



THE WAKEFIELD COMPANY, LLC

Making It Happen

GMAC Conversion Plan in Doubt, So is Its Future

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An Article Written By Kate Berry

Terry Wakefield, the chief executive officer of Wakefield Co., a Grafton, Wis., mortgage consulting firm, estimated that 10% or more of ResCap's portfolio is delinquent or in foreclosure.

The high cost of servicing such a portfolio would “lead to further deterioration in the value of selling it,” he said.

A bankruptcy filing by ResCap would take further mortgage capacity out of the market, which could benefit small and midsize regional banks, Mr. Wakefield said. But it also would be crippling for some correspondent and wholesale lenders that sell loans to GMAC, he said.