



Certification from Data

By Ken Robertson, JPMorgan Chase Custody

Introduction

- Context:
 - » A large Custodian performing investor certification on mortgage loan deliveries.
 - » Loan volumes are high (1000's per day)
 - » Service levels are short (and growing shorter)

Business Case

- Delivering more loans increases profitability
- Extended certification time decreases profitability
- Post delivery exceptions decreases profitability

The Challenge

- How to support delivery of more loans with less time to complete the certification?

The Solution

- Review loans pre-delivery and certify post-delivery based on initial review results.

Solution Steps

- Identify targeted investor for each loan
- Review loans to targeted investor criteria, citing data and document exceptions
- Resolve exceptions cited in review
- Clear loan for delivery to investor
- Complete certification with investor

Certification Process

1. Verify there are no open exceptions on loans
 - All required documents are in the file
 - Data on Custodial system matches documents
2. Verify data delivered to the investor matches data in Custodial system
 - Extract data from investor system
 - Compare Investor data to Custodial data
3. Complete certification in investor system

Benefits

- More time to perform review = less FTE
- More time to resolve exceptions = less FTE
- Certification within hours of delivery
- Less loan substitutions needed

Timeline Summary

- Certification from Paper
 - » Loan closes
 - » Mortgage company reviews paper/data
 - » Mortgage company deliverers data to Investor
 - » Custodian reviews paper/data
 - » Custodian certifies Investor
- Certification from Data
 - » Loan closes
 - » Custodian reviews
 - » Mortgage company deliverers data to Investor
 - » Custodian certifies to Investor



**Any questions for the
panelists?**