

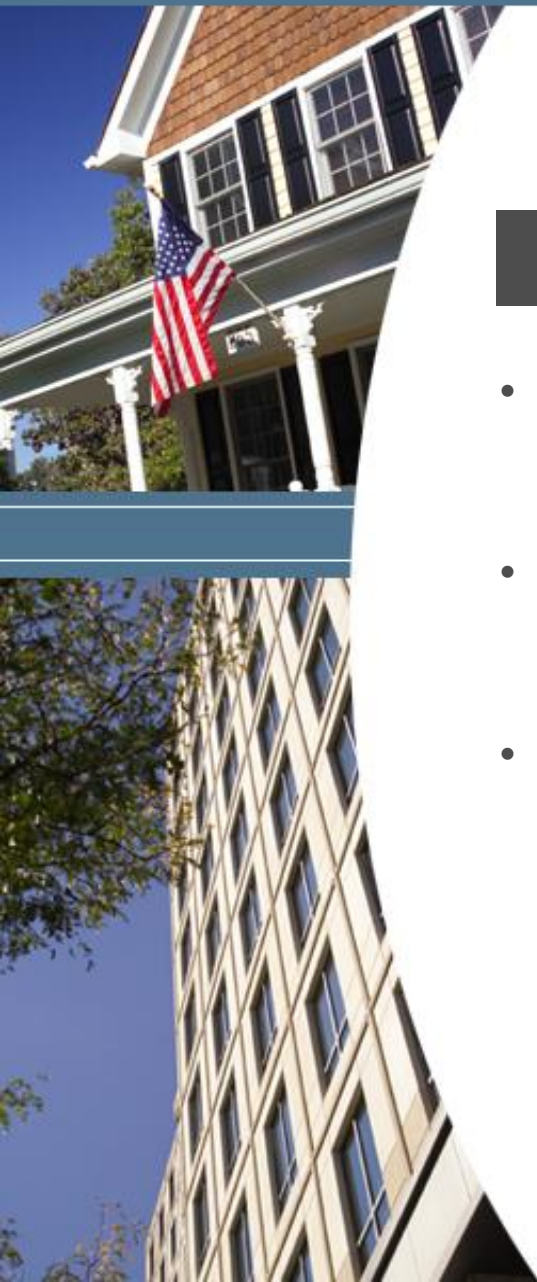


Loss Mitigation Options and Strategies

Bill Garland
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Fiserv®



The Good

- Gross domestic product ahead of forecast
- Stable to declining interest rates
- Existing home sales up

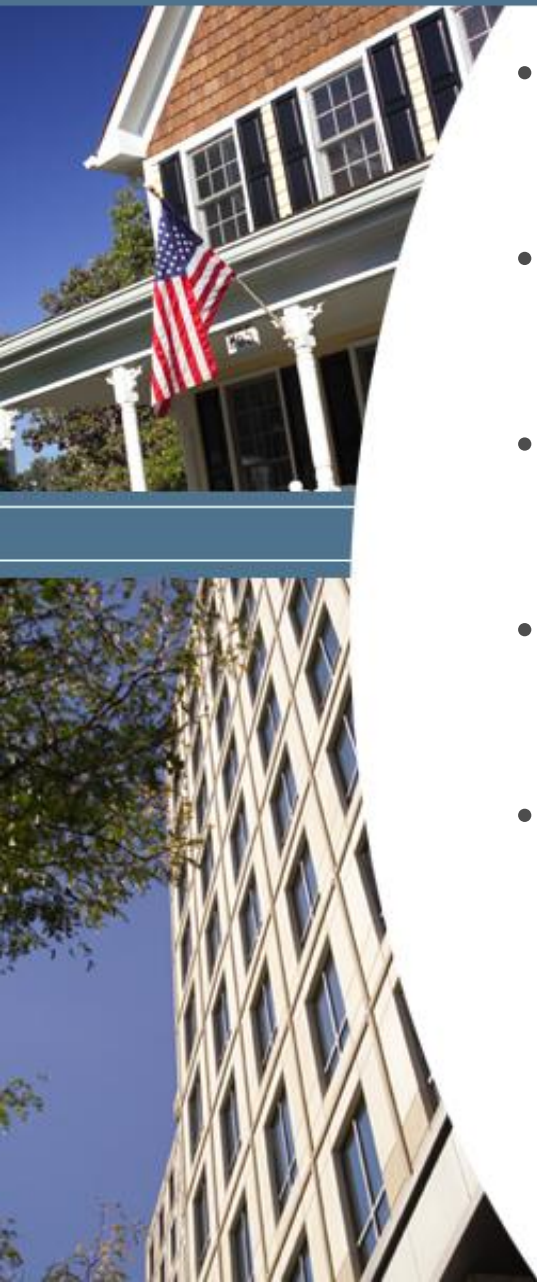
The Bad

- Personnel consumption expenditures decline
- Marketing times at record levels
- Corporate profits decline

The Ugly

- Foreclosure and distressed sales are up
- Pay option arms resetting
- Fraud incidence growing
- Declining property values

Mortgage Sector Impact

- 
- Volume down
 - Delinquency up
 - Profits down
 - Liquidity absent
 - REO at record levels



Survival Strategies

- Modeling results
- Be proactive
- Leverage analytics
- Know your borrower


Survival Tactics

- Improve credit quality
- Lower costs
- Manage risk
- Engage borrower

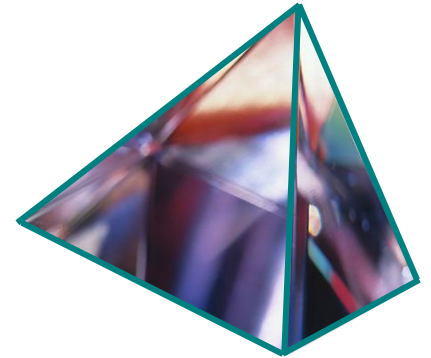


Loss Mitigation VS Home Retention

Action Steps

- 
- Forecast defaults
 - Borrower interview
 - Fulfillment
 - Surveillance

- Performing Loans
 - » Portfolio predictive delinquency assessment “PRISM”
(Predictive Risk Index Scoring Modeling)
 - » Identify assets at risk of delinquency
 - » Forward looking “preventative” solution to stay ahead of delinquency curve
 - » Limited data needed from servicer/client





Moody's | Economy.com

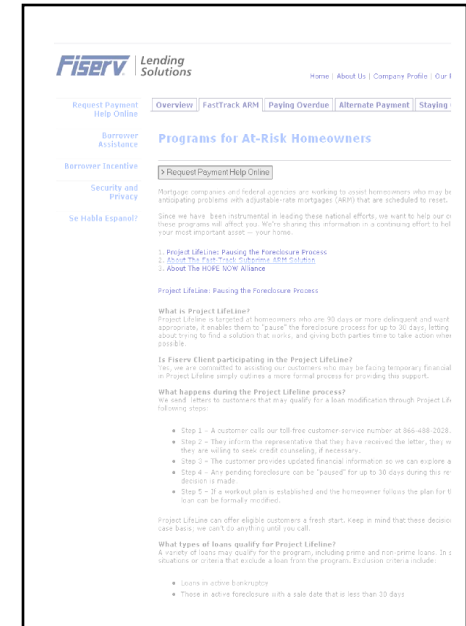
- PRISM integrates Moody's Economy.com fully specified equilibrium forecasting model for single-family homes
- Leverages CSI data
- Identifies and incorporates long-term influences on home prices, including:
 - » Demographics
 - » Income trends
 - » Joblessness
 - » Changes in mortgage rates

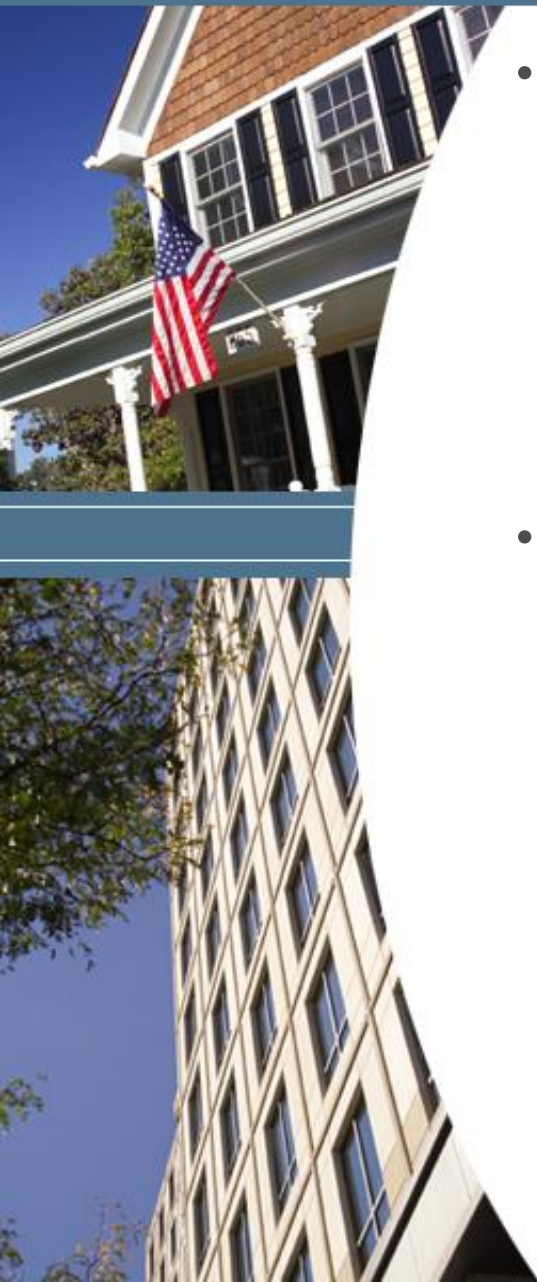
Delinquent Loan Management

Right Staffing Options



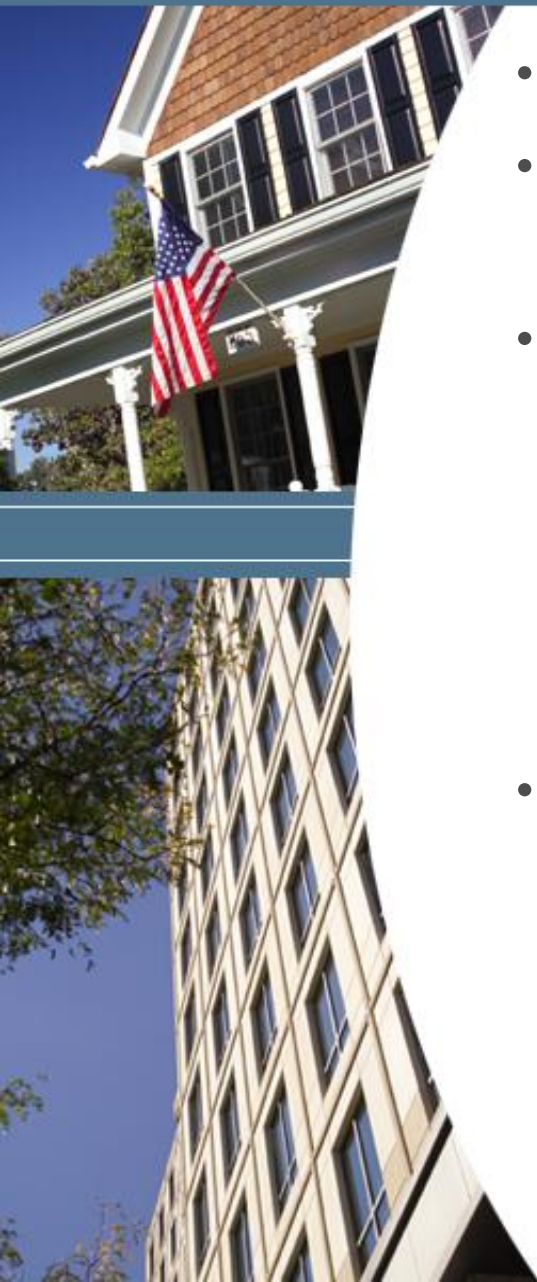
- Delinquent Loans
 - » Outsourced loss mitigation solution
 - » Assess, augment and/or replace lenders loss mitigation program
 - » Outsource support for all loss mitigation resolutions: repayment plans, forbearance, modifications, deed in lieu, short sales
 - » Experience in GSE modification programs
 - » Proven methods for superior loan resolution
 - » Variable cost, reduces overhead expense
 - » Streamlines loss mitigation process for greater efficiency



- 
- Special contact programs
 - » Special product offers, e.g. gas cards
 - » Custom campaign options
 - » Sweepstakes
 - » Loan counseling supporting home retention solution
 - Variety of channels used
 - » Personalized landing pages, e-mail, direct mail, phone
 - » Network of resources
 - Borrower contact, property visits, investigative procedures
 - Licensed debt collector in 50 states
 - Bilingual expertise both internally & through attorneys
 - Nationwide network of criminal investigators

Borrower Engagement

Web Sites

- 
- Secure micro-sites to match lender's web site
 - Streamlined content management to deliver general and specific program information
 - Optimized for multiple contact options
 - » Contact forms with auto-response and auto-forward logic
 - » Live click-to-chat capabilities
 - » Direct call-to-action plus return links back to lender site
 - Spanish version

Borrower Engagement Web Sites

- Multiple service levels (can be phased)
 - » Static micro-site with contact forms
 - » Dynamic portal with registered users
 - » Interactive application with rules-based loan modification decisioning



[Request Payment Help Online](#)

[Borrower Assistance](#)

[Borrower Incentive](#)

[Security and Privacy](#)

[Se Habla Español?](#)

[Overview](#) | [FastTrack ARM](#) | [Paying Overdue](#) | [Alternate Payment](#) | [Staying On Track](#) | [Online Form](#)

Site for Demonstration Purposes Only, Not for General Distribution/Utilization

Overcoming Payment Challenges

Fast-Track ARM Solution: Are you eligible for the rapid relief program for subprime loans?

Keeping up with with your mortgage payments is an essential part of managing your home asset and building a secure future. But unexpected challenges — like the loss of employment, medical problems, or other difficult circumstances — can make paying your mortgage more difficult.

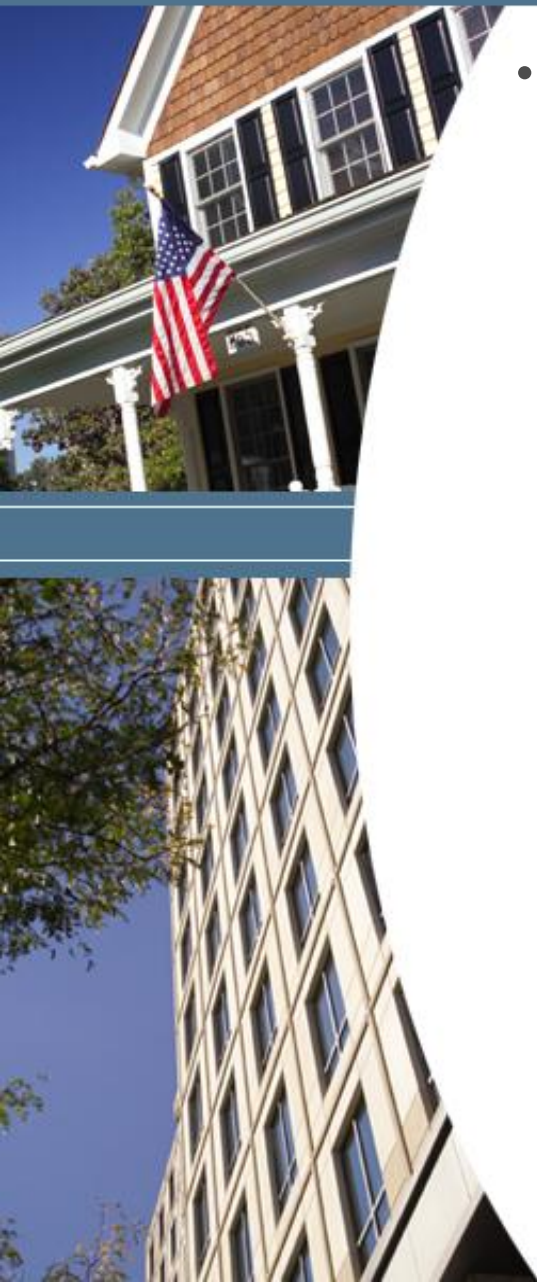
At Fiserv, we know that your home is your most powerful asset and your key to moving beyond short-term problems into a lifetime of secure homeownership . That's why we offer options to help you protect the personal and financial investment you've made in your home.

[> Paying your overdue amount](#)
Find out where you may be able to get the funds and how to have them applied to your account as quickly as possible.

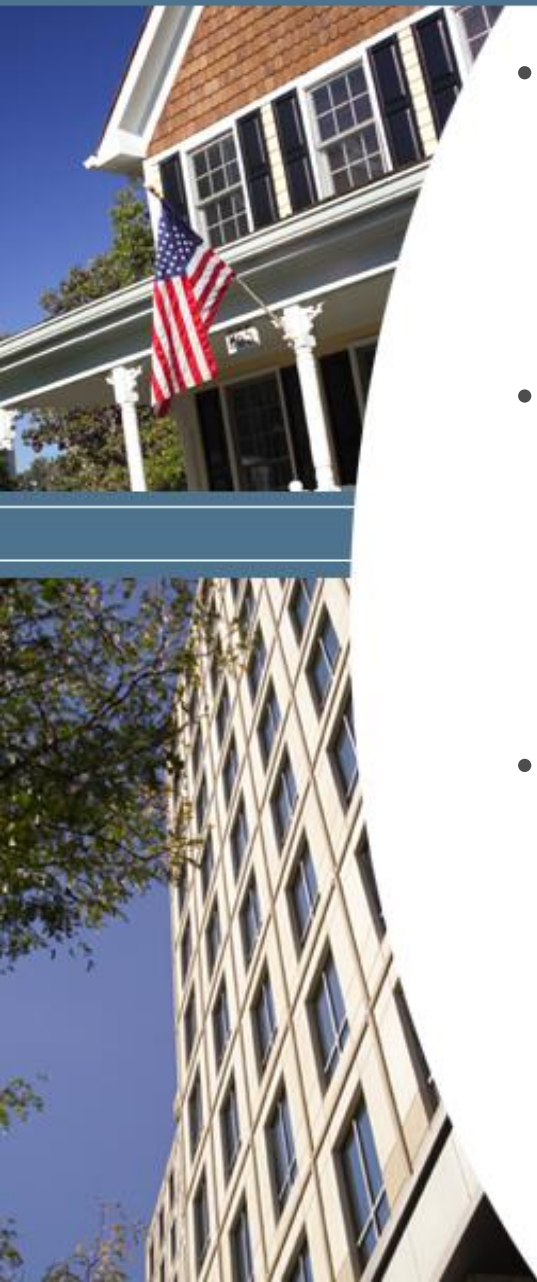
[> Alternative repayment options](#)
If you can't make your payments, we'll do our best to find a repayment solution that you can manage. Read about some of the options we offer, request payment help by phone, or use our online form.

[> Staying on track](#)
Learn how account management tools can help you keep up with your mortgage payments.

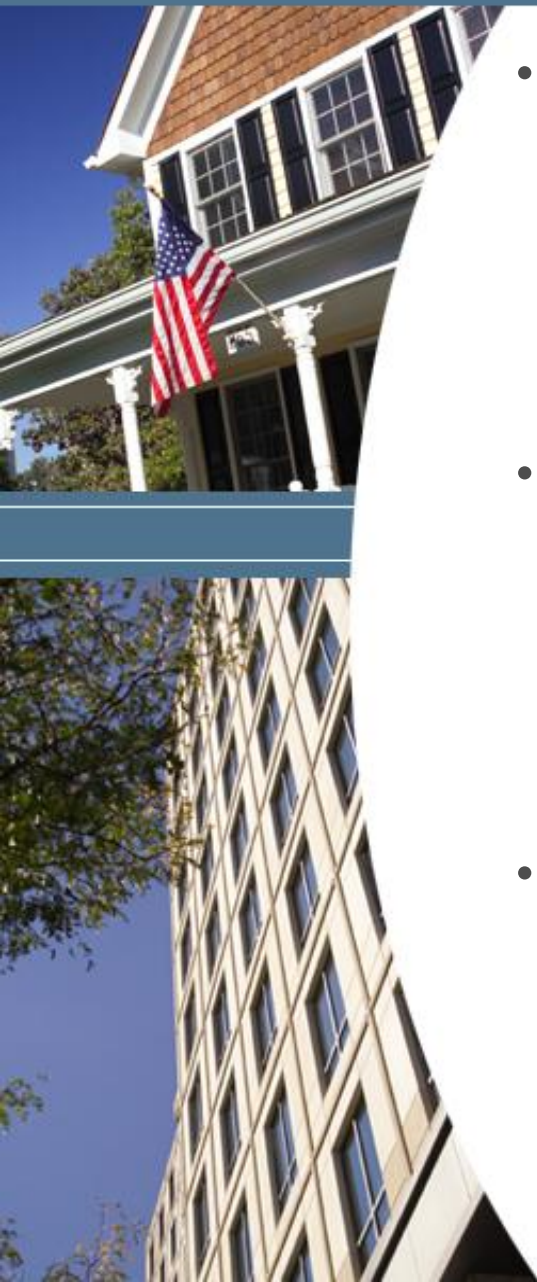
FLS HRM Solution | @ Copyright 2007 Fiserv Inc. | [FiservLendingSolutions.com](#)

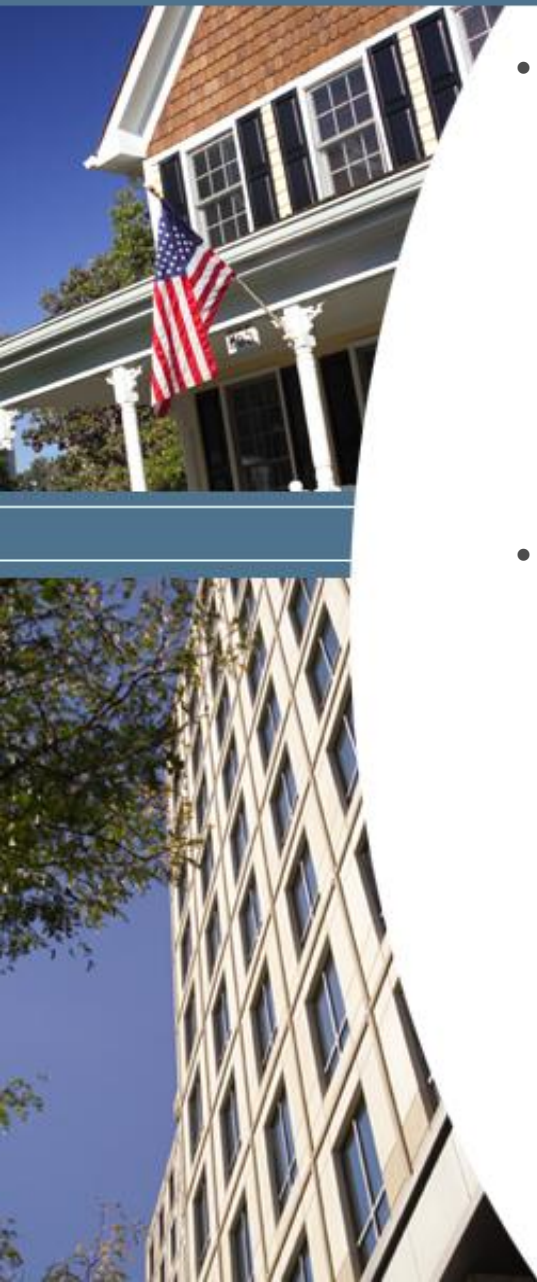
- 
- Fulfillment Tasked Elements
 - » Document Creation/Preparation
 - » Document Data Element Calculations/Quality Control
 - » Document Shipment
 - » Call Center/Campaign – Inbound/Outbound
 - » Document/Package Tracking
 - » Skip Tracing
 - » Package receipt Quality Control
 - » Document Imaging
 - » Custodial Management

Program Development Process

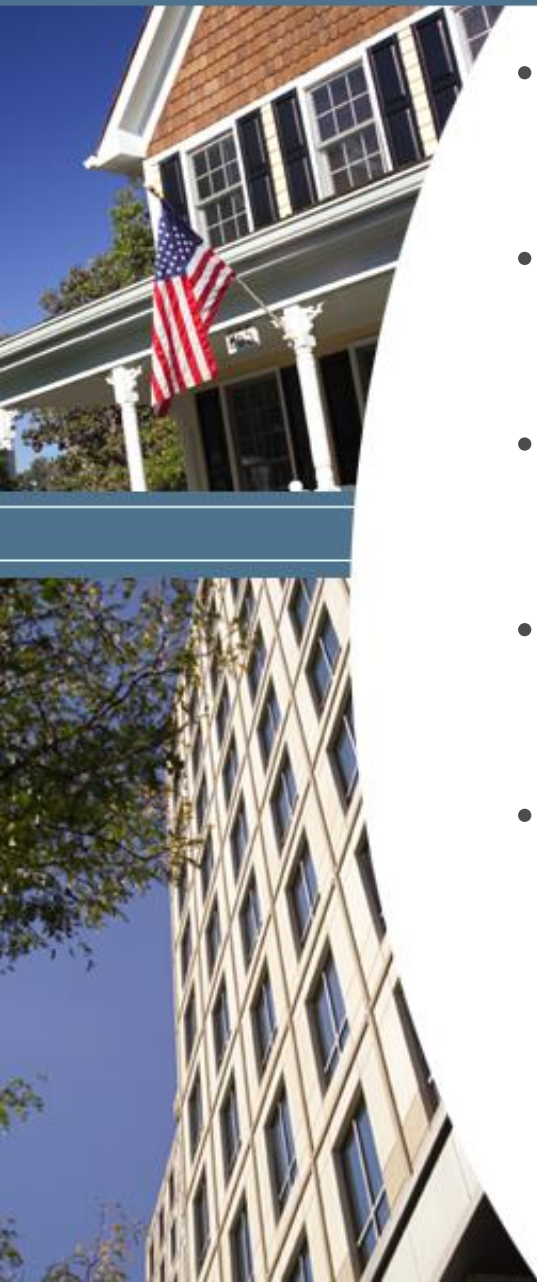
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- Project
 - » Definition
 - » Business Rules
 - » Solution Management
 - Delinquent Interest
 - » Methodology
 - Approval Process
 - » Loan Level Calculation
 - Approval Process
 - Capitalization
 - » Methodology
 - Approval Process
 - » Loan Level Calculation
 - Approval Process

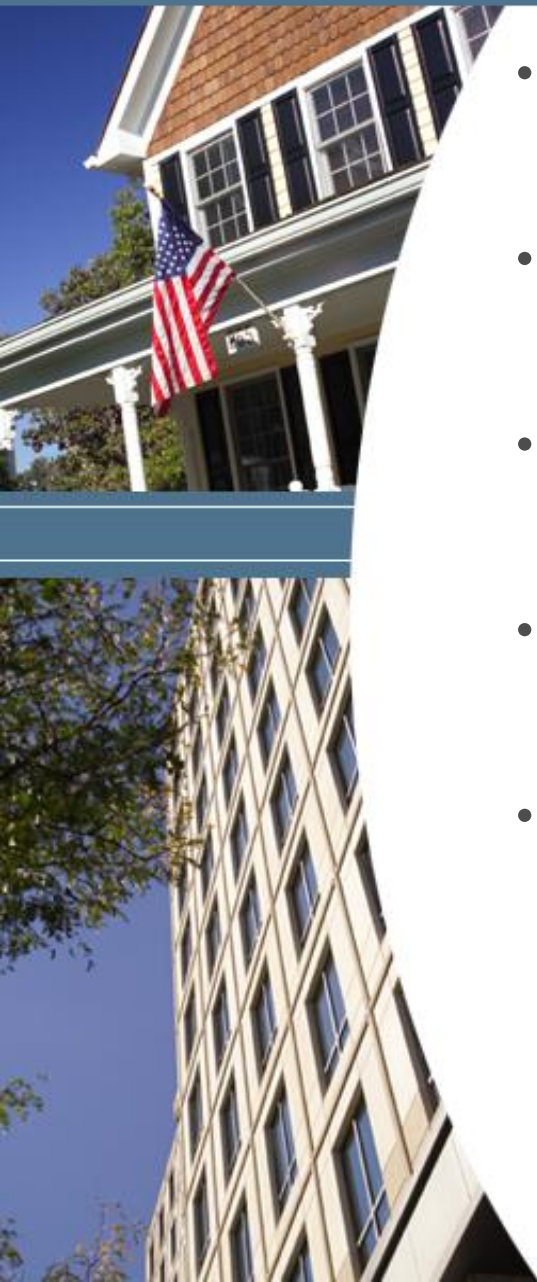
Program Development Process

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- Program Letter
 - » Sample Draft
 - » Letter Customization
 - » Loaded into Case Management System
 - » Sample Approval Process – Text
 - Modification Documents & Riders
 - » Sample Documents/Riders Draft
 - » Document Customization
 - » Loaded into Case Management System
 - » Sample Approval Process – Text
 - Draft Program Documents
 - » Data Merged into Documents
 - » Draft Approval Process

- 
- **Documents**
 - » Letter
 - » FAQ
 - » Modification Document
 - » Riders
 - » Bar Code
 - **Fulfillment – Stage 1**
 - » Printing
 - » Collating
 - » Shipment
 - » SLA – 7 Days
 - **Call Center**
 - » Inbound
 - » Outbound
 - » SLA – 10 Days
 - **Skip Tracing**
 - » SLA – 12 Days
 - **Fulfillment – Stage 2**
 - » Quality Control
 - » Package Tracking
 - » Imaging
 - » Exception Processing
 - » Document Custodial Management

Surveillance Process

- 
- Confirm loan recast completed
 - Confirm correct billing
 - Confirm borrower understanding
 - Track early payments
 - Maintain borrower contact

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- Recover servicing and escrow advances
 - Reduce delinquency advance obligation
 - Reduce non-performing assets
 - Reduce reserve requirements
 - Reduce REO inventory



Thank You

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