

Managing Mortgage Risk in Loan Servicing



CoreLogic's comprehensive suite of automated mortgage risk tools enable servicers to effectively reduce the overall cost of servicing by pinpointing problem loans and streamlining valuations. Applying CoreLogic to the loan servicing workflow, servicers can address their approach to mortgage risk management to minimize cost, improve workflow, and mitigate potential portfolio loss.

OPTIMIZE THE COLLECTION PROCESS

Optimized call campaigns provide the most effective use of a collections team. Historically, the Freddie Mac EarlyIndicator Score® and Fannie Mae Risk Profiler® were the only external scoring methods available to evaluate borrower patterns to score a loan. As a supplement to the borrower risk scores, CoreLogic mortgage risk management tools stratify loans into risk gradients—based on collateral and identity scoring—separating accounts with low risk profiles from those that require closer inspection—even when there is not a payment history to evaluate. Decisions such as charge-off or workout strategies benefit from the added view of collateral risk. Loss mitigation efforts can also be streamlined with more complete knowledge of underlying collateral risk.

STREAMLINE BPO QUALITY CONTROL

Variance analysis is typically a labor-intensive review based on the difference between the new BPO and the last known value. Utilizing HistoryPro Review™, CoreLogic's automated review tool, each BPO and comparable is analyzed against 30 different criteria. BPOs requiring further review are identified in real-time. Compared to other variance processes, HistoryPro Review takes substantially less time, and utilizes fewer resources.

Additionally, utilizing HistoryPro and AVMSelect, lenders can gain the ability to calculate the true CLTV while considering marketability factors, determine the ability to

refinance or tap into available equity, and know when to delay BPOs on stronger equity positions.

BETTER DECISIONING IN DISTRESSED ENVIRONMENTS

With the ability to analyze factors in distressed areas, servicers will have the power to effectively calculate CLTV for making sound decisions. HistoryPro allows lenders to establish REO losses around specific distressed environment properties, the economic conditions affecting the property, property risks, REO competition, owed real estate taxes, and existing mortgage liens.

MAXIMIZE REO ASSET MANAGEMENT

Augmenting the listing process with an automated analysis of the subject property and its market provides a pricing advantage at listing. A subjective BPO, balanced with an objective automated risk management tool such as LoanSafe, provides a clear listing strategy that will maximize REO recoveries. Incorporating HistoryPro Review provides the flexibility to manage the BPOs and outsource vendors to maximize recoveries.

MORE EFFICIENT PORTFOLIO MANAGEMENT

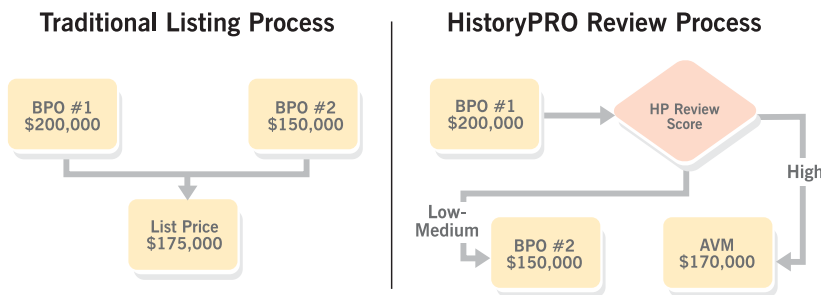
Utilizing HistoryPro's advanced collateral scoring, servicers can prioritize their file lists to help determine which real estate campaigns to up-sell to their existing customers. Collateral scoring can also have a positive impact on customer service, as the near-instantaneous turn-around available through CoreLogic's tools can help in quick verification of value for improved customer satisfaction.

BETTER PRIORITIZE DUE DILIGENCE RESOURCES

CoreLogic provides collateral risk scores that identify high risk properties in a portfolio, including loans that are current. Instead of a random sample of loans, CoreLogic allows a due diligence team to concentrate their efforts on the loans that pose the greatest risk of default and loss severity.

In today's unpredictable market, it is more imperative than ever for loan servicers to develop effective servicing strategies that minimize cost and reduce losses. When addressing the numerous complexities of troubled loans, CoreLogic's fast, accurate tools can positively impact every step of the process, helping servicers greatly reduce the impact, or even the possibility of a loss while determining the most effective course of action.

Data-Driven Valuation Enhances BPO



KEY BENEFITS

Significantly reduce the cost and time involved to determine and review collateral values.

Improve allocation of special resources to high risk accounts for more thorough contact campaigns or investigation.

Positively impact REO assets by determining listing strategies based on automated comparable analysis, augmenting Broker Price Opinions with AVMs.

Use current market conditions to build a more effective bidding strategy and REO marketing plan.

Make real-time collateral decisions in loss mitigation—often the difference between accepting foreclosure and choosing a more financially beneficial short sale.

Utilize services via Web, XML that integrates directly into existing applications, or via batch processing of files.

Receive customer and technical support from 5:30 a.m. until 6:30 p.m. PST.

CoreLogic provides the mortgage industry with the most innovative, powerful and comprehensive set of mortgage risk management tools in the marketplace today. CoreLogic's technology enables mortgage servicers to increase profitability and minimize losses by making more informed decisions. Financial institutions throughout the United States utilize CoreLogic's suite of tools to streamline their workflow and mitigate losses.



RETURN ON INVESTMENT

- > Reduce collateral valuation process costs by at least 50%.
- > Better allocate special resources to high risk accounts for more thorough contact campaigns or investigation.
- > Incorporate collateral risk scoring to reduce loan loss by determining collateral values in real-time.
- > Improve impact on REO assets by determining list prices based on comparable recent activity.