

# MORTGAGE SERVICING PACKAGE

**More than 50 percent of all U.S. mortgages are serviced on MSP.**

Lender Processing Services (LPS) delivers the industry's leading loan servicing platform – MSP – which gives mortgage bankers the ability to automate all areas of loan servicing, including loan setup and maintenance, customer service, cashiering, escrow administration, investor accounting, default management and federal regulatory reporting.

MSP is fully integrated and provides automation to service a wide range of loan products including, but not limited to, fixed-rate mortgages, adjustable-rate mortgages, construction loans, home equity lines of credit, biweekly loans and daily simple-interest loans.

With more than 50 percent of all mortgages in the U.S. serviced on it, MSP is the mortgage banking industry's most widely used servicing system. More than 80 financial institutions use MSP to service more than 30 million loans with a total principal balance exceeding \$5.1 trillion. The loan portfolios for these institutions range from 7 million loans to 700 loans – all are serviced on the same MSP system.

Additionally, MSP provides comprehensive automation for the nonprime market. In fact, LPS provides servicing automation for more than 3.1 million nonprime loans, making it the largest nonprime service provider in the industry.

With a comprehensive set of mortgage servicing functions within one system, MSP offers unsurpassed cash controls and balancing functionality, as well as comprehensive investor reporting, customer service, escrow and default functionalities.

## Functional Areas

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MSP supports all mortgage servicing functional areas within one comprehensive system.

### Default

- Eliminate end-user decisioning using workflow tools and promote heads-down collection calling with dialer integration.
- Automate loss mitigation processing.
- Manage REO loans including gain/loss calculations.
- Utilize foreclosure functionality to track processes and ensure compliance.
- Create, calculate and track bankruptcy claims.
- Automate default reporting to Freddie Mac, Fannie Mae, HUD, VA, private investors and credit bureaus.
- Reference real-time default management statistics.
- Automate individual and mass property-preservation including interfaces with business partners.

### Customer Service

- Produce mass or individual letter requests with staff viewing capability.
- Define loan alerts.
- Interface with other borrower applications.
- Create online workflows.
- Create additional cross-selling opportunities.
- Customize screens to ensure ease of data access.



### Escrow

- Analyze loans in bankruptcy (with accurate pre and post petition shortage amounts).
- Execute if/then scenarios.
- Manage pool insurance, property tax, hazard and optional insurance, PMI/MIP.
- Automate interest on escrow calculations and disbursements.
- Define specific analysis parameters and exceptions.
- Automate payment adjustments with shortages/overages.

### Cash

- Utilize daily cash balancing.
- Allow customers to choose from multiple electronic payment options.
- Utilize suspense management functionality.
- Automate funds movement.
- Payment application for bankruptcy and loss mitigation plans.
- Define payment logic specific to loan/product levels.

### Investor Reporting

- Consistently superior investor ratings.
- Close collaboration with Fannie Mae, Freddie Mac and Ginnie Mae.
- REMIC data file supports private investors.
- Fee management including assessment, collection and waivers.

### Types of Loans

The comprehensive servicing functionality within MSP supports a variety of mortgages and loans – all on a single system – with the enhanced servicing functionality that MSP provides for traditional mortgages. MSP can service the following types of loans:

- Home equity lines and loans (including card access and segmented lines)
- Adjustable rate mortgages
- Nonprime loans
- Private label servicing



- Balloon loans
- Buydowns
- HUD 235
- Step rate
- GPM
- Interest-only loans
- Biweekly loans

### Key Components

MSP can meet all the loan servicing needs for any size portfolio. Its key components include:

- Comprehensive default management tools that are an integrated part of MSP.
  - Comprehensive default functionality, including collections work queue, foreclosure, bankruptcy and REO management.
  - Complete loss mitigation functionality, including workout plans.

- Integration with taxing authorities, insurance providers, credit report bureaus, MERS, investor reporting and most other business partners via LPS' Electronic Data InterChange.
- Supervisory screens that enable users to enter controls to customize a desktop to meet their unique business requirements.
- The Memo Pad facility, an electronic message board, allows staff members to enter/read messages about a loan and communicate this information to other departments, ensuring complete information is accessible to all employees.

## Complete Servicing System

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Integrated with MSP is functionality that further enhances your servicing operations.

- Easy Navigation – MSP's graphical interface and smart keys allow for simple navigation and user-definable workflows to automate and tailor servicing functions. MSP also enables you to customize your views.
- Scripting – MSP's scripting tool automates the functions involved in servicing a loan, reducing the time to complete a process and the risk of missing a step.
- Task Tracking – MSP's task tracking functionality enables staff to establish procedures for completing specific multistep tasks and provides the ability to track these procedures at the loan level. This includes task management, triggers, templates, work queues, auto events, system triggers, loan notes and queue summary.
- Letter Production – MSP's letter writer tool produces letters by individual/mass orders or event trigger and then prints, faxes or e-mails the letters on demand. Letters can also be tied to tasks to ensure proper borrower notifications are supplied.

- Reporting – While MSP has more than 2,000 standard reports, it also allows for ad hoc extracts and inquiries designed by the user.
- Loan alerts – Easily defined by the user to alert your staff of specific loan conditions.
- Data Access – On-demand view and update access to MSP and third-party data via Web services.

## Service and Support

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MSP is augmented by LPS' award-winning customer service and support. With an experienced team of data conversion experts, LPS can transfer loan data from any loan servicing system to any servicing portfolio seamlessly. This team is experienced in all areas of conversions from converting new clients to MSP to assisting existing clients with loan acquisitions.

LPS also offers customized training and consulting solutions that best fit your company's current needs and budget. With vast domain expertise and comprehensive product, industry and technology knowledge, LPS' expert consultants work with you – at your location or LPS' – to meet tactical and strategic objectives, maximize efficiencies, improve productivity, and reduce costs.

Day-to-day client support is provided by LPS' PowerCell, which consists of cells, or support teams, that represent clients by geographic regions. Each client is assigned a team of experts dedicated to providing clients with superior service.

## Value and Benefits

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- Increased productivity
  - Reduced number of resources needed to service mortgage loans.
  - Automated functions increase employee productivity.
- Reduced costs
  - MSP clients consistently report lower overall servicing costs.
- Increased management control
- Increased federal regulatory control
- Single platform for mortgages and home equity loans/lines

## MSP Directions

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While MSP is the clear choice in the industry for mortgage and home equity servicing, LPS is committed to continually improving the system. MSP will continue to be the industry-leading mortgage servicing system for many reasons, including:

- Significant financial investments in the future of MSP. LPS has made major investments in technology and data centers. This level of investment will continue.
- LPS is underway with a migration project to move current MSP functionality to a true browser-rules-based system, using the most state-of-the-art technology. This dynamic, innovative system enables users to move further ahead of their competition.
- Continued customer focus – LPS' account managers and dedicated, award-winning customer service teams put the client first.

## Industry Leadership

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LPS is a true leader in the mortgage industry in both continuing education and thought leadership.

- The Mortgage Processing Services' president, Dan Scheuble, is a two-year finalist for Mortgage Technology's Visionary award.
- LPS is working with the MBA, agencies and other groups in the industry to influence regulations and legislation, as well as best practices.
- LPS has partnered with CampusMBA to offer the Certified Mortgage Servicer designation to mortgage industry professionals.

LPS' comprehensive, leading-edge technology supports business objectives and provides the foundation for success at many of the top financial services organizations. In fact, more mortgage servicers use MSP than any other servicing system on the market.

## The Total Solution

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LPS is a leading provider of integrated technology and services to the mortgage industry. LPS offers solutions that span the mortgage continuum, including lead generation, origination, settlement, servicing, portfolio retention and default, augmented by the company's award-winning customer support and professional services. LPS also has proprietary mortgage and real estate data and analytics for the mortgage and capital markets industries. The company's high performance technology, data and services empower lenders and servicers by providing them with the solutions they need to achieve their business goals and succeed in today's competitive marketplace. Visit [www.LPSVCS.com](http://www.LPSVCS.com) to find a complete list of LPS' products and services.

**MSP – a comprehensive, functionally integrated solution for loan servicing, resulting in decreased servicing costs and increased productivity.**



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