

11.4.1 Summary of Internal Performance Standards

We have developed a comprehensive suite of reports to manage the portfolios. A number of metrics are measured on daily, weekly, and/or monthly frequencies, with report content and format designed specifically for the client. Below is a summary description of the areas utilized for data integrity and exception compliance, as well as a sample weekly Asset Manager Scorecard monitoring internal performance.

On a weekly basis, we produce two “Score Cards” (one for Asset Managers, one for Closers) that measure key performance metrics identified as the most important statistics required to maintaining strong portfolio performance. These metrics are composed of month-to-date measurements of data integrity and timeline compliance and disposition performance. Team Leads use this information to monitor and fine-tune overall portfolio management.

In an effort to foster and encourage “healthy competition” within its subcontractors, we provide the results of the Score Card to all asset management companies so they can see exactly where they rank within the organization. This practice has proven to be very successful in increasing performance.

1. Timeline Management

We and Bank of America establish timelines for each phase of the lifecycle which include:

- Pre-Marketing
- Marketing
- Closing / Escrow

Once benchmarks are established for each phase, we generate monthly reports to measure compliance with each. Outliers are removed, and exceptions are reviewed to determine whether the cause was within or outside the control of the Asset Manager. Additionally, we determine whether the exceptions were anomalies, or are indicative of a trend.

In the event a negative trend is identified, we will investigate the potential cause of the trend, and work with the client to revise or modify policies and procedures to remedy the cause.

2. Data Integrity

We will generate weekly reports to identify data integrity errors within the servicing system. The data reviewed includes dates, list amounts, property valuation information, salient property information, vendor information, and any number of other critical data points within the servicing system.

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3. Servicing Standards

We generate a number of daily and weekly reports to identify exceptions to servicing standards. Examples of the metrics reviewed include, but are not limited to:

- Portfolio Composition (Percentage of Portfolio within a particular Property Status)
- Percentage List Price to Collateral Value
- Days at Current List Price
- Days with Current Agent
- Total Days on Market
- Last BPO Date
- Market Plan Date
- Marketing Status Report Received

4. Delegated Authority

We generate a number of daily and weekly reports to identify exceptions to the limits of delegated authority. Examples of the metrics reviewed include, but are not limited to:

- Relocation Amount
- Property Expenditures
- List Price to Collateral Value
- Offer Price to Collateral Value
- Sale Price to Collateral Value
- Purchase Contract Extensions
- Seller Concessions