

LPS APPLIED ANALYTICS

Know What is in Your Portfolio

Guesswork has no place in today's mortgage environment. You must be absolutely sure that what you think is in your portfolio is exactly what's actually in your portfolio. With increasing regulation and oversight, government agencies are monitoring compliance with more intensity than ever, so you must know what your portfolio holds. The Lender Processing Services' (LPS) Applied Analytics division brings together all the comprehensive data and analytics solutions you need to create portfolio transparency – whether you're in origination, servicing or the secondary market.

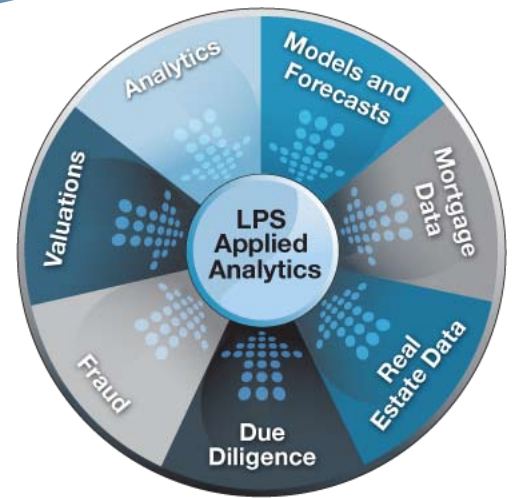
Access all the solutions you need to manage your risk and effectively mitigate your losses, including high performance default and modification analytics; the industry's most comprehensive loan-level and real estate data; on-target valuations; and aggressive fraud prevention, through one convenient source. These solutions are essential to ensuring portfolio health, while increasing efficiency, reducing costs and maintaining a competitive advantage. LPS Applied Analytics delivers precisely that.

Know Your Data/Analytics Source

Accurate, comprehensive data is the foundation for good decision making, and you must have quick, convenient access to the information you rely on from a partner you trust. LPS Applied Analytics provides the breadth and depth of sophisticated information you need when, where and how you need it.

Loan-Level Performance Data

- Loan-level data covering more than 40 million active first and five million active second mortgage loans, spanning the spectrum of agency, non-agency and portfolio products to give you the most comprehensive data available from one source.



- More than 80 loan-level collateral attributes are collected including product type detail, geographic detail down to a ZIP level, ARM detail, FICO, document type, property value, occupancy type, property type, loan purpose and loan size.
- Data is available in numerous forms to meet your needs for flexibility, usability and accessibility, including subscription and custom reporting via a Web-based benchmarking and tabulation tool, data cubes and loan-level data.

Public Records Data

- More than 285 million residential/commercial property, assessment, ownership, sales and mortgage records
- More than 120 separate data fields per record, including property characteristics (e.g., number of bedrooms, living square footage) and loan information from recorded documents
- Detailed information on more than 92 percent of U.S. property ownership records in more than 2,000 counties
- Enhanced data from external resources including public and private schools, crime stats, demographics, environmental comparables and neighborhood trends



LPS Applied Analytics delivers more than just data, though. With an unmatched “closeness to the data,” LPS Applied Analytics’ data analysts partner with you to interpret the data and identify new strategies and best practices. Possessing an intimate understanding of the data and the process of its collection, compilation, interpretation and use, these data analysts are the best at turning raw data into actionable intelligence.

Furthermore, LPS Applied Analytics analyzes and then combines its comprehensive data with robust analytical models to provide you with the most precise, detailed, timely results and forecasts available. Armed with robust, sophisticated analysis based on high quality information, you are prepared to identify and tackle any risk that may be hiding in your portfolio.

Know Your Delinquency/ Default Risk

Decreasing home values and difficult economic times have resulted in significant industry challenges, including increased mortgage defaults. To effectively manage default risk and do everything possible to keep default losses to a minimum, you need proactive, highly-accurate default risk modeling:

- Identify the loans in your portfolio that are moving closer to default
- Accurately project the percentage of your loan portfolio that will default each month
- Receive per-period loss forecasts in each of six delinquency cohorts (0, 30, 60, 90+ days late, foreclosure and default)
- View default as a progression that can be expected and managed
- Easily adjust factors, introduce proprietary inputs and integrate LPS Applied Analytics’ model with internal programs or third-party applications for optimal results

- Improve collections and loss mitigation strategies
- Determine true economic value of low-income lending

LPS Applied Analytics simplifies the many variables in its default model and also provides default propensity and loss severity scores for each loan at varying time intervals. These scores incorporate sophisticated analysis of multiple loan characteristics recorded at origination, along with industry-leading behavior models and several project paths of interest rates and housing prices.

Combining the default model and/or scores with other default-affecting factors such as loan age, seasonality and original and current LTV, LPS Applied Analytics provides you with the most accurate assessment of default risk. With a full understanding of the extent and timing of default risk, you are better positioned to develop aggressive strategies to keep default losses to a minimum.

Modification Recommendation

LPS Applied Analytics also offers a loan modification recommendation by leveraging its powerful Credit Model. This solution determines the optimal loan modification parameters, which include a combination of a lowered interest rate, extended term and principal reduction. The loan-level recommendations can be processed in bulk.



Know Your Collateral Risk

All participants in the mortgage process – from origination through capital markets and servicing – must ensure the accuracy of the property value for each and every loan within a portfolio to make the best business and underwriting decisions. Yet accurate property valuation can be easily compromised by inaccurate and insufficient data, the inexperience of an appraiser or inadequate quality control.

Errors or inaccuracies within your portfolio can cost you thousands – or even millions – of dollars in potential losses. Fortunately, you can easily and affordably prevent much of this risk with the help of LPS Applied Analytics' property valuation solutions.

Choose from a variety of cost-effective solutions, ranging from automated batch processing or a hands-on review of individual loans, that give you the exact level of collateral valuation confidence you need to ensure the quality of your portfolio.

- Automated valuation and data solutions
- Hybrid desktop valuation and review solutions
- Field valuation solutions

Keep collateral risk at bay with LPS Applied Analytics' broad array of valuation and collateral risk management solutions designed to meet your due diligence and quality control needs.

Know Your Fraud Risk

Access a wide range of data and analytic solutions to identify and mitigate fraud schemes that exploit collateral properties, loan participants and loan/transaction characteristics.

Quickly identify the possible risks hiding in your portfolio:

- Identity theft or identity concealment
- Straw borrowers
- Elevated credit risk
- Non-existent properties or invalid addresses
- Inclusion on OFAC's list of individuals who may not obtain mortgages
- Other intentional misrepresentation or fraud

Use LPS Applied Analytics' affordable, automated solutions to quickly scan every loan in your portfolio confirming:

- Identity
- Occupancy
- Employment
- Valuation
- Sales transactions
- Flips

Then, focus your investigative resources on only those loans that are flagged for additional analysis.

Know Your Portfolio Risk with LPS Applied Analytics

LSP Applied Analytics has the comprehensive data and sophisticated analytic solutions to tell you everything you need to know when it comes to portfolio risk so you can define the most effective loss mitigation strategies for your company. Especially in today's difficult mortgage industry environment, nothing could be more important.

**Call today to learn
more about how LPS
Applied Analytics
can help you better
understand your level
of risk to effectively
reduce losses.**



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