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Real Estate Services

Where do we fit in the process?

Origination/Services

- Application (pricing)
- Pricing
- Underwriting
- Delivery

Servicing

- Transfer
- Investor Reporting
- Default Mgt

Secondary

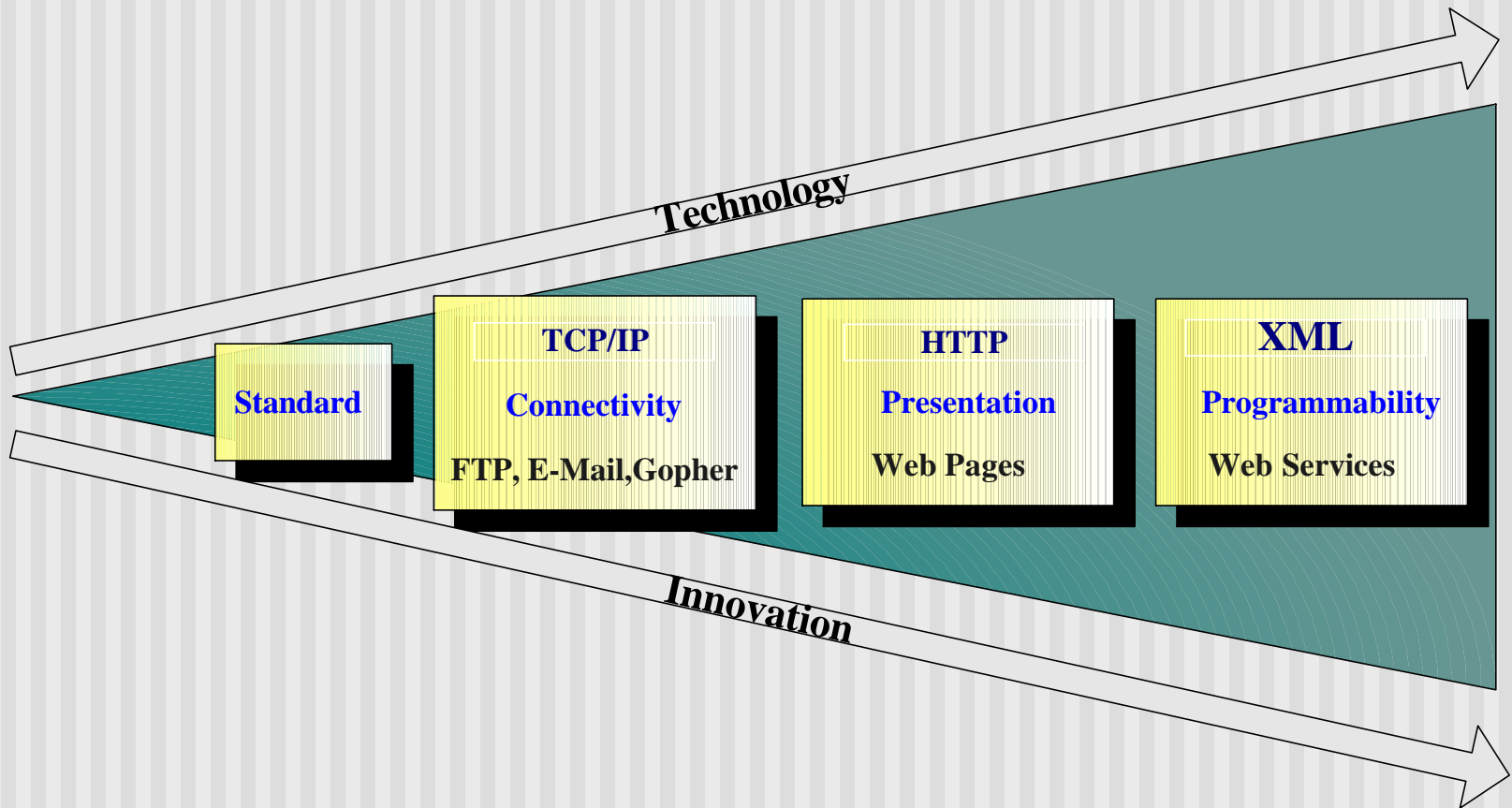
- Portfolio Analysis

Settlement Services

- Credit
- Flood

- Valuations
- Title/Closing

Rising Level of Standardization



Original Source: Intelligent Enterprise Magazine

Business Evolution

- Individual services requested by processor
- Specific products to match loan programs
- Some work flow
- Some decisioning
- Transaction coordinators

Current Tech: Enveloping/Messaging

- Enveloping and messaging are generic transaction wrappers to include a request or a response for a mortgage service.
- In theory it can be used with any transaction/process area and has been extended to support a package for eMortgages.
- The envelope supports requests, responses, (groups) parties to the and other information.

Current Tech: Features

What is supported in the XML messages?

- Order Requests
 - Single service, Multiple services, Batch
- Status Updates
 - Acknowledgements, Order Status, Events, Comments, Errors
- Product Fulfillment
 - Embedded files (PDF, Word)
 - Data return that compliments the traditional product

Current Tech: Who is Implementing?

- Mortgage Originators/Lenders
- Mortgage Broker LOS and POS
- Lender LOS and POS
- Real Estate Broker/Agent POS
- Portals & VAN Providers
- Service Providers
- Servicers
- Technology Vendors & Partners

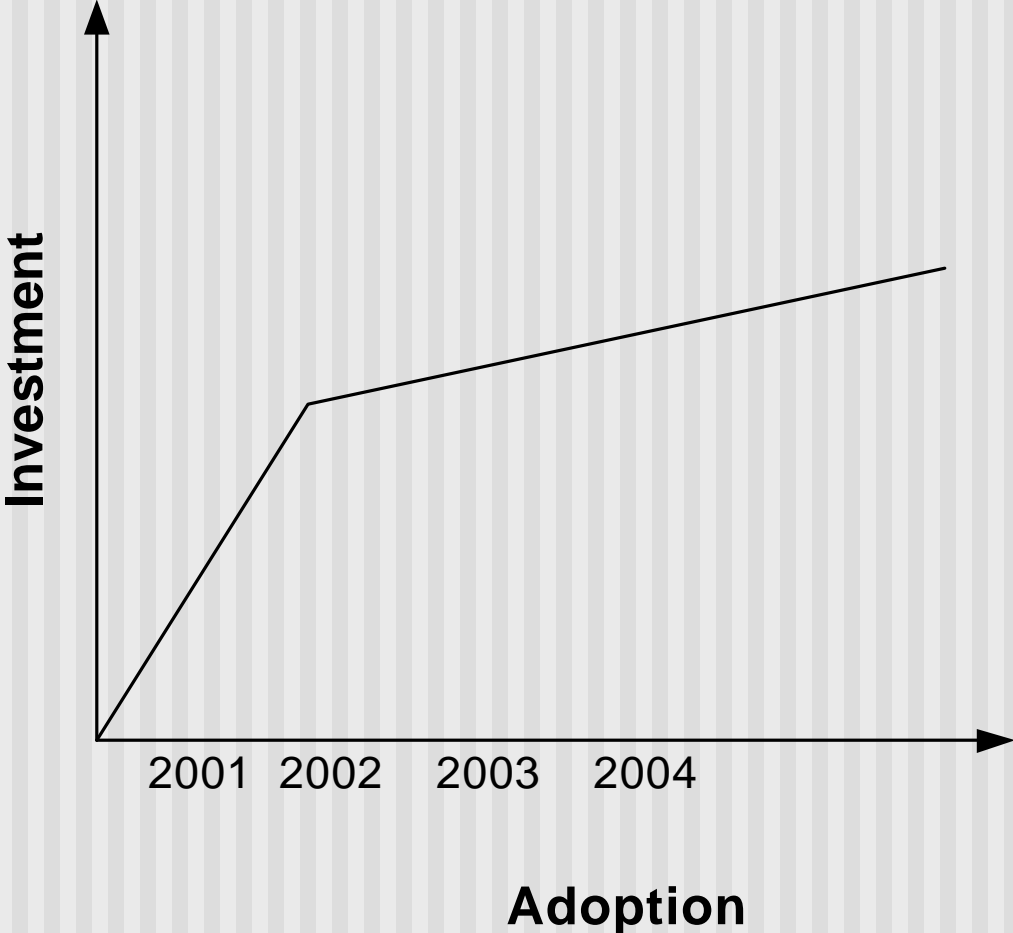
Current Tech: Implementation Considerations

- Reuse of data points & structure across services (Cost of ownership)
- Standard means for extending allows for quicker implementation of a new service or product
- Implementation Guides are important (many things not explicit in MISMO)

Tech: Development Considerations

- Current and future business value
 - Choose partners that will move with you
- ROI
 - Incremental technology investment important
 - Understand business model when forecasting return
- Increasing efficiencies

Tech: Implementation Curve



Lender Implementations

Best Circumstances

- Partnership for business and tech
- Business case for tech investment
- Solid operations support
- Tight integration with origination workflow.

Less Desirable

- Unrealistic expectations
- Redundant venues pursued
- Inconsistent policy
- Inconsistent investment decisions
- Low priority on Lender IT 'list'

Next Rev Technical Considerations

- Schema
 - More structured data
- Web Services
 - Registration and Discovery of Services
 - Publishing and Subscription
- What does the electronic loan 'file/folder' look like?
 - More XML docs?
 - More SMART Docs
- Further product data definition

Business Drivers for Change

Regulatory Reform

- RESPA reform
- GLB

Stakeholder Expectations

- Customers
- Shareholders
- Management

Settlement Services
Sourcing Capabilities



Competitive Pressures

- "Bundling"
- Aggressive pricing

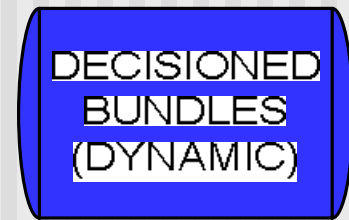
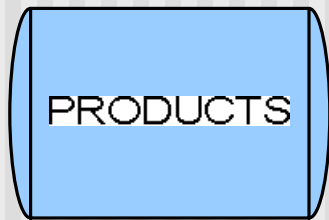
Technology Opportunities

- Vendor Management Platforms
- Next Generation LOS Platforms

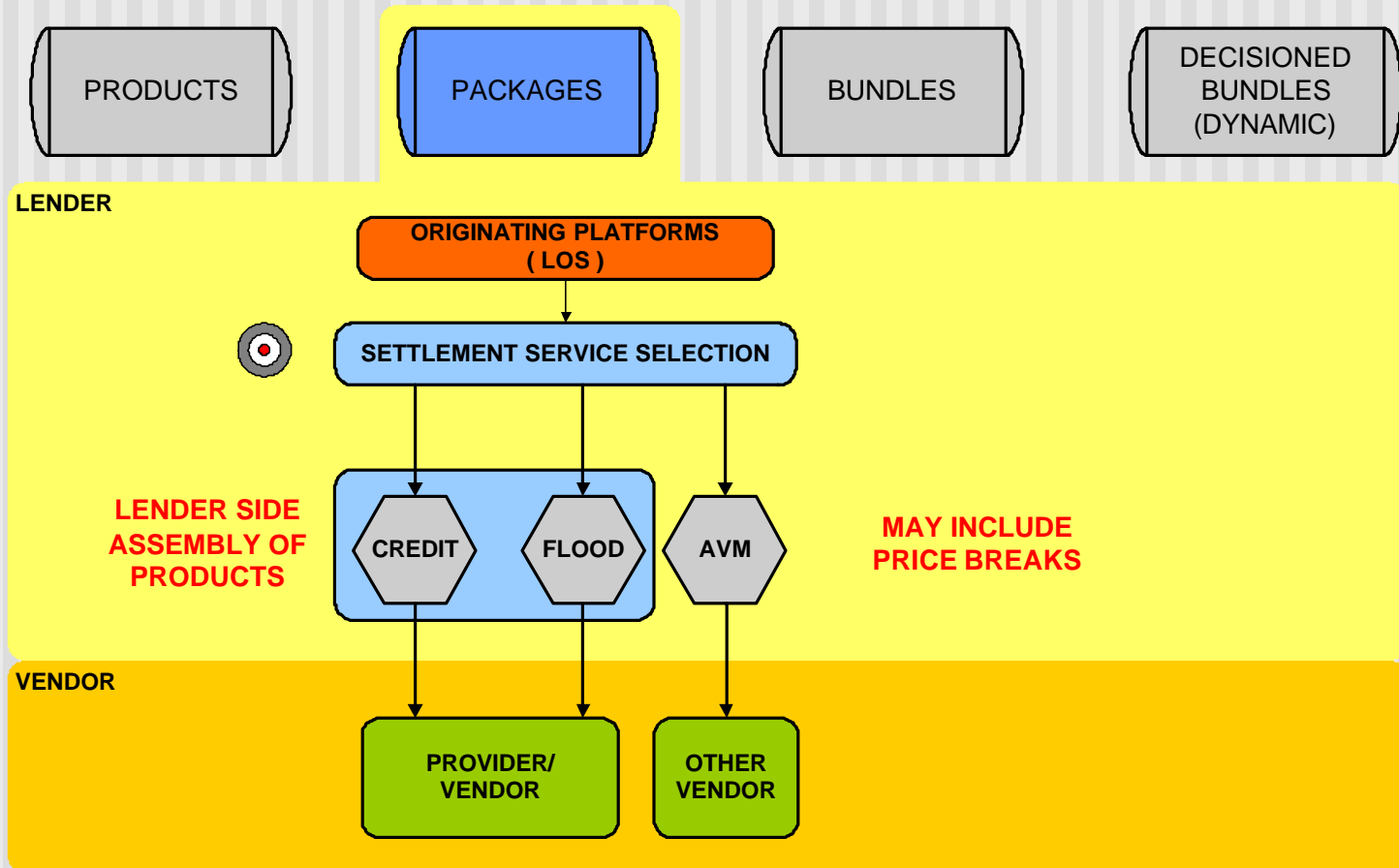
Next Rev Business Considerations

- Packages of services – multiple products combined from single vendor
- Bundling – multiple services ordered from best selection vendor
- Increased control for lender to define and execute selection(s) – not 3rd party, not local
- Further product data definition
- Continued movement of electronic mortgage
- Portfolio Analysis (risk trade offs)

Products, Packages, Bundles and beyond...

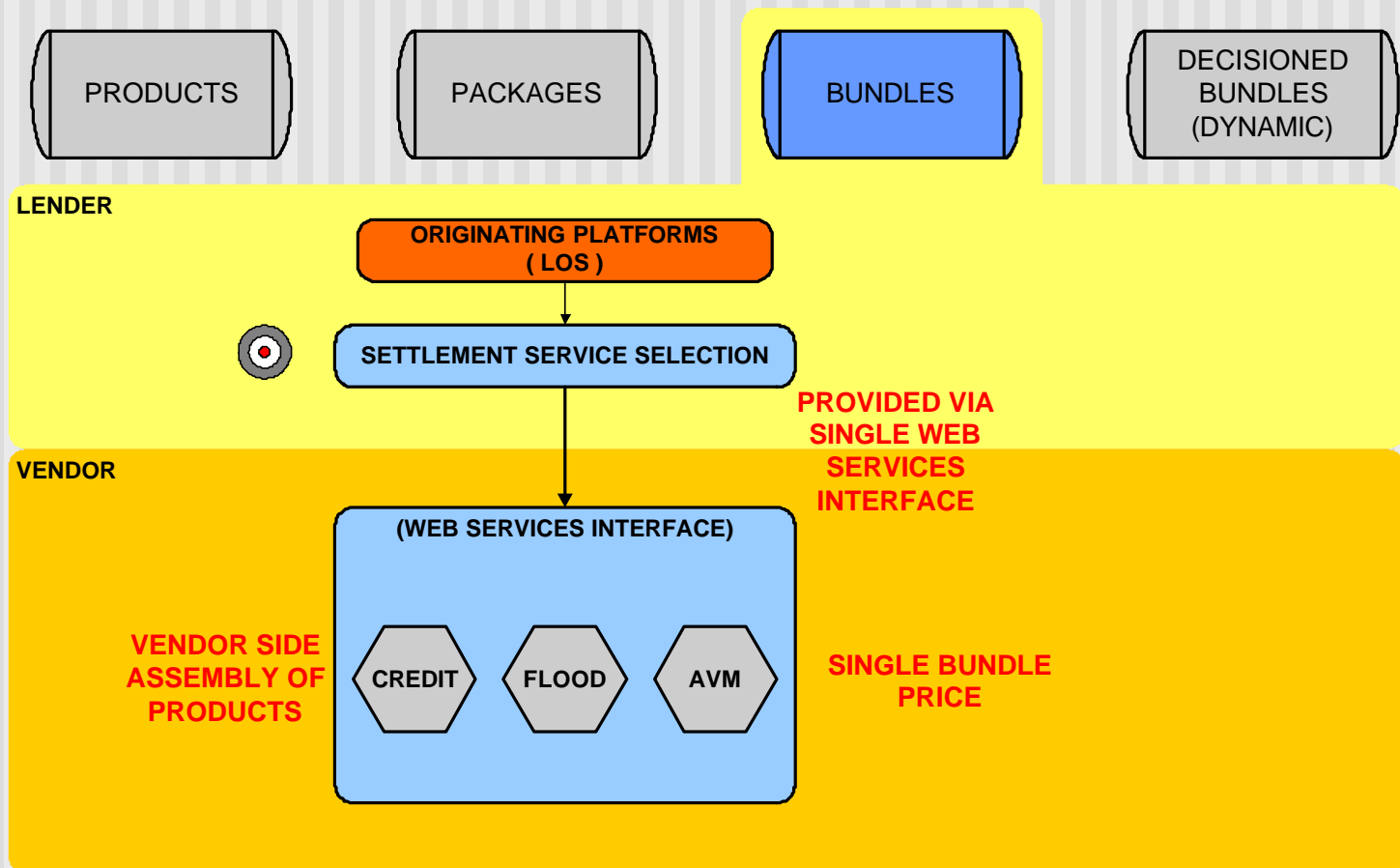


Lender Assembled Packages Products to Bundles



Vendor Assembled Bundles

Products to Bundles



Dynamically Decisioned Bundles Products to Bundles

