



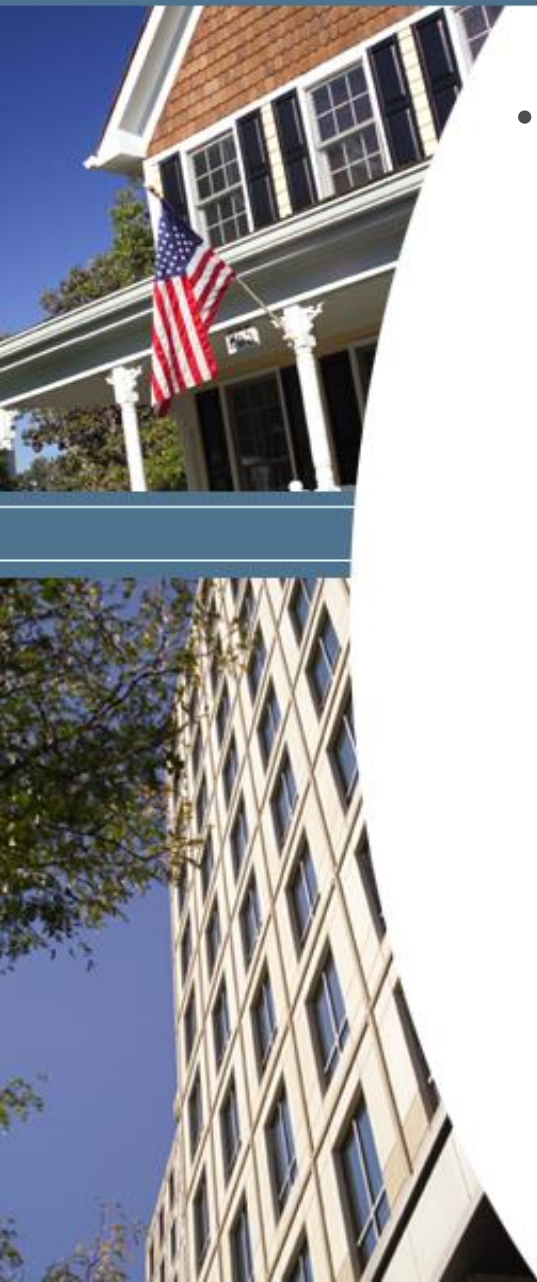
## Doing More With Less

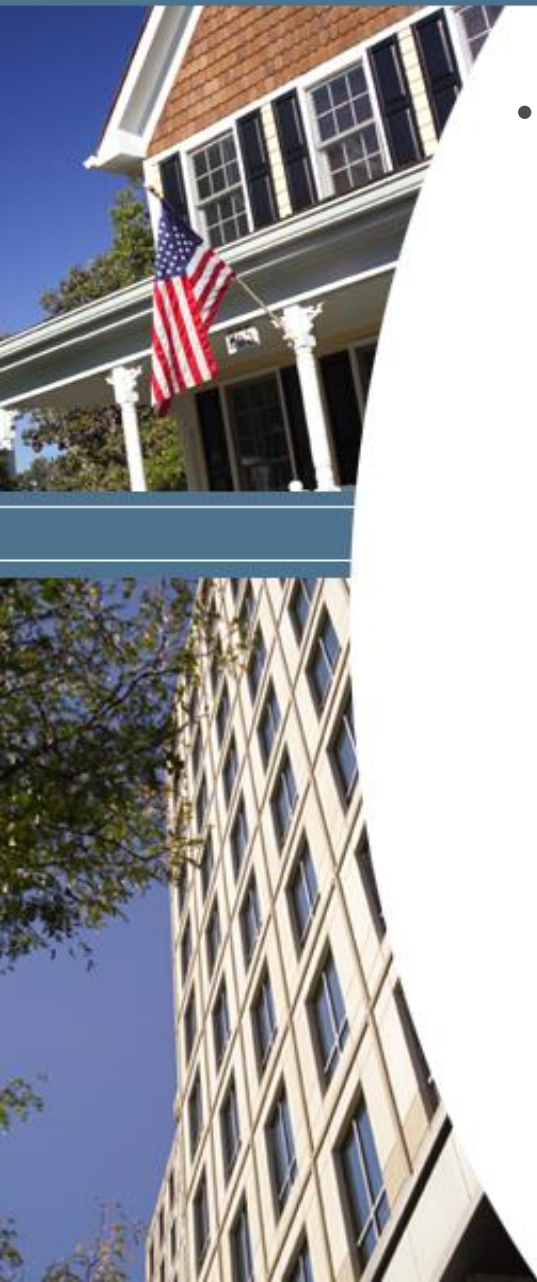
Real Examples from First American Business Partners

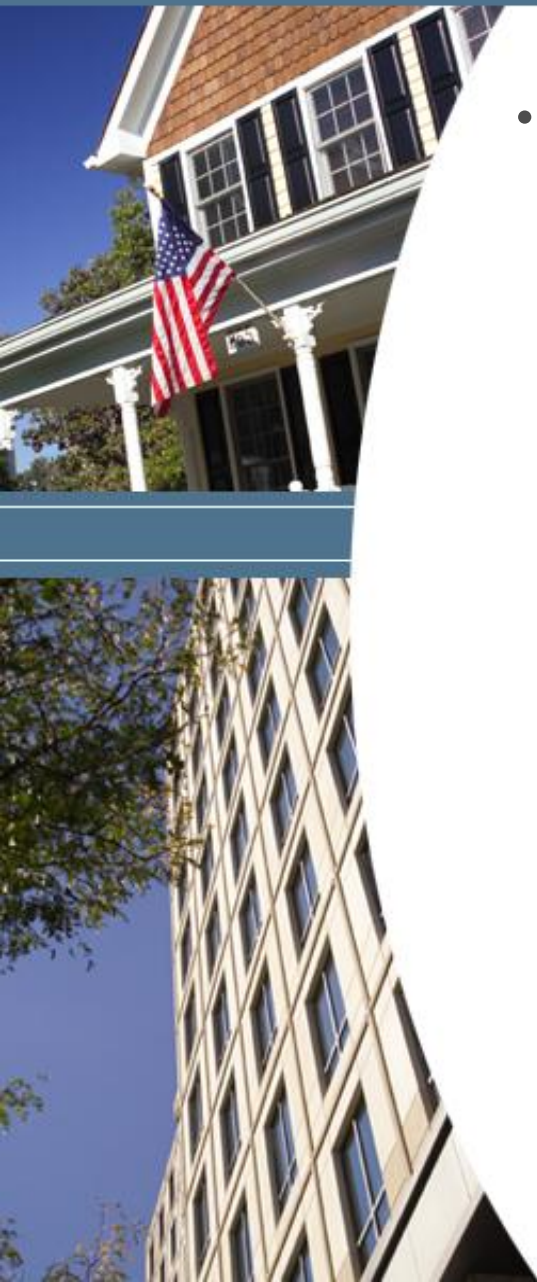


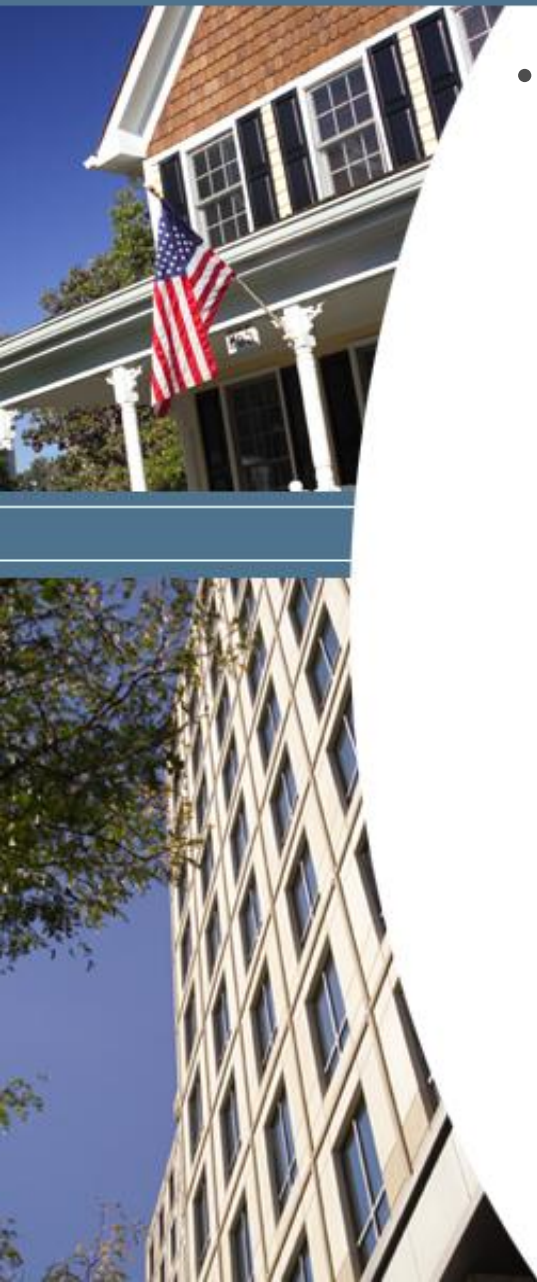


- With an increasingly tighter budgets, our clients strive to improve efficiency and drive out costs with the initiatives such as:
  - » Expanding With Offshore Resources
  - » Leveraging Vendors
  - » Leveraging Data
  - » eMortgage Initiatives
  - » eDelivery Options
  - » Paperless File Submissions
  - » General Process Improvement Initiatives

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- Offshore Resources
    - » Transition repetitive processes
      - Title Policy review/validation
        - › Is it signed?
        - › All required schedules attached?
        - › Name and dollar amounts correct?
    - » Increase turn-times and capacity
    - » Improve quality
      - Allows in-house staff to be focused on detailed or more complex tasks
    - » Reduce expenses (transaction based pricing)
      - The company does not pay for absent employees
      - Avoid disruption in service due to absences

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- Leveraging Vendors
    - » Transition repetitive process
      - Tracking down missing title policies
      - Mortgage recording confirmation/retrieval
    - » Increase turn-times and capacity
      - Eliminated overtime for peak processing times
      - Utilize trained resources on “problem” items
      - Leverage vendor’s technology (no internal resources to build a better mousetrap)
    - » Improve quality
      - Leverage vendor’s expertise
      - Leverage vendor’s resources
        - › data and image repositories
        - › Relationships (with title companies and others)
    - » Reduce overhead expenses

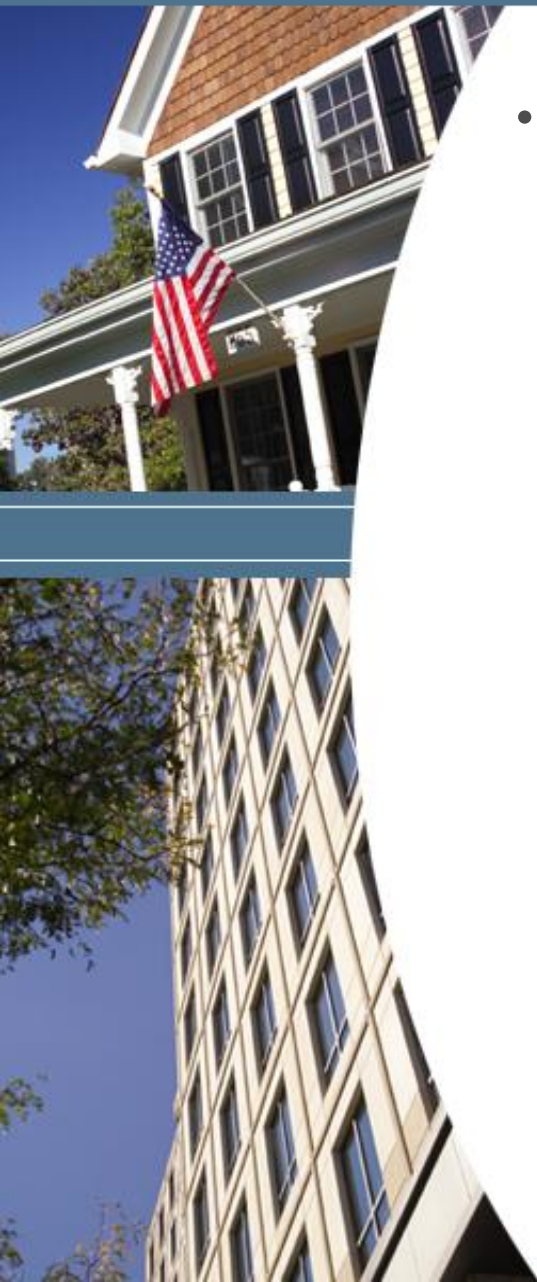
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- Leveraging Data
    - » Process
      - OCR extraction of data from the Note
      - Compare OCR data to system data. Staff only review discrepancies
      - Data available in the future for system data validation just prior to loan sales
    - » Increase accuracy and data quality
      - Previous manual review was only as good as the first set of eyes to do the review.
    - » Reduced expenses
      - Early estimates are conservatively expecting a 20-30% reduction in processing costs
    - » Improved employee relations
      - Elimination of “72 hour week” during pool delivery weeks

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- eMortgage Originations
    - » Old Process
      - Paper files received from closing table
      - Paper was imaged
      - Paper was sorted and stored in origination files
      - Document reviews completed to ensure consistency between system data and documents
    - » eMortgage Process
      - Documents are automatically loaded to imaging system
      - All documents contain security to ensure data/document accuracy
    - » Reduced costs by eliminating processes
      - Receipt/tracking of inbound paper
      - Imaging
      - Manual creation of origination files
      - Eliminated document review requirements, since documents are secure and tamper-proof.

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- eDelivery – Trailing Document Exceptions
    - » Original Process
      - Mailed monthly report to a single recipient (closing agent, title company, etc.)
    - » New eDelivery Process
      - Weekly reports are delivered via email
    - » Reduced costs
      - Eliminated packaging and shipping charges on 400+ reports each month
    - » Increase Effectiveness
      - Reports are now delivered to multiple recipients in each business partners office
      - Brokers are copied for additional leverage in resolving open items

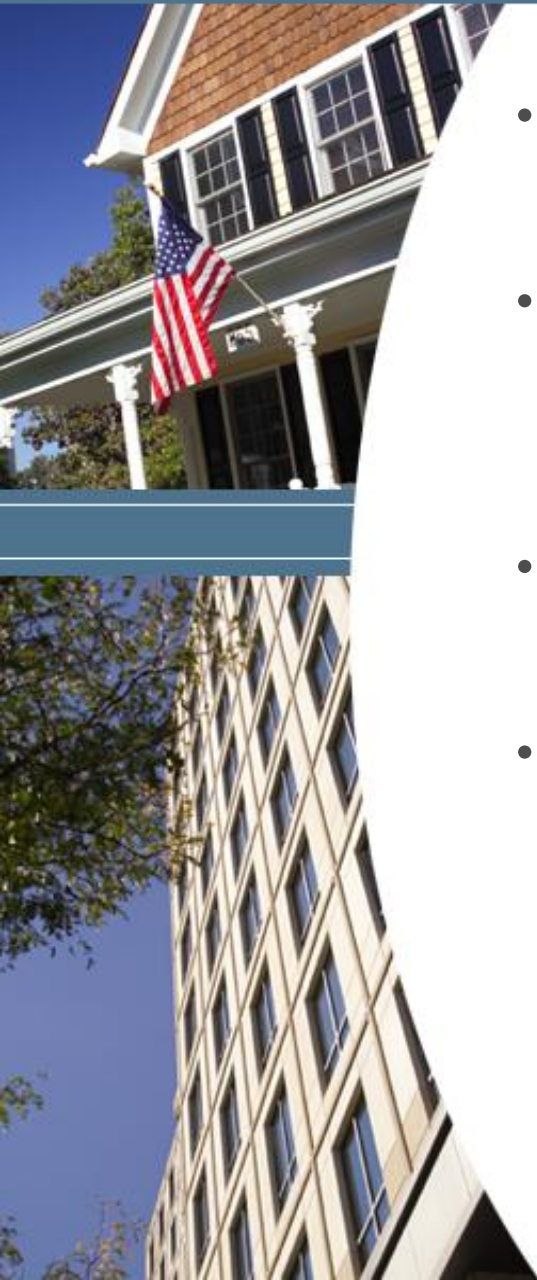


- Paperless File Submissions From Closing Agents
  - » Original Process
    - Original paper documents were packaged by the closing agent and shipped via overnight courier to the post closing department
  - » New Process
    - U/W and Closing Packages are scanned, and electronic images are delivered in lieu of paper
  - » Reduced costs/Increase Effectiveness
    - Eliminated packaging and shipping charges (except for the original Note)
    - Post Closing does not have to man scanners to image documents onsite
    - Eliminates requirement to store paper in the warehouse facility

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- General Process Improvements – Vault Operations
    - » Original Process
      - Newly originated files are stored in a section of the vault for bank portfolio loans
      - Upon sale, the files are pulled, aggregated by pool, and re-shelved in a new location
    - » New Process
      - Files are shelved one time only. Agencies allow for elimination of re-shelving as long as effective location tracking is in place
    - » Agency Approval
      - FHLB– does not allow this practice
      - FNMA – allows it but is re-evaluating their requirements
      - Freddie Mac – allows co-mingling
      - GNMA – TBD

- Conduct a self-evaluation of your processes and consider alternative options

Review Processes	Alternative Options
The process is repetitive	Consider off-shore options or vendor relationships
The process requires expertise	Evaluate vendor options
The value doesn't seem to justify the expense	Review requirements. Present alternatives for consideration.
The process creates more paperwork	Can paper be created, stored, delivered in electronic format?
Requires technology to improve the process	Evaluate access to internal resources and options provided by vendors



- Consider all options with an open mind.
- Some processes may be most effective in a manual, paper based environment. And that's okay too.
- Small improvements add up over time.
- Include all levels of employees in process improvement projects – from evaluation to brainstorming better ways to process to prioritization of initiatives.