

11.1.6 Improvement Programs

The following innovative programs are included in the model we would provide Bank of America:

1. **Consumer Foreclosure Alternatives Disclosure**

This product consists of a DVD and reference manual/workbook provided to the homeowner describing in print and on video (initially in English and Spanish) the alternatives and the consequences of each alternative. It is played for the homeowner by the real estate agent *prior* to listing the property. An acknowledgement of receipt is obtained. Additionally, it is referenced in the first Quality Assurance/Customer Satisfaction questionnaire. The DVD and printed material will be customized to Bank of America's needs.

2. **Quality Assurance & Customer Satisfaction Questionnaire (QA & CS)**

In order to assure that all of the component parts of the system work to the satisfaction of the homeowner, we provide a mail and/or web-based questionnaire regarding issues of communication, care, courtesy, etc. We also ask whether the disclosure DVD was played and all questions in the manual/workbook answered. The questionnaire is handled and reported by Quality Service Certification, Inc. (QSC) a leading third-party consumer assurance company. It also provides to the consumer the ability for complaints and questions to immediately be addressed. An email goes to the Quality Assurance & Quality Control (QA & QC) center and immediately (within hours) an intervention and remediation occurs.

3. **Online Offer Management System (OOMS)**

A real source of duplicity in the short sale process is in handling offers from brokers other than the listing agent. The temptation to limit or restrict offers is always present, especially if the listing agent is the gatekeeper for the information and an artificially low sale price works to the agent and his investors' advantage (e.g. flipping a property). OOMS allows outside brokers to submit their offers independently and directly. The URL where the online system resides will appear in every listing in the MLS. The offers are immediately available to the asset manager for review. Since the HAFA guidelines disallow counter-offers to an offer that meets its requirement unless there are multiples, this system will give Bank of America a chance to counter-offer over the approved amount when there are in fact multiple offers. Using this system means that no offer is screened, restricted or ignored.

4. **Required Buyer Pre-approval by Bank of America**

Not every offer submitted is authentic or has a properly approved buyer. We can ask that every buyer offer is accompanied by an approval letter from a Bank of America loan officer or an approved lender after a standard pre-approval process requiring

verification of borrowers income and cash reserves. This will aid in an effort to make the best choice among buyers and decrease the fall-out rate.

5. Brokerage Controlled Agent Population

Because of our Consortium, we have the capacity to provide to the homeowner as many trained, certified agents that are necessary to satisfy the homeowner. Listing agents are otherwise drawn from a general pool of unmanaged real estate agents.

We have assembled and have contractually controlled arrangements with powerful regional real estate companies such as Coldwell Banker, Prudential, and Sotheby's [see section 11.1.7 for list.] They provide management oversight, administrative and marketing support to the program. We will also provide tracking and reporting of all marketing efforts. Each brokerage will use Asset Plan USA to make sure its agents are trained to the highest standards. Each brokerage will provide a Project Manager for our program who will provide accountability and oversight.

There are two Project Managers, one for the Listing agent team and another for the Buyer-side agent team.

Quantum Default Services, through their partner QuREOs, Inc., manages quality assurance by providing training and oversight for the internal project management team within the brokerage. The brokerage's internal project management team has a dotted line of reporting and accountability to QuREOs. We monitor their results and provide weekly feedback sessions. We will closely track the results of the listing agents to maintain high standards of performance.

6. 800 Number and In-bound Call Center

Every for-sale sign will have an 800 number on it for the buyer-consumer to call. The call will be answered by a professional call center that then makes an appointment for the buyer prospect. The prospect is handed off to a trained real estate agent on the brokerage Buyer-side agent team. To insure that all buyers have an equal opportunity to buy a property, Listing Agent teams are kept separate from Buyer Agent teams.

The performance standard for the Call Center is 60% [6 out of 10] appointments made with potential buyers. The consistent nationwide statistics for *asking* for an appointment by a real estate agent is 2%. Fannie Mae did a recent "mystery shopper" study that confirmed those results.

The internal Project Manager for the Buyer Agent team monitors and tracks the results of his or her individual real estate agents. This allows us to keep close track of results. An underperforming agent can either be retrained or removed from the team.

Optional Innovations:

7. **Loan Capture by Bank of America Loan Officers**

Because of our close management of buyer-side agents, we can assist in loan capture opportunities for Bank of America mortgage agents. We know that the buyer's choice of a loan agent is influenced early in the process. The real estate agent has influence with the buyer in that choice.

We can ask the buyer-side real estate agents to connect the buyer with a Bank of America loan agent immediately so the loan agent becomes an integrated part of the buyer's team. The capture rates are many times greater when introduced early rather than as a requirement at the presentation of an offer. It also provides for lead capture for buyers that are not writing offers on the subject property.

This loan capture model requires a high level of interaction with the corresponding mortgage agents in the local territory.

8. **Send a credit card that will be activated when the homeowner calls.** It can be for any amount that Bank of America feels will motivate the homeowner.

9. **Face-to-Face Home Solutions**

Our door knock service establishes contact with borrowers who have been unreachable by phone and mail campaigns. Our Agents have a proven track record of improving Right Party Contact and facilitating the resolution of collection and borrower outreach initiatives.

Agents are in direct communication with a fully staffed Servicing Department providing:

- 7 day a week Loan Counselors with coverage for nationwide time zones
- Instant communication with decision makers
- Real time data interface
- Expeditious resolution

Over 1,600 door knocks completed / approximate UPB > \$175 million

- 66% Right Party/ Borrower Contact
- 21% Non-Borrower Contact/ tenant, new owner, neighbor
- 7% Vacant
- 6% Unsuccessful Result/ No Contact
- Total Cost to Clients = approximately \$162,000
- Total Recovery Dollars = in excess of \$663,600*

* reflects the 2010 Q1 and Q2 cash flows of re-performing loans door knocked in Q4 of 2009