**Schedule C: Service Level Agreements (SLA)**

# Supplier hours of operation are:

## Call Center

### M-F: 8am CST to 8pm CST

### Saturday: 8am EST to 3pm CST

### Upon request of client: Inbound call center is available 24 hours every day, including holidays.

### The call center is staffed with Spanish speaking agents during the hours shown.

## Negotiator/Loss Mitigator

### Standard hours: 8AM-8PM EST Monday –Saturday.

### The inbound call function is available 24 hours of every day.

# Solicitation

### QDS will make 3 attempts to contact borrower/agent within 10 business days of receiving solicitation file from Bank of America

## Mailing:

### QDS will send three mailers, one every three days to the borrower at the address provided.

##  Telephone Out-Reach calls to borrower:

### When there is a phone number available, QDS will call the borrower three times, at different times of the day and including once on a Saturday. The Call center is available from 8AM-8PM EST Monday –Saturday. The inbound call function is available 24 hours of every day.

### Dialogue Marketing is qualified to explain liquidation alternative options to the borrower, and will do so on the out-reach calls.

*Risk Management*: In addition all certified consortium real estate agents will be required to provide the borrower with a DVD explaining the HAFA and traditional short sale options. In that way the person who goes to help them out with the paperwork and the decision will each provide the exact same disclosure to the borrower. After listing the property, the borrower will get a quality control feedback questionnaire assuring us that they were handled properly.

*Deed in Lieu:* In the event the Outsource partner has determined that the short sale is rejected for Short Sale for some reason, QDSwill have the Dialogue Marketing call center re-contact the borrower to determine interest in other voluntary liquidation methods. This could also be done by the Realtor if it is listed with one. That is assuming it doesn’t require a debt-collectors license to do it.

Note: Dialogue-Marketing has the following certifications:

ISO 9000

SAS 70 Type II Certified

PCI Compliant

Fair Debt Compliant

## Calls Abandon Ratio < 5%

## ASA < 30 seconds

## Quality Score (with input from client) > 80%

## Outbound Solicitation > 25% right party contact ratio

## When there is a phone number associated with the file, we expect the right-party contact to be higher than 25%. In addition, we will be sending three mailers to the borrower.

## Conversions > 60% (welcome packages returned / right party contacts)

## Our evidence is that when the package is sent out without any further intervention with the borrower, the returns are less than 15%. As a result, QDS will have a local, certified Short Sale agent call on the borrower to sit with them to complete the package. In that instance expect the return to be close to 80%.

# Asset Management

## Liquidations > 40% of the conversions. This metric is stated as a minimum expectation, Bank of America and Supplier are aligned on establishing a process to promote the successful closing of a significant percentage of the files as provided for Short Sale.

## Value and market properties to solicit a contractual offer to liquidate the property within a specific time frame that is outlined and approved by Bank of America, in a 90 day or less time period from listing to closing under certain conditions with 120 days as a benchmark.

## End to End timeline (receipt of file to successful closing) will not exceed 150 days. This timeline is inclusive of (ii) of this Section and is not intended to be an average timeframe for a Short Sale successful completion. As per the Reporting Section, Supplier will provide detail status of each file to promote oversight by Bank of America to escalate/resolve issues and disposition files accordingly based on the total number of days Supplier has had the file.

## Values will be supplied to Supplier within 7 days by 3rd party vendor

## Updated values will be ordered every 90 days by Supplier.

## Title will be supplied within 10 days

## BANK OF AMERICA will provide updated delegated Reserve Amounts at a minimum of (90) Days

## Supplier will provide a response to Broker offers with no MI or subordinate lien approval needed within 24 hours (this SLA is only applicable to “Offers”) with the following responses:

### Approve

### Negotiate

### Decline Cooperative Program

### Suspend Cooperative Program

# Realtors and Marketing the Properties

We have created a consortium of contractually aligned real estate firms across the country whom we have indoctrinated, trained and who are committed to our processes. What separates them from the general Realtor population is:

* Scalability to large numbers of transactions
* Marketing standards which are regularly measured and tracked
* Real-time consumer feedback
* Standard consumer disclosures on a DVD
* In-depth Short Sale training
* Internal project management
* Accountability to performance standards
1. Scalability to large numbers of transactions
With over 20,000 agents in these firms (see below for list) QDS can offer scalable, national service to meet any demand. Both the listing and the buyer-agent specialist are managed to see that issues with consumers are properly remediated that transactions are properly handled and that the needs of the bank are being addressed.

At the solicitation stage, it has been demonstrated that having a well-trained Realtor working with the borrower immediately after initial contact increases the conversion by a multiple of 6 to 8. So the cost-to-value of the outreach program becomes very cost effective.

1. Marketing standards
Our statistics for the Realtor consortium show that by applying retail-marketing standards to distressed properties causes our listings to get to contract far sooner than the general Realtor population can produce and at higher prices.

One source of profit loss for the lender occurs when the listing agent creates a low expectation for fair market value, inducing the lender to accept much less. The listing agent routinely tells callers that the property is under contract or keeps it off the market, off the MLS. The agent then sells it to an insider-investor and collects commission on the whole thing. The difference in price of $50,000 to the Realtor is minimal (3% of $50,000 is $1,500, which is more than compensated by the 3% of the entire price from the buyer side) but the difference to the lender is $50,000.

Our Realtors market the property through normal channels like the MLS, advertising, open houses, websites, etc. The property is treated as a “retail” property. They have a commitment to answer every inquiry from any other broker or buyer-prospect within the hour. They are not allowed to have their own offers on the property without the supervision of their project manager.

Additionally we put an 800# on the for-sale sign and have a separate team of buyer-side only agents who are assigned the calls from the signs. In that way we are assured that any caller who is interested has a fair chance to make a bid on the property. We carefully track each call.

1. Real-time consumer feedback
When a property is listed, when it goes under contract and when it closes, we cause an automatic consumer feedback questionnaire to be sent to the borrower to collect information about the performance of the Realtor. When there is any negative feedback, our Quality Assurance procedure is set in motion. When an agent gets more than normal negatives we eliminate them from the team.
2. Standard consumer disclosures on a DVD
The threat of lawsuits as a result of improper disclosure is real and imminent. The probability that any two Realtors will disclose the alternatives available to the borrower in a consistent way is very low.

We eliminate the problem by having them show the borrower a disclosure DVD with all the information they need to make an informed decision. The borrower is then asked to acknowledge receipt of the DVD. Again when the questionnaire is sent to them, one of the questions is, “Did your Realtor give you the DVD?” The DVD will be altered to conform to Bank of America’s needs and procedures.

1. In-depth Short Sale training
Ray Mathoda, former Chief Admin Officer of IndyMac bank, a member of our board, an advisor to the Treasury on HAFA and owner of a premier training company will train every Realtor who is a part of the team. Their training program is more than how to market real estate services to distressed sellers

Where most of what passes for Short Sale training covers how to market real estate services to distressed homeowners, this training covers the HAFA program, the traditional program and the Deed in Lieu. Team members are each trained then certified by Mathoda’s company, *Foreclosure Alternatives USA* before they are candidates with us. This provides for the agents to be trained to the bank’s standards and procedures and to be managed to that banks level of performance requirements.

1. Internal project management
Within each consortium firm there is a project manager assigned to this project. Their job is to oversee, train, report and hold the team accountable to our standards. They have the authority to take Realtors off the team when they do not perform. The project manager is accountable and reports directly to QDS.

Assigning a real-world Fair Market Value to a property needs to be done with care and competence. Too high and it won’t sell; too low and the Realtor’s insiders are the only ones who win. Our Realtors are double checked by the project manager to assure accuracy.

1. Accountability to performance standards
The residential real estate industry provides marginal oversight and little accountability. It is the central issue that creates the dysfunctional default services system in place today. We recognized early that this would need to be re-organized and a standard management and accountability system put in place.

All of the training available has marginal value when it is not accompanied by strict accountability to standards. Without accountability the “trained” Realtor moves to use the least demanding methods rather than the most effective for Bank of America.

Our firms are chosen because they each meet our demanding standards:

* Financial stability to support the marketing of a large inventory
* Infrastructure including a project manager and administrative support
* Mature and seasoned agent population that can meet the demand
* Willingness to train and create accountability to our specific standards
* Agreement to oversight and supervision by QDS
* Record of marketing and selling distressed properties at prices higher than the average distressed property agent
* Clear leaders in their markets
* Commitment to this project

The companies are:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Company | Area covered | Total Agents | QualifiedLA† | Qualified SA‡ | Potential Short Sales | Units/$Vol2008 | President and/or CEO |
| Coldwell Banker Premier | Las Vegas, Henderson Nevada | 325 | 25 | 25 | 500+ | 3797/ $.74 B | Molly Hamrick |
| Coldwell Banker NRT | Salt Lake City, UT | 900 | 25 | 25 | 250+ |  | Dan Christensen |
| Fuller Sotheby’s  | Denver, CO | 200 | 25 | 25 | 500+ | 1353/ $.85 B | Scott Webber |
| Prudential Ruboloff | Chicago | 1700+ | 25 | 30 | 2000+ | 11,300/$3.4 B | David Bracy |
| Baird & Warner | Chicago | 1700+ | 25 | 30 | 2000+ | 11,300/$3.4 B | Jennifer Warden |
| Prudential California | Southern California | 3400 | 30 | 200 | 2-3000 | 16000/$13 B | Jon Cook |
| Keyes Realty | Southern Florida | 600 | 100 | 100 | 1500+ | 7200/ $1.8 B | Mike Pappas |
| Russ Lyons Sotheby’s | Phoenix | 500 | 30 | 50 | 2000+ | 2100/ $.5 B | Glenn Niere |
| Intero Real Estate | Northern California | 1600 | 50 | 50 | 1000+ | 4053/ $2.8 B | Gino Blefari |
| Prudential Georgia | Georgia | 1500 | 30 | 50 | 2-3000 | 6825/ $1.7B | Dan Foresman |
| Greenridge Realty | Western Michigan | 500 | 25 | 30 | 1000 |  | Thomas Paarlberg |
| REMAX Elite | Albuquerque | 250 | 15 | 30 | 200 |  | Michael Dreskin |
| Surovell Realty | SW Michigan | 250 | 20 | 30 | 1500 |  | Ed Surovell |
| Coldwell Banker United | So. Texas &Gulf area | 3000 | 50 | 75+ | 2000 | 28,000/$6 B | Helen Edwards |
| David Winans GMAC | Dallas -Fort Worth | 400 | 20 | 40 | 1500 | $876M | David Winans |
| D’Ann Harper | San Antonio | 400 | 20 | 30 | 1000 | 4,000/ | D’Ann Harper |
| Edina Realty | MN, WI, ND | 2500 | 50 | 75 | 2500 | 24,000/$5.8B | Bob Peletier |

|  |  |
| --- | --- |
| **† Listing Agents Profile**Full time commitment to real estate. No other jobs.More than two years active in real estate.Track record of 10 - 25 successful listings sold.Current MLS, Board, NAR member.Answers phone promptly.Carries a cell phone that is answered promptlyChecks email regularly or has push technology. | **‡ Marketing/Buyers Agent Profile**Full time commitment to real estate. No other job.Completed new agent training.Current MLS, board and NAR member.Answers phone promptly.Carries cell phone which is answered promptly.Checks email regularly or has push technology. |