

# Loss (Mitigation) During a Catastrophe

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## Civilian unemployment rate, seasonally adjusted

Click and drag within the chart to zoom in on time periods



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# The Mortgage Crisis



- Over 5 years to process the backlog
- Technology was lacking / Consumers not ready
- Aggressive Auditors
- Forced to Adapt to “New Normal”



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## Dodd-Frank

- Became law in 2010 / Eliminated Office of Thrift Supervision
- Created Consumer Finance Protection Bureau (“CFPB”)
  - Jurisdiction includes banks, credit unions, securities firms, mortgage servicers
  - Intent to curtail abusive lending but did it go too far?

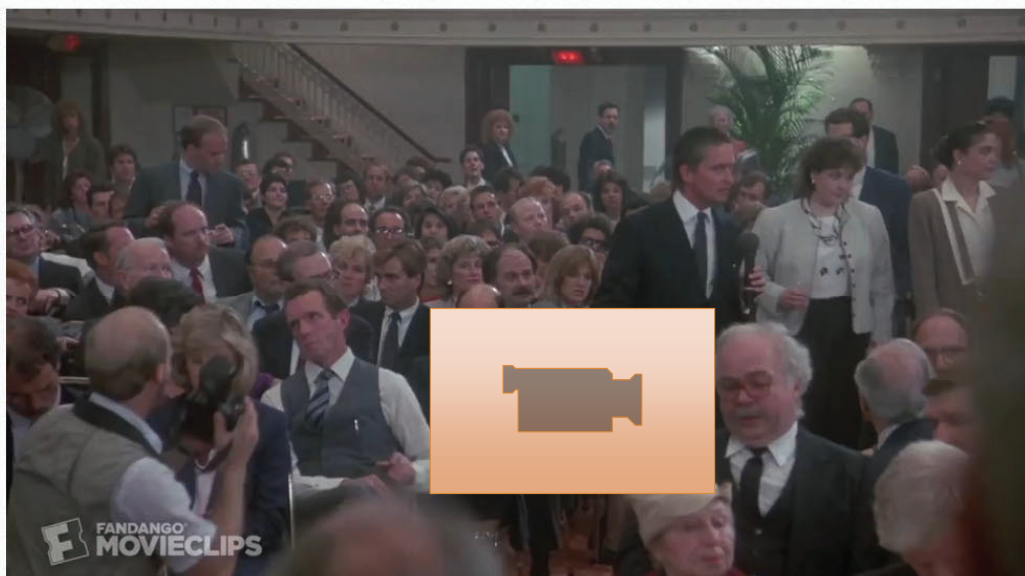
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# CFPB

- Established DTI's for "qualified mortgages" at  $< 43\%$ 
  - Discriminated against small business owners and retirees
- \$ 50 Billion in Assets as threshold – more governmental oversight
- Increased to \$ 250 Billion in 2018
  - All banks under \$ 250 Billion = exempt from stress tests

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