

THE SUMMIT

ENCOURAGING PEAK PERFORMANCE IN THE FIS PARTNERSHIP

December 2007

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DEFAULT SOLUTIONS
A DIVISION OF FIDELITY NATIONAL INFORMATION SERVICES™

BUSINESS OBJECTS

BY MICHAEL CLOIN

VICE PRESIDENT, BUSINESS ANALYTICS / FINANCIAL SUPPORT

The FIS Foreclosure Solutions, Inc. Business Analytics group supports the analysis tools, live reporting environment, and ad-hoc reporting needs of FIS Foreclosure Solutions and its customer base. The Business Analytics team maintains the content available on the FNDS Reports Online Web site, including the Attorney Performance Reports (APR). FNDS Reports Online currently stores more than 800 live Crystal reports and archives over 10,000 static reports (in PDF, Excel, or text files). Each month, there are more than 36,000 views of these reports.

Based on the growth of the FIS Foreclosure Solutions-managed portfolio over the past several years and due to increased reliance on our reporting environment for near real-time data for analysis and decision support, two projects will be completed in 2008 that demonstrate our commitment to customer-focused solutions.

Business Objects Implementation

In the first quarter of 2008, Business Objects will replace FNDS Reports Online as the primary reporting environment. Business Objects is a full-featured environment, providing the infrastructure for housing both live Crystal reports and static documents. In addition, Business Objects provides a wide array of tools that facilitate reporting dashboards, dynamic drill-down reports, interactive maps, and other tools that we can leverage for years to come. Business Objects is currently live for some users and remaining users will be phased in during the first quarter of 2008.

Integrated Security is one of the greatest initial benefits of the Business Objects product. Users will be able to access Business Objects

from the FIS Desktop without maintaining a separate reporting Web site user name and password. This will streamline both user setup and ongoing maintenance.

Performance and stability are two more key benefits of the transition to the Business Objects environment. Business Objects allows for more simultaneous requests on key reports, such as the APR. Additionally, the user-friendly interface makes it easy to locate and find specific reports quickly.

Increased Data Processing Capacity

While moving to a new reporting environment, a new SQL Server 2005 data processing environment was brought online this year. This exponentially improves response time for live reports that are requested through Business Objects. This environment better supports our production of key performance reporting such as the APR, Client Power Rating (CPR), and Monthly Performance Reports (MPR). We have already experienced an 80 percent reduction in nightly processing time for the APR.

FIS Foreclosure Solutions is committed to providing in-depth analysis and user-driven data solutions through the Business Analytics group. The implementation of Business Objects and a new data processing medium is the product of much effort across several teams within our organization. By continuing to raise the bar for ourselves and to partner with our colleagues in the industry to understand the needs for specific tools, we will continue to add value by providing relevant customer-focused solutions to our mortgage servicing clients and to their Attorney Network.

FIS INFORMATION

FIS Foreclosure Solutions, Inc.

A Division of Fidelity National Default Solutions

NAME CHANGES AND URL CHANGES

In conjunction with the rebranding of the FIS Loan Portfolio Solutions' (FIS LPS) technology applications in January 2007 to the FIS Desktop suite of products, the URLs of these applications have been updated to reflect the new names as of December 2, 2007.

In addition to the FIS Desktop changes, Fidelity National Foreclosure Solutions, Inc. also recently changed our name to FIS Foreclosure Solutions, Inc.

<u>Application</u>	<u>Previous URL</u>	<u>New URL</u>
Process Management (<i>f.k.a. NewTrak</i>)	Newtrak.com	pm.fisdesktop.com
Invoice Management (<i>f.k.a. NewInvoice</i>)	Fndsonline.com	im.fisdesktop.com
Document Management (<i>f.k.a. NewImageExpress</i>)	Newimageexpress.com	dmc.fisdesktop.com

FIS Foreclosure Solutions, Inc. provides loan servicers with single-source solutions for managing foreclosures, bankruptcies and related matters on a nationwide basis.

FIS Foreclosure Solutions, Inc. possesses the expertise to help clients manage diverse loan procedures and credit types, enabling clients to realize consistent pricing for default management services and reductions in the cost per loan serviced.

When clients refer a loan to local counsel through FIS Foreclosure Solutions, Inc., the loan timeline is managed until resolution. Clients identify the unique requirements of their portfolios and the loans are processed through FIS Foreclosure Solutions, Inc. to ensure the most efficient outcome. Internal time limitations for key events are set and active monitoring is conducted to minimize the overall timeframe from referral to resolution. The loan-level data is reported to Fidelity National Information Services, Inc. (FIS) partners on a daily basis using FIS Desktop, a Web-based default management technology.

FIS Desktop is an industry-changing proprietary enterprise application that provides users with a single point of contact into technology-driven solutions, enabling clients to streamline their processes and manage document and invoicing needs online. This reduces timelines, mitigates risk and saves resources.

FIS Desktop Process Management (previously NewTrak) allows users to efficiently direct and deliver all relevant information, images and services from one secure, real-time platform. Reconciliation of third-party information is simplified by utilizing a single, Web-based access point

that bridges a client's third-party service providers and FIS. This means quicker processing and cost savings, as well as the virtual elimination of the risk of error.

Document Management (previously NewImage Express), FIS Desktop's end-to-end document imaging solution, essentially omits the need for paper by capturing, indexing, routing, archiving and retrieving documents through secure, Web-based connections. This customized enterprise application manages a document's life cycle, from data extraction and electronic generation through

preset routing protocols, ultimately automating a company's unique document structure.

FIS Desktop Invoice Management (previously NewInvoice) uses real-time, online services with specialized modules to automate every aspect of the billing and invoicing processes. From

presentment and processing to postpayment activities, Invoice Management's automation saves time and eliminates errors.

From referral to invoice, FIS Foreclosure Solutions, Inc. and FIS Desktop provide unique, money-saving solutions for the mortgage community.

FIS' FIVE FUNDAMENTAL PRECEPTS

Autonomy and Entrepreneurship
Bias for Action
Employee Ownership
Minimize Bureaucracy
Close Customer Relationships

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THE SUMMIT

The Summit is published quarterly by the Customer/Attorney Relations team for employees, clients and attorney firms in the FIS Foreclosure Solutions, Inc. partnership.

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*The opinions expressed by contributing authors are those of the authors and do not necessarily reflect the opinions of FIS Foreclosure Solutions, Inc..

Do you want to be featured in next quarter's issue of *The Summit*? We welcome all articles or comments about your company/firm.** Tell us about changes, improvements, legislation that affects you – whatever you think will be interesting to readers of *The Summit*! The deadline for submissions for the next issue is **January 14**.

We also welcome your photos (digital photos set to the highest resolution are preferred). Send comments, photos and story ideas to:

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**FIS reserves the right to edit submissions for space constraints.

RAMIFICATIONS OF FANNIE MAE CAP ON TITLE COSTS

by January Taylor

MORRIS, SCHNEIDER, PRIOR, JOHNSON & FREEDMAN, LLC

In an effort to decrease the fees and costs of foreclosure, Fannie Mae issued a memorandum in June 2007 (to become effective Aug. 1, 2007) limiting the reimbursement amount of title costs associated with foreclosure for all Fannie Mae insured loans. By capping the reimbursement amount at \$200 per case, Fannie Mae determined it would “better contain their credit losses and make it easier for borrowers to refinance or cure delinquency of their loans.” The reimbursement of costs provided by Fannie Mae will include the initial search and all updates.

Placing a cap on the reimbursement amount for title services during a foreclosure will require vendors to pursue alternative means of obtaining necessary title information. Such alternatives, as suggested by Fannie Mae, would include using title searches or abstracts instead of a title commitment or Trustee Sale Guarantee. In such instances, the resulting title search would be uninsured by a title insurance company provider and a full search may still be required at the REO stage of the process in order for title insurance to be issued at closing.

The benefits of running a full 40-year title search in preparation for foreclosure allows the vendor to identify and cure all title issues prior to exercising the power of sale clause provided in the security instrument (for non-judicial jurisdictions). There are several reasons for running a title search, the most important of which are to identify all parties that are required to be given notice of the foreclosure, confirm that the lender has a valid lien on the subject property, and verify a clear chain of title. Some of these issues can be determined by a limited title search, but there are certain situations where title defects can only be identified

in a full search. While a limited title search characteristically begins at the vesting deed into our borrower and moves forward, most of the more detrimental title defects (including legal description errors, missing ownership/equitable interests, and prior owner liens) are found further back in the chain.

Unresolved title issues identified post-foreclosure can cause significant delays in the resale of the property and even possible liability on the part of the lender. Specifically, a title issue identified during the resale of a property can

“UNRESOLVED TITLE ISSUES IDENTIFIED POST-FORECLOSURE CAN CAUSE SIGNIFICANT DELAYS IN THE RESALE OF THE PROPERTY AND EVEN POSSIBLE LIABILITY ON THE PART OF THE LENDER.”

cause the lender to lose a prospective buyer while the title issue is being resolved. A delayed notice to a title insurance company of a defect in title can also potentially void a title insurance policy. Certain unresolved title issues can render a foreclosure invalid or wrongful, which may cost the lender significant litigation fees and liabilities.

There are several ways a lender can limit delays and liability. If a lender does not have a lender's title insurance policy, they can order a full search and absorb the title costs that exceed the Fannie Mae cap. Alternatively, if the lender does have a policy, they should provide it to the vendor at the referral stage of a foreclosure. This will confirm that the lender has insurable title up to the point of the recording of the security instrument and should allow a REO attorney to tack off of the existing policy at the resale of the property. Having a title insurance policy readily available to the vendors will also decrease possible delays in REO because the title insurance company can be immediately notified of any title defects and, as a result, initiate the resolution process.



January N. Taylor is an Associate Attorney at Morris, Schneider, Prior, Johnson, and Freedman, LLC in Atlanta. Ms. Taylor is a member of both the State Bar of North Carolina and Georgia. Her area of practice is real property with a focus on foreclosure law and related title issues.

CLIENT SPOTLIGHT: FREMONT AND OPTION ONE - CA



OPTION ONE:

Back: Camron Hashemi, Michael Campos, Kathleen DeGrammont, Jim McGraw, Raymond Elmes, Gino Tomasino
 Front: Angelica Lopez (FIS), Tracy Solomon, Scarlett Lang, Gaylee Cone, Vicki Tsai, Chrys Houston (FIS), Cindi Ellis, Rosario Brockway, Kim Ecklund



FREMONT INVESTMENT AND LOAN MANAGEMENT:

Scott Walker, Chrys Houston (FIS), Cynthia VanPatten, Angelica Lopez (FIS), Jamie Brander, Richard Power



FREMONT INVESTMENT AND LOAN:

Back: Luis Tena (FIS), Vikki Richards, Kristin Bowles (FIS), Scott Walker
 Middle: Angelica Lopez (FIS), Danielle McKeon, Sabrina Olsen (FIS), Zaneathea Murphy, Shelly Tello (FIS), Amber Olivares (FIS), Diana Larrondo(FIS)
 Front: Chrys Houston (FIS), Freddy Tierra, Christanya Blackman (FIS), Emma Ramirez (FIS)

EMPLOYEE SPOTLIGHT: CHRYS HOUSTON

by Emily Bruce

Amidst the colorful decorations and gadgets on her desk sits Chrys Houston, phone piece in ear and hands on keyboard. Chrys is the Assistant Vice President of Customer Relations at FIS Foreclosure Solutions, Inc. and her position requires constant communication with clients and FIS associates.

A native of Minneapolis and a University of Minnesota alumna, Chrys started out in the business as a home improvement (second lien) mortgage collector at Green Tree Financial 14 years ago. She then moved into foreclosures and FHA claims and even handled spa and above-ground pool repossessions. While at Green Tree, Chrys worked her way up to supervisor, at which time Conesco Finance bought out the company. When this happened, Chrys decided to leave the brisk weather of her home state to brave the desert heat in Tempe, AZ for two years as a supervisor for Conesco in the FHA claims and Equity Analysis department. Chrys then headed across the country to Jacksonville, as a unit manager over high risk and private investor foreclosures for LOGS/First American. Four years later, Chrys had the opportunity to join the FIS team in the Special Assets department heading up the Document Retrieval area.

Even with the dramatic climate changes, Chrys said the biggest adjustment to living in the south was learning to refer to soft drinks as “soda” rather than “pop.” Growing up in Minnesota, Chrys was active in sports and figure skated for many years. She now enjoys taking her daughters Kayla, 11 and Kori, 6 to the indoor rink on the weekends. She misses the Mall of America, but not the cold weather or snow, and makes sure to fit in a trip when she visits her family back home.

Chrys transferred to her current position in Customer Relations after two years as the manager of the Document Retrieval team. During that time, her team grew from 10 associates to more than 40. As the company expanded, a need for a more streamlined module became apparent. With the immediate impact on her team, Chrys was closely involved in the development of the document module that went live this year. The new module benefits both clients and

firms by improving communication between them and FIS.

“Documents were previously tracked through Issues in Process Management, but we knew we needed a better way as the volume increased,” Chrys said. Tracking document requests through the various events within the document-specific processes has allowed for better tracking, reporting and more thorough and accessible data.

“I really enjoy working with clients and firms and could do so while working in docs through the building of

processes and by providing ongoing training. It’s very rewarding,” she said. In addition to building relationships with clients, Chrys enjoys traveling to client offices, one factor that brought her to Customer Relations.

Chrys is now over a team of three offsite Customer Relations managers. She coordinates visits to client offices and client visits to FIS Foreclosure Solutions offices,

attends client calls daily, and follows up on client requests to ensure escalated items are resolved timely.

“I love the staff. Everyone is on top of their game and works with a sense of urgency when it comes to the client’s needs” she said.

As Chrys settles into her new role at FIS, her spunky personality remains the same. Her strength and zest for life prevailed through two breast cancer diagnoses. Her first, which came at the age of 30 when her daughters were ages five and eight months, brought on a series of surgeries and tests. One year later, her cancer returned. This time, she went through six months of chemotherapy and six weeks of radiation. Although she misses her long curly hair, she received so many compliments on her short cut and decided not to grow it back out after her treatments ended. Chrys has now been cancer-free for three years and looks forward to her future with her family and at FIS.

“I want to build a strong and positive rapport with our clients by making sure we are providing a high level of customer service and delivering results every day.”

“I WANT TO BUILD A STRONG AND POSITIVE RAPPORT WITH OUR CLIENTS BY MAKING SURE WE ARE PROVIDING A HIGH LEVEL OF CUSTOMER SERVICE AND DELIVERING RESULTS...”



THE FUTURE OF FDCPA LAWSUITS

by Larry Zielke and Ryan Krumrie

SHAPIRO, NORDMEYER & ZIELKE, LLP

Judge Richard Kyle, United States District Court for the District of Minnesota, issued an order on Sept. 12, 2007, granting a law firm summary judgment and dismissing all claims brought against it under the Fair Debt Collection Practices Act (15 U.S.C. § 1692 *et. seq.*). In dismissing the case, Judge Kyle rejected the plaintiff's contention that a law firm engaged almost exclusively in the practice of mortgage foreclosures was a "debt collector" for all purposes and was subject to all of the provisions of the FDCPA.

In Plaintiff v. Shapiro, Nordmeyer & Zielke, LLP (D. Minn. Court File No. 06-3103), the law firm had been hired by a mortgage company to initiate a non-judicial foreclosure when the mortgage was in default. The property was "torrens" (registered property) and Shapiro, Nordmeyer & Zielke, LLP confirmed on the title report that the plaintiff was the registered owner of the property. Shapiro, Nordmeyer & Zielke, LLP then published a notice of mortgage foreclosure sale for six consecutive weeks prior to the sale as required under Minnesota law. The plaintiff claimed that the mandatory foreclosure notices published in a legal newspaper violated the FDCPA's prohibition on communicating debt information relating to her finances to third parties.

While recognizing a split in authority on the issue among the circuit courts, Judge Kyle concluded that the

law firm was "an enforcer of a security interest" and that "foreclosing on a mortgage does not constitute debt collecting activity under the FDCPA." Therefore, the law firm was subject only to one provision (15 U.S.C. § 1692(f)) of the FDCPA and was not subject to claims under any of the other provisions of the Act, in particular the third party communication provisions on which the plaintiff's claims were based. Because the plaintiff presented only "a mere conclusory assertion" that the

law firm violated section 1692f(6), Judge Kyle dismissed the entire case with prejudice. The plaintiff's attorney filed a notice of appeal this October after Judge Kyle denied his request to modify the order.

This case represents a chance to have the 8th Circuit rule in favor of foreclosure attorneys. We feel the facts of this case are favorable, and that a published 8th Circuit Court of Appeals decision in our favor will

set the stage for a favorable U.S. Supreme Court decision in the future, if it should ever get to that level. At the very least, it will help those attorneys in the 8th circuit void off frivolous FDCPA lawsuits. If you have any questions regarding this case, they can be directed to Barry O'Neil and Brett Clark of Lommen, Abdo, Cole, King & Stageberg, P.A. who represented the law firm in successfully defending the claims. Contact information can be found at www.lommen.com.

"THIS CASE
REPRESENTS A CHANCE
TO HAVE THE 8TH
CIRCUIT RULE IN
FAVOR OF FORECLOSURE
ATTORNEYS."

Lawrence "Larry" Zielke is the Managing Partner of Shapiro, Nordmeyer & Zielke, LLP. He has been admitted to the Minnesota Bar since 1983, spending the last 17 years concentrating his practice on representing mortgage lenders and Servicers in all Minnesota counties.





ATTORNEY PERFORMANCE RECOGNITION

Each quarter, FIS Foreclosure Solutions, Inc. recognizes the top 20 performing firms in foreclosure and bankruptcy. We would like to congratulate the following firms for their performance during Q3 2007.

Q3 - 2007 BANKRUPTCY

AZ	Malcolm & Cisneros
CA	Malcolm & Cisneros
CO	Janeway Law Firm, PC
IA	Dunakey & Klatt
KS	Kozeny & McCubbin
MA	Ablitt & Charlton
ME	Shapiro & Morley, LLP
MS	Morris and Associates
NC	Nodell, Glass & Haskell
NE	Kozeny & McCubbin
NV	Malcolm & Cisneros
PA	Martha Von Rosenstiel
PA	McCabe Weisberg
PA	Goldbeck McCafferty & McKeever
PA	Zucker, Goldberg & Ackerman
TX	Mann & Stevens
TX	Hughes, Watters & Askanase
TX	Codilis & Stawiarski
TX	Brown & Shapiro, LLP
VT	Lobe & Fortin

Q3 - 2007 FORECLOSURE

AL	Shapiro & Pickett, LLP
AL	Scott J. Humphrey
DC	Rosenberg & Associates, LLC
FL	Gary I. Gassel, PA
IA	Dunakey & Klatt
IN	Bleecker Brodey and Andrews
KY	Manley Deas Kochalski, LLC
MD	The Fisher Law Group, PLLC
ME	Shapiro & Morley, LLP
MS	Morris and Associates
MS	Adams & Edens PA
NC	Roberson, Haworth & Reese
NC	Shapiro & Ingle, LLP
NH	Barron & Stadfeld, PC
NJ	Koury, Tighe, Lapres, Bisulca & Sommers
NY	Jonathan D. Pincus
NY	McCabe Weisberg
TN	Apperson, Crump, Duzane & Maxwell PLC
VA	Sykes, Bourdon, Ahern, & Levy, PC
VA	Rosenberg & Associates, LLC
WI	Vollmar and Huismann, SC



EMPLOYEE ANNIVERSARIES

NOVEMBER

Terri Boyette
Mitch Collingwood
Jason Downing
Juli Ezell
Laurie Faltesek
Andre Friedman

Wesley Frost
Kari Grinnell
Courtney Gullie
Paula Houston
Bobbi Hughes
Xiao Jiang

Brandon Kiel
Shannon Leeber
Bridgette Smith
Mie Woody

ONE YEAR

DECEMBER

Lakesha Adams
Leesa Bardunias
Gregory Biersack
Michael Bowman
Clark Boyesen
Kimberly Derynck
Leena Gomber

Kevin Hamilton
Pangfua Her
Jaqueline Lehman-Meggison
Tara Lindholm
Melinda Loyd
Eric Ogechi
Rachel Onsinyo

Kelly Perrin
Thomas Salkiewicz
Robin Smith
Dragan Spiridonovic
Brian Swanner
Vesna Vujaklija

ONE YEAR

JANUARY

Chalonda Adams
Damein Anderson
Jillian Banaszewski
Carl Chisholm
Desiree Fairchild
Crystal Hawley
Jacqueline Hunter

Faith Hux
Tanya Knoll
Seth Lucas
Alexis McKinnon
Berry Morgan
Tran Pham
Johnnie Timm

Linda Thursam
Krishna Vulisetti
Caitlin Wheelless
Heidi Wilson
Houawa Yang

ONE YEAR

NOVEMBER

5 Chris Anderson
6 John Cody
6 Norma Folley
6 Jackie Notch
7 Greg Whitworth
8 Gina Akdeniz
8 Stacey Rubbelke
11 Karen Froggatte

DECEMBER

6 Scott Topel

JANUARY

5 Elizabeth Anselmo
5 Laura Bondgien
5 Tammy Brooks-Saleh
5 Chuck Henrickson
5 Donna Kalb
5 Rick Wilken
6 Kathleen Milsow

**FIVE YEARS
OR MORE**

DEPARTMENT SPOTLIGHT: QUALITY CONTROL

by Jennifer Anthony

MANAGER, QUALITY CONTROL

In April 2006, FIS Foreclosure Solutions initiated the creation of a Quality Control (QC) department to audit staff and network firms. Jennifer Anthony, a manager in Foreclosure Attorney Management at the time, was asked to develop and initiate this department.

The department began with two associates auditing staff members in the Foreclosure Attorney Management area and two associates working on reporting for a client. Shortly thereafter, the team expanded to audit staff in Bankruptcy Attorney Management, Special Assets - Title and Litigation, Stop/Holds, Bankruptcy Issue Resolution, Document Retrieval, Bankruptcy Setups and Bankruptcy Closings. A specialized group was later created to audit sales each month.

In addition to auditing internal functions, Jennifer's team developed a random audit program to audit network attorneys on items completed in Process Management.

The Quality Control department hires within FIS Foreclosure Solutions to ensure that each auditor has the background and knowledge of the department they audit. The department is broken down into four areas: internal audits, sales audits, attorney audits, and client reporting.

The internal auditors are specialized within the departments they audit. They are responsible for auditing the FIS staff's daily functions such as re-projections, issues, holds and intercoms.

The sales auditors are responsible for auditing all sales that are out of compliance each month by the end of the month. They review files from referral to sale held and add any allowable holds that were missed by the attorneys or clients. They also review for any

unnecessary holds that may have been added in error.

Attorney auditors are responsible for auditing all APR-eligible stages ensuring the attorneys are providing accurate data within Process Management. A random selection process is used to identify events to be audited.

The client reporting staff handles several client-

specific reports, some of which are handled daily, weekly or monthly.

The internal audit area holds meetings with the managers of each department on a monthly basis to talk about trends and training opportunities within FIS.

The sale auditors keep tabs on the most current timelines provided by FNMA and FHLMC and also provide feedback on trends within the different

states so they can work with the attorneys on their performance. With these sale audits, the department is able to provide the data to clients to identify trending within the different states and attorney offices regarding sales performance.

All attorney audits are based on the information provided in the attorney expectation document. The attorney auditors are able to assist with the updates on the attorney expectation document that is provided to the FIS attorney network. When trends are identified within the audits, QC discusses the finding with the firm. With this, the auditors are able to make sure all attorneys are on the same page when updating Process Management so the APR data stays consistent.

Strong and open lines of communication within the

"WHEN TRENDS ARE IDENTIFIED WITHIN THE AUDITS, QC DISCUSSES THE FINDING WITH THE FIRM."



Jennifer Anthony
Manager

department are vital to our success. The QC team has an open door policy for all areas and the team uses each other to bounce questions, concerns and issues off one another.

Some future goals for this area are to audit all departments within the operations at FIS Foreclosure Solutions and to start using a new reporting method within the internal audit area. Additionally, the knowledgeable staff in the department may assist with advanced training for employees.

With all of the growth in her area, Jennifer finds satisfaction in knowing that her area is beneficial to the overall performance of the company.



Elizabeth Anselmo
Staff Auditor



Katy Grotjohn
Staff Auditor



Mary Kriesel
Staff Auditor



Mary Stenson
Staff Auditor



Tanya Lindback
Sales Auditor



Tara McGraw
Sales Auditor



Deana Acosta
Attorney Auditor



Lynn Doyscher
Attorney Auditor



Anne Neal
Sales Auditor



Jackie Notch
Sales Auditor



Dava Dawson
Client Reports



Valestine Hughes
Client Reports



Traci Petsche
Sales Auditor



Rebecca Verdeja
Sales Auditor



Jennifer Wersal
Sales/Staff Auditor



Wendi Wilde
Sales Auditor

FIRM SPOTLIGHT: HUGHES WATTERS & ASKANASE

by Carolyn Taylor

MANAGER, HUGHES WATTERS & ASKANASE

HughesWattersAskanaase (HWA) provides guidance and solutions for mortgage servicers caught in the throes of the subprime mortgage crisis and credit crunch. A full-service law firm based in Houston, HWA is ideally positioned to take on the broad ranging and complex issues faced by mortgage servicers and lenders in the current environment. HWA's representation of lenders and servicers provides it with a unique perspective on the issues currently plaguing the mortgage industry.

Carolyn Taylor, manager of HWA's default servicing group, was a critical component in the evolution of the firm from a specialized boutique to a full-service commercial firm. Prior to her arrival, HWA focused primarily on real estate and trustee/debtor bankruptcy representation. The establishment and growth of Carolyn's mortgage servicing practice exposed HWA first-hand to the myriad of issues faced by mortgage servicers, leading the firm to expand its capabilities to confront these issues.

Today, HWA has wide-ranging expertise and experience in six interrelated areas of particular

importance to the mortgage servicing industry: bankruptcy, business planning and strategy, commercial finance, real estate, consumer financial services, and litigation. This model enables Carolyn and HWA to provide cost-effective and comprehensive advice and representation to mortgage servicers from payment disputes to class action defense.

Carolyn established the firm's default servicing group when she joined HWA in January 1994. On individual, firm and client levels, Carolyn fosters the development of leadership qualities, a cooperative spirit, and pride and self-sufficiency in work performance.

To develop these attributes, emphasis is placed on independent thinking while imposing a strong sense of responsibility and accountability among employees.

Carolyn also provides her team with constant feedback as to their progress and accomplishments. At the same time, Carolyn and the section managers maintain an "open door" policy, ensuring they are always available to assist employees with challenging questions and issues. Finally, Carolyn utilizes a "buddy system" under

"HWA's representation of lenders and servicers provides it with a unique perspective on the issues currently plaguing the mortgage industry."

L TO R: CAROLYN TAYLOR AND DOMINIQUE VARNER are partners at HWA. Carolyn is also the manager of firm's default servicing group.



which each team member is paired with a “back-up buddy” who has been trained to provide additional support when needed and fill in when the primary member is out of the office.

To develop these attributes on the client level, work is assigned to team members based on client and matter type rather than task. Carolyn also encourages open communication between the HWA team and clients. This enables team members to develop personal relationships and partnerships with Fidelity and client representatives. That philosophy and collective team work culminated in the selection of HWA to participate in the Freddie Mac Designated Counsel Program (Texas).

The firm’s partnership with FIS Foreclosure Solutions, which began in October 2004, continues to develop and prosper to meet the demands of the expanding client base. The Texas FIS Foreclosure Solutions specialists and management team have always been willing go the extra mile to resolve issues and provide the utmost in service for our mutual clients. This hard work and dedication made it possible for HWA to receive the Service Excellence Award (2005-2006) and the Summit Award (2006-2007) at FIS Foreclosure Solutions’ Annual Attorney Summit.

The emphasis on strong moral and ethical practices, coupled with prompt client communication and timely results, are the foundations for HWA’s unparalleled services and its stellar reputation with clients, colleagues, and members of the judiciary.

As a member of FIS Foreclosure Solutions’ Attorney Roundtable, HWA will continue to work with the FIS management team to address current industry challenges.



FRONT ROW: Theresa Medrano, Tiana Santos, Niayana Goonie, Janice Vessella, Capri Savage, Carolyn Taylor, Valeria Bertolini, Tiffany Bazaldua, Shameeza Alli,

SECOND ROW: Steve Bedinghaus, Cassie Riner, Jarusha Harris, Gena Mayss, Gail Sheridan, Emily Corriden, Melinda Pieper, Robert Vasquez, Catherine Zeis

THIRD ROW: Kelly Sarabok, Brendetta Scott, Dominique Varner, Trish Corriden, Karen Dockens, Tina Pavlock

LOOKING BEYOND THE HEADLINES

by Marlon Bates

SCALLEY READING BATES HANSEN & RASMUSSEN, P.C.

Pick up a newspaper and the headlines will jump out at you: “Foreclosures Skyrocketing!” Turn on the television and you will be bombarded by reports on how the financial sky is falling with property values dropping, lenders running out of money to lend, and foreclosures running rampant. A barrage of gloomy financial reports has diminished the public’s confidence in the housing and lending markets. As a result, most people believe the loan delinquency problem affects the entire nation.

Truthfully, the mortgage default problem is limited to certain types of loans and certain geographical areas. As professionals in the mortgage industry, we should look beyond the headlines to fully understand the problem.

Without a doubt, the delinquency rate for residential mortgage loans is on the rise. The Mortgage Bankers Association recently calculated that delinquent mortgage loans (excluding loans in foreclosure) are currently 5.12 percent of all mortgage loans. This is an increase from 4.39 percent a year ago. Foreclosures rates have also risen. The percentage of mortgage loans in foreclosure is currently 1.40 percent of all mortgage loans. A year ago, the foreclosure rate was 0.99 percent.

However, national averages hide the real story about these statistics. The increase in national foreclosure rates is currently caused by only four states: California, Florida, Nevada and Arizona. If these four states were excluded from the calculation, the national foreclosure rate would actually be declining. In reality, 34 states are showing a decline in foreclosure rates, 12 states are showing modest increases and only four states are showing substantial increases. The newspaper headlines should exclaim that two-thirds of all states show declining foreclosure rates.

The delinquency problems in California, Florida, Nevada and Arizona are exacerbated by declining home values, high inventories of houses, and a much higher percentage of “investor loans” where the borrower is not living in the house. For example, in Nevada, 32 percent of mortgages in foreclosure are investor loans. In Arizona, the rate is 26 percent. Florida’s rate is 25 percent and California’s rate is 21 percent. The national average is only 13 percent.

“THE INCREASE IN NATIONAL FORECLOSURE RATES IS CURRENTLY CAUSED BY ONLY FOUR STATES: CALIFORNIA, FLORIDA, NEVADA AND ARIZONA.”

In addition to geography, the type of mortgage loan is a key determiner in the likelihood of default. Contrary to popular opinion, the division is not between prime and subprime loans. The division is between fixed and adjustable rate loans. The delinquency rate of prime fixed rate loans has stayed current, with subprime fixed rate loans decreasing in delinquency. On

the other hand, the rate of delinquency is increasing moderately for prime adjustable rate loans and it is increasing dramatically for subprime adjustable rate loans.

When mortgage loan professionals understand the true nature of the current delinquency problem, they can make better decisions regarding loss mitigation. On a national scale, one size does not fit all. A fixed rate loan default in Utah, for example, should be administered differently than an adjustable rate loan in default in Nevada.

Extraordinary loss mitigation measures should be reserved for adjustable rate loan defaults or defaults in those very few states where foreclosures are truly skyrocketing.

Marlon Bates is the managing partner of Scalley Reading Bates Hansen & Rasmussen, P.C. in Salt Lake City. The primary focus of his practice is lender support, including foreclosures, bankruptcy, evictions, loan workouts, loan documentation, and litigation.



STATE YOUR CASE

In the last issue of *The Summit*, we asked our attorney network to submit answers to the following question:

Because of increases in foreclosure volumes, some servicers are pursuing loss mitigation efforts as alternatives to foreclosure. In what loss mitigation efforts by servicers has your firm taken part?

“Probably the biggest area where we are assisting the client in the loss mitigation area is in the preparation of modification agreements. We are receiving a huge volume of requests for these. We work directly with the loss mitigation department to hammer out the terms of the mod, quickly prepare it, then express the mod to the customer. In Florida, there is no requirement that these modifications be recorded in the public records. We have also stepped up letter writing campaigns both before and during the foreclosure. We have found this to be a very effective way of beginning communications and possible workouts.”

- Dan Consuegra

Law Offices of Daniel C. Consuegra (Fla.)

“Our group has a pre-foreclosure loss mit program in both our judicial and non-judicial states. We have a Chapter 7 Motion For Relief/First Meeting of Creditors Program, a program for judicial foreclosures in Cleveland rather than the backlogs and delays in Cuyahoga County Common Pleas Court, and a program that includes a Notice of Loss Mitigation in every judicial foreclosure our firm files. We have designed these programs so that there is no cost or expense back to the lender or servicer.”

- Frank J. Veneziano

Weltman, Weinberg and Reis Co., L.P.A. (Ill., Mich., Ohio, Pa.)

“We have drafted a letter that outlines loss mitigation opportunities for homeowners who truly want to remain in their homes. This letter is either mailed to the homeowner the day the complaint is filed or some servicers have us send the letter along with the complaint and same is served by a private process server. When a borrower calls because of the letter or otherwise, we provide the borrower with a toll-free loss mitigation number and offer to transfer the borrower (hot transfer) to a loss mitigation account manager who interacts with the borrower to determine whether or not that individual is a candidate for any loss mitigation programs. When a borrower calls this firm, we immediately provide the servicer with a way to contact the borrower.”

- Dennis V. Ferguson

Reisenfeld & Associates (Ind., Ky., Ohio)

“Virginia is a trustee state, and the trustee has fiduciary duties to both the noteholder and borrower. Thus, it is very difficult to negotiate terms of loss mitigation plans without the risk of being subject to a complaint alleging violation of those duties by favoring the noteholder’s interests should a loss mitigation plan later fail. However, we do support loss mitigation efforts by drafting forbearance plans, loan modification documents, and deeds in lien of foreclosure in accordance with the terms negotiated by the noteholder or servicer.”

- Richard Knee

Glasser and Glasser, P.L.C. (Va.)



As the mortgage industry continues to evolve with new business styles, strategies, and industry standards, we would like to readers to share their thoughts on these changes. In order to accomplish this, we pose a mortgage industry question in *The Summit* newsletter to obtain feedback on a particular topic. The question for this issue is:

Is your firm aware of any pending legislation in specific states that could affect foreclosure rates (such as state-imposed moratoriums or other interventions)?

Please submit responses to this topic to attyfeedback@fnfs.net with subject line, “State Your Case.”



NOTICE THE NETWORK

FIS Foreclosure Solutions staff would like to thank the following firms/individuals for their consistent efforts to increase the success of our partnerships:

“I would like to recognize Sue Forder of **Moss Codilis**. She is good to work with and is always looking to help shorten timelines with her proactive approach.”

- Andrew Fuerstenberger, Special Assets manager

“Over the past few months, I have worked closely with the litigation group at the **Ben Ezra Law Firm**. The entire litigation staff has been very responsive and helpful and has made great efforts in streamlining how a specific client’s loans are handled. Managing attorney David Rodstein took the time to contact both the client and FIS Foreclosure Solutions to determine what information was needed and when it was needed to ensure the client and FIS were able to make a quick decision on how to proceed with litigated matters. This determination and interest, shared by the entire litigation team at Ben Ezra’s office, has made a significant difference in the timeline of litigated files.”

- Keri Gaber, Special Assets lead

“Andrew Goldberg of **Rosicki, Rosicki & Associates** provides immediate response times. Any time I send a request to Andrew regarding a client’s edit project, whether it’s additional instructions for an amended POC or a request to amend a form in Process Management, he usually responds within the hour to advise that the issue is being taken care of and it is always successfully completed.”

- Brian Swanner, Reporting specialist

“**Shapiro & Ingle** is thorough with explanations, quick in responses and has assisted numerous times with the retrieval of POC’s for aged cases and processes that were not assigned to their firm. This firm, specifically Shela Dickey and Denetra Oot, always goes above and beyond to provide exceptional communication to service our company, teams and clients. Their guidance and support, on a daily basis, is very much appreciated.”

- Chalonda Brinson, Bankruptcy specialist

“**Zucker, Goldberg & Ackerman** responds to intercoms and emails quickly and makes sure the job is done at the end of the day. I would like to especially recognize Tina Saggio, who is a big asset to both the attorney’s office and FIS. She is a conscientious worker who takes the time to make great comments in Process Management along with making sure the Core is complete everyday. She is also very friendly and cares about her work.”

- Donna Kalb, Foreclosure Attorney Management representative

“I would like to recognize Alex Maltez from **Bierman, Geesing & Ward, LLC**. He has been an incredible resource. When I contact this firm, Alex is always available and provides consistent, reliable information to aid the client.”

- Jason Starkey, Bankruptcy specialist

ATTORNEY PERFORMANCE REPORT

by Lindsey Lesch

Since its initial release in 2004, the Attorney Performance Report (APR) has proven beneficial to FIS Foreclosure Solutions network firms and clients alike, creating a valuable marketing tool for firms and reducing loss severity for clients. Changes to the APR model have been limited to only one or two releases each year to maintain the stability of the report. Enhancements since the original model include the introduction of data normalization, weighting adjustments, allowable delay adjustments, a client-specific data section, and the addition of the color-coding section and corresponding tenure and volume requirements. The Attorney Roundtable, established in 2005, has helped FIS' reporting department prioritize changes to the model.

In 2007, FIS proposed additional enhancements to the Attorney Roundtable members for review and feedback. The proposed enhancements included changes to the stages within the Motion for Relief (MFR) scorecard, separation of Chapter seven and Chapter 13 files within the MFR scorecard, and inclusion of inherited files on stages in which the first event of the stage occurs after the date of transfer. Based on the feedback received from network firms and through continued discussion with the roundtable members, additional changes were requested for the next APR enhancement release.

FIS Foreclosure Solutions is please to announce the next set of APR enhancements scheduled for release in Q1 2008:

MFR APR Scorecard stage and weighting adjustments:

In addition to weighting adjustments for current stages on the MFR scorecard, proposed changes include the addition of an "Agreed Order Submitted to Court" event in Process Management and an increase in the APR scoring period from 90 days to 120 days.

New stages and weighting for the MFR scorecard include:

MFR Referred to MFR Filed	35 percent
MFR Filed to Hearing/Objection Date	5 percent
Hearing/Obj. Date to Hearing/Obj. Results	5 percent
MFR Referred to Results	25 percent
AO Results to AO Submitted	10 percent
MFR Referred to Order Entered	5 percent
MFR Referred to Received	3 percent
Event Completion Percentage	4 percent
Approved Reprojection	4 percent
Reprojection Completion Percentage	4 percent

Initial Stage Measurement: The initial stage measurement on both the Foreclosure and MFR scorecards will be changed from "File Received" to "File Referred."

Illustration of Chapter seven and Chapter 13 distribution:

The distribution of Chapter seven and Chapter 13 files will be shown in the State Attorney Section of the APR.

Inherited Files Stage Update: Stages for which the completion of the first event of the stage occurs after the date of transfer will be included in the APR for inherited files.

To ensure firms understand the changes that will go into effect, updated APR guides and a network announcement outlining the changes will be released prior to the effective date of these changes. Notes from the roundtable meetings during which these changes were discussed are available on the Attorney Roundtable Notes Web site at: <http://fndsportal.com/attorneyroundtable/>

For questions related to these changes, please contact attyfeedback@fnfs.net.

ATTORNEY GUEST SEMINARS

FIS Foreclosure Solutions, Inc.

A Division of Fidelity National Default Solutions



GRAY & ASSOCIATES

(L to R): John Cody (FIS), Nate Miller (FIS), Steven Zablocki, Colleen Quirk, Liquenda Allotey (FIS), Jay Pitner



LERNER, SAMPSON & ROTHFUSS

BACK (L TO R): Drew Boyles, Stephanie Hafer, Bill Purtell, Lindsey Lesch (FIS)

FRONT (L TO R): Lakesha Adams (FIS), Polina Belinskaya (FIS)



REINER, REINER & BENDETT

(L TO R): Adam Bendett and Randy McHugh



PLUESE, BECKER & SALTZMAN

(L TO R): Lindsey Lesch (FIS), Lakesha Adams (FIS), Rob Saltzman, Polina Belinskaya (FIS), Sandy Becker



LAURITO & LAURITO

(L TO R): Erin Laurito, September Hall, Jinni Bougie (FIS)



DOONAN, GRAVES & LONGORIA

(L TO R): Janice Geier, Donna Small, John Doonan, Stefanie Landry, Reneau Longoria

NEW TO THE FIS PARTNERSHIP

FIS Foreclosure Solutions welcomes the following clients and firms to the FIS partnership from September, October, November and December.

CLIENTS

FIS Desktop	Avelo Mortgage
FIS Desktop	EMC Bankruptcy
FIS Desktop	Carrington Mortgage Services
FIS Desktop	Home Loan Services
FNFS	Marix Mortgage
FNFS	PHH Mortgage

FIRMS

AL	Albertelli Law
CA/NV	Aztec Foreclosure Corp
CA	Old Republic Default Management Services
CA	Solomon Grindle Silverman & Spinella
CT/DC/	McCabe, Weisberg and Conway
MD/VA	
DC/VA	Curran & O'Sullivan, PC
FL	Phillips, Flynn, Dareneau
GA	Moore & Associates
GA	Shuping, Morse & Ross
KY	Reynolds & Thompson, LLP
LA	Foreclosure Law Firm, LLC
MN	Elizabeth Mason, PC
NJ/PA	Stern & Eisenberg, LLP
NY	Ziccardi & Rella PC
OH	Luper, Neidenthal and Logan
OK	Lamun, Mock, Cunyningham & Davis
SC	Riley Pope & Laney
WV	Law Office of D. Kevin Moffatt

EMPLOYEE ACTIVITIES

This Halloween, FIS Foreclosure Solutions in Jacksonville held a candy drive to benefit the Clara White Mission, a non-profit organization that provides housing, training, food and more to the needy in Jacksonville. We are proud to announce that the JAX office donated 3,202 pieces of candy to the CWM. Team members also competed in a cube decorating contest. Kevin Stoutenburg's bidding instructions team took first place (see photo below).

The Minnesota office participated in a pumpkin carving contest and a costume contest. The winning pumpkin was a "FIShark" created by the Bankruptcy Attorney Management team.



(ABOVE)
PUMPKIN CARVING
CONTEST:
"FIShark" by BK
Atty Management.



(RIGHT)
CUBE DECORATING
CONTEST: Kevin
Stoutenburg's team's
winning team cube.



(LEFT)
COSTUME CONTEST
L TO R: Chuck
Henrickson,
Rebecca Conrin,
Sarah French

PEAK PERFORMANCE AWARD WINNERS

The Peak Performance Award program was created to recognize superior employee performance at FIS Foreclosure Solutions. Employees are nominated for noteworthy performance, customer praise, suggestions or improvements, or completion of additional tasks. Peak Performance Award winners have taken it upon themselves to improve our company through their exceptional work ethic, creativity, and customer service.



BARBARA WINN

A network firm contacted Barbara's manager saying, "She has been unbelievably helpful to everyone she deals with here. I have employees every day tell me how truly great she is." Barbara is a BK attorney management associate in MN.



RACHEL ONSINYO

A client recently expressed how impressed they are with Rachel's work on exception reports and her manager shared in their praise. Rachel is a client reconciliation specialist.



LEO STANFIELD

Leo, a financial support supervisor in Jacksonville, was recognized for resolving a client's timing issue. The client said, "Leo did a great job stepping up on this issue to get it working for us. I called him ... he took it and just made it happen."



NANCY DUNCAN

Nancy's supervisor and manager shared in their praise for her. "When she finishes her work, she will go around the department to see who needs help and she dives right in." Nancy is a FC attorney management associate in Jacksonville.



MICHAEL REAP

Mike, a financial support specialist in Jacksonville, consistently goes beyond his job duties. His supervisor said, "Mike takes great pride in being able to fully resolve any disputes or complaints and assist all parties in making a well-informed decision."



LUCILLE BLESSING

A FIS Foreclosure Solutions manager contacted Lou, a FC attorney management associate, and was "wowed by her friendly nature." Lou's manager noted that she always has a great attitude and work ethic.



KATHY GIDDINGS

A client recently contacted Kathy's manager to say, "I wanted to let you know how appreciative I am of Kathy's promptness and attention to a given matter. She is a reliable contact for me and I can always depend on her giving her best effort."



BRENT REICHOW

A client contacted Brent's manager and said, "I deal with complicated issues day in and day out and hit many brick walls. That was until I met Brent. He truly is a great team player." Brent is a title management associate in MN.



ANDY MORCOMB

Andy contributed to the Mail team's success in working a client's mail diligently to bring their number down to zero. Their focus and dedication was greatly appreciated by the client and FIS Foreclosure Solutions staff.



BETHANY HOOD

Bethany, a supervisor on the Mail team in MN, and two of her team members successfully got a client's mail bin down to zero. They cleared out the queue earlier than expected because of their dedication to the project.



LAYLA WEIDE

Layla worked with her Mail team members to clear a client's mail queue. The client said, "Thank you all so much for all of your hard work on this mail bin. I am thrilled to see it at zero again."



DAMEYAN BARRETT

Dameyan, on the BK POC/Plan Review team in Jacksonville, took on a client's POC edit project. He and Brian Swanner successfully handled this extensive project while keeping up with their daily duties.



BRIAN SWANNER

Brian's manager and a client praised him and Dameyan Barrett for their dedication to complete that client's POC edit project. Brian is a member of the BK POC/Plan Review team in Jacksonville.