



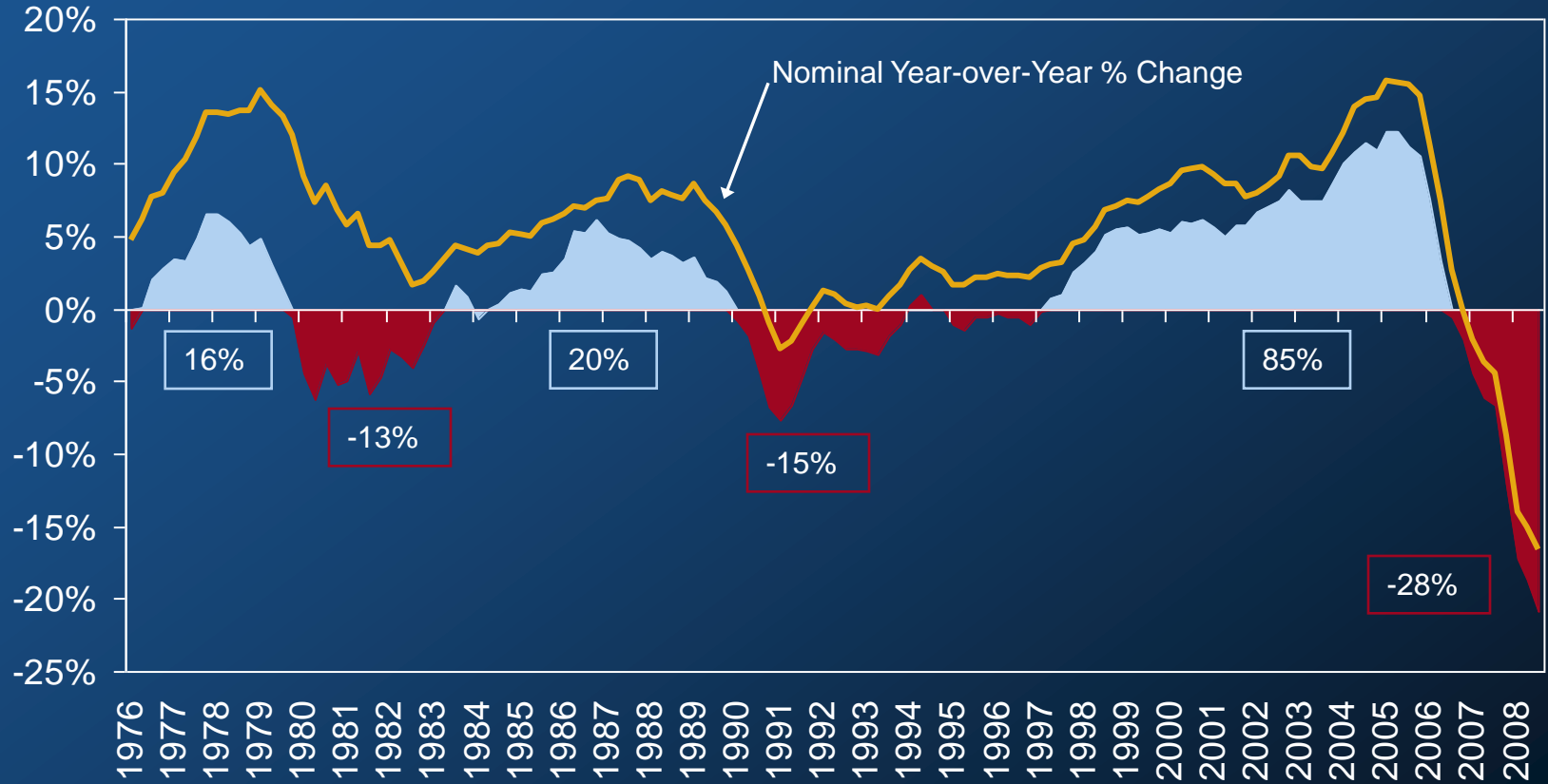
# Using Analytical Tools & Data To Help Cure Distressed Assets

*Bill Garland*  
*Senior Vice President, Fiserv*

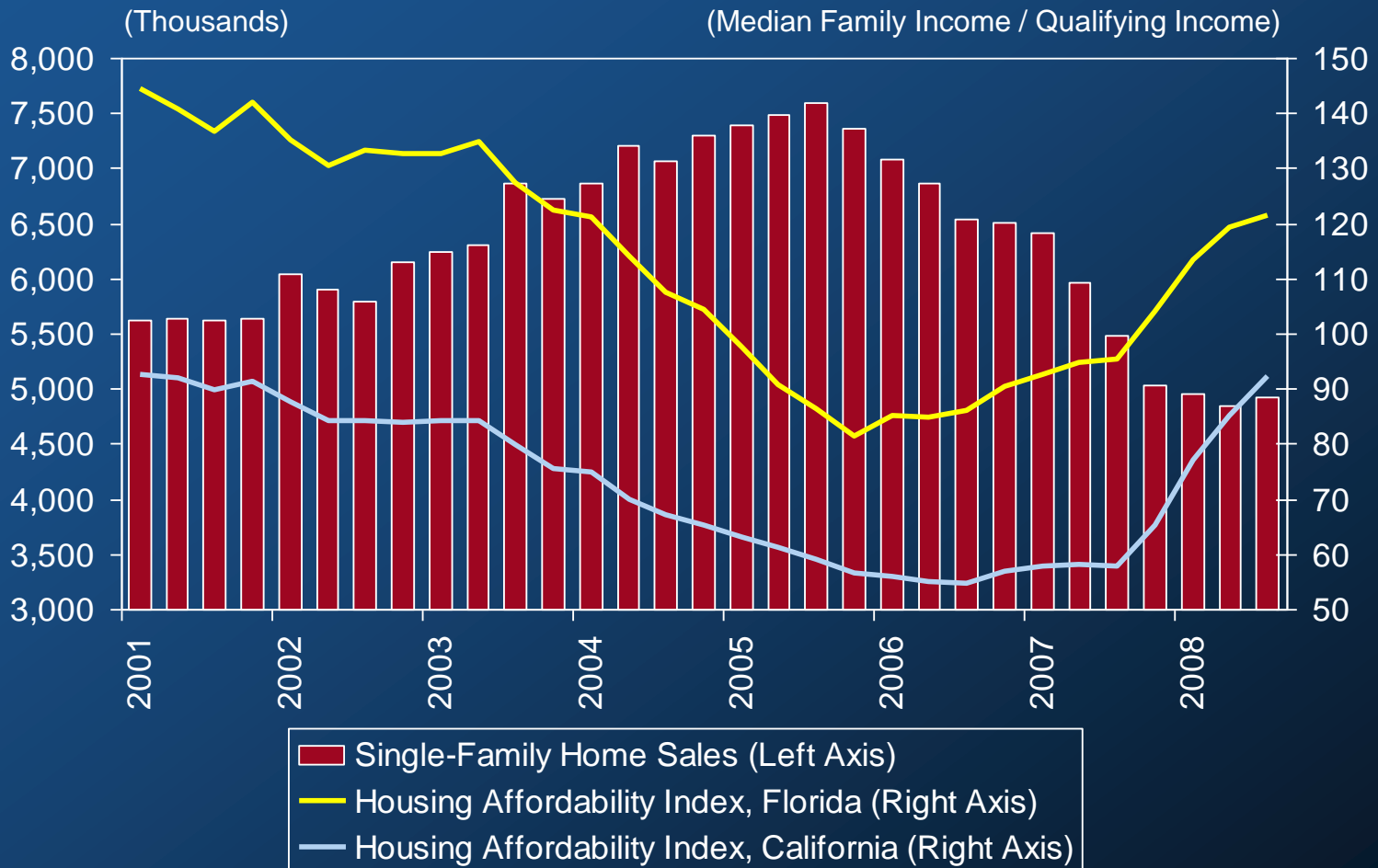


# Home Price Bubble

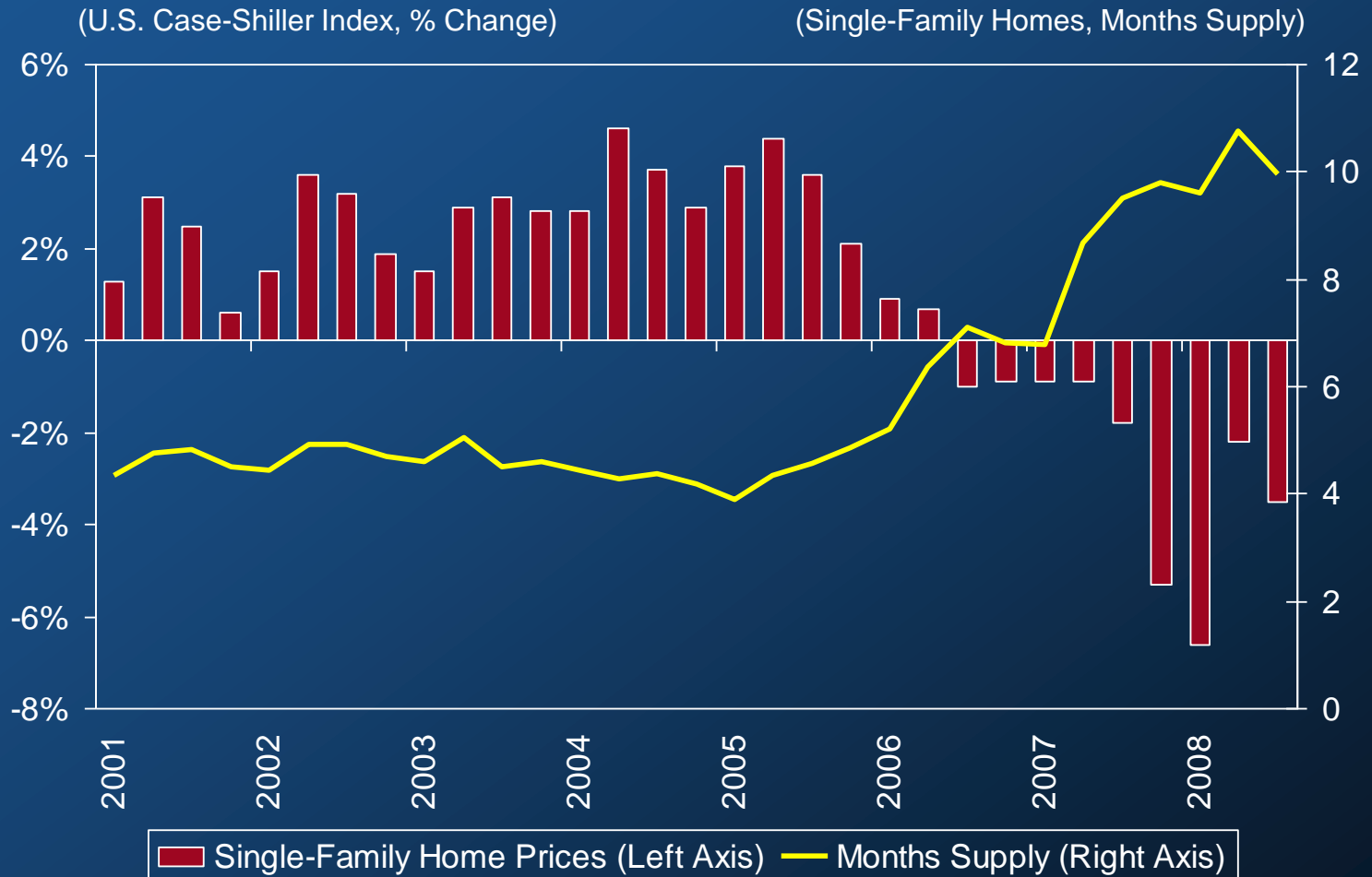
U.S. Single-Family Home Prices (Year-over-Year % Change, Inflation-Adjusted)  
(Cumulative Changes Shown in Boxes)



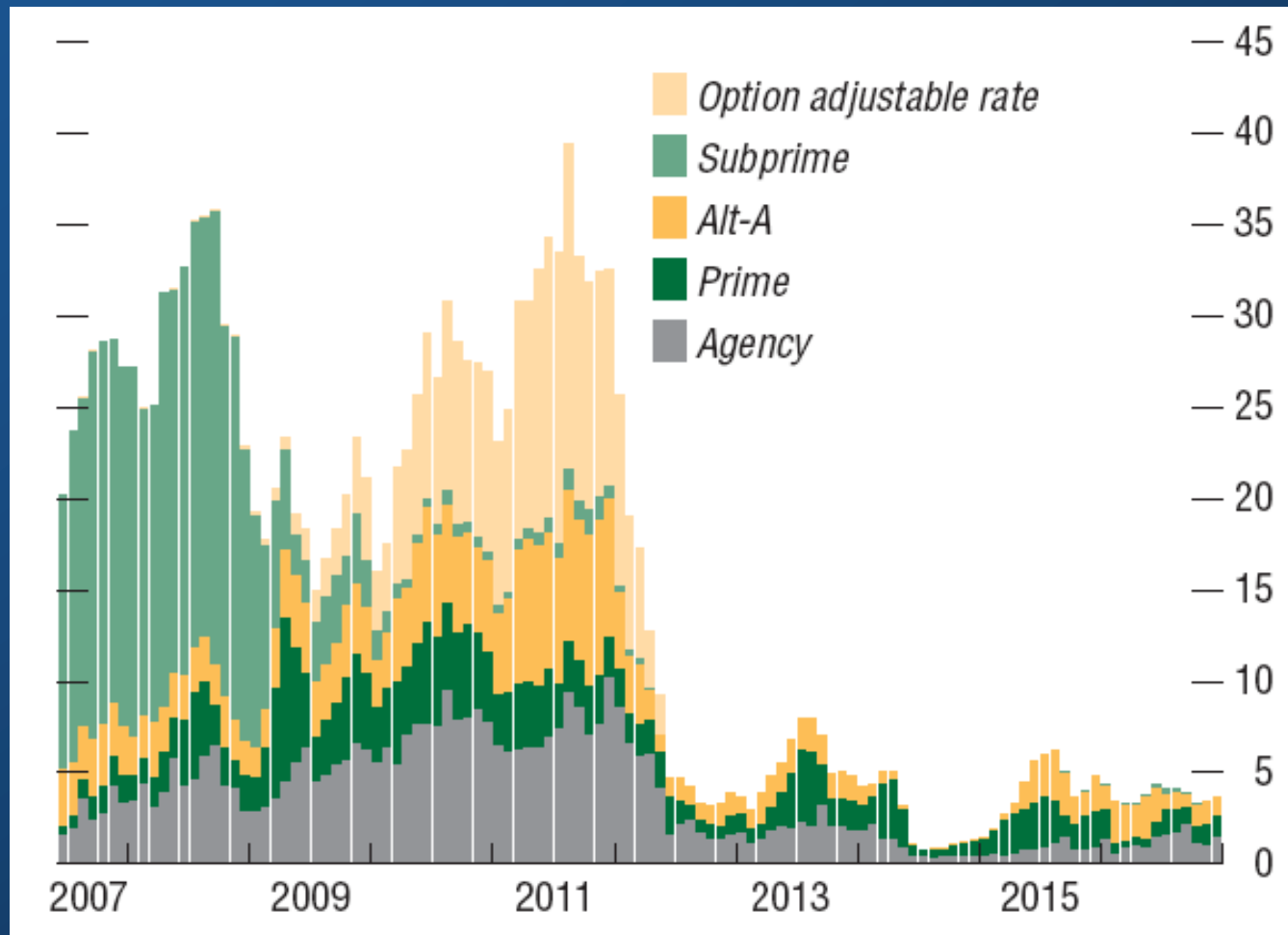
# Home Sales Stalled (August 2005)



# Home Prices Dropped (August 2006)



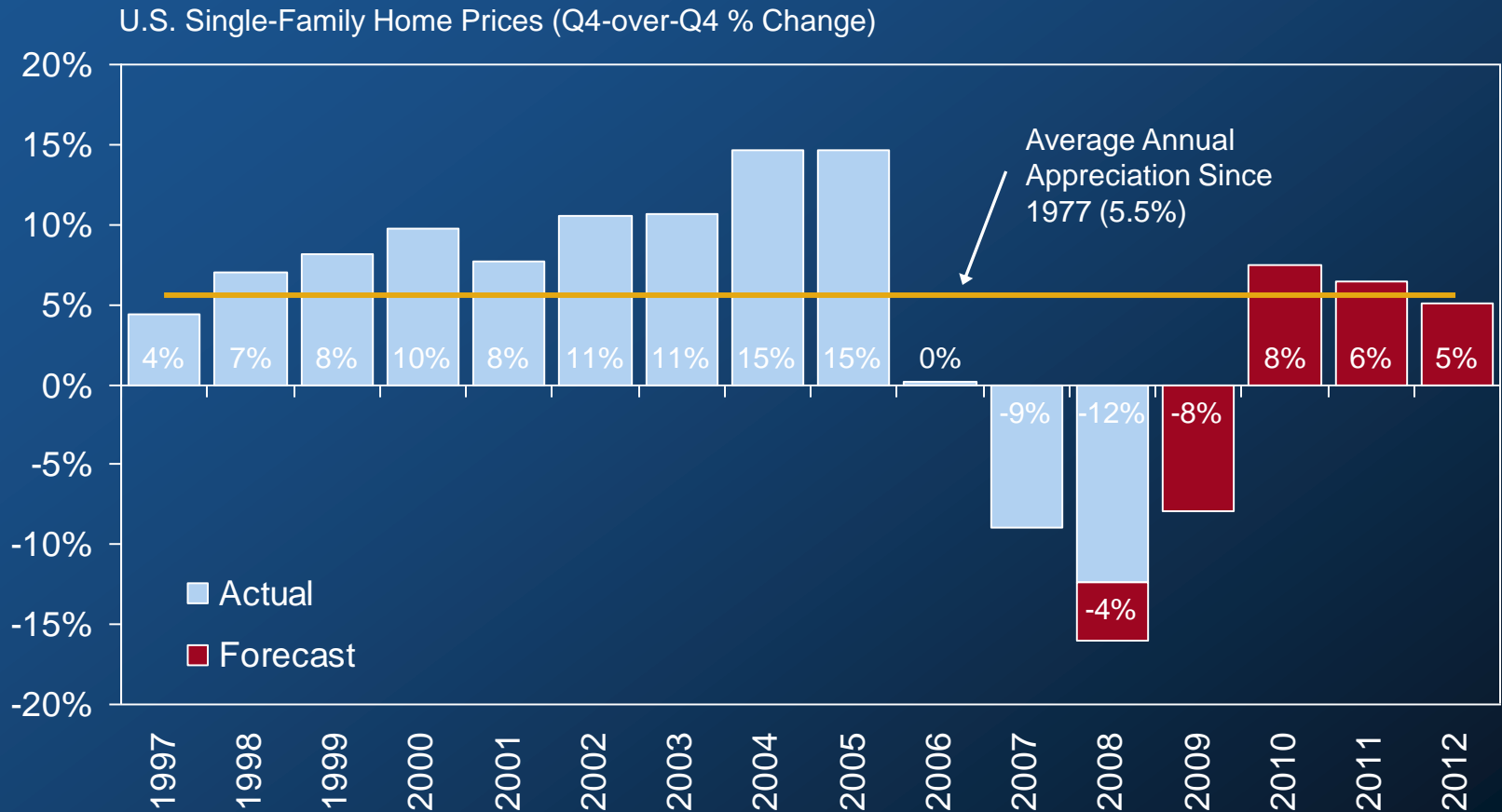
# Another Wave of Mortgage Resets



Source: Credit Suisse



# Home Price Appreciation Forecast



# Must Be Present To Win

## Survival Strategies

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

## Survival Tactics

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



# Action Steps

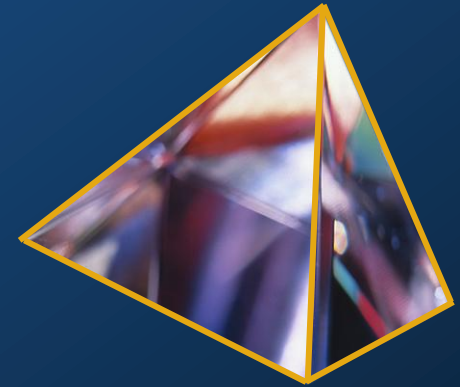
- Forecast defaults
- Borrower interview
- Fulfillment
- Surveillance



# HRM Solution Overview

## Two Levels of Analysis

- Performing & Non-Performing Loans
  - ◆ Portfolio predictive delinquency assessment “PRISM”  
(**P**redictive **R**isk **I**ndex **S**coring **M**odeling)
  - ◆ Identify assets at risk of delinquency
  - ◆ Forward looking “preventative” solution to stay ahead of delinquency curve
  - ◆ Limited data needed from servicer/client



## Forecast Performance

- Micro / Macro economic factors
- Leverages Case-Shiller Index
- Identifies and incorporates long-term influences on home prices, including:
- Borrower Circumstances
  - ◆ Demographics
  - ◆ Income trends
  - ◆ Employment Trends
  - ◆ Changes in mortgage rates
  - ◆ Loan Characteristics



# Borrower Engagement

- 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



# HRM Fulfillment Overview

- 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



# Exceptions/Declines

- Exceptions and Eligibility Declines are stratified to determine:
  - ◆ Common exceptions
  - ◆ Common declines
  - ◆ Potential solutions for consideration
    - Coupon impact
    - Cash flow impact
  - ◆ Investor risk



# Surveillance Process

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





**Thank You**



***Bill Garland***  
*Senior Vice President, Fiserv*

