

FORENSIC UNDERWRITING

LPS can deliver the experience, commitment to excellence and technology to successfully manage forensic underwriting analysis and quality control of loans.

The relentless surge in loan defaults has created an unprecedented need for forensic underwriting to determine what went wrong with these loans. Post-funding loan examinations not only uncover potential fraud and misrepresentations, but help identify opportunities for improvements in the loan origination process.

Most lenders have limited resources to perform forensic reviews, and many recognize the increased need for an independent third party to provide this service. As your expert forensic underwriter, LPS can deliver the unparalleled experience, commitment to excellence along with technology to successfully manage forensic underwriting analysis and an independent quality assurance program.

Through one centralized point of contact, LPS can offer the following comprehensive list of services:

- Due diligence, quality control and data validation
- Repurchase reviews and forensic due diligence
- Fraud testing and investigations
- Compliance analysis and consulting
- Default propensity and analysis
- Tax and title data and analysis
- Document imaging and indexing
- Performance evaluation (tracking after sale)
- Advice and support for regulatory and rating agency inquiry
- Property valuation
- Customized reporting

Thorough Forensic Loan Reviews

LPS will conduct a thorough review of your specified loans to determine that each was properly underwritten. During the review, an analysis and verification of all critical underwriting calculations and guidelines will be conducted to identify potential fraud or misrepresentation.

LPS' detailed forensic analysis process review covers these major services:

Loan File Review – Each loan file is assigned to a specific underwriter, who requests all applicable written verifications, reviews application information for accuracy and completeness, then verifies occupancy and orders the historical appraisal and credit report, if warranted.

Compliance Evaluation – The underwriter validates loan information, such as the note, mortgage, title, HUD, credit, appraisal and insurance, into LPS' proprietary software to run the compliance evaluation. After the loan information is input and verifications completed and/or generated, review is assigned to a senior underwriter.

Analysis and Quality Audit – After an analysis of the entire loan file, the senior underwriter completes a quality control audit based on the data input and re-underwrites the original transaction, including a report of any data integrity issues, credit/compliance violations and any missing documents.

Underwriting Tests – Tests are conducted to determine if all underwriting guidelines were met and/or if the seller obtained exceptions, such as DTI, LTV and/or credit guidelines exceptions.

Review of Credit Report – The credit report is scrutinized to determine the borrower's creditworthiness at the time of origination.

Review of Appraisal, Credit Documents and Underwriting – The original appraisal is reviewed to determine if the value of the property was supported at origination, "red flag" checks are performed on all credit documents, and automated underwriting findings are reviewed.



APPLIED ANALYTICS
A LENDER PROCESSING SERVICES COMPANY

Superior, Proprietary Technology

StratQ.NET® (StratQ®), LPS' proprietary software, is a powerful, enterprisewide, due-diligence tool. The technology's .NET framework provides fast and accurate data collection, and StratQ delivers the following reliable, consistent results:

- Compliance – Contains comprehensive federal, state and local compliance rules.
- Forensics – Provides forensic data analysis on credit, income, appraisal and compliance data.
- Reporting – Provides real-time reporting of data.
- Flexible – Designed for rapid customization, deployment and reporting.
- Data Integration – Provides fast and accurate data collection from any location and from paper or electronic sources.
- Rapid Application Development – Modifies any data field, rule or compliance regulation immediately – even during the project, if required.
- Sarbanes-Oxley (SOX) Compliant – Follows SOX rules for segregation of duty, reporting and auditing.

Key Benefits

LPS is an experienced, well-capitalized business partner, dedicated to thoroughly understanding your needs, transaction types and delivery standards. We offer your business:

Exceptional Client Service – Our knowledgeable professionals respond immediately and offer personal attention to meet your requests.

Quality Assurance – Our firm-wide commitment to quality includes a multi-tiered Quality Assurance process and automated Quality Assurance programs.

Leading Expertise – Your dedicated project team includes LPS staff and independent underwriting consultants, who are rigorously screened and tested. Consultants have an average seven years or more of underwriting experience and are under long-term contractual agreements.

Exclusive Technology and Support – LPS' StratQ.NET software provides security, data integrity and speed, supported by a dedicated technology team that understands the finance industry.

The Strength and Stability of LPS

LPS offers tremendous financial strength and stability for your organization's security and peace of mind. LPS is the mortgage industry's premier provider of technology, data, analytics and outsourcing solutions spanning the entire mortgage continuum. With \$1.7 billion in revenue for 2008, and ongoing success predicted for 2009 and beyond, you can rely on the foundation of strength and stability behind LPS.

With our significant capital resources, market commitment and unique platform, LPS is your best resource for the management of your forensic underwriting. Contact us today to find out how we can best support your business goals through exceptional forensic underwriting.

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