

PROACTIVE RISK MANAGEMENT

Innovative mortgage lenders and servicers are constantly on the lookout for new ways to sustain profits and manage risk effectively. Creative thinking and proactive approaches are needed to cope with the rapidly changing environment facing the most successful mortgage companies.

Lender Processing Services (LPS) now offers a sophisticated risk management platform that seamlessly integrates with existing servicing and banking technologies, as well enterprise credit risk models, analytics and data tools. LPS' Proactive Risk Management (PRM) delivers targeted credit risk recommendations at any point a borrower interaction occurs across the enterprise. With LPS' PRM, you can assess borrower risk in real time, using existing models or credit scoring and immediately identify and react to every at-risk borrower. Alongside PRM implementation, LPS can provide advanced analytics and new credit risk models to further enhance your risk management capabilities.

PRM can be applied across the enterprise to connect all the data from your lending lines of business to create one comprehensive view of a borrower's risk profile. You are able to analyze the organizational risk a borrower presents and act upon it every time you have a contact with the borrower.

With LPS' PRM, you can:

- Handle high volumes of customer interactions while implementing an actionable and consistent risk strategy.
- Present front-line employees in customer service and collections with easy-to-use recommendations based on sophisticated credit risk models and analytics.
- Coordinate the risk recommendation across all the touchpoints with "at-risk" borrowers including inbound calls, outbound calls, Web site and IVR interactions.
- Reduce talk times and improve the customer experience by ensuring that customer-facing employees see the whole picture of a borrower's relationship with the bank.
- Identify the risk outcome most appropriate for each borrower and initiate the workflow to complete the entire process.

Configure PRM

The PRM platform provides an interaction data store with aggregated data including account information for multiple lines of credit, borrower-event triggers, market segmentation and analytics. A centralized control function, manages the type of interactions, risk outcomes and recommendations that PRM executes, having evaluated the information in the data store. You then indicate what customer action should trigger a message, the



content of the message and how the message should be presented. For example, you can configure PRM to deliver a mix of messages supporting service, sales and risk depending on specific borrower circumstances and institutional strategies.

Identify At-Risk Borrowers

PRM will use your criteria to identify at-risk borrowers based on how you configure the system. The selection criteria can be derived directly from your existing risk management data, requiring no additional analytics. LPS can also provide new analytics insight if you need to enhance your credit risk management approach. PRM includes a full transaction history and reporting system to track your attempts to work with borrowers to resolve their credit issues, and reach the right outcome for them and for your institution.

Deliver Targeted Messages

PRM dynamically assembles targeted risk management and collections dialogues that correspond directly to a borrower's situation and the desired outcome, such as establishing a payment plan, modifying a loan or refinancing. The messaging delivered to borrowers remains consistent, yet compelling, and targeted to the individual, across all interaction channels. These messages are selected using rules that ensure compliance with investor, state and product guidelines. PRM continually evaluates new borrower

information or changes to existing information to determine, in real time, the optimized risk management plan.

Manage Workflow

Built into PRM are workflow and tracking mechanisms to direct and report on the targeted messages and subsequent user activities. The interactions managed by PRM can initiate downstream systems and processes using Web services and XML transactions to ensure that systems of record are updated, processes are launched successfully and documents are created and managed. PRM tracks all multichannel interactions with the borrower for comprehensive reporting and performance management.

Values and Benefits

- Creates actionable credit risk management outcomes by evaluating borrower information across product silos and lines of business.
- Optimizes risk management campaigns via PRM's powerful risk management scenario builder, supporting proactive risk management campaigns and "what-if" scenarios.
- Delivers results and integrates borrower information across existing servicing and banking technologies with sophisticated service oriented architecture.



mortgage.marketing@lpsvcs.com
800.991.1274
www.LPSVCS.com