within the mortgage banking industry, we will take on two primary roles that will both substantially increase ROI for loan investors and improve the financial performance of REO disposition. We also believe that by increasing the volume of pre-foreclosure workouts via new auction strategies (and by reference, radically decreasing the volume of foreclosures), everyone involved in the default process will win, from borrower to servicer to loan investor.

We will have continued to lead on the emerging use of auction technologies and processes that enhance the liquidity of real estate in the U.S., with increasing opportunities for expanding these services abroad.

Additionally, our retail private owners services (Farm, Ranch and Premier Properties) will attract additional individual sellers to the new auction environment, where both sellers and buyers receive not only greater net value, but also substantially more convenience and transparency regarding their selling and buying needs.

What challenges is your company facing today?

Proposed change for large financial institutions is a relatively slow process often requiring leadership buy-in. While the traditional real estate brokerage is under attack from many constituencies, not the least consumers, it remains a long-standing tradition to first “price” property for sale, and so challenging this status quo requires clear evidence of superior results. Greater efficiencies of course also typically threaten stakeholders in current practices.

In its first year, our REO division signed more than a dozen of the nation’s top 20 financial institutions. As of Q3 2005, we are averaging 35 days on market and 24 days from contract to closing, with a monthly turn ratio of more than 92 percent. These numbers should continue to improve as integration continues between ourselves and clients reduces the friction between acquisition/preservation and marketing/closing, with the additional benefit of reducing days of vacancy.

What is the company’s status quo?

Traditionally, property management is the nation’s top 20 financial institutions. As of Q3 2005, we are averaging 35 days on market and 24 days from contract to closing, with a monthly turn ratio of more than 92 percent. These numbers should continue to improve as systems integration continues between ourselves and clients reduces the friction between acquisition/preservation and marketing/closing, with the additional benefit of reducing days of vacancy.

What is the traditional real estate brokerage?

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