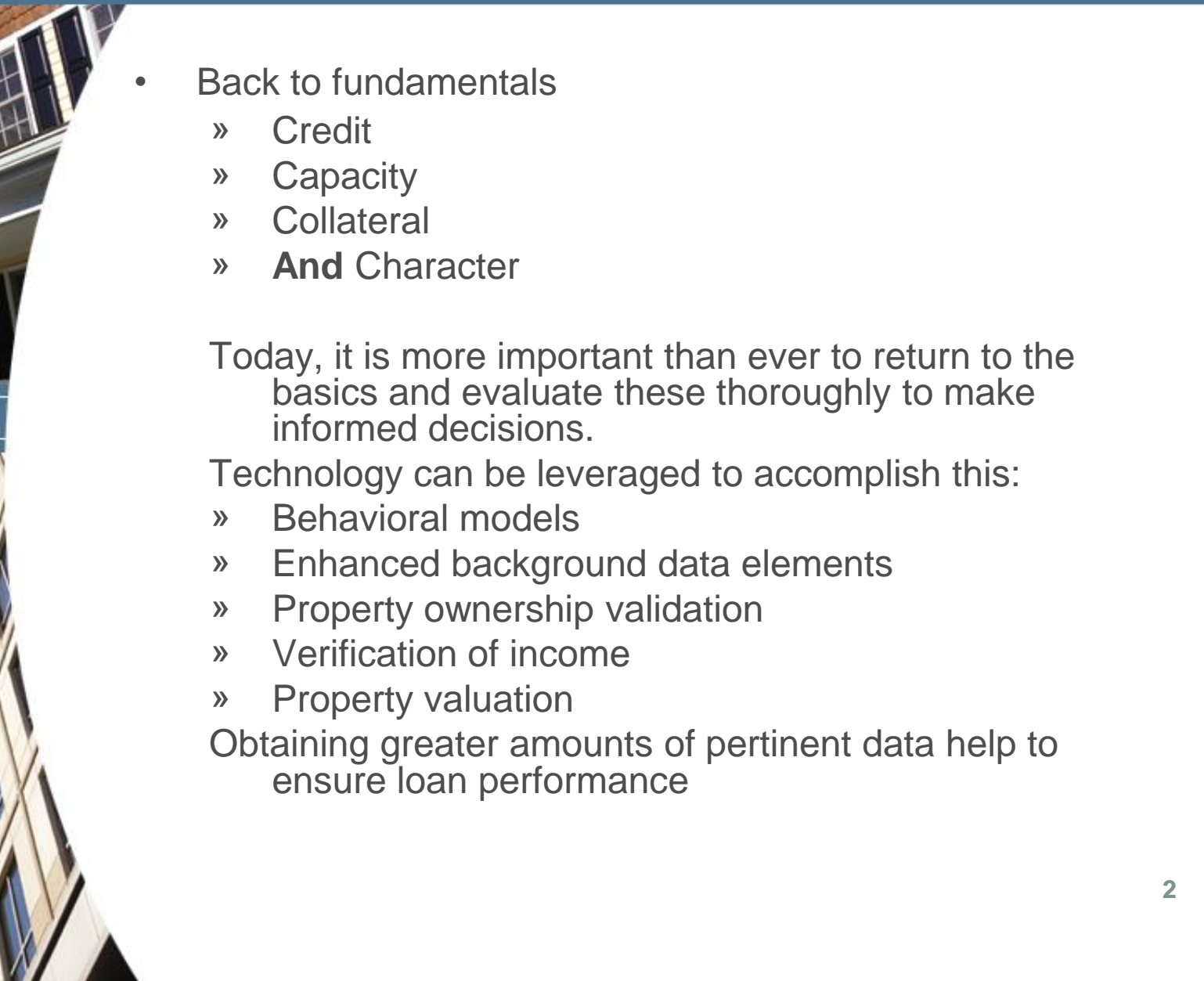




Fundamentals

How do we get back to the basics?

- 
- Back to fundamentals
 - » Credit
 - » Capacity
 - » Collateral
 - » **And Character**

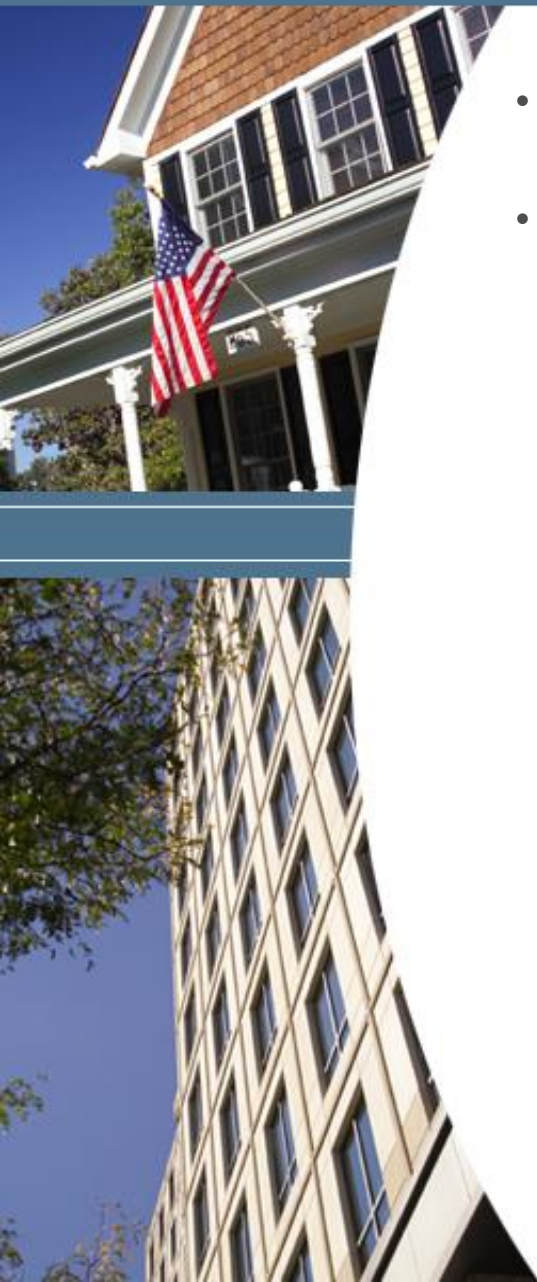
Today, it is more important than ever to return to the basics and evaluate these thoroughly to make informed decisions.

Technology can be leveraged to accomplish this:

- » Behavioral models
- » Enhanced background data elements
- » Property ownership validation
- » Verification of income
- » Property valuation

Obtaining greater amounts of pertinent data help to ensure loan performance


Integration of technology

- 
- Pre-funding and loss mitigation analysis and controls becoming more important.
 - Balancing speed to market with more mature integrated fraud programs is a growing challenge.
 - » Leveraging of technology to assist
 - » New products obtain data and compile together
 - » Reporting designed to manage data elements
 - » Program specific data can be segregated


Repurchase and Re-default rates remain high

- » PWC survey finds fraud remains a major factor of repurchase and re-default issues
 - Inaccurate or incomplete data issues
 - Purposely altering or disregarding pertinent data
- » Understanding fraud repurchase frequency is critical due to high severity rates

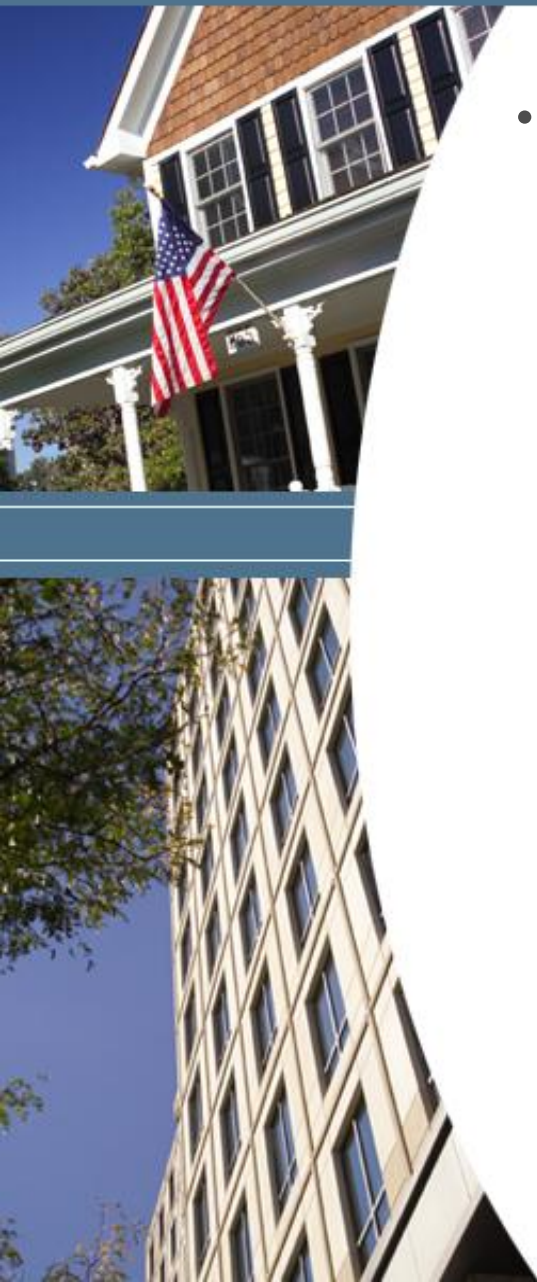
HASP related issues

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- Need for controls to validate information for modifications
 - » Income
 - » Home value
 - » Employment

Need for expedited time frame in order to accomplish directives

- 
- » Technology
 - » Component servicers
 - » Increased staffing
 - » Employee skill sets

Additional Fraud issues

- 
- Fraud issues within loan servicing and loss mitigation venues
 - » Unqualified modification plans constructed
 - Plans approved without merit to reach goal
 - › Borrower ramifications
 - › Servicer market ramifications
 - › **Market ramifications**
 - » Foreclosure rescue scams
 - Utilization of same technology to perpetuate fraud
 - » “Non arms length” purchase scams
 - » Regulations and oversight

Contact information

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