

MORTGAGE BANKERS ASSOCIATION

**MBA'S NATIONAL MORTGAGE
SERVICING
CONFERENCE & EXPO 2009 / TAMPA**

MORTGAGE BANKERS ASSOCIATION

Next Generation Servicers

LoanCare Servicing Center

Advanced Systems / Personalized Service

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President


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- Established in 1983, subservicing loans since 1991
- LoanCare's senior managers average more than 17 years experience
- Specializes in loss mitigation powered by BackInTheBlack®
- Utilizes the LPS MSP platform with additional propriety applications
- Ranked 7th among the largest subservicers nationwide; \$13.9 billion; 98K+ loans under management
- SAS 70 Type II report and is Reg AB & USAP compliant
- Top 25 places to work in Hampton Roads, VA 2 years running
- Member of Hope Now Alliance



Today's Landscape – A Perfect Storm

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- ⚡ Mortgage defaults, delinquencies and foreclosures at record levels
 - ⚡ Escalating advances create cash flow issues
 - ⚡ Downward pressure on home values continue
 - ⚡ Deterioration in credit quality
 - ⚡ Severely restricted liquidity
 - ⚡ Tighter underwriting standards
 - ⚡ Fewer loan origination product types
 - ⚡ Treasury and new administration policy uncertainties

Roles & Benefits

Investor(s)

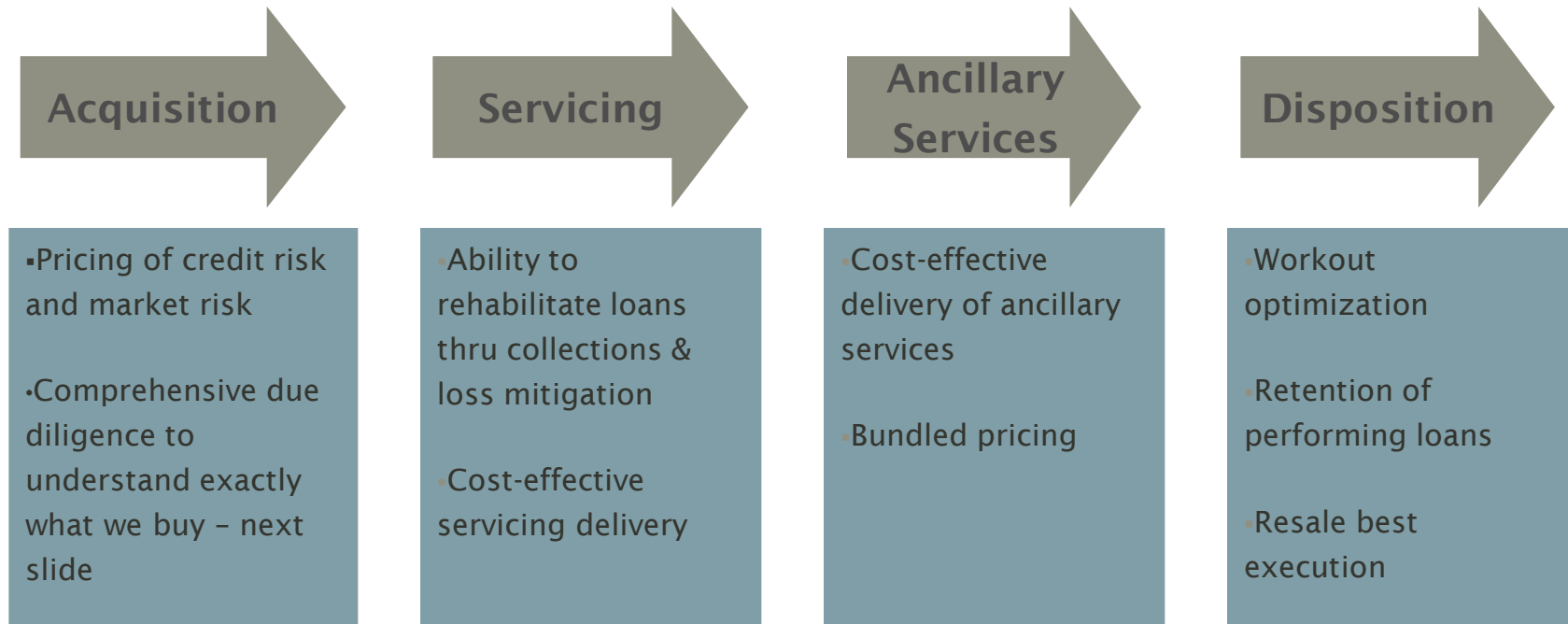
- Provides access to capital
- Holds long-term position in non-performing residential mortgage assets; Takes asset risk
- Provides access to markets
- Contributes to buy-side analytics capability
- Return from above market performance in rehabilitating loans
- Access to loan servicing expertise, infrastructure, management & reporting

Sellers

- Sell non-performing residential mortgage assets
- Originating lenders, GSEs, MI companies, warehouse providers, other investors
- Reduce balance sheet risk
- Increase capital
- Transfer risk
- Ease of sale & transfer
- Mitigated regulatory and security analyst criticism
- Ability to redeploy capital

Servicer

- Provides management, infrastructure and operational support
- Provides access to products & services to reduce servicing costs
- Improved vertical integration
- Improved capacity utilization
- Reduced compliance risk



Manage for above market returns

Single-source solutions

Credit

- Misrepresentation/fraud
- Underwriting
- Collateral review
- Origination compliance

Servicing

- Prior service - review
- Accuracy of loan data
- Quality of servicing performed to date
- Collateral review - expanded for NPLs

Specialized Analytics

- Based on due diligence findings
- Geographic/MSA considerations
- Lien status



Findings
Recommendations
Pricing Adjustments

