



A Case Study Review

ZeroTouch Loan Servicing

On-Demand Document Imaging & Workflow

global  strategies

Session Agenda

- **Centlar FSB – Case Study Review**
 - Paper-based Process Review
 - Business Challenges
 - Requirements
 - Business Goals
 - Technology Evaluation
 - Platform Solution & How it Works
 - Advantages, Benefits, Metrics

global

strategies



Cenlar is a wholesale bank engaged in the business of servicing mortgage and secured loans for a variety of clients nationwide

Cenlar is consistently ranked as one of the largest mortgage subservicers by *National Mortgage News*

New Loan Overview – Circa 2003

- Cenlar's clients electronically transmit some portion of our required loan data to us. To verify the correctness of that data, we match it to the paper loan files.
- Monthly volume averaged 10-12,000 files
- Each file totals 200-300 pages
- Equivalent of 800-1,000 boxes of files to be managed each month
 - *Approximately 7 TONS of paper each month!*

Business Challenges

- The move to a true e-mortgage environment is years in the future
- The majority of our clients are dealing with paper-based loan files
- The competitive subservicing environment required addressing manual, time consuming tasks in order to gain process efficiencies & reduce costs

Business Requirement

- We needed to change the way we conducted our business
- We realized that simply adding resources to our manual process would eventually reach a point of diminishing returns
- We recognized the need for a paperless environment, but couldn't wait for the true e-mortgage
- We needed to be able to connect people together to complete a transaction electronically using a paperless platform

Business Goals

- Re-engineer the process of migrating mortgage loan information from our clients' systems to our servicing platform
 - Eliminate paper handling
 - Integrate a QC process to address errors in the data transmitted to Cenlar
 - Identify, track and resolve data errors
 - Implement a workflow tool to dramatically increase productivity
 - Make images available to internal & external resources
 - Develop a scalable solution

Technology Requirement: A Strategic Platform

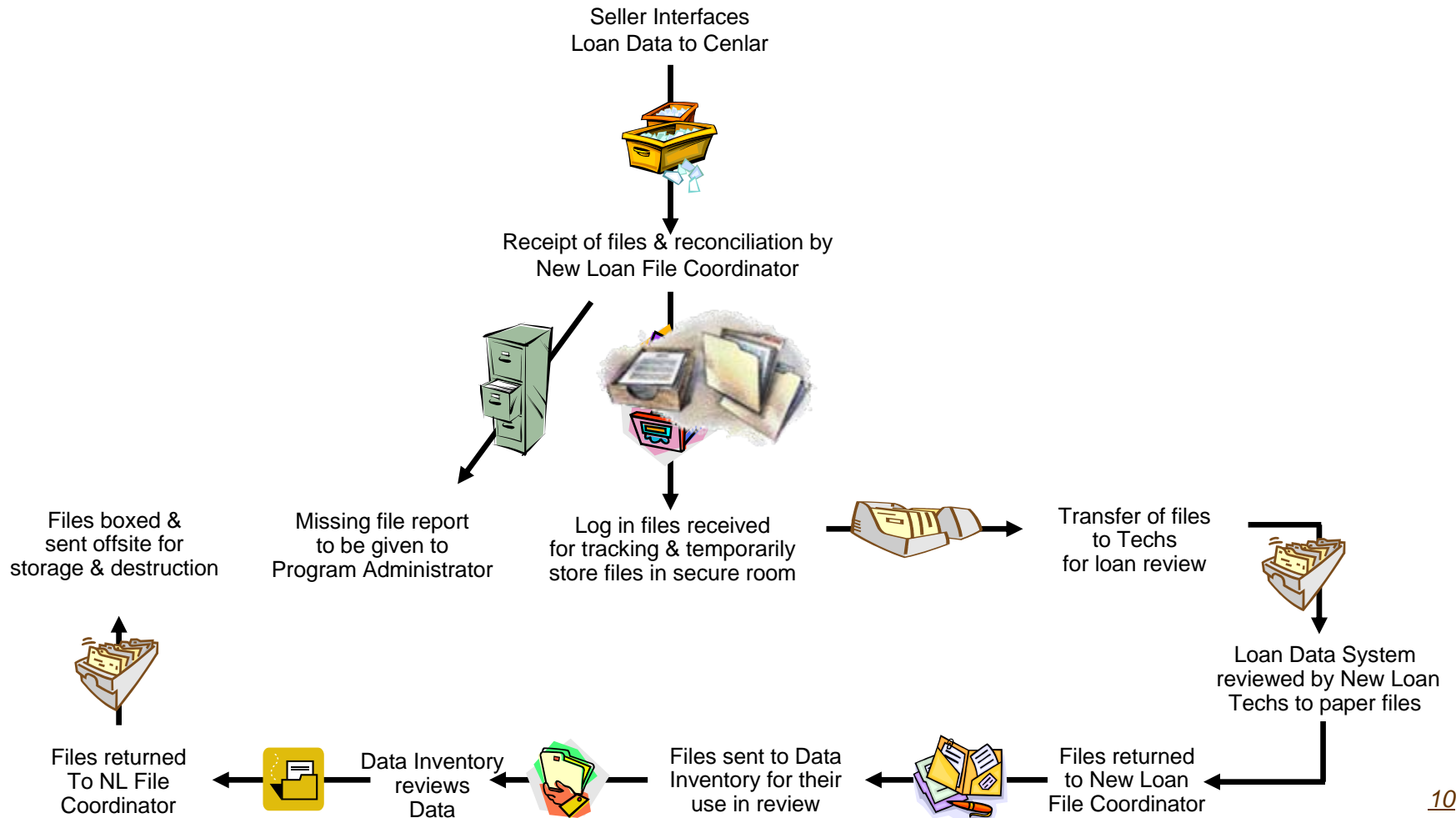
- Web-based
- Paper-to-Digital Conversion
- Electronic File Capture (from other imaging platforms & file uploads)
- Meta Data Capture & Management
- Business Flow Automation & Support (Workflow)
- Plug into Collaborative Environments (external user access)

Technology Evaluation

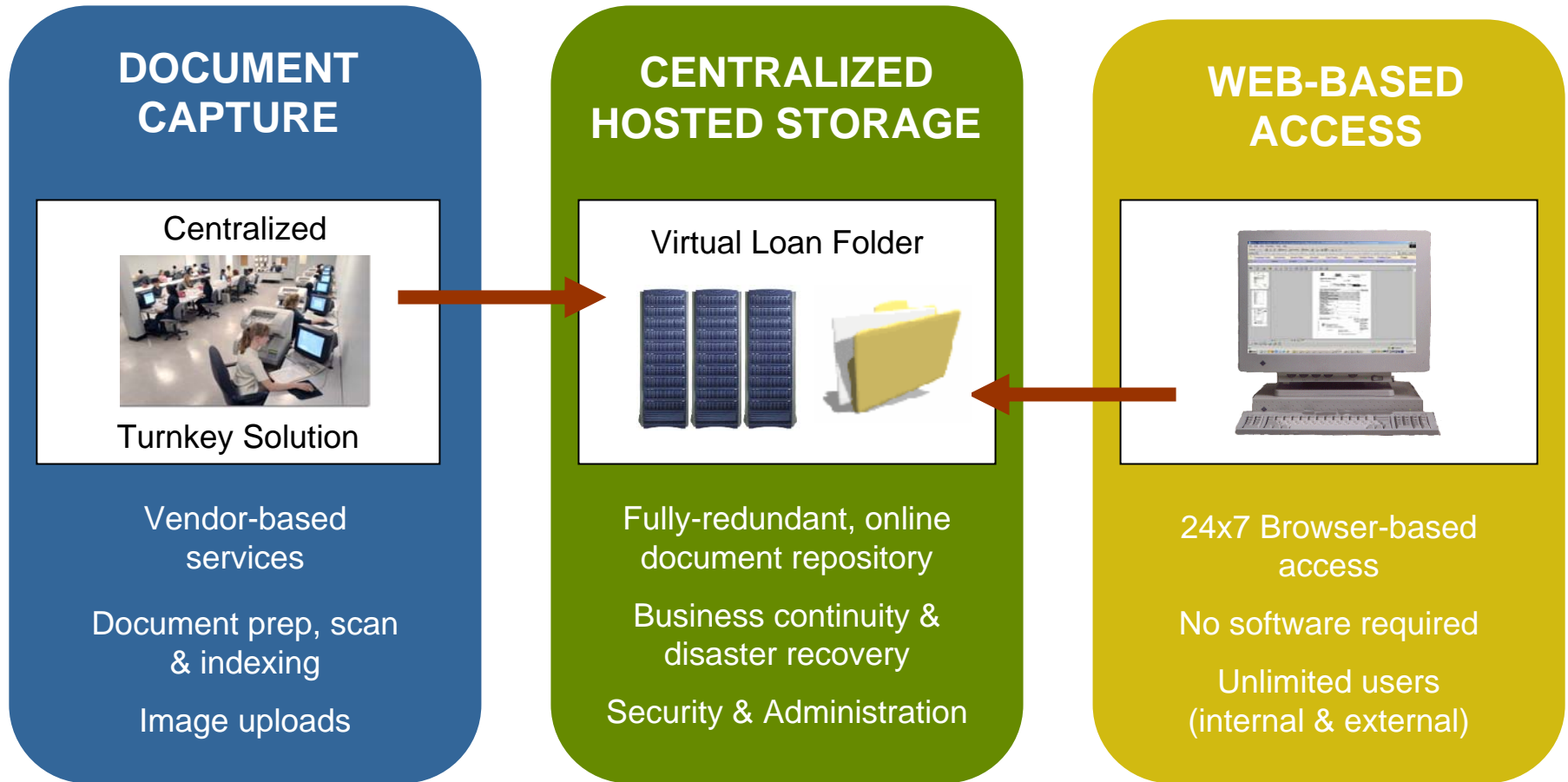
- Building a system internally was not an option for us – Doing so would require us to continue dealing with paper in order to go paperless
 - We’re not imaging and workflow experts
 - Our limited internal IT resources were already burdened with existing systems and infrastructure support
 - Initial software & hardware costs were only the “tip of the iceberg”
 - *Compared to ongoing personnel, infrastructure & support costs*
 - *Concerns about the intangible costs*
 - **System Reliability**
 - **Security**
 - **Scalability**
 - **Quality Management**
 - **Capacity Planning**
 - Bottom Line: We needed to focus on our business core competencies

Pre-Imaging & Workflow Process

New Loans & Data Integrity Loan Flow Prior to Imaging Solution

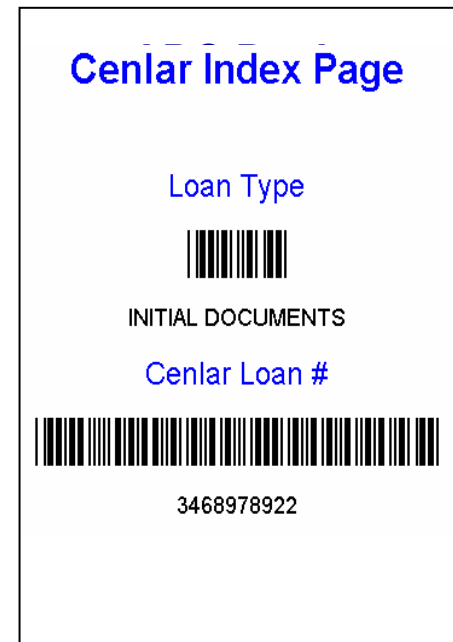
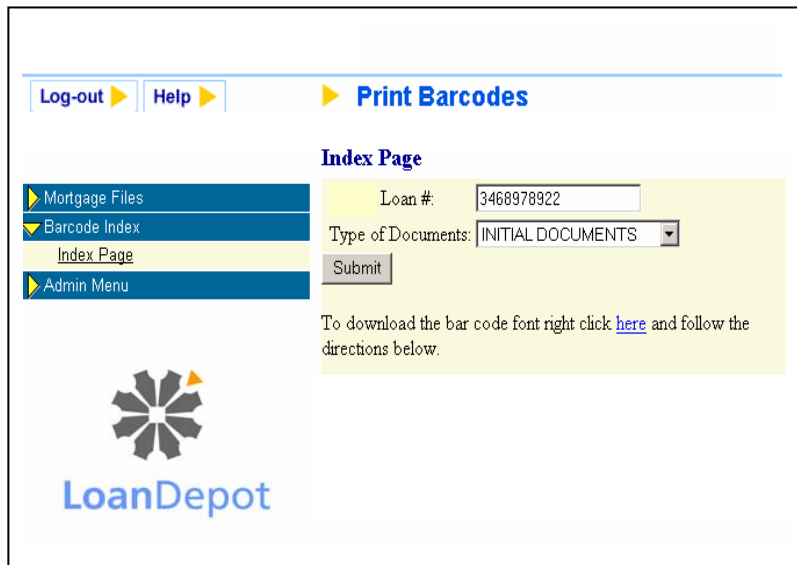


Cenlar - Strategic Platform



How Cenlar's Process Works

Cenlar Clients Create Barcoded Lead Sheet From a Secure Location Online



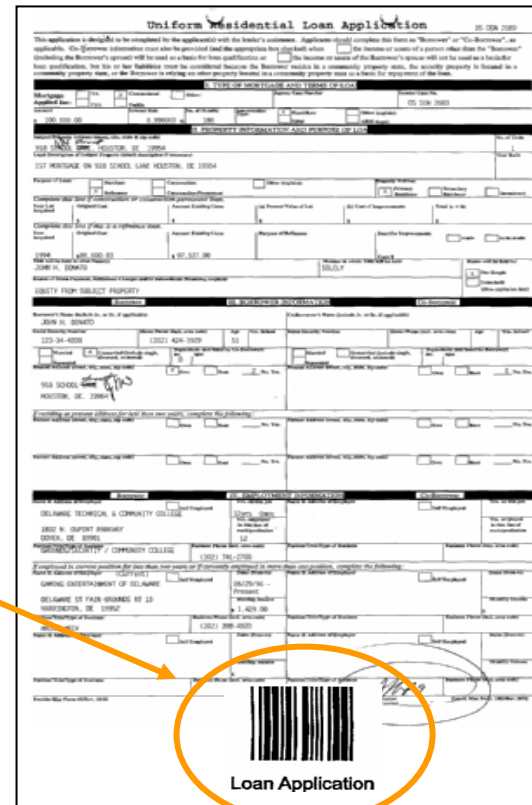
Lead Sheet placed on top of Entire Loan Package

How Cenlar's Process Works

Cenlar Clients Prep Loan Documents with Barcode Stickers



Affixed to 1st Page of Each New Doc



How Cenlar's Process Works

Cenlar Clients send Loan setup files to Vendor's Document Processing Center



Vendor Scans & Performs Quality Control



Index Data Captured



Processes

- Barcode Recognition
- Database Link
- OCR / Forms Recognition
- Data Entry

Images available online via **LoanDepot™**



Vendor stores Images & Index Data in Redundant Data Centers



Post-Imaging & Workflow

New Loans & Data Integrity Loan Flow with On-Demand Imaging & Workflow Solution

Seller Interfaces Hard Copy Loan Files to Archive Systems



Cenlar receives notification by email from Archive Systems of loans interfaced



Archive Systems stores images & index data in **LoanDepot** service



Images available to Cenlar Eclipse System



Workflow initiated automatically upon receipt of all Images

New Loans Tech verifies data via heads up comparison



DI reviews images after New Loan Tech has completed their review

Eclipse System Screen Shot

Internet Explorer window: <http://10.2.3.10/cenlar/imageviewer/loading.asp?search=DEFAULT&redir=../Res...>

Centlar Loan #	Seller Loan #	Investor Loan #	MIN #	Last Name	Buyer Loan #	Acq ID	Doc Type	Current	Aggr.	Pages
0015598014							Loan Applications	Y	No	4
0015598014							Appraisal/Property Inspection Waiver	Y	No	1
0015598014							HUD-1 Settlement Statement	Y	No	3
0015598014							First Payment Letter	Y	No	1

Documents Returned: 12

810.										
811.										
900.	Items Required By Lender To Be Paid In Advance									
901.	Interest from 09/08/05 to 10/01/05 @ \$ 1.8 - 4.0000 per day							423.20		
902.	Mortgage Ins. Premium for									
903.	Hazard Ins. Premium for 12 month(s) to St. Paul Travelers Insurance Co.							677.00		
904.	Flood Ins. Premium for									
905.										
9000.	Reserves Deposited With Lender									
1001.	Hazard Insurance for 3 months @ \$ 56.42 per month							169.26		
1002.	Mortgage Insurance for months @ \$ per month									
1003.	Flood Insurance for months @ \$ per month									
1004.	County taxes for 3 months @ \$ 35.17 per month							105.51		
1005.	for months @ \$ per month									
1006.	Prorated Rent for months @ \$ per month									
1007.	Association Dues for months @ \$ per month									
1009.	Aggregate Adjustment Amount									
1100.	Title Charges									
1101.	Settlement or Closing Fee to Dakota Title & Escrow Company							150.00	150.00	
1102.	Abstract or Title Search to									
1103.	Title Examination to									
1104.	Title Insurance Binder to									
1105.	Document Preparation to									
1106.	Notary fees to									
1107.	Attorney's fees to									
	Includes above item numbers: 1101, 1106 & 1106I									
1108.	Title insurance to Dakota Title & Escrow Company							298.50	298.50	
	Includes above item numbers: 1109, 1100 & 1104I									
1109.	Lender's Coverage \$ 116,800.00									
1110.	Owner's Coverage \$ 146,000.00									
1111.										

Internet Explorer window: Fidelity Lending Portal 4.1 - Microsoft Internet Explorer

Address: <https://eportal.fnfismd.com/iPortal25/>

Wednesday, September 21, 2005

FIDELITY LENDING PORTAL

Client: 300 Loan No.: 0015598014 Retrieve

TSK1 SER1.LOAN DLG1 PMSF
 SAF1 ANA1 MAS1/BDN1 MAS1/BLNM
 LMTN PL05 FEE1 ARMP

Acquisition ARM New Loan Payment Method Hazard Due MERS ACCT Private Label Loan

Copy E-Mail Next Task Run Script

Print Search Windows Preferences

Navigator Help

PCH1 0015598014 PAYMENT CHANGES 09/21/05 12:17:15Z PF10

DATE	COUNTY	CURRENT	PENDING	ESC	EFF DATE	COUPONS	CH	GR
11/05	HARRIS	56.42				0		
	CITY	0.00						
	HARRIS	56.42						
	TX	0.00						
	LIEN	0.00			STOP DATE			
	045	0.00			MM/YY			
	HISCO	0.00	0					
	BSC	0.00						
	1ST PRI	559.67						
	2ND PRI	0.00						
	ASH	0.00						
	LIFE	0.00						
	REPL	0.00	0					
	HUD	0.00						
	NET	651.08						DELETE
	1ST INT DATE	5.75000						PRINT?
	2ND INT DATE	0.00000						CURS: N
								PEND: N

DIST-TYPE = 1 INTEREST-ONLY LOAN ANASTP=9 ACQUISITION

4 Years Later... In Retrospect

- Reduced technology investment risk
- Subscription-based solution
 - *Eliminated large, upfront cash outlays*
 - *Predictable costs*
- Software-as-a-Service model enabled scalability
 - *Unlimited users*
 - *Options to provide access to authorized 3rd parties (Virtual work environment – offshore options)*
- End-to-End Solution
 - *BPO services, plus on-demand imaging & workflow*
- Ease of implementation and quicker time-to-value
- Core competency focus

Direct Advantages

- Increased efficiencies of new loan staff
- Elimination of overnight mail costs to ship files from clients
- Elimination of manual effort to receive, log, store, track and move paper files
- Elimination of temporary (workstation) short-term (file room) and intermediate-term (off site file room) storage costs

Indirect Advantages

- Improved service now that images are available across the organization
- Mitigation of privacy concerns
- Support for Business Recovery plans
- Quicker turnaround on borrower research issues-direct access to the necessary documents
- Elimination of lost documents
- Immediate ID of missing docs at receipt

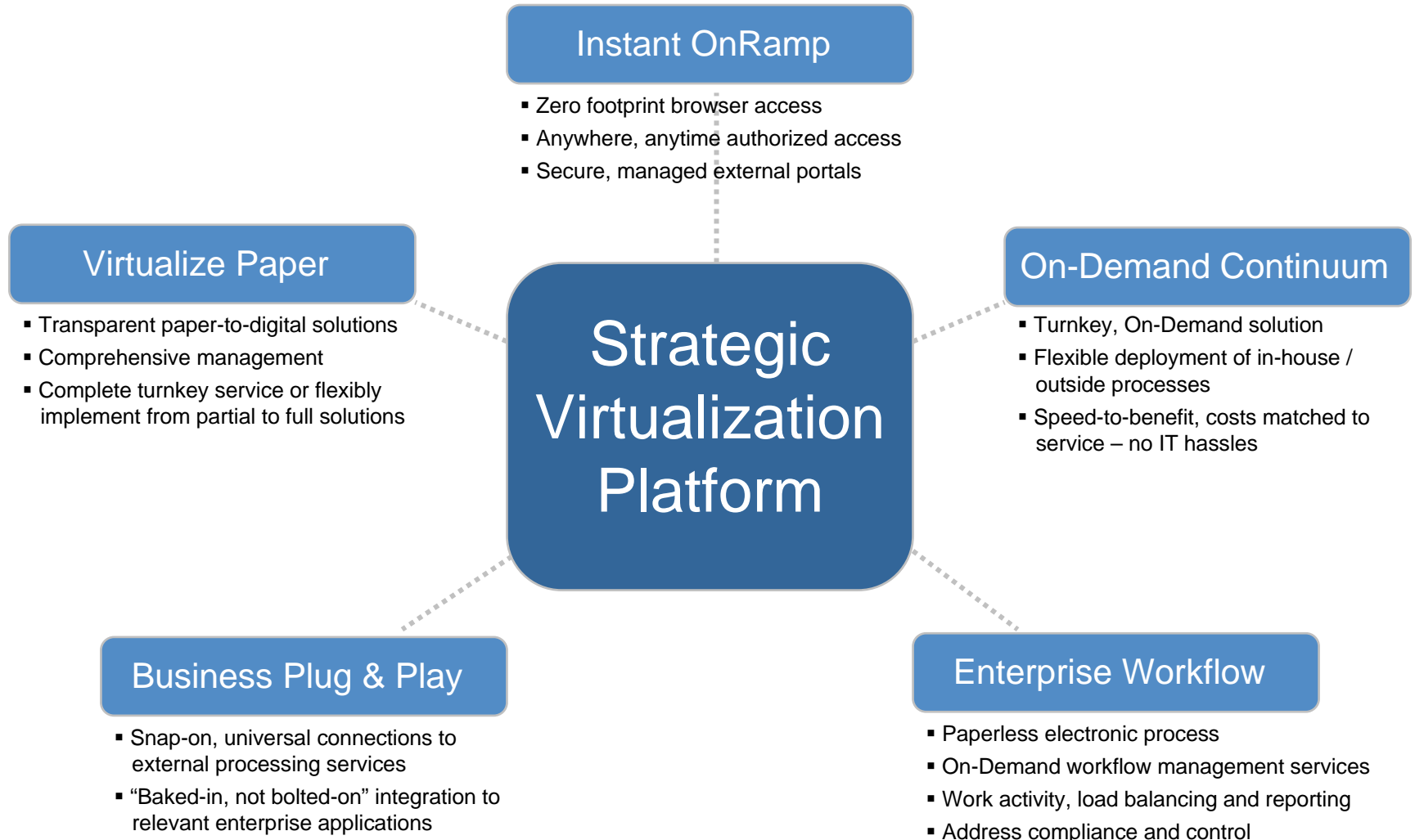
Unanticipated Benefits

- Some tax contracts require legal descriptions in order to set up
- In many cases, delays in obtaining legal descriptions resulted in missed tax payments and resulting late fees
- Tax vendor now has restricted access to retrieve legal descriptions directly from image documents
- Reduces turnaround from 15 days to minutes

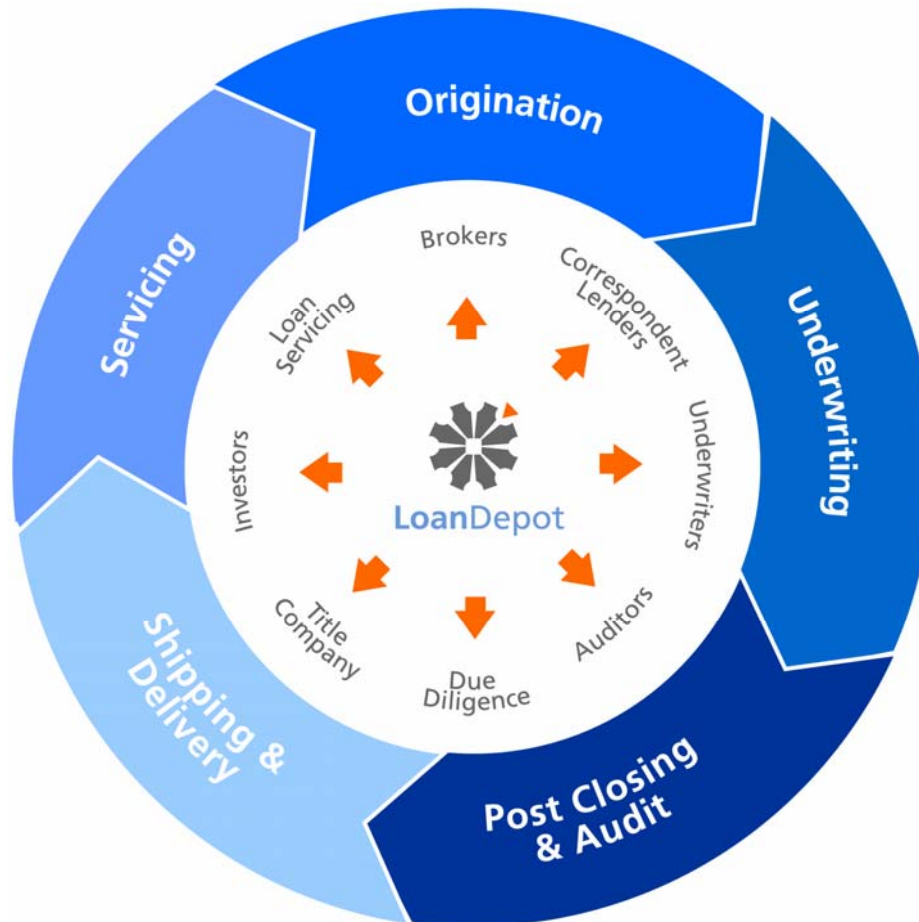
Efficiency Metrics

- Data error reduction from four in ten files to one in ten files
- New Loan processor efficiency increased by 30+%
- 2 File Coordinator positions eliminated
- Research analyst efficiency increased by 50%
- Elimination of back injuries from lifting heavy paper boxes - priceless.

Business Process Virtualization – “The Platform”



Loan Collaboration Services – LoanDepot™



Visit us at
Booth #325

 Archive Systems

Questions & Answers