DMM LOSS MITIGATION WEB PORTAL

WWW.DCLMWP.COM

New Jersey BK Court

July 2011

➤ Background
  ➤ Portal founded in collaboration with NACTT in 2008
  ➤ Pilot begun Fall 2008
  ➤ Portal went live January 1, 2009
  ➤ Pilot with SDNY started September 2010
  ➤ Mediation Pilot with Indiana started March 2011
  ➤ Pilot with DRI started April 2011

➤ Key Functionality
  ➤ Document delivery
  ➤ Dynamic Communications
  ➤ Transparency
  ➤ Court Access to Records

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WHAT IS THE PORTAL?

➤ Servicer's Currently Using the Portal:
  ➤ Bank of America*
  ➤ Chase*
  ➤ EMC
  ➤ Litton
  ➤ Ocwen
  ➤ Saxon
  ➤ Select Portfolio Servicing
  ➤ Washington Mutual
  ➤ Wells Fargo Home Mortgage / America's Servicing Company*
  ➤ Other Small servicers

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DOCUMENT DELIVERY

➢ Portal solves document delivery issues

   ➢ Servicer instructions and forms available for download

   ➢ Electronic submission of all documents

   ➢ Real-time delivery of documents

   ➢ Proof of document delivery

   ➢ Automatic indexing of all documents

      ➢ Borrower Name, Loan Number and doc type

   ➢ Document retention on Portal

      ➢ Documents are stored and available for viewing 24/7/365

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DYNAMIC COMMUNICATIONS

➢ Real time communications
  ➢ Send and receive messages through Portal
    ➢ Reduce/eliminate need for phones/faxes
  ➢ Connect directly to Servicer loss mit
    ➢ Deal directly with decision makers
    ➢ Provide automatic Servicer notifications
  ➢ Automatically update statuses
    ➢ Acknowledge receipt of package
    ➢ Report decision (including audit checks to third party)
  ➢ Request and receive additional documents based on investor requirements
  ➢ All messages delivered as soon as they are sent

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DYNAMIC COMMUNICATIONS

➢ Message Center / History

  ➢ All communications recorded and available for viewing

  ➢ All messages time/date stamped

  ➢ New messages identified

➢ Email Notifications

  ➢ Email notices sent to all registered email addresses

  ➢ Can be used to notify third parties such as courts, trustees, mediators, etc.

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DMM LOSS MITIGATION WEB PORTAL TRANSPARENCY

- ➢ Accountability
  - ➢ Because all communications and documents are captured and available online, all parties know exactly what needs to be done
  - ➢ Eliminates "misunderstandings" between parties
- ➢ Court / Trustee / Mediator Access
  - ➢ Court / Trustee / Mediator can login in and view accounts in their jurisdiction
    - ➢ All documents / file history available
  - ➢ Review communications between parties
  - ➢ Quickly focus in on issues
  - ➢ Make settlement conferences more productive

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DMM LOSS MITIGATION WEB PORTAL COST

➢ No Development Costs

➢ No Maintenance Cost

➢ No User Fees

    ➢ Unlimited users

➢ Servicers pay small processing charge

    ➢ DMM servicers have already agreed to pay

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Poughkeepsie Portal Results

Study Period: 9/01/2010 through 3/2/2011

Number of Accounts Submitted: 59

Servicer Acknowledgement of Receipt of New Account:

% of Accounts Acknowledged:	100%
Average Time to Acknowledge Receipt:	3.25 days
Fastest Time to Acknowledge Receipt:	15 minutes

Reporting Decision:

Number of Accounts Decisioned:	22
Number of Accounts Approved for Modifications:	18
Number of Accounts Denied Modifications:	4 (1 being reconsidered)
Average Time to Report Decision:	48 days
Fastest Time to Report Decision:	6 days
Number of Accounts in Ongoing Review:	18*
Average Time for Account in Review:	41 days
Number of Accounts with Incomplete Packages:	11**
Average Time for Debtor's Counsel to Submit Package After LMO:	25 days

*   All 18 accounts show active and ongoing communications between Servicer and Debtor Counsel. An additional 6 accounts are open for review but there is no activity by either party. 2 accounts were submitted to non-portal servicers.

** All 11 accounts were missing documentation that was not provided until recently.

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ADVANTAGES OF DMM PORTAL

➢ Streamlined Communications

  ➢ Counselor/Borrower directly connected to servicer loss mit

  ➢ No lost documentation

  ➢ Real time communications

➢ Transparency

  ➢ History of every action tracked and viewable by all parties

➢ Court Access to Record

  ➢ Ensures more accountability

  ➢ Enables Court/Mediator to focus on issues preventing workout

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Loss Mit Program

➢ Step 1: Loss Mit Request Filed

➢ Step 2: Loss Mit Order Issued

➢ Step 3: Borrower Submits Package to Servicer On Portal

  ➢ Servicer's required documentation

  ➢ Copy of LMO submitted together with critical dates

➢ Step 4: Servicer Reviews Submission

  ➢ Advises borrower that account is complete and opens for review or notifies borrower of deficiencies. If submission is not complete, borrower cures deficiencies and updates account.

➢ Step 5: Servicer and Borrower attempt to resolve

  ➢ Continue to communicate and exchange docs through Portal

➢ Step 6: Status / Settlement Conference

  ➢ All documents / communications available to Court to review

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➢ Main Issues – Process Driven

- ➢ Lots of paperwork
  - ➢ Documentation requirements very specific; little flexibility
- ➢ No reliable delivery method
  - ➢ Lost faxes
- ➢ No transparency
  - ➢ No ability to identify exact cause of breakdown
- ➢ No record of communication
  - ➢ Inconsistent customer service

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DMM LOSS MITIGATION WEB PORTAL
Keys To Effective Loss Mitigation

- ➢ Solution – 2 Pronged Approach
  - ➢ Court facilitated programs
    - ➢ Centralized – everyone is there
    - ➢ Accountability – court can supervise/review
  - ➢ Define and provide process*
    - ➢ Provide tools

*Not enough to create program. That brings process problems into court. Forces court to deal with same issues and strains judicial resources.

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