



CSC

# EARLY RESOLUTION DEFAULT MANAGEMENT

DRIVE HIGHER PERFORMANCE  
ACROSS MULTIPLE CHANNELS

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Improve Loan Workout Results

Ensure Regulatory Compliance

Deliver Consistent Borrower Treatment

Rapidly Extend Programs Across All Channels

Connect Bank, Borrower, Counselor and Attorney

Increase Operational Efficiency

Enhance the Borrower Experience

It's been a wild ride lately in the mortgage servicing industry. Keeping homeowners in their homes is just one of the many challenges. Servicers must also maintain a portfolio that is in compliance on many fronts: regulatory, credit risk and securitization. And it all takes place in a dynamic environment, where rules change rapidly.

Mortgage lenders are dealing with unprecedented volumes of delinquent loans and workouts, which are likely to continue for several more years. With ever-changing governmental rules and regulations, servicers are under increased pressure to do more loss mitigation and improve the borrower experience. Loss mitigation departments are struggling to keep pace, and many have been forced to bring in more resources to support existing labor-intensive processes.

To keep pace in this rapidly changing market and make significant, and cost-effective, improvements in default management results, a growing number of servicers are investing in agile technology to support collections, loss mitigation and foreclosure activities.

## KEEP BORROWERS ON THE PATH TO SUCCESSFUL WORKOUTS

CSC's EarlyResolution®, the industry's leading default management solution, helps keep homeowners in their homes and ensures consistent and compliant workouts. EarlyResolution assists in finding effective solutions when borrowers are in financial distress. It is the most advanced and efficient multichannel approach to default management.

Servicers need flexible and scalable technology to respond quickly to changing requirements. EarlyResolution enables a servicer to efficiently determine the optimal, compliant workout for the borrower. Its focus on performing workouts early in the delinquency increases the probability of success. EarlyResolution's flexible scripting and powerful rules engine make processing loan modifications and complex loan default processes easier — even at high volumes.

Servicers can:

- Improve both loss mitigation results and operational efficiency
- Increase retention workout volume and reduce credit losses
- Engage borrowers before default situations arise and improve the borrower's experience
- Automate and streamline default management processes and third-party interactions.



# GO FARTHER WITH PROVEN TECHNOLOGY

## TRUST THE TECHNOLOGY THAT PAVED THE WAY FOR THE INDUSTRY

EarlyResolution, originally created by Freddie Mac in collaboration with a consortium of banks and CSC, has had a major impact on the mortgage industry. Since acquiring EarlyResolution in late 2003, CSC has invested millions of dollars in the system to meet today's challenges. Some of these technology improvements include:

- Sophisticated decisioning analytics
- Workflow management for end-to-end workout processing, including parallel processing
- The EarlyResolution Counseling Portal (ERCP) for increased outreach to homeowners
- Borrower Inquiry and the EarlyResolution Borrower Portal (ERBP), to empower borrowers to upload documents securely online and to check their workout status online.

To develop the ERCP, CSC teamed with industry leaders in the HOPE NOW Alliance, a group encouraged by the U.S. Department of Treasury and U.S. Department of Housing and Urban Development. Preconfigured workout rules were contributed by participating HOPE NOW investors and government agencies, including Freddie Mac and Fannie Mae. ERCP was designed to integrate with the servicer's system of record and incorporates the workout rules of the applicable investor. Non-profit counselors and other third parties can determine qualified, viable workout plans and then electronically transmit the borrower's financial data and documents to the servicer.

Over the past decade, EarlyResolution has proven its ability to rapidly provide loss mitigation decisions that are compliant and consistent. Designed by the industry and continually refined by CSC, EarlyResolution has gained the trust of top servicers.



# REACH YOUR BUSINESS GOALS

## **INDUSTRY-LEADING DEFAULT MANAGEMENT**

Millions of loans processed monthly on EarlyResolution

45 percent market penetration

Licensed by the top 3 mortgage servicers

Web-based counseling portal created with major servicing partners

Executing complex business processes at high volume levels requires technology to help with automation, decision making and compliance. Using a smart combination of flexible scripting, a rules engine and workflow tools, EarlyResolution is the industry's most advanced, flexible and scalable default management system.

Our clients are taking advantage of this nimble solution to reduce credit losses and stay current with evolving directives and industry best practices. With greater speed to implementation and resolution, you'll not only reach faster resolutions, but more resolutions.

## **STREAMLINE THE PROCESS ACROSS ALL CHANNELS**

EarlyResolution is the most effective multichannel loss mitigation solution on the market, allowing you to bring the optimal workout decision to all of your default management channels. This enables consistent service to borrowers and enhances the borrower experience, whether through call centers, self-service access, or through credit counseling agencies or attorneys.

## **ENSURE COMPLIANCE**

EarlyResolution can help servicers respond quickly to changes and keep their portfolios in compliance on many fronts: regulatory, credit risk and investors. You'll not only stay current with evolving guidelines across diverse loan portfolios, but also comply at the loan level for government-directed workout options, internal rules, and myriad pooling and servicing agreement rules. The system's strong audit trail and ability to quickly push out product updates makes compliance much easier and encourages greater consistency.

## **REDUCE OPERATING COSTS**

EarlyResolution is thoroughly and uniquely integrated with the servicer's system of record. It enables users to realize operational efficiencies and productivity gains through better utilization of staff, instantaneous file access, elimination of paper processing and focused performance measurement capabilities.



# EXPECT A SMOOTHER RIDE

## DEPLOY QUICKLY AND EASILY

EarlyResolution is offered in a Software as a Service (SaaS) environment, with CSC's Trusted Cloud architecture as part of the platform. There's no software for servicers to install, and the Web-based deployment enables servicers to quickly and securely scale nationally.

EarlyResolution easily integrates with servicers' processing systems of record — no matter how many — including LPS MSP, Fiserv, FIS ALS, and many proprietary systems.

## AUTOMATE MORE PROCESSES WITH END-TO-END TECHNOLOGY

EarlyResolution can automate — or eliminate — most manual processes inherent in collections, loss-mitigation fulfillment and foreclosure/bankruptcy. The technology transforms the way servicers manage default, from the first call to resolution.

By integrating with the servicer's document management and imaging systems, EarlyResolution can reduce document collection cycle times, while allowing borrowers to upload documents directly to the servicer. The servicer can immediately start evaluating and processing the workout using decision analytics. Workflow management enables simultaneous processing in multiple areas, versus slower sequential processing.

Key features include:

- **Business Rules Engine** — Easily define the rules that execute default processes based on governmental, portfolio and investor requirements.
- **Custom Workouts and Hierarchy** — Tailor multiphase workouts based on governmental, portfolio and investor requirements.
- **Audit Trail** — Eliminate manual call wrap time with an automatically generated audit trail.
- **Credit Report Integration** — Maintain your credit bureau relationships or leverage CSC's. Either way, real-time credit reports are integrated into the discussion with a borrower.
- **Workflow** — Define and automate loss mitigation process steps, driven by management controls and based on current or future state organizational and operating practices.
- **Reporting** — Manage the entire collections/loss mitigation pipeline with operational reporting that includes staff performance, productivity measures and trend analysis.
- **Letter Generation** — Launch letter distribution activities automatically with six different format options.
- **Flexible Messaging and Scripting** — Receive custom reminders for external activities, inserted at desired loan status points.
- **System-of-Record and Third-Party Interfaces** — Seamlessly interact with servicers' system of record, proprietary analytics, credit bureaus, appraisers and portals.



# TAKE THE SUREST ROUTE TO FULL DEFAULT MANAGEMENT

## COLLECTIONS AND LOSS MITIGATION

The EarlyResolution Collections and Loss Mitigation solution offers the most advanced, flexible and scalable default management system for the treatment and resolution of mortgage, second lien, credit card and auto loans. The system's unique Web-based scripting application guides collections counselors through a call with a delinquent borrower, delivering consistent results and efficient workout plans.

EarlyResolution provides a complete borrower profile, including: the borrower's willingness and ability to reinstate the mortgage; workout recommendation based on predefined portfolio and investor rules as well as the borrower's current and future financial position; workout recommendations that have a higher probability of success; and consistent application of portfolio and investor rules by the collections staff.

## INVESTOR AND REGULATORY COMPLIANCE

Processing loan modifications and other workout options is complex, and servicers must follow the process for their entire mortgage loan portfolio to meet regulatory requirements. EarlyResolution gives you a clear path to compliance, helping you stay current with evolving guidelines across diverse loan portfolios and helping you comply at the loan level for government-sponsored workout plans as well as numerous pooling and servicing agreement rules. CSC's industry experts also track ongoing regulatory requirements and provide regular system enhancements to help default servicers stay compliant.

## COUNSELING PORTAL

The EarlyResolution Counseling Portal (ERCP) provides a common technology platform for loan servicers, default specialists, lawyers and nonprofit counseling agencies to participate in the loss mitigation process together. Directly integrated with the servicer's system of record, ERCP allows sharing of loan information electronically, eliminating the typical paperwork and roadblocks associated with working out loans. Counseling agencies are able to use ERCP to qualify borrowers for unique servicer workout options, upload required borrower documentation and provide real-time status of the borrower's loss mitigation process.



## **BORROWER PORTAL**

Available through the servicer's website or as a secure, standalone portal over the Internet, the EarlyResolution Borrower Portal (ERBP) is a powerful way to connect with borrowers and generate viable, compliant and consistent workouts and to improve the borrower experience.

Borrowers can easily upload the documents required by the servicer to analyze and process a workout. A workout selection engine then automatically searches the servicer's loan portfolio compliance requirements and presents the borrower with qualified workout options, or directs the borrower to a specific contact for follow-up activities.

Additionally, ERBP allows homeowners to easily track the status of their workouts, reducing inbound call volume for status inquiries by as much as 30 percent and freeing staff to focus on the larger picture of preventing foreclosures.

## **FORECLOSURE AND BANKRUPTCY WORKFLOWS**

EarlyResolution helps you streamline processes for pre-foreclosure analysis, foreclosure, bankruptcy and property preservation. Preconfigured foreclosure and bankruptcy workflow templates draw from the best practices of the leaders in mortgage servicing, putting solutions in the hands of front-line default specialists.

The rules engine makes it easy to route potential bankruptcy or foreclosure cases into the appropriate workflow template for tracking and resolution. Integrated workflow prioritization helps ensure you address the most critical cases first.

## **BANKING SERVICES**

In addition to EarlyResolution, CSC offers a full range of banking services and technology. Many of the world's largest banks rely on CSC for banking and mortgage consulting, credit data services, business process management, and application and IT infrastructure management. Leading financial institutions worldwide rely on CSC's software for lending, cards and payments, and expertise to manage conversions, servicing and collections for \$10 billion in prime/non-prime loans.

Trust your business to a company that can go the distance with you. Improve your performance, ensure consistent results and help your borrowers find the best road home with CSC's EarlyResolution.

**LEARN MORE AT  
CSC.COM/EARLYRESOLUTION,  
CALL 800.345.7672, EMAIL  
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OR SCAN THIS CODE.**





**BUSINESS SOLUTIONS  
TECHNOLOGY  
OUTSOURCING**

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## **ABOUT CSC**

The mission of CSC is to be a global leader in providing technology-enabled business solutions and services.

With the broadest range of capabilities, CSC offers clients the solutions they need to manage complexity, focus on core businesses, collaborate with partners and clients, and improve operations.

CSC makes a special point of understanding its clients and provides experts with real-world experience to work with them. CSC is vendor-independent, delivering solutions that best meet each client's unique requirements.

For more than 50 years, clients in industries and governments worldwide have trusted CSC with their business process and information systems outsourcing, systems integration and consulting needs.

The company trades on the New York Stock Exchange under the symbol "CSC."

## **ABOUT CSC IN FINANCIAL SERVICES**

CSC provides mission-critical business solutions, consulting and outsourcing services to leading financial services firms around the world.

We bring more choices to the industry. We help clients plan for business and technology change. We create software, tools and processes to address specific business needs, and we continually enhance those solutions by collaborating with an extensive network of client communities and technology partners.

Our global outsourcing operations give us real-world insight into business and IT processes that deliver the best results for our clients. More than 1,200 major banks, insurers, and investment management and securities firms rely on the experience, ingenuity and leadership of more than 10,000 CSC employees focused on financial services.

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