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IN THIS ISSUE

US Bank Resurrects Corporate Mortgage Division

US Bank will resurrect its corporate mortgage relocation division in hopes of extending its services to corporations relocating transferees. US Bank shut down this division some years ago but is now ready to give it another try.

In fact, the company has already hired many executives and managers to run the division. (See **Who's Where.**)

US Bank did not respond to calls for comment.

Why launch the division now?

Sources speculate that US Bank may see an opportunity for more business now that Citibank shut down its corporate mortgage division. "Maybe they have some internet capacity they didn't have years ago and they can make it easier for transferees to get mortgages and do it electronically."

Why did US Bank shut down its operations the first time around?

This source said he was not familiar with US Bank's reasons but speculated that banks have generally shut down relocation divisions to cut spending and focus on more profitable business. "Banks were fat and happy for a long time," he states. "With global changes they needed to become more profitable and cut costs across the board."

Another source said that US Bank may have shut down its division because of regulatory concerns involving relocation and financial institutions—a concern that has since subsided.

US Bank's Services

Although the company has yet to launch its corporate mortgage relocation division, US Bank's website lists program benefits, including group move administration, closing costs billing directly to clients, subsidy administration and private funding for credit union pension funds or warehousing.

Each client, the website points out, is assigned to a two-person team consisting of a mortgage

continued on page two

US Bank Resurrects Corporate Mortgage Division

continued from page one

counselor and a "processor accountable" to the client. The team, according to its website, is available 24 hours a day by appointment and documents are easily accessible.

Each relocation team is trained on the client's policies and customer expectations. Clients may also link to the bank's site to review products, check rates or complete applications, the website points out.

Other Lending Companies Offering Corporate Mortgages

Quicken Loans, dedicates a team of specialized relocation home loan experts who are fully trained on corporation's culture, according to Quicken Loans' website.

They also offer centralized servicing for ongoing management, reimbursable costs and direct billing right after closing. Quicken Loans offers fewer lender fees, discounted interest rates and reduced fee costs. The mortgage company provides "customized online experience," through which

continued from page three

Brookfield-Owned Premia Offers Corporate Relocation Mortgages

Premia, owned by Brookfield, offers various mortgage programs to help meet the needs of relocating employees. According to its website, Premia provides discounted interest rates and FHA, VA and Jumbo mortgage products.

The website states, "You can receive a preapproval subject to a property appraisal, income verification, credit check and other stated conditions, so you can know the price range of homes to look at before you begin house hunting in the new location."

The mortgage company also provides a dedicated relocation team and direct billing, reducing the funds needed for closing.

Brookfield's Entrée into Mortgages

On April 22, 2014, a federal trademark registration was filed for Premia Relocation Mortgage by Brookfield Real Property Solutions (BRPS), according to Trademarkia, a California-based company that created a search engine listing over 7 million trademarks, logos and names.

The trademark filing was registered with Jennifer Gregg of Brookfield Global Relocation Services as its listed correspondent.

BRPS inherited GMAC Home Services Mortgage when it entered into an agreement to purchase GMAC Home Services September 25, 2008, expanding its foothold into the US residential property services market.

Premia was one of 8 mortgage companies which partnered with Wells Fargo in a joint-venture. In a July 25, 2013 press release, Wells Fargo announced it would withdraw from those joint-ventures because "current regulatory and market environment as changes in state and federal oversight have increased the complexity and difficulty of operating mortgage joint ventures."

Other companies involved in the joint-venture included Bankers Funding Company, Colorado Mortgage Alliance, DE Capital Mortgage, Home Services Lending, Military Family Home Loans, Prosperity Mortgage and Private Mortgage Advisors.

As of the second quarter of 2013, the press release pointed out, the joint ventures contributed to nearly 3% of Wells Fargo's mortgage production. Nearly 300 team members were "impacted" by the withdrawal.

US Bank Resurrects Corporate Mortgage Division

continued from page two

transferees can track their loans and upload loan documents.

Wells Fargo is a major player in the field of corporate relocation mortgages. The program, listed in its website, breaks down benefits by transferee and corporation. The company provides mortgage pre-approval letters and helps transferees estimate what they can spend to help them better work with realtors and selling agents.

The company offers conventional, FHA and VA programs as well as fixed and adjustable interest rates. Its "flexible payment options" can help employees budget their finances with automatic withdrawals timed to match their pay cycles. It also provides online access to mortgages and other Wells Fargo accounts, according to the website.

Benefits to companies include benchmarking and measurements of applications, funding and services' scores to help them understand the program's success. The corporate client also gets updates on industry and legislative changes and semi-annual activity reviews. Wells Fargo also discusses with corporations cost containment options to help keep programs "current and economical."

Who's Where?

Jason Beaudreau joined Altair as chief technology officer, technical strategist, transformational leader and team builder extraordinaire. He was previously senior vice-president, business technology, at Altair. Prior to that post, he was with Dallas Web Builder, Health Vision, and iCUITY Corporation.

Douglas Weed is no longer at **Cornerstone Relocation.** He is now president of NSA Consultants. He was previously with **The Forum for Expatriate Management, Weichert** and Genesis.

Chris Douglas joined **Crown World Mobility** as regional vice-president, business development, central US. He was previously with **Citibank, N.A.** and **Tapawingo National Gold Club.**

Patti Ward joins **US Bank Home Mortgage** as regional sales manager, corporate relocation and employee benefit programs. She was previously with **Citibank, Bank of America** and **Prudential Relocation.**

Kathy Hill joins **US Bank Home Mortgage** as regional sales manager, corporate relocation and employee benefit programs. She was previously with **Citibank, Corporate Home Lending Solutions** and **PHH Mortgage.**

Tom Wind joins US Bank as mortgage division president. He was formerly with **EverBank, Aurora Bank FSB, Aurora Loan Services** and **Lehman Brothers.**

Wendy Morrell joins **US Bank Home Mortgage** as director, national corporate relocation and employee programs. She was formerly with **Citibank.**

Wioletta Szostek joins **Mobility Services** as director, global accounts. She was formerly with **Secor Group** (acquired by **Suddath** November 2015), **Cartus** and **Figaro Inc.**

Sean Ireland joins **Cornerstone Relocation** as director, global supply chain management. He was formerly with **Paragon, Cultural Awareness International** and **AFFINA.**

CORRECTION: In the previous issue of ***Relocation Report***, we misspelled the name of the new president of **Allegiance Government Relocation**. The correct spelling of his name is **George Herriage**. We apologize for any inconvenience this error has caused.

Paragon Offers Corporate Procurement Help with RFP Process

Paragon is known for providing relocation services to corporations—but the third-party is less known for helping corporate clients develop RFPs and manage the entire bid process.

Paragon launched Procurement Consulting Services to provide services to procurement professions who are going out to bid for services required to support a global relocation program, according to its website Relocationprocurement.com.

It's unclear from the website, however, who owns Procurement Consulting Services. In fact, Paragon's name seems to appear only in the supplier's section, along with the names of other relocation companies.

Joe Morabito, founder, CEO and president of Paragon, told ***Relocation Report*** that Relocationprocurement.com is "an industry service website that we own and support."

What services does Procurement Consulting offer?

The website states that this entity helps corporate clients develop the RFP package, conduct a prescreen of potential suppliers, administer the RFP process and score supplier responses. It also helps companies manage the Best and Final Process, complete pricing and contract negotiations, choose new suppliers and manage the transition.

The website includes a list of suppliers companies can contact to be potential vendors. Were companies contacted to be included in the supplier directory?

Morabito said that the "list is provided as an unbiased resource from widely known sources. No supplier has ever asked to be taken off the list."

The website includes a page that summarizes the history of the relocation industry from 1950 through 2011. The Relocation Industry History page is re-printed below with permission from Paragon.

Relocation Industry History

Through the years the relocation industry has been marked by significant events and milestones. In addition, during this time many companies have come and gone. We will chronicle some of the major events, mergers and acquisitions to show how the relocation industry and related services have changed and also have remained much the same.

1950s – International assignments take hold as organizations look for ways to expand beyond borders. Assignees are viewed as pioneers.

1955 – The first relocation company is founded to provide destination services to corporations. Destination services (are) designed to provide area orientation services to help transferees "settle in" to their new community by showing them where places such as local stores, restaurants and entertainment are located. The service also provides information on local organizations, sporting and cultural venues and opportunities for community involvement.

1955 – Interstate Commerce Commission (ICC) approved the HGCB ratemaking agreement which granted anti-trust immunity – the commissions first unconditional approval of a collective ratemaking agreement. Motor Carriers begin a unique ability to collectively set rates for Interstate Transportation.

Early 1960s – Relocation companies, such as Homequity, Executrans, Transamerica and Merrill Lynch, emerge to serve the need for home purchase assistance programs and to compete with companies who have in-house home purchase programs.

1964 – Worldwide Employee Relocation Council (ERC) is founded.

1965 – Crown Worldwide Group was founded as an international freight forwarding company located in Japan. Many years later, Crown launched global relocation services.

1971 – KC Dat was founded as an international freight forwarding company throughout China and Hong Kong. KC Dat joined the Asian Tiger group, an alliance of freight forwarders in the Far East.

1972 – Revenue Ruling 72-339 affirmed that a corporation could buy the homes of their employees and place the properties on the market for resale through the real estate community without tax consequences to the employee.

1974 – Congress passes the Real Estate Settlement Procedures Act (RESPA) to establish guidelines and regulate settlement costs and procedures in residential real estate.

Mid to late 1970s – Companies that provide solutions to address cost of living differentials, taxation in the home and host countries, destination services, language and cultural training services begin to surface. These value-add products and services are borne to contribute towards more successful international assignments.

Late 1970s – Internally funded loans and mortgage interest differential assistance (MIDA) are introduced by companies to ease the financial burden of relocating employees unable to afford the 16%-18% mortgage interest rates required to obtain a mortgage on their new homes.

1978 – Executrans Relocation is sold to Coldwell Banker.

1980s – Teleconferencing becomes integral in the relocation industry by allowing transferees and their partners to simultaneously speak with a mortgage representative. It also allows transferees to be pre-qualified for homes over the telephone, saving precious time and enabling transferees to get the most out of their househunting trips. Consolidation of the relocation industry sees many well-known companies exit the relocation arena including Transamerica, ChemExec Relocation, Equitable and GE Relocation (Genesis). Consulting divisions of relocation companies formalize more integrated global relocation policies that support successful international assignments.

1980 – Deregulation of the household goods industry. After 45 years of rate control, the Motor Carrier Act of 1980 is enacted. The household goods industry begins to witness the beginning of discounting. The practice of discounting becomes “the norm” in the industry along with Contract Carriage Agreements for National Accounts.

1981 – Sears, Roebuck and Co. buys Coldwell Banker Relocation and Real Estate.

1982 – Revenue Ruling 82-204 IRS rules that homes owned by a corporation are considered capital assets.

Mid 1980s – Lower interest rates leads to the decline in the use of MIDA provisions. Domestic policies began eliminating MIDA provisions.

1986 – Tax Reform Act of 1986 passed, requiring the reporting of real estate transactions by the person responsible for the closing.

1987 – Premier Relocation Services and its consulting division, Premier Decision Resources, are formed under The Weyerhaeuser Company.

1989 – Merrill Lynch Real Estate and Relocation is sold to Prudential.

Late 1980s – Early 1990s – Housing prices begin to appreciate, mortgage rates remain steady. Companies begin to add mortgage buydown / subsidy programs to address housing affordability in high cost cities.

1990s – Transition assistance and spousal employment assistance, home marketing support and special mortgage programs are borne providing products and services needed by corporations and their transferees at that time to move from one city to another seamlessly.

1990 – Better Homes and Gardens Relocation and Genesis Relocation are sold to PHH Homequity.

1991 – Premier’s senior management team executes a leveraged buyout from The Weyerhaeuser Company, establishing its consulting division, Premier Decision Resources, as a standalone company, renamed Paragon Decision Resources, Inc.

1992 – Omnibus Budget Reconciliation Act changes the Qualified Moving Expense elements of the tax code, making many employer reimbursements fully taxable to the employee. It does not impact Home Sale ruling 72-339.

Mid 1990s – Preferred lender programs are added to domestic relocation policies offering direct bill to the client for transferees and managed closing costs for clients.

1995 – Unigroup acquired Mayflower Van Lines and expanded internationally the following year.

1996 – Coldwell Banker Relocation buys Western Relocation Management.

1996 – Worldwide ERC reports approximately 30% of companies offer some type of mortgage buydown provision.

1997 – HFS buys Coldwell Banker Relocation and PHH Homequity; combined company is renamed Cendant.

1997 – Amdahl Case claims and wins against the IRS that the homes purchased in a relocation process were never owned by Amdahl. The ruling casts a shadow over 72-339 and the industry begins lobbying the IRS for a final definitive ruling.

May 1998 – European Relocation Association (EuRA) was founded.

Late 1990's – Early 2000s – Career development becomes a primary driver for international assignments leading to an increase in the use of Short-Term Assignments to control costs while providing employees training opportunities in global markets.

Early 2000s – Interest rates hit a historic 40 year low.

Post 9/11 – The US institutes stricter immigration requirements.

2001 – Unigroup Worldwide UTS was formed to further its expansion internationally.

July 30, 2002 – Sarbanes-Oxley Act signed into law requiring more rigorous financial disclosure standards and limits on executive loans.

2002 – SIRVA is formed by the acquisition of Allied Van Lines, North American Van Lines, Cooperative Resources, ProSource Relocation and other smaller relocation companies.

2003 – Paragon Decision Resources, Inc. changes its name to Paragon Global Resources, Inc. and establishes a number of newly formed independent subsidiaries, including Paragon Relocation Resources, Paragon Financial Resources, Paragon Career Resources, Paragon Real Estate Resources and Paragon GeoMobility Resources.

Mid 2000s – China emerges as one of the top destinations for international assignments.Mortgage bankers, such as GenEquity Mortgage and Wells Fargo, design relocation-specific mortgage products to the needs of transferring employees.

2004 – SIRVA acquires Executive Relocation.

2005 – ERC lobbies the IRS for clear guidance stating which types of home sale programs will be considered non-taxable to the employee and company, resulting in IRS Revenue Ruling 2005-74.

2005 – Worldwide ERC Transfer Volume & Cost Survey reports an increase in the use of mortgage buydown / subsidy provisions to 37%.

2006 – Multinational corporations significantly increase the number of international assignments – short and long term assignments. Many corporations consider international assignments as career growth for high potential employees.

2006 – Paragon Global Resources establishes its international headquarters in Dublin, Ireland. Paragon Relocation Resources begins delivering destination services on a global basis.

2007 – The housing bubble in the US burst causing declining home values making it financially difficult for transferees to sell and purchase homes. Combined with the financial meltdown, underwriting and lending practices made it more difficult for transferees to qualify for mortgages on new homes.

2007 – The Surface Transportation Board (STB) terminated the rate agreement of all motor carriers rate bureaus, thereby eliminating the HGCB ratemaking authority and anti-trust immunity. The end of collective ratemaking marks the beginning of new van line pricing structures and the move away from the 400 Tariff.

2008 – The US housing market continues to decline affecting transferees in need of selling their homes in the old location. We started to see the rise of Short Sales in relocation whereby the transferee negotiated with their lender to accept a payoff for less than the mortgage balance in order to sell the property to a buyer.

2008 – Government regulations change no longer allowing mortgage subsidies to be included in qualifying factors for the loan.

2008 – Localization packages begin to surge in popularity as organizations seek further cost containment.

2008 – A Canadian company, Brookfield Residential (formerly Royal LePage), acquired GMAC.

2009 – Repatriation volume increases as companies are faced with downsizing their workforce and reducing expenses in light of the global recession.

2009 – US domestic relocation volume declines in response to the global economic crisis. The recession continues to affect the business sector including the relocation industry. Relocation companies begin to adapt to the New Normal.

2009 – Brookfield re-branded GMAC as Brookfield Global Relocation Services.

2010 – RESPA Changes: For the first time in more than 30 years, the U.S. Department of Housing and Urban Development issued mortgage reform. HUD will require that lenders and mortgage brokers provide consumers with a standard Good Faith Estimate (GFE) that clearly discloses key loan terms and closing costs. HUD estimates its new regulation will save consumers nearly $700 at the closing table.

2010 – Cartus acquires Primacy.

2011 – Brookfield acquires Prudential Real Estate and Relocation Services.

Companies Benefit from Linking Mobility Programs with Corporate Diversity

By Lisa Johnson, Global Practice Leader for Crown World Mobility

Initially driven by civil and equal rights movements in the 1970s, diversity and inclusion initiatives have traditionally centered on providing greater opportunities for women, minorities and employees with disabilities.

As the global economy has evolved, so has the definition of Diversity & Inclusion (D&I) for many progressive global companies. For them, corporate D&I strategies are highly developed and are beginning to impact global mobility strategies to better meet global business needs.

The Crown World Mobility (CWM) consulting services team and EY's Mobility team leadership in Asia recently conducted research to gain insight into global D&I strategies and their impact on international assignee populations.

One research goal was to identify practical ways to align and integrate mobility programs with a company's D&I initiatives. The research shows that diversity is increasingly focused on offering flexibility in the workplace, which, in turn, improves recruiting strategies and increases retention.

The research identified three prime areas where D&I strategies can be aligned to drive global mobility.

Assignee Selection

Most organizations taking part in the research agree that additional focus is required to ensure that a more diverse group of people is considered. Some challenges to this goal include cost constraints, lead-time requirements and family obligations. Another barrier to diverse selection stems from unconscious biases within the organization that prevent certain candidates from being considered. The research finds D&I-driven companies (are) working on improving the selection process to ensure diverse candidates.

Embedding D&I into global mobility policies and processes

Organizations with more developed global mobility programs were found to be embedding D&I into their programs by increasing support for single and divorced parents, dual-career families, same-gender couples and parents, and employees with extended family responsibilities (where support is given to extended family and not just the core immediate family members).

Repatriation and retention

International assignments represent a significant investment into the career development of an individual. Organizations want to ensure they reap the benefits of this investment. To retain repatriating employees, a clearly mapped-out plan of expectations before, during and after the assignment increases the likelihood of retaining top talent.

Read more about the research findings—including six tips global mobility professionals can use to link mobility programs to their country's D&I strategies—in Crown World Mobility's Perspectives white paper.

About Crown World Mobility

Crown World Mobility (www.crownworldmobility.com) is a division of the Crown Worldwide Group.

Bridging Employers' and Employees' Gap Key to "Future-Proofing" HR

Significant differences exist between employers' plans for developing talent and employees' views on an effective workplace, according to an April 12, 2016, press release reporting on Mercer's **2016 Global Talent Trends Study.**

The key to achieving business growth is radically redefining how talent is managed and developed.

According to Mercer's study, 85% of organizations report that their talent management programs and policies need an overhaul. Managing these changes requires support from leadership. But only 4% of HR professionals report that the HR function is viewed as a strategic business partner within their organizations.

Mercer's study finds that although 70% of organizations report they are confident about filling critical roles with internal candidates, 28% of employees say they plan to leave over the next year even though they are satisfied with their current role.

Employers are experiencing ever-growing competition for labor, the study said.

Kate Bravery, partner and global solutions leader for Mercer's Talent business stated, "Employees today have more options than ever before. They are demanding a new value proposition that combines greater career support with flexibility to manage their work and more opportunities to develop their skills. HR professionals are challenged to meet employees' demands and achieve a talent advantage, especially if they don't have a seat at the table – and this is crucial if they are to remain a viable part in the talent ecosystem."

Workforce trends and top priorities

According to Mercer's study, leveraging an increasingly diverse labor pool is the third most important workforce trend impacting business, following the rising competition for talent from emerging economies and talent scarcity.

The importance that organizations have placed on developing a diverse workforce has not translated into actions that are visible to employees, the report points out. While 73% of companies are working towards diverse leadership teams, only 54% of employees say their organization has effective programs in place to do so.

"Bridging the gap between employee and employer views will require substantial changes from HR," said. Bravery. "This includes improved operational capabilities around talent sourcing, enhanced tools and managerial capabilities to deliver a compelling career proposition, and proficiency in workforce analytics for a data-driven approach to managing talent flows."

In tackling talent issues, employers need to make sure that their efforts to build the workplace of the future have a material impact on attraction and productivity. Mercer's study identified five priorities for organizations to address this year:

- Build diverse talent pool
- Embrace the new work equation
- Architect compelling careers
- Simplify Talent Processes
- Redefine the value of HR

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