

LendingIntelligence.com

The Newswire of Consumer Credit

Mon, November 11
Online for 43 minut

News Items

[Top](#) : [Front Page](#)

Conseco Raising Credit Standards for MH Business

NEW YORK, June 13 (LendingIntelligence.com) — [Conseco Finance Corp.](#) continues to run its manufactured housing business more conservatively in 2002, even though many of its competitors have exited the market. In doing so, the unit of [Conseco Inc.](#) has tightened its credit standards by 6% this year, according to Conseco's Chairman and Chief Executive Officer, Gary Wendt, who spoke at the company's annual shareholder meeting today.

"Manufactured housing is a difficult business even during good times," said Wendt, noting that difficult economic conditions have driven shipments of manufactured homes down to one-third of what they had been in the 1990s.

Wendt said the company will increase its credit standards to maximize profitability going forward, which includes lending only to borrowers with higher credit scores than in the past.

The company has raised the average credit score of its MH borrower to 646 from 610, during the first four months of the year, compared to the same period last year, according to a company spokesman — a move he said risk managers at the company indicate will halve the number of MH defaults.

Today, Conseco has nearly \$25 billion in manufactured housing receivables, representing 30% of the entire U.S. market.

Furthermore, Conseco has been able to raise its standards as many of its primary competitors have exited the space the last few years — most recently [GreenPoint Financial Corp.](#)

Meanwhile, in addition to tightening credit standards, Wendt said Conseco will more aggressively manage foreclosures.

"That's important because this year alone we could take back as many as 25,000 units," said Wendt, which he added would need

News Items

[Front Page](#)
[Conferences](#)
[Tips for Lende](#)
[Archive 2001](#)
[Archive 2002](#)
[All Stories](#)

[Archives](#)

Member Opti

[Invite a friend](#)
[Join Now!](#)
[Log on now!](#)

PUBLICATIO

- [RISK-FREE OFFER](#)
- [Lending Inte magazine](#)
- [Auto Finance](#)
- [Home Equity](#)
- [Loan Collect Technology](#)
- [Download O Form](#)

SPONSORS

- [CollectionIndu](#)
- [Automotive I](#)

CAREER CEI

- [Find a Job](#)
- [Post a Job](#)

FREE ALERT

- [Receive Emg Updates](#)

DETAILS

- [About Us](#)

to be sold in order to maintain inventory levels.

The strategy includes Conseco re-selling the units, as opposed to placing them on the wholesale market where the company only recoups approximately 15% of the value.

At the same time, Wendt said that the company is being aided on the securitization front by the fact that it has been able to bolster investors' perception of the company by decreasing its daunting debt — which after paying an additional \$900 million this year, will stand at some \$4 billion.

Conseco most recently issued a \$500 million manufactured housing securitization last week.

[KEEP LEARNING. CLICK HERE TO SUBSCRIBE TO OUR PUBLICATIONS.](#)

- [Add Confere Notice](#)
- [Advertising I](#)
- [Contact Us](#)
- [Free Email A](#)
- [Free Listing](#)
- [Job Opening](#)
- [The Editorial](#)

[Printer-friendly format](#)

[Login and voice your opinion!](#)

Do you know someone else who would like this story?

Your Email:

Their Email:

Comment:

(Will be included with e-mail)

[Send to a friend](#)



bondware ©2000 edgenet inc
all rights reserved

[Terms of Use](#) [Privacy Policy](#)