

# Loan Servicing Platform™



The Loan Servicing Platform from Fiserv consolidates support for all retail loan products on a single platform, including mortgages, home equity loans and lines of credit, personal loans and lines of credit, installment loans and indirect auto loans. Browser-based and real-time, the Loan Servicing Platform automates all loan servicing processes, including integrated collections, default management, cashiering, escrow, and investor accounting for both closed-end and revolving loans. With the Loan Servicing Platform, lenders can define how work is accomplished using sophisticated process automation tools. Rule-based process authoring, work queues, event triggers, and “workbenches” improve efficiency and service levels. 24/7 account servicing enhances your self-service channels and responds to the demands of firms with operations centers distributed across the country—or across the globe.

The Loan Servicing Platform is available as a license, ASP (service bureau), or remote management (license running in Fiserv data center) option.

## Overall System Strengths

The Loan Servicing Platform has a superior architecture and environment that enables clients to leverage the technology to drive business processes.

Strength	Benefit
True Three-Tier Architecture	The Loan Servicing Platform is based on a stable environment that allows for business focused development – rapidly providing you with enhancements to lead your market.
24x7 Real-Time Processing	Work anytime, sourcing operations in locations around the globe.
Integrated Workflow	Control how work is performed on the system using a simple but powerful workflow toolset.
Client Rules and Parameter Driven	By entering business rules and operational parameters into the system, control how the system operates based on a client’s specific business needs.
Event-Driven Workflow	Set the events that drive work through the system, ensuring work is done when needed and in a timely manner.  Manage queue population and view work results, all in real time.  Clients can build borrower or investor interaction with the system through a simple workflow wizard.
Browser Based Deployment. IP delivered	Internet Explorer 6 or better and a secure internet connection are the only requirements, no hard-to-manage desktop software.
Easy System Integration / API	Select from many standard interaction protocols between the Loan Servicing Platform and other systems and trading partners – or build a customized version with an easy-to-use integration toolkit.
Communication Efficiencies	Create letters, emails and faxes directly in the system using Microsoft Word. eDocument delivery is also available.
Image-Enabled	View any output from the Loan Servicing Platform on an integrated imaging service.

## Ease and Cost of Custom Enhancements

Our client-centric culture ensures that we don't charge for enhancements to support business requirements that are widely accepted in the industry. This philosophy is not shared commonly among our competition. We constantly reinvest in the Loan Servicing Platform to ensure you have a forward-thinking and best-in-class loan servicing system.

In addition, the migration to a system that is built upon a rules engine will ultimately enable Fiserv clients to perform their own rules-set modifications, eliminating the reliance on programmers and reducing the time to market for new products.

## Key Features

You can realize the benefits associated with the following key features by selecting the Fiserv platform.

### Architecture

- You can service any loan, anytime, anywhere. The Loan Servicing Platform provides 24x7 real-time processing with no interference from or limitations by the end-of-day processing cycle. This has important implications for delivering quality customer service across many time zones.
- The Fiserv system's architecture allows flexibility because it is a true three-tiered structure, and the data is separate from the rules and from the application logic. The three-tier design facilitates customization, is less expensive to enhance and provides quicker turnaround to accommodate regulatory and critical business changes. This has allowed Fiserv to make key modifications in very short periods of time. The implementation of browser delivery in 2000, the introduction of HELOC support in 2002, the enabling of 24x7 real-time processing in 2004, and the rules-driven investor reporting functionality all had very short design-to-market cycles.
- The architecture provides a stable platform to customize. Integrating other systems and services is easy with a client-defined API call to and from the system to facilitate the movement of data in real time. For example, your web site and VRU can call the Loan Servicing Platform to deliver data instantaneously to borrowers or vendors or investors.
- The Loan Servicing Platform's Service Oriented Architecture (SOA) currently provides business benefits other loan servicing systems cannot. Our ongoing investment into the platform to make it a fully rule-based and Web 2.0 system is an architectural evolution that takes advantage of the vast metadata store currently housed within the existing platform architecture and will ultimately put the design and execution of rules and business processes into the hands of Fiserv clients.

### General

- The Loan Servicing Platform from Fiserv is a real-time system. No transactions are shadow-posted for update through the nightly batch processing cycle. Once the "Enter" key is pressed, the database is updated or the appropriate error message is displayed and all users accessing the system – regardless of location – can immediately see that the update was made. Employees don't have to monitor reports and research rejected items that were thought to have posted the previous day. This also has significant impact on cash management and investor reporting. The system posts transactions immediately, and application, reversal, and reapplication of cash on the same loan can

happen all in one day. This happens on collections management as well; the system posts payments immediately, and the loan status, any associated alert messages and collections queuing also change immediately. This real-time feature guarantees transactions will not reject during an overnight processing cycle. In a batch environment, even shadow-posting cannot overcome the obstacle where there can often be one or more days of delay to reverse cash, correct the outstanding loan issue and reapply the payment transactions.

- The entire Loan Servicing Platform is browser-based. The only software needed on the desktop is Microsoft Internet Explorer. Wraparound technology is not necessary. Using the system eliminates organizational silos because functionality and navigation are uniform throughout.
- The Loan Servicing Platform is one integrated system. This helps you avoid wraparound and helper systems. With all servicing functionality delivered in the core system, information exchange is in real-time and internal processes are streamlined. One integrated system means lower technology and labor costs.
- The Loan Servicing Platform enables you to expand into the consumer loan space. With the ability to manage all products with one workforce and one workflow, you can provide exemplary service to your customers. You can see if loan balances, credit scores or asset appreciation have created additional credit capacity or if payment performance has increased risk.
- Navigation is accomplished through point-and-click action via the menu tree or customized workbenches, so the user does not have to memorize arcane screen codes. This has significant implications for training and ensuring quality customer service.
- Workflow tools such as exception queuing, work prompt queuing, a scripting tool for various uses to include access to other applications, data exchange between VRU and Web, and client rules-based task execution are integrated into the core system, as opposed to wrap-around workstations. This enables processes to be standardized and automated throughout the loan servicing department. Complex "if-then-else" logic rules can be built and embedded (e.g. waiving a late charge). Clients can change a policy and deploy it – in real time – by implementing a workflow rule. The scripts can interact with third-party applications and other scripts and incorporate HTML, JavaScript and VB script; although no programming language skills are needed. Since the tools are intimate to the Loan Servicing Platform, errors are flagged for revision, making process mapping more foolproof than using external tools or wraparounds.
- An imaging solution is resident within the Fiserv product suite, and Fiserv maintains tight integration between this application and the Loan Servicing Platform.
- The online letter writing feature uses Microsoft Word® making it easy to design templates for letters, notices and statements to be printed, emailed, faxed or delivered electronically using the eDocument facility. You also can merge certain account-level fields into the text to personalize each document. Client-defined department security controls the ability to compose templates or order letters.
- The Loan Servicing Platform offers a customized workbench that appears at the bottom of every display screen. An unlimited number can be created and tied together. Managers can configure a variety of system views to match employee work requirements. Loan Servicing Platform automation tools make it easy for managers to embed frequently used processes and Web sites to ExpressLinks

within the workbench. Employees simply click on the appropriate button to launch the system task and then follow any prompts, greatly increasing their productivity and accuracy.

- The system has the ability to track and report on work orders from vendors and use data as a control when making vendor disbursements. This allows greater control over the billing process. Bill paying is less risky since the work is ordered with the reimbursement rules in mind.
- The Loan Servicing Platform provides client-defined fields. Unlike competitive systems, the system displays the field title name assigned to it by the client. This eliminates the confusion associated with using generic field names in queries, workflow and reports.
- Cross-sale campaigns are built into the Loan Servicing Platform rather than using a third-party wraparound application. When a borrower is selected, the system displays an account-level Loan Alert telling the user this borrower has been solicited for other products or services. Clicking the Loan Alert will display the product or service being solicited. A script can also be built and launched within the workbench to provide a customized sales pitch that the CSR can use when talking to the borrower.
- In an effort to manage risk and streamline operations, the Loan Servicing Platform uses event triggers. These indicate whether certain events associated with a loan should trigger specific actions, such as the generation of a letter.

## **Delinquency / Default Services**

- Fiserv is fully engaged with the Treasury and the GSEs in order to provide all the functionality to meet the Home Affordable Modification (HMP) program's specific requirements. We completed a thorough analysis of the current guidelines to demonstrate how existing functionality of the Loan Servicing Platform enables Fiserv clients to process HMP loan modifications. A case study scenario – based on a set of typical loan criteria – was activated on the Fiserv system and processed following HMP Guidelines. The result: Existing Loan Servicing Platform functionality meets the fundamental loan modification requirements.
- A unique feature offered in the Loan Servicing Platform is the ability to track any actions taken in response to a borrower's inquiry or situation. A series of Loan Alerts allow you to mark an account as one that is in some phase of the HMP program. Loan Alerts eliminate the potential for miscommunication and errors because they remain on each screen during navigation to identify such events as: An account that does not qualify for HMP program; HMP package sent; HMP package received back from the borrower; borrower approved for HMP; HMP rejected by the borrower; trial period started; borrower defaulted during the trial payment period; HMP modification completed; borrower removed from HMP program.
- Multiple methods for calculating delinquency allow you to manage your delinquent portfolio with more flexibility. The Loan Servicing Platform uses both the MBA and OTS definitions of delinquency. You can apply the correct delinquency routine to the right loans to reduce effort and focus on the right loans at the right time.
- You will be able to build online collection queues using over 127 data elements, and dialer queues in any required format to stratify calling campaigns to match your collection strategy. Collectors and loss mitigation analysts have a complete online history of the borrower payment pattern, past defaults, financial information, property values, and extensive data about the current default and intent to cure

to help them make the best-fit workout decision. This entire workflow can be fully automated using the built-in workflow tool.

- You will be able to use internal analysis options in the Loan Servicing Platform for assistance with gain/loss and other decision factors in Loss Mitigation, late stage collections, foreclosure, bankruptcy and REO.
- With the Loan Servicing Platform and its electronic lending workflow, every service interaction for collections or loan workout can result in a completed financial transaction or executed customer agreement—all while your customer is on the phone. Using electronic document workflows, your staff can stay connected with customers until they finalize and execute collections and workout agreements. Automatic alerts are sent to customers as documents are uploaded and, with full access to previous document versions, customers will have an online record of their interactions. The result is a fully collaborative, mutually accountable workout process completed in a matter of minutes.
- The Loan Servicing Platform tracks and reports on vendor work orders. This provides an environment of financial controls and an operational timeframe to be used in determining disbursement rules. Caseload management features within the default area provide a snapshot view of any vendor's performance and facilitates vendor scoring.
- Since the Loan Servicing Platform is one system, you can avoid the problems with cash application on loans in default. You can set up system controls to ensure bankruptcy plans, forbearance plans, repayment agreements, and you can post short payoffs correctly by either another user or lockbox.
- With the Loan Servicing Platform, you know all of your advance exposure at the time work is ordered. This saves time and effort when creating payoff statements and reinstatement quotes. You can also report on aging of advances and the allocation of fees and costs associated with specific work order elements such as property valuation or foreclosure court costs.

## **Escrow Services**

- The Loan Servicing Platform focuses on exceptions so the user can resolve problems as they occur. Embedded tracking mechanisms such as online queues for unpaid escrow items make sure that exception items are addressed within an established timeframe, keeping everyone on task. The queues also provide a level of point-in-time managerial statistics that aren't available from reports.
- The real-time Loan Servicing Platform does not rely on a batch cycle and manual production of a check in order to produce an on-demand escrow check directly from the system.
- The introduction of HOPA brought about changes in the way that mortgage insurance is regulated. Rather than rely on human intervention, the Loan Servicing Platform relies on event triggers such as the cancellation of MI collections when the loan reaches 78% of the original LTV.
- The Loan Servicing Platform carries multiple tax dates to ensure that tax bills are closely monitored and paid in a manner that takes advantage of discount dates and avoids costly penalties. The Tax Due Date, Tax Delinquent Date and Customary Tax Disbursement Date are maintained at the loan level. The Customary Tax Disbursement Date is stored in the header record and audited at the loan level.
- Servicers lose several thousand dollars in interest each year for advances made toward unpaid escrow items. Many mortgage instruments include a provision for the servicer to charge interest at

the Note rate on advances made to protect the lender's interest in the property, thus allowing them to recover all or a portion of the expense. Unlike other systems, the Loan Servicing Platform provides the ability to collect interest on corporate advances for escrow items paid on the borrower's behalf.

## **Special Loans**

- ARM loan products, including Option ARMS and Interest Only ARMS, are supported in an automated fashion. Such automation extends to administration of balloon loans, including resets and rate reduction products, eliminating the need for manual manipulation.
- The Loan Servicing Platform offers strong support for non-conforming servicing. Integral support for Collections, Loss Mitigation, Bankruptcy, Foreclosure, Property Preservation, Claims and REO is included in the core application eliminating the need and expense of wraparound systems.
- HELOC product support functionality was first introduced within the Loan Servicing Platform in 2002. Since then, Fiserv has continued to make a significant development investment to give clients the flexibility to accommodate new product features such as a wide variety of payment options, campaign support, rate-lock capability and multiple access methods, including credit/debit cards. Since all loans reside in the system, Default, Payment Processing and all other typical servicing functions are available without the need for wraparound applications.

## **Payoff Statements**

- The Loan Servicing Platform can produce amended payoff statements based on client-defined events triggers. For example, if a payoff statement has been issued and a payment is subsequently reversed, the system can automatically reissue a revised payoff statement. This eliminates the need to monitor loans and manually request updated statements and also reduces exception handling of overpayments.

## **Investor Services**

- The rule-based investor accounting functionality within the Loan Servicing Platform ensures consistent and controlled business process, no matter how unique the investor requirements. You can configure the investor subsystem on demand, without the time and expense of system enhancements. This includes self-design of reports and/or files as required.
- Among the benefits of a real-time system is the ability to reverse multiple payments on the same processing day. On the Loan Servicing Platform you can even make loan-level corrections and re-apply the payments on the same day. Manual adjustments to investor reports and remittances are unnecessary. With batch systems, not only are the number of reversals limited but so is the process to reverse payments, make loan-level corrections and reapply payments, which could take days.
- Investor transfer transactions can occur in real time with online reject queue population to insure all loans are transferred in the same business day. Most loans can have up to three simultaneous pending transfers.

## **New Loan Boarding / Loan Acquisitions**

- Since the Loan Servicing Platform is real time, loans can be boarded and activated throughout the day. Financial activity related to the boarding is created in the same boarding file, eliminating the need for a second transaction. The system transacts both maintenance and financial activity immediately.

- The LOI interface in the Loan Servicing Platform includes what is referred to as Error Checker. Error Checker contains some 100 different error or illogical conditions that could be present on the loan. Clients can select which errors they want to check for as loans are boarded via the LOI. Selected edits may be set as critical errors, which prevent the loan from being activated until corrected, or as error conditions such as "report but proceed to activation loan." Error Checker also differentiates between new production, purchased loan and refi loans. This means that each category may have different Error Checker settings. Error Checker is launched as loan data are introduced into the system; loans not passing edits are reported to the client within 10 minutes after LOI completes its read of loan data.
- For refinanced loans, the automated boarding process can pay off the old loan and transfer defined data from the old loan to the new loan.

## **Payment Processing**

- Recurring and one-time ACH drafting options equate to wider borrower payment accommodation and lower delinquency rates. Drafting can occur from two different accounts on a schedule independent of the contractual payment terms. You can draft weekly, bi-weekly, semi-monthly, etc., on a monthly pay loan. You can even charge a fee for the service.
- Since Fiserv is a true real-time system, payments from multiple sources – lockboxes, third-party vendors, teller lines, Internet – can be posted throughout the day. This includes multiple feeds from the same lockbox.
- The Fiserv system supports multiple cash clearing accounts to better accommodate disparate servicing center locations as well as multiple lockbox locations. This simplifies identification of funds sources and settlement efforts.