

Best Practices

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Moody's Investors Service

Keys for Successful Servicing Shops

- ▶ **Technology**
- ▶ **Innovative Management Team**
- ▶ **Proactive Rather Than Reactive**
- ▶ **Mitigating Risks – Self Assessment**
- ▶ **Comprehensive Training Program**
- ▶ **Continuous Measurement and Benchmarking**



Best Practices

▶ Technology

▶ *Customer Service*

- ▶ *Workforce Management Software*
- ▶ *Skill-Based Routing*
- ▶ *Self-Service Web Site Including Chat and E-mail capabilities*
- ▶ *Call Recording with screen capture*
- ▶ *Imaging With Desktop Access*

▶ *Collections*

- ▶ *Behavioral Scoring*
- ▶ *Best-Time-To-Call Software*
- ▶ *Postal Planet Codes*
- ▶ *Virtual Agent*
- ▶ *Default scripting*



Best Practices

▶ Technology

▶ *Loss Mitigation*

- ▶ *Comprehensive "Decisioning" Software*
- ▶ *NPV Models*
- ▶ *Web-Based Input of Financial Data*
- ▶ *Decision tracking*

▶ *Foreclosure/Bankruptcy Management/REO*

- ▶ *Automated Status Updates*
- ▶ *Vendor Tracking*
- ▶ *BK Filing Notification vehicles*
- ▶ *Web-Based Sales Solutions*



Best Practices

▶ Training

- ▶ *Multi-Week classroom*
- ▶ *Role-play*
- ▶ *Side-by-Side listening/coaching*
- ▶ *Scoring - Feedback*
- ▶ *Call Recording*
- ▶ *Refresher Training*
- ▶ *FDCPA*



Best Practices

▶ Self-Assessment

- ▶ *Internal Audit*
- ▶ *Comprehensive Operational Risk/QC Programs*
- ▶ *Headline Risk Mitigation*
- ▶ *Understanding Industry Trends*
- ▶ *Business Process Improvement*



Best Practices

▶ Measurement And Benchmarking

▶ *Customer Service*

- ▶ *Staffing Allocation*
- ▶ *Call Monitoring – Scoring*
- ▶ *Abandonment Rate*
- ▶ *ASA*
- ▶ *Average Talk Time*
- ▶ *VRU Capture Rate*
- ▶ *Web Capture Rate*
- ▶ *Outside Surveys*



Best Practices

- ▶ **Measurement And Benchmarking**
 - ▶ *Collections*
 - ▶ *Penetration Rate*
 - ▶ *RPC Rate*
 - ▶ *Repayment Plan Success rate*
 - ▶ *Promises To Pay Success Rate*
 - ▶ *Incentives – Staff Performance Tracking*
 - ▶ *Roll Rates*



Best Practices

	# Loans at the END of the static pool period			
# Loans at the START of the static pool period	Paid In Full or Current to 29 Days	30-59 Days	60-89 Days	More Serious Delinquency
Current to 29 Days	SAME	WORSE	WORSE	WORSE
30-59 Days	BETTER	SAME	WORSE	WORSE
60-89 Days	BETTER	BETTER	SAME	WORSE



Best Practices

- ▶ **Measurement And Benchmarking**
 - ▶ *Loss Mitigation*
 - ▶ *Recidivism*
 - ▶ *Workout Ratio*
 - ▶ *Cure And Cash Flow Metrics*



Best Practices

▶ Measurement And Benchmarking

▶ *Loss Mitigation*

▶ *"Total Cure" = Paid-In-Full or Brought Current*

▶ *Cash Flowing =*

▶ *Less Than 90 Days Delinquent*

▶ *Current For 3+ Months On A Plan*

▶ *Loan Terms Modified*



Best Practices

- ▶ **Measurement And Benchmarking**
 - ▶ *Foreclosure/REO Timelines*
 - ▶ *Attorney/Vendor Scorecards*
 - ▶ *Vendor SLA Management*
 - ▶ *Vendor Site Visits/Audits*
 - ▶ *Adherence To State Guidelines*
 - ▶ *Severity Of Loss*
 - ▶ *Sales Price To Liquidation Ratio*



Best Practices

▶ **Thank You!**

