

20  
08

# MBA's 95th Annual Convention & Expo

Moscone West Convention Center, San Francisco

October 19–22, 2008



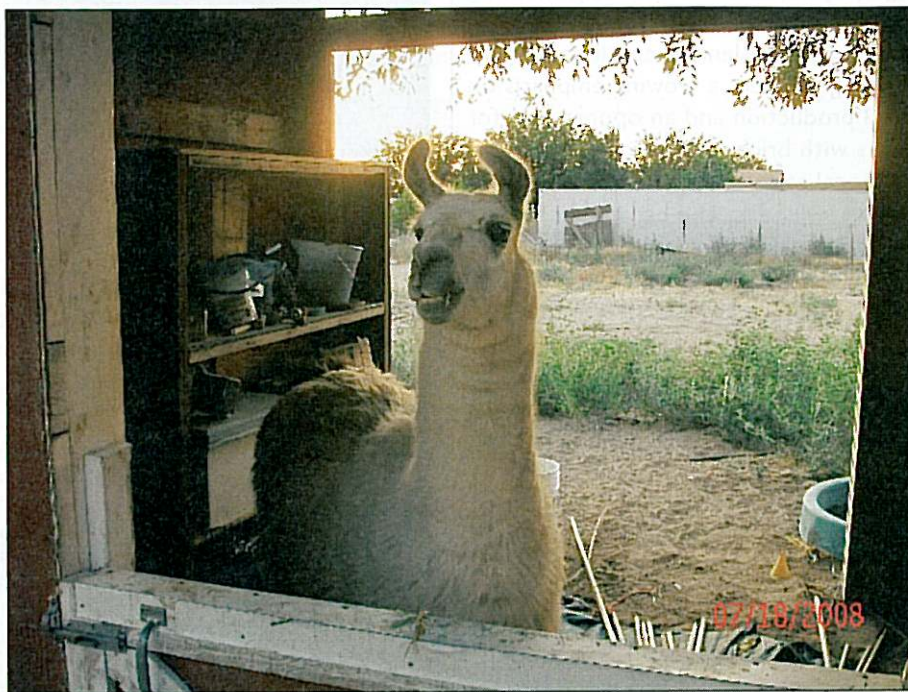
**Winning  
Strategies  
for the New Age**



**Mortgage Banking**

# Lending a Helping Paw

**A new nonprofit is trying to rescue pets that are left behind in the chaos of a foreclosure.**



and/or a note, and other times abandoning the animal without food or a forwarding address.

The result, as home inspectors and other real estate professionals are finding with alarming frequency, is that animals are being left behind for days or even weeks without access to food or water. They are being left to suffer before they are discovered either barely alive or long dead, according to Cheryl Lang, president of Houston-based Integrated Mortgage Solutions (IMS). The company is a collateral protection resource for the mortgage servicing industry that specializes in property inspections, preservation and default management.

## **A growing trend of abandonment**

Moved by the plight of helpless, abandoned animals and appalled by the growing trend of “foreclosure pets,” Lang formed the nonprofit No Paws Left Behind in April.

Lang says she was moved to act after

one of her inspectors sent her photos from an Alabama property where a dog was left to starve in a carrier with a bag of pet food positioned just a foot away.

“It just really made me angry, and I said, ‘This has got to stop.’ This has happened in the past, but I could see where we were heading through the mortgage crisis, where this was going to happen more and more,” explains Lang.

“So I just woke up one day, came up with the name and the concept. Our technology for IMS was a perfect solution for No Paws Left Behind because it’s all driven by ZIP code. It was just something that needed to be done.”

The organization’s Web site ([www.nopawsleftbehind.org](http://www.nopawsleftbehind.org)) directs visitors, based on their ZIP code, to local animal shelters and other alternative housing providers for pets in need.

Through the directory on the Web site, visitors are pointed to local “no-kill” animal shelters and foster care for pets in need of temporary care. No Paws also offers limited financial assistance, based on donations, to pet owners in need of help in paying pet deposits and other related fees, notes Lang.

Since the No Paws site went up in April, it received more than

n a perfect world, dogs are man’s best friend, cats are special companions and a person’s home is his or her castle—that’s the American dream, right?

Unfortunately for a growing number of troubled homeowners during this housing market downturn, the once-bright dream has darkened for some who can’t meet their mortgage obligation. No matter how hard servicers fight to avoid it, foreclosure can become the regrettable result.

As affected families relocate to rental housing or other accommodations outside of the house they must legally vacate, the sad truth about cats and dogs (and other domesticated animals) is that where the people go after foreclosure, their pets often can’t follow.

Although abandoning animals is, at best, a legally questionable choice, more and more real estate-owned (REO) service providers say they are encountering instances where people leaving distressed properties opt to leave their pets behind—sometimes leaving them with some food

2,000 hits through the end of July, due mainly to word-of-mouth at trade shows, Lang says.

Inquiries to No Paws are evenly divided between desperate pet owners from distressed properties trying to safely give away their pets and real estate professionals who encounter abandoned pets at a property.

### A valuable resource

While the No Paws Left Behind Web site is intended to help desperate foreclosed homeowners, No Paws is also proving to be a valuable resource for industry professionals when they encounter a foreclosure-related pet situation, according to Nick Salamone, president and co-founder of Keystone Asset Management, Lansdale, Pennsylvania.

"It's a challenge, because a lot of the agents that are out there just don't know what to do [with an abandoned pet]. The local shelters just won't take them without there being an owner to drop them off," explains Salamone. "A lot of times the agents and inspection companies are there just a little too late, and now you're removing a dead animal as opposed to an animal that needs help."

A "self-described bunny hugger," Salamone said he instantly embraced the No Paws Left Behind initiative when he first heard about it. He is a member of the No Paws board, while Keystone disseminates the No Paws Web site information and Salamone has even had Lang speak to Keystone staffers about No Paws during a recent training session.

"I think when we affiliated ourselves with No Paws Left Behind and when we brought it to our brokers' attention, they welcomed it with open arms," said Salamone.

Unfortunately, the discovery of an abandoned pet on a foreclosed or soon-to-be-foreclosed property does not automatically translate into an animal rescue.

Legally, Lang explains, pets are considered the personal property of the foreclosed homeowners, so the animals simply can't be liberated from the house site. And local authorities are often reluctant to get involved until a pet's abandonment has been proven legally.

Lang says No Paws found this out the hard way when it encountered one of its first abandoned dogs at a house in Hialeah, Florida.

"The ironic side of this story is, *daily* the code-enforcement officer delivered a notice to the house of code violations, citing the owner with 'failure to provide food and water to a medium, tan, shepherd mix,' but [the officer] never did anything to try to protect the animal," says Lang.

Lang adds that an IMS field representative brought the dog bowls of food and water each day until the animal could be legally removed from the abandoned home.

### Meet 'Fernando Llamas'

While dogs and cats are the most typical type of foreclosure pet discovered, Lang said her staffers have encountered many other domesticated branches of the animal kingdom when assuming control of a foreclosed property, from horses to chickens to—Lang's personal favorite—an abandoned llama

discovered in Lancaster, California.

The animal was instantly nicknamed Fernando Llamas, Lang says.

"We were called by an REO broker, and they said that they had a llama on the property and could we help. I don't even know what llamas eat, but we found out pretty quickly," she says. "We had just secured a rescue [to a new home for the llama] at a ranch in Apple Valley, California, when Fernando came up missing. All [the local] Animal Control would tell us was, 'The situation has been resolved.'"

Lang says she believes local authorities had found a new home for Fernando and snuck the animal away before the curious or the mischievous could do him harm.

Lang estimates that an animal abandoned at a foreclosed home—especially if it is left inside the locked home—can cost as much as \$10,000 in property damage and as much as two weeks of lost time to clean up after the animal.

**The best way to avoid the problem of foreclosure pets, says Lang, is to help homeowners avoid foreclosure.**

"They can do so much damage. They will eat everything just to try to stay alive. They will scratch through walls and drywall, and everything gets soiled," says Lang.

"By the time we find out about it, it probably takes us a good week or two to arrange for the animal to be taken by Animal Control. Unfortunately, [calling Animal Control] is not my first preference, but leaving an animal behind is abuse and it has to be reported accordingly," Lang adds.

Although there is a distinct humanitarian motivation behind the No Paws Left Behind initiative, Lang says there is also a definite business incentive to find shelter for abandoned pets or, better yet, to provide desperate pet owners in the throes of foreclosure a more compassionate and practical way of giving up a pet they can no longer take care of.

"At first I thought that these were mean and nasty people [who abandoned their pets], and some people are. But the more I got into it and looked at things, I looked at the psychological aspects of foreclosure, and I got to understand a little more the motives of why people leave their pets behind," says Lang.

The best way to avoid the problem of foreclosure pets, says Lang, is to help homeowners avoid foreclosure. To that end, she says another part of the No Paws Left Behind mission is to educate distressed borrowers as to their workout options.

"We want to help borrowers stay in their homes and keep [families] together," says Lang. "Keeping them intact and giving people a resource for where to turn when they are going through foreclosure was something I wanted to provide to those borrowers . . . and also help the animals along the way."

Charles Wisniewski is a correspondent for *Mortgage Banking*.