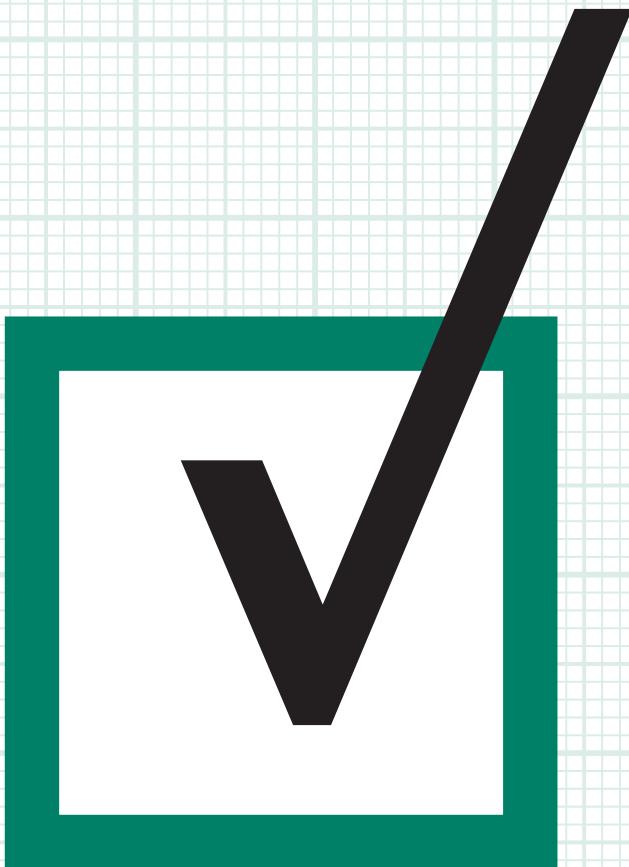


MBA 2008 SERVICING OPERATIONS STUDY AND FORUM (2007 DATA)

PRIME AND SUBPRIME SERVICERS

An operational evaluation of your servicing
department in relation to your peers



MBA's 2008 Servicing Operations Study and Forum for Prime and Subprime Servicers (2007 Data)

Join your servicing peers and participate in the 2008 Servicing Operations Study and Forum (SOSF) (2007 data). This benchmarking tool sets the standard for both prime and subprime servicing managers and mortgage banking executives to measure operational performance. As a benefit of participation, you receive not only data outputs but the opportunity to meet your peers and discuss results through a two-day Servicing Operations Forum held June 11–12, 2008 in Washington, D.C.

In 2008, MBA plans to have two separate meetings at the Servicing Operations Forum: one for prime servicers and one for subprime servicers. Both meetings will take place in Washington, D.C. over a 2-day period combined. Companies who decide to participate in both the prime and subprime studies (see Option 3 on registration form) may attend both meetings.

Background

The initial Servicing Operations Study, formerly the Cost of Servicing Study, was conducted nine years ago in response to a request from MBA's Loan Administration Committee. Since then, the study has improved to include enhanced definitions, a condensed version for smaller servicers (see Option 2 on page 2), outputs for prime vs. subprime servicers and electronic data in tables that can be "sliced and diced" depending on analyst needs. Three years ago, MBA also established an Advisory Committee comprised of senior leadership from participating companies. The committee exchanges ideas on improving the study to ensure a top-notch product to MBA membership.

Timing

You will receive data entry spreadsheets and definitions via e-mail by January 18, 2008, to be completed and returned to MBA by March 17, 2008. All data submissions will be reviewed by MBA staff for completeness and accuracy. The initial data review process will last through the end of April. Preliminary results will be delivered in May, followed by final results in late-June. The Servicing Operations Forum will take place June 11–12, 2008 in Washington, D.C.

Output

The output analyses compare your firm's results with your peer group and full sample averages. The main peer group breakouts are organized by prime vs. subprime, and the number of loans serviced. As an alternative to the main peer breakout, the results are organized based on the average FICO score of servicing portfolio; adjustable rate percentage; average default rate; and low vs. high direct servicing cost. Both the weighted and simple averages are provided for all groupings.

Output Reports

- 1. Assets**

This report shows servicing-related asset data such as servicing rights and servicing advances, as well as other types of assets such as loans in foreclosure and Ginnie Mae early buy-outs.
- 2. Detailed Income Statement and Functional Expense Breakouts**

These reports show detailed per-loan revenues and expenses in total and also for each of the 15 or the nine functional areas as listed on page 3. They provide operational income and expense as well as financial items such as amortization of servicing rights; impairments; hedging gains/losses; net escrow earnings; and foreclosure and REO losses.
- 3. Servicing Portfolio Section**

Servicing portfolio reports show results by dollar volume, loan size, and loan count, as well as product type and geographic mix. In 2008, there will be additional fields related to defaults, such as roll rates.
- 4. Technology Section**

A tally of the names of software/technology providers used in various servicing areas.
- 5. Employment Data**
 - Productivity and compensation by function
 - Management to non-management employee ratios
 - Employee tenure and turnover by function
 - Outsourcing tallies by function
 - Offshore operations tally
- 6. Additional Operational Detail**
 - Default-related information, such as percentage of forbearance plans adhered to and daily collections calls per collector, among others
 - Service bureau usage and fees
 - Call center work, hold and talk times
 - Customer service handling information
 - Annual customer inquiries by type (phone, Web, email and written correspondence)
 - Payment collection by ACH, coupons, statements, bank branch, other means
 - Payment processing by lockbox, ACH/electronic, in-house
 - Ancillary income breakouts (eg. insurance commissions, payoffs, late and NSI charges, SpeedPay options, and so on)
 - Imaging usage and record-keeping

How Output Reports Are Organized

For companies participating in the full 15 functional breakouts, the detailed output reports total over 500 pages and are provided in Excel format. Participants may either download these reports through a secure MBA web domain or receive a specially formatted disk. The reports include:

1. Peer Group Comparisons

- Your firm's results
- Outputs displayed to the following main peer groupings:
 - a. Small/medium, large and mega/prime servicers
 - b. Subprime servicers
- Additional breakouts based on:
 - a. Adjustable rate percentage of portfolio
 - b. Default rate
 - c. Direct expense (high, medium, low comparisons)
 - d. Simple average FICO score of portfolio

2. Peer Group Percentile Rankings

- For your company's main peer group, supplemental reports provide 25th, 50th and 75th percentile rankings for each income and expense line item.
- This ranking report also provides the number of companies in the peer group reporting "0" for a particular line item.

3. Functional Breakouts for Direct Costs and Productivity Statistics (15)

- Customer service
- Payoffs lien release
- Escrow administration, taxes and insurance
- Cashiering
- Investor accounting/reporting
- Collections
- Loss mitigation
- Real estate owned
- Foreclosures
- Bankruptcy
- Records
- New loan set-up and transfers
- Servicing technology
- Servicing management/administration
- Other specialized functions and staff

4. Ad Hoc Reports

- MBA will run customized reports with companies of participant's choosing or criteria of participants choice.
- At least five companies must be in sample. Additional fees apply.

Choose from the Following Options

Option 1: Larger Servicers

- Open to all participating mortgage servicers.
- Data are broken into 15 functional breakouts as well as the nine-functional breakouts (full sample) described under Option 2 below.
- Price
 - a. Participants servicing 500,000 loans or more
MBA Member: \$4,000 Nonmember: \$7,000
 - b. Participants servicing fewer than 500,000 loans
MBA Member: \$3,000 Nonmember: \$5,000

Option 2: Smaller Servicers

- Targeted to participants servicing fewer than 100,000 loans.
- Data are broken into nine functional breakouts: customer service, payoffs, escrow, investor reporting, cashiering, servicing technology, default, new loan setup and other functions which are aggregations of the 15 functions.
- Participants receive full sample outputs broken into the nine functional breakouts.
- Price
 - a. Participants servicing 25,000–100,000 loans
MBA Member: \$2,000 Nonmember: \$3,000
 - b. Participants servicing fewer than 25,000 loans
MBA Member: \$1,250 Nonmember: \$2,000

Option 3: Servicers with Two Data Submissions (Prime and Subprime)

- Open to companies submitting two data submissions (prime and subprime).
- Price
 - a. Participants servicing more than 500,000 loans (15-function only)
MBA Member: \$6,000 Nonmember: \$9,000
 - b. Participants servicing fewer than 500,000 loans (15-function only)
MBA Member: \$4,500 Nonmember: \$7,500

2007 Study Participants

AmTrust Bank
Aurora Loan Services
Bank of America
Bank of the West
BB&T
Cenlar FSB
Chase Home Lending
Chevy Chase Bank
Commerce Bank
Countrywide, PRIME
Countrywide, SUBPRIME
First Horizon Home Loan Corp.
Franklin Credit
GreenPoint Mortgage
GreenTree Servicing
Home Loan Services
HSBC Mortgage Corp (USA), PRIME
HSBC Mortgage Corp (USA), SUBPRIME
HSBC Mortgage Services
IndyMac Bank
ING Direct
Irwin Home Equity
LoanCare Servicing Center, Inc.
Midland Mortgage Corp
MorEquity
Morgan Stanley Credit Corporation
National City Mortgage
Nationwide Advantage
NovaStar Mortgage
Option One
Popular Mortgage Servicing
Regions Mortgage
Saxon Mortgage
Specialized Loan Servicing
SunTrust Mortgage, Inc.
U.S. Bank
Washington Mutual, PRIME
Washington Mutual, SUBPRIME
Wells Fargo, PRIME
Wells Fargo, SUBPRIME
Wilshire Credit

For more information

For more information concerning the MBA Servicing Operations Study and Forum, please contact Marina Walsh, Industry Analysis, MBA Research Department, (202) 557-2817, mwalsh@mortgagebankers.org.



MBA's 2008 Servicing Operations Study and Forum for Prime and Subprime Servicers (2007 Data) **Order Form**

Only mortgage servicers who participate in the study by providing servicing data are eligible to receive the full results.

For more information or sample outputs from previous years, please call Marina Walsh at (202) 557-2817.

Three Easy Ways to Order

Phone or Fax

Call to register at (800) 348-8653, Monday–Friday, 9:00 a.m.–5:00 p.m. ET or fax to (410) 672-3504.

Mail MBA

Payable to: Mortgage Bankers Association
Mail to: Mortgage Bankers Association
P.O. Box 403945
Atlanta, GA 30384-3945

Express Mail

Payable to: Mortgage Bankers Association
Mail to: Mortgage Bankers Association
c/o Bank of America Lockbox Services
Lock Box # 403945
6000 Feldwood Road
College Park, GA 30349
(800) 348-8653

Servicing Operations Study and Forum Options: CHOOSE ONE OPTION

Option 1 — Includes 15 functional breakouts

Servicing 500,000 or more loans

EC8-200038-RP-I

MBA Member: \$4,000 Nonmember: \$7,000

Servicing fewer than 500,000 loans

EC8-200039-RP-I

MBA Member: \$3,000 Nonmember: \$5,000

Option 2 — Includes 9 functional breakouts

Servicing 25,000–100,000 loans

EC8-200040-RP-I

MBA Member: \$2,000 Nonmember: \$3,000

Servicing fewer than 25,000 loans

EC8-200041-RP-I

MBA Member: \$1,250 Nonmember: \$2,000

Option 3 — Includes both prime and subprime surveys and both forums

Servicing more than 500,000 loans

EC8-200042-RP-I (15-Function Only)

MBA Member: \$6,000 Nonmember: \$9,000

Servicing fewer than 500,000 loans

EC8-200043-RP-I (15-Function Only)

MBA Member: \$4,500 Nonmember: \$7,500

Individual Information:

MBA Member Nonmember Mr. Ms. Mrs.

First Name

MI

Last Name

Title

Company Name

Company Address (UPS will not deliver to a P.O. Box)

City

State

Zip

Business Phone Number

Business Fax Number

Email Address

Payment Method: PREPAYMENT IS REQUIRED ON ALL ENROLLMENTS

Payment Enclosed (*Payable to Mortgage Bankers Association*)

Charge My: VISA MasterCard American Express Discover

Card Number

Expiration Date

Amount of Charge

Name as it Appears on Card

Address if Different from Above

Signature

Date

Data sheets and definitions will be distributed by January 18, 2008, or thereafter (upon receipt of order form). Data should be returned to MBA by March 17, 2008.

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FOR OFFICE USE ONLY ATTN: DEPARTMENT 9 — MBA Customer Service

Source Code B1

ID

Co ID

Order #

Operator

Date