

Modify Loans with RediMod

While the mortgage industry continues to face significant challenges, it is clear that loan modifications for delinquent and at-risk loans are key to helping both servicers and borrowers reduce losses. As volumes increase, completing timely loan modifications without automated solutions is difficult. Lender Processing Services (LPS), a leading provider of integrated technology, services and consulting to the mortgage industry, has created an innovative end-to-end solution for streamlining the loan modification process.

Modular Solution

LPS' RediMod is intended to provide a complete loan modification solution to servicers; however, it has been developed in a modular fashion – allowing those with partial workout processes in place to acquire additional capabilities as needed. The program includes the following:

- Data and analytics to establish a default score
- Highly configurable rules engine to identify borrowers who are delinquent or at risk of defaulting and determine the best possible workout option based upon factors such as loan type, net present value or investor requirements
- Personnel to contact and communicate with your borrowers
- Fulfillment services to complete the modification

Establishing a Default Score

Before a loan modification program can be initiated, a default score must be established. Together with your organization's internal data and analytics tools, or LPS' proprietary scoring models, LPS will assist in scoring all the loans in your portfolio. Using the score, you can determine the most important loans to prioritize for potential workout solutions.

In addition to your in-house data and analytics and LPS' proprietary scoring models, LPS also offers the following solutions that can provide value in the loan modification process:

- Neighborhood Outlook – Provides forecasted neighborhood pricing and inventory trends, supported by robust historical and current local market data.
- Verification of income and employment – LPS has formed strategic partnerships to leverage technology to automate for income and employment verification further augmented by phone calls for verification.

Identifying Borrowers and Modification Plans

Proactive Risk Management (PRM) is LPS' sophisticated platform that seamlessly integrates with existing servicing and banking technologies, as well as enterprise credit risk models, analytics and data tools. PRM automates the loan eligibility and best-fit determinations for modification programs for delinquent and at-risk borrowers,



and performs net-present-value calculations to determine the preferred workout program based on preapproved business rules. In addition, PRM includes pre-defined business rules for popular modification programs, including FHA Secure, FDIC Streamlined Modifications and Fannie Mae Homesaver Advance. You can then add to and refine these business rules.

Performing Outreach Services

Using PRM, default scores and a “best-fit” workout model, you can determine the loans that are eligible for workout plans, and establish the modification plan you want to present to borrowers. LPS has partnered with several organizations to provide collection and loss mitigation call centers that are compliant with the Fair Debt Collection Protection Act. These licensed debt collectors will validate and verify data, as well as perform quality control and exception handling. They will continue to follow up with the borrowers you have identified for response and problem resolution.

In addition, the licensed debt collectors will create the appropriate modification package – either paper or as an eDocument using LPS’ ClosingStream – and deliver it to the borrower. ClosingStream enables the borrower to receive and review the loan modification package electronically and then eSign the documents. With instant eSigning, both you and the borrower benefit from nearly immediate closings. This modification package is also imaged for quality control purposes.

Fulfilling the Modification Package

When you and the borrower have reached an agreement on the modification package, LPS will identify the type of accounting for each loan and automate the servicing system updates necessary to adjust the terms of the loan.

Implementation Consulting

LPS has subject matter experts ready to assist in the smooth integration of RediMod into your organization’s processes. The program is uniquely positioned to be “implementation ready” within a short period, so you can quickly begin tackling high-volume pipelines and bring delinquent loans to resolution.

Values and Benefits

- Reduce borrower wait times for identification and processing of modifications, therefore reducing delinquency, avoiding foreclosure and reducing credit losses.
- Save your organization from increasing your FTE further, and avoid training and turnover.

RediMod combines analytics and technology with experts that can complete all the processing and fulfillment needs for loan modifications. Our robust customer contact and follow-up capabilities can be tailored to the servicer’s requirements.

Contact LPS today to find out how RediMod can improve the effectiveness of your loan modification process.



LENDER PROCESSING
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