

EQUIFAX

Paul Wills

Director – Product
Management

paul.wills@equifax.com

global  strategies

Add Your Company Logo Here

A few Definitions are in order

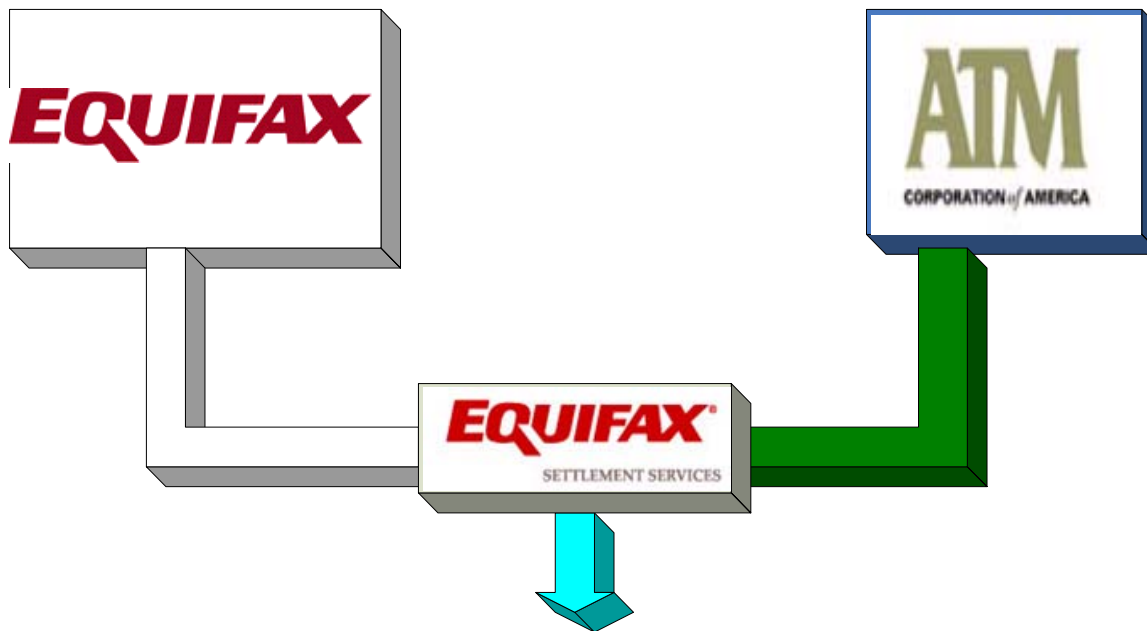
eMortgage - a mortgage where the critical loan documents, specifically the promissory note, have been natively electronically generated and signed.

Settlement Services – Those services/products/processes necessary to close a mortgage loan transaction.

Vendor Management Captive – A joint organization between a lender and a settlement services specialist, intended to add efficiency and value to the closing process

Next Steps Discussions

(Unique) Joint Venture Overview



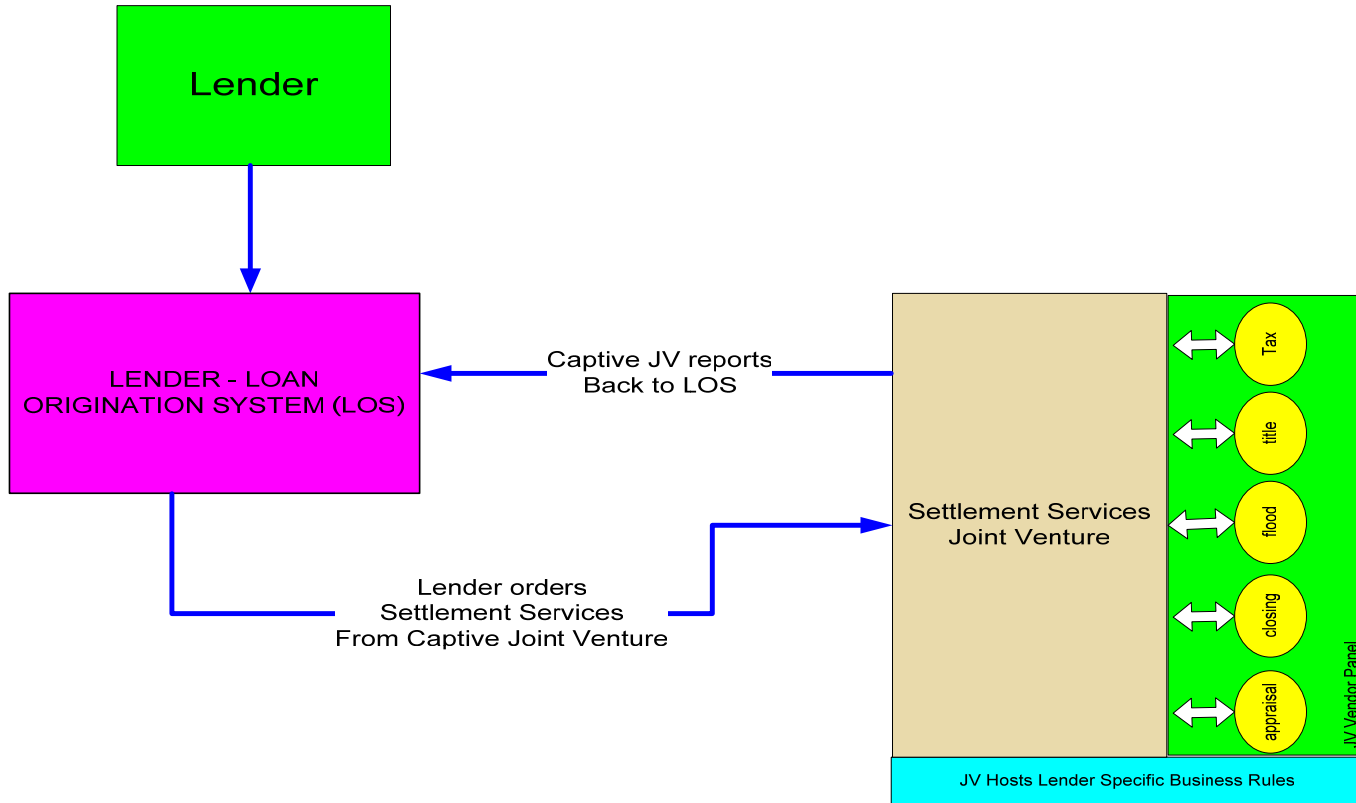
Share in:

- Process Fulfillment
- Optimal Vendor selection & management
- Technology optimization
- Customer Service

eMortgage Promises:

- Reduced cycle time – leads to:
 - Lower Origination Cost
 - Increased customer satisfaction
 - Better Quality Loan Documents & Information
- Lower Data Integration Costs
- Reduced Risk – QC & regulatory checks
- Improved Loan Delivery to Secondary Market
- Increased value of eMortgage asset

Captive Ordering Process



How does this scheme enable eMortgages?

- Legal adoption Issues
- Data Quality Issues
- Technology Adoption
- Evolving technical Standards

Captive JV's and Legal Issues

- Ensures ESIGN & UETA compliance
 - All vendors pre-vetted for compliance
 - Support for State Specific electronic Disclosures
- Support for eNotarization
- Tracking of authoritative copy of eNote
- Support for Title and document custodian services

Improved Data Quality

- 5-14% of Loan Applications contain some form of significant error
- Results in post-purchase scrubbing or repurchase
- Improved by Lender Specific Controls (house lenders' own business rules and policies)
- Staffed by Experienced (years) loan processors – trained to Identify trouble points

Technology eMortgage enablement

- Best-of-Breed vendor selection
- Offload cost of eMortgage development
 - Technical Infrastructure
 - Low switching cost
- SMART Doc® support

eMortgage Evolving Standards

- Supports a Hybrid approach to eMortgage adoption (use what parts are appropriate)
- Ease of support for new SMART Doc® standards
- MERS® eRegistry Support
- Evolving electronic vault support

Navy Federal Settlement Services

Capturing eMortgages, Capturing Business
Through a Captive Settlement Service Venture

NAVY FEDERAL CREDIT UNION

Who we are

Navy Federal Credit Union

75 Years Old

Limited Field on Membership

- Men and Women of the US Navy and Marine Corps
- Civilian Employees of the Department of the Navy
- Their families

NAVY FEDERAL CREDIT UNION

Who we are

\$28 billion in assets

2.8 million members worldwide

Servicing \$21 billion in First Mortgages

Servicing \$5 billion in Equity Loans

Closed \$5 billion in First Mortgages in 2006, in all 50 states

NAVY FEDERAL SETTLEMENT SERVICES

Who we are

NFRES

Founded in 2002

Partnered with ATM Corporation of America

Objective: Provide settlement and title insurance options to members, featuring fair pricing with no “junk” fees and GREAT SERVICE

NAVY FEDERAL SETTLEMENT SERVICES

Who we are

NFRES

Current scope:

Equities in 47 states

Refinance in 23 states

Purchases in 10 states

NAVY FEDERAL SETTLEMENT SERVICES

Who we are

NFRES

2006 Closings:

Equities 27,000 loans, \$1.7 billion

Refinance 5,021 loans

Purchases 803 loans

Closed \$1.4 billion in first mortgages

NAVY FEDERAL SETTLEMENT SERVICES

E-Settlements

Navy Members are everywhere:

Overseas -- Loan closed in Bahrain

Aboard Ship – Alive and Well

In Transit – Closings in airports, McDonalds

How do we serve them with excellence?

NAVY FEDERAL SETTLEMENT SERVICES

E-Settlements

How do we serve them with excellence?

We were an early adopter of e-settlements

**Worked with Fannie Mae and ATM to
develop and enhance product**

Rolled out e-settlements to Fairfax

County, VA and San Diego County, CA

NAVY FEDERAL SETTLEMENT SERVICES

E-Settlements

E-Mortgage is a key: Anywhere, anytime settlement

Having a Captive Is the Key

We control the process

We control the interaction

We control the timing

NAVY FEDERAL SETTLEMENT SERVICES

E-Settlements

E-Mortgage is a key: Anywhere, anytime settlement
Having an on-line real time Internet capability

Is the Key

ATMs VISION 4.0

We control the timing, and we can help the members when and where and how they prefer to be helped.

NAVY FEDERAL SETTLEMENT SERVICES

E-Settlements Issues

How can we help our members if:

- E-Settlements are not universal
- Not accepted in all secondary markets
- Technology is not consistent

NAVY FEDERAL SETTLEMENT SERVICES

E-Settlements Issues

- **Court house resistance**
- **Evolving, Inconsistent Technology**
- **Member (customer) hesitation**
- **Storage and record retention**

NAVY FEDERAL SETTLEMENT SERVICES

E-Settlements Benefits

- Time, time, time
- Errors, or lack thereof
- Cost
- Paper

NAVY FEDERAL SETTLEMENT SERVICES

E-Settlements Benefits

Questions?