

11.1.1 Long Term Vision and Strategic Plans

Vision:

Although the real estate crisis is far from over, we believe that the program we have created will become an important tool that makes Bank of America a leader in helping resolve this crisis. In order to accomplish this, the overriding goal of our program is to minimize the damage to both the homeowner and Bank of America and to create a dialogue that will lead to future positive business relationships between both.

Homeowners are anxious and ill-informed while their housing problems remain largely unresolved. When homeowners make poor choices regarding their property, these decisions result in three victims: the homeowner (credit rating plummets, family is disrupted,) the bank (full foreclosure is more expensive than the alternatives) and the neighborhood (surrounding home values decline.)

The first step in our program is to provide a compassionate voice to homeowners and help them sort through their negative feelings and any misinformation they have about the options available to them. Once we have created trust, we can then inform and help guide homeowners to make decisions that result in maximum financial stability. With this education, the homeowners realize they have a second chance to rebuild their lives and can make a graceful exit, as opposed to the destructive effects that result from foreclosure.

The second step is to continue creating a positive experience for the homeowner as they are handed over to an asset manager and listing agent. We have spent a great deal of time fine tuning these processes and embedding accountability and customer-satisfaction feedback throughout each stage.

For Bank of America, our program is the best way to avoid possible litigation due to lack of disclosure. We have created interactive learning materials for the homeowner, as well as extensive training for each staff member who will be working with homeowners. One of primary goals for the Bank is to make sure that homes are sold at the maximum recovery value. To this end, we have made the offer-submission process as transparent as possible, removing it from the sole control of the listing agent.

Each phase of our program has multiple levels of accountability, with uniform standards and methodologies that can always be adapted quickly to maximize results. This is why we've made customer feedback such an important component.

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Our program can also be easily scalable based on the needs of Bank of America. It is a cost-effective solution for the Bank that allows it to maximize asset values while creating positive relationships with homeowners, thus retaining them as customers.

Strategic Plans:

The solutions are very complex, requiring various and disparate expertise. We have elected to form Strategic Alliances with some of the most competent leaders in their specialties.

As we see it, there are three parts to the process:

- High-touch, compassionate outreach to the borrower
- Asset management, evaluation and task management
- Listing and marketing to insure the highest return

The three parts have no overlapping competence. It takes a synthesis of the best in each area. Synthesis requires integration of computer systems and management of the inter-relationships to make it work.

Today, there is no integrated solution in the industry that handles all of the pieces with complete competence. As a result the damage and loss to Bank of America is significantly higher than it needs to be. We can reduce that loss.

Our plan is to bring the disparate entities together and coordinate the services into a streamlined process.

We will provide outreach services that assist the borrower in understanding their options, and then provide asset management services to carry out the process and finally, assure that properties are marketed to the highest price available.

It is of the utmost importance that in the process the borrower maintains a positive impression regarding Bank of America since they should remain customers for Bank of America in banking, credit card and mortgage. Measuring and managing that relationship is a part of our strategy.

Future Plans

Our plans are to grow the capabilities of the alliance. We will include a company in our alliance only if they can meet our high standards of care and competence.

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We will add new real estate firms to our consortium. Our methods for getting them committed to our processes, trained and reporting make it possible for us to add coverage with an additional company in a new area within 30-45 days.

By testing and reporting customer satisfaction, it has been shown that performance is improved quickly. It is our future plan to take advantage of that phenomenon, bringing to Bank of America ever more satisfied customers in spite of the current real estate market conditions.

As we mature in the process and understand the needs of the program, we would consider the commitment of placing on-site representation at Bank of America for better communication and consistent delivery.