



Clarifire[®]
Delinquency Management and Default Prevention

People, Process and Technology

Technology is at the heart of the solution.

Workflow is the heart of transformation.

Business process automation makes it happen.

eMASON's Clarifire® is a business process application that provides intelligent workflow and configurable business rules. The Clarifire platform designed for mortgage default, efficiently presents users with foreclosure prevention alternatives and the following benefits:

Processes & Technology

- Automates default processes to reduce cycle times and ensure compliance.
- Prompts end users via messaging, scripts and alerts directing them to the next steps.
- Provides visibility across departments.
- Presents the status and history of a borrower's loan case in a single view.
- Uses key performance indicators to measure milestones and track benchmarks.
- Automates workload balancing to comply with thresholds.
- Drives compliance.

Clarifire empowers Single Point of Contact team members to easily provide borrowers with accurate updates and focus on exception management.

Requirements	Clarifire® feature
<p><u>Borrower Delinquency Management Model</u></p> <ul style="list-style-type: none"> • Allow a borrower to contact one individual or a dedicated team of individuals (SPOC) in the servicer's organization to obtain accurate information on the various foreclosure prevention alternatives available to the borrower. • SPOC must be able to <u>handle and resolve borrower issues throughout the delinquency management process.</u> • SPOC must be able to provide updates on the status of any request for a foreclosure prevention alternative. • SPOC must be able to <u>provide a status of pending foreclosure</u> proceedings. 	<ul style="list-style-type: none"> ✓ Clarifire SPOC features uses assignment logic and workflow to assign and alert the SPOC of new files. ✓ Clarifire security is configured to give the SPOC access to all work streams on a loan file and functionality to resolve any issues throughout the loan case life cycle. ✓ Related flow view and Clarifire security enable a SPOC to see all processes and statuses on a file at a glance for accurate, real-time updates to customers. One Click. One View. One Access Point.
<p><u>Quality Right Party Contact</u></p> <ul style="list-style-type: none"> • Acceptable communication methods for achieving QRPC include telephone, mail, e-mail, <u>servicer web portal</u>, and face-to-face discussions. • All contact attempts must be <u>documented in the mortgage loan servicing file.</u> • Servicer must be able to <u>provide documented evidence</u> that it satisfied the QRPC standards to Fannie Mae upon request. 	<ul style="list-style-type: none"> ✓ Clarifire Community™ (Portal) provides borrowers direct access to information about their loan file as well as their Single Point of Contact's name and contact information. ✓ Clarifire Community activities are all auditable. ✓ Clarifire Collections tracks call contacts and related work activities using key performance indicators within the workflow which enables reporting on compliance to QRPC standards.

Requirements	Clarifire® feature
<p><u>Property Inspections</u></p> <ul style="list-style-type: none"> The servicer must schedule its property inspections in a way that will <u>ensure that the Comprehensive Inspection is completed 30 days prior to the date of the foreclosure sale</u> (or the anticipated date that a deed-in-lieu of foreclosure will be sent for recordation). Must be able to <u>obtain a signed copy of the inspection report</u> that first reported the vacancy. Servicer must make available for review any checklists or other <u>documentation relied upon to determine that properties are vacant.</u> If a vacant or abandoned property is located in an <u>area that has severe weather conditions</u> during the winter months, the servicer should consider the need to inspect the property more frequently. 	<ul style="list-style-type: none"> ✓ Clarifire Community provides visibility to third party vendors including property preservation partners that enter required data into Clarifire. ✓ Default workflow is configured to require that third party vendors upload required documents including inspection reports making them auditable. ✓ Configurable data collectors are business rule required for property preservation partners to verify occupancy status. ✓ Location based search features automatically alert and track issues on exception properties. ✓ Clarifire connectors links to third party vendor systems to capture.
<p><u>Call Center Benchmarks</u></p> <ul style="list-style-type: none"> For live chats, (that is, electronic question and answer sessions) <u>responses must be initiated in less than or equal to 5 minutes</u> from a chat inquiry. E-mails from borrowers <u>must be responded to within 48 hours</u> of receipt on average. 	<ul style="list-style-type: none"> ✓ Clarifire Community is Live Chat enabled. Outgoing and incoming messaging are documented and response times are tracked. ✓ Clarifire Community offers direct communication via notes (emails) which have date/time stamps associated for reporting.
<p><u>Borrower Solicitation Package:</u></p> <ul style="list-style-type: none"> After the first <u>Borrower Solicitation Package is sent</u>, the servicer must call the borrower between the 36th and 50th day of delinquency a minimum of every three days until one of the following outcomes is attained: QRPC is achieved and the servicer has received information that the borrower promised to provide to the servicer, the delinquency is resolved, the borrower enters into a forbearance or repayment plan, a <u>Borrower Response Package is received</u>, or QRPC was established and the borrower is not interested in a foreclosure prevention alternative. 	<ul style="list-style-type: none"> ✓ Clarifire document assembly feature generates the Borrower Solicitation package. Clarifire Community gives the borrower real time access to documents and notification. ✓ The portal enables borrowers to upload the solicitation package to the servicer and access foreclosure prevention alternative questionnaires and information 24/7.
<p><u>Collection Calls during the Foreclosure Process:</u></p> <ul style="list-style-type: none"> Attempts to contact delinquent borrowers must continue throughout the foreclosure process and up to 60 days prior to the judicial foreclosure sale date, or 30 days prior to a non-judicial foreclosure sale date. These calls must occur at a minimum of every 3 days. 	<ul style="list-style-type: none"> ✓ Clarifire application requires that attorneys update key milestones in the foreclosure process including sale date making call campaigns associated with sale dates more accurate. ✓ Clarifire automatically create work queues to drive calls.

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<p><u>Letters and Notices</u></p> <p><i>Foreclosure Prevention Solicitation Letters:</i></p> <ul style="list-style-type: none"> Borrower Solicitation Letter - 31 Days Delinquent (Form 731), <u>must be sent to the borrower between the 31st and 35th day of delinquency.</u> If the borrower does not respond or the servicer has been unable to achieve QRPC, the second foreclosure prevention solicitation letter, Borrower Solicitation Letter - 61 Days Delinquent (Form 761), <u>must be sent between the 61st and 65th day of delinquency.</u> <p><i>Post Referral to Foreclosure Solicitation Letter</i></p> <ul style="list-style-type: none"> <u>Within 5 business days of referral to foreclosure</u>, but no later than the 125th day of delinquency, the attorney (or trustee) conducting foreclosure proceedings must send a written communication. 	<ul style="list-style-type: none"> ✓ Pre-foreclosure daily automation identifies loan cases that qualify for letters and document assembly generates these letters automatically. ✓ Clarifire connects to printers for direct bulk printing of documents. ✓ Workflow tracks the timely creation and delivery of these documents to third parties like attorneys.
<p><u>Incentives and Compensatory Fees for Borrower Response Packages</u></p> <ul style="list-style-type: none"> Fannie Mae is introducing <u>new incentives and compensatory fees</u> for Borrower Response Packages. 	<ul style="list-style-type: none"> ✓ Clarifire dashboards and performance reports forecast performance milestones at a glance for end - users. ✓ Borrower Response Packages are tracked in dashboards.
<p><u>Evaluating a Borrower</u></p> <ul style="list-style-type: none"> The servicer must review and evaluate the Borrower Response Package and communicate a decision within 5 days after making the decision, but no later than 30 calendar days following receipt of a Borrower Response Package. During the evaluation process, the servicer <u>must follow the Fannie Mae Workout Hierarchy.</u> 	<ul style="list-style-type: none"> ✓ Clarifire loss mitigation deadlines track reviewing a borrower's loan case for workout options and alerts supervisors of missed timelines. ✓ Alerts appear on management dashboards tracking performance in real time. ✓ eMASON's Fannie Mae certified calculator makes certain all borrowers are evaluated according to Fannie Mae's Workout Hierarchy.
<p><u>Pre-referral Review</u></p> <p>During this review, the servicer must confirm that:</p> <ul style="list-style-type: none"> All procedures relating to establishing QRPC were followed in accordance with the requirements in this announcement, and No approved payment arrangement is pending, or No foreclosure prevention alternative offer is pending including that the borrower response period has expired. Servicers must regularly review and assess the adequacy of internal controls and procedures in connection with pre-referral review activities to <u>ensure compliance with these requirements.</u> 	<ul style="list-style-type: none"> ✓ Clarifire's pre-foreclosure setup process and configurable data collectors (CDCs) require that a loan be reviewed for specific QRPC status before referring a file to Foreclosure. ✓ The CDCs ensure every file is reviewed to the same standards. ✓ Pre-foreclosure workflow and data are all reportable and auditable for compliance with these directives.

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<p><u>Referral to Foreclosure Attorney (or Trustee)</u> Foreclosure referrals for all Fannie Mae loans that become delinquent on or after September 1, 2011 should occur by the 120th day of delinquency. The referrals must occur after any applicable notice and waiting period under state law is met, and under the following circumstances:</p> <ul style="list-style-type: none"> • The servicer must not refer a mortgage loan to a foreclosure attorney (or trustee) if a complete Borrower Response Package is received and is under evaluation, or an offer for HAMP or other foreclosure prevention alternative has been made and the borrower response time has not expired. • For mortgage loans participating in the Hardest Hit Funds Program, foreclosure actions are suspended for 45 days if the state Housing Finance Agency notifies the servicer that a borrower is approved for assistance. 	<ul style="list-style-type: none"> ✓ Clarifire’s automated pre-foreclosure review logic makes certain that the timeframes for Fannie Mae are met before requiring review by a specialist. ✓ Automated integration between Clarifire’s foreclosure and loss mitigation work streams has the intelligence to identify the exceptions. ✓ Clarifire presents work queues to view files that qualify for review (exception management).
<p><u>Account Review Prior to Foreclosure Sale</u></p> <ul style="list-style-type: none"> • At least 30 calendar days prior to the scheduled foreclosure (or trustee) sale, the <u>servicer must review the mortgage loan history</u> to verify compliance with all required delinquency management requirements and determine that no approved payment arrangement or foreclosure prevention alternative offers are pending. 	<ul style="list-style-type: none"> ✓ Clarifire workflow and CDCs track pre-sale foreclosure review. ✓ Clarifire application displays auditable compliance checklist.
<p><u>Foreclosure Proceedings</u> Postponement</p> <ul style="list-style-type: none"> • Foreclosure sales for mortgage loans secured by properties in non-judicial foreclosure states may be postponed once without prior Fannie Mae approval for a period not to exceed 30 days, if needed, to complete the review provided the mortgage is less than or equal to 12 months delinquent. The foreclosure (or trustee) sale <u>must not be postponed if the mortgage loan is greater than 12 months delinquent or is secured by a property located in a non-judicial foreclosure state.</u> • Postponement of a foreclosure sale for a mortgage loan secured by a property located in a judicial foreclosure state <u>requires prior written approval</u> by Fannie Mae. <p>Certification Prior to FC Sale</p> <ul style="list-style-type: none"> • The servicer must <u>keep the attorney (or trustee) advised about the status of foreclosure prevention alternative negotiations</u> and must consult with the attorney (or trustee) before it actually enters into a written foreclosure prevention alternative agreement. • The servicer must provide a written certification to the foreclosure attorney (or trustee) at least 7 calendar days, but no greater than 15 calendar days prior to the foreclosure sale indicating the attorney (or trustee) must continue with the foreclosure sale. 	<ul style="list-style-type: none"> ✓ Sale Postponement processing is part of Clarifire’s foreclosure design. Business rules verify Fannie Mae requirements and send alerts if approval is needed prior to postponing a foreclosure sale. ✓ Sale postponement approvals are tracked and reported on in Clarifire. ✓ Clarifire provides real-time view access to all processes on a loan including foreclosure prevention alternative processes for attorneys to review. ✓ Written notices are generated using Clarifire document assembly and key milestones are tracked using workflow.


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<p><u>Modification Incentive Fees</u></p> <ul style="list-style-type: none"> • Effective for all Fannie Mae modifications entered into HomeSaver Solutions® Network (HSSN) with a non-HAMP Trial Period Plan effective date on or after September 1, 2011, Fannie Mae will pay the servicer based on a tiered incentive structure. • Fannie Mae encourages servicers to share incentive payments with employees as performance-based rewards. Servicers are also encouraged to create employee-challenge initiatives designed to motivate employees, to promote borrower engagement earlier in the default management process, and to successfully resolve delinquencies earlier. 	<ul style="list-style-type: none"> ✓ Incentive goals are tracked in Clarifire and automated alerts appear on management dashboards for historical and forecast reporting. ✓ User groups have an incentive based dashboards that shows individual milestones and progress towards goals.
<p><u>Borrower Inquiries and Escalated Cases</u></p> <ul style="list-style-type: none"> • A complaint or dispute from the borrower, the borrower’s trusted advisor, housing counselor, federal agency, or elected official that rises to the level of an escalated case. • The servicer must have comprehensive processes and written procedures to promptly respond to escalated cases. • Include a process for borrower initiation of inquiries, including a toll-free contact number; and • Provide service level agreements with explicit response timelines. • Upon receipt from a requestor, the servicer must document the date on which the escalated case was received. Within three business days following receipt, the servicer must acknowledge the inquiry in writing via e-mail, fax, or mail, • The servicer must document in the servicing file records of all communication in connection with an escalated case. If an escalated case is referred to the servicer, the servicer must report the status and provide any information to Fannie Mae upon request. 	<ul style="list-style-type: none"> ✓ Clarifire’s Inquiry Resolution Management processes provide escalated case intake forms and workflow for tracking inquiries. When connected with Clarifire Community, an intake form is presented to the borrower to launch their own escalated case. ✓ Document assembly can generate required documents and present them to borrowers on the portal. ✓ All key milestone dates, communications including notes and documents are tracked and can be reported on. ✓ All inquiries are automatically distributed to the right entities within the organization. Workflow is launched.
<p><u>Mortgage Loans Secured by Properties in Florida Subject to Pre-filing Mediation</u></p> <ul style="list-style-type: none"> • The foreclosure prevention alternatives discussions will occur within the mediation process, and • The borrower should agree to participate in the mediation process in order to see if there is a mutually agreeable foreclosure prevention alternative available to the borrower. • Servicers are reminded that they must send the valid borrower phone numbers with the referrals to the network law firms so that mediation program managers will be able to reach out to the borrower. 	<ul style="list-style-type: none"> ✓ Clarifire provides mediation management processes that connect attorneys, mediators, counselors and program managers. ✓ Clarifire Mediation Management along with Clarifire Community gives borrowers secured visibility into their mediation file. Workflow ensures all required mediation milestones are met including outreach, scheduling and tracking of mediation results. ✓ The Clarifire Calculator displays eligibility and decisioning in minutes. Fully vetted workout rules and calculations as certified by Fannie Mae.

People

- 🏠 People friendly technology delivers knowledge. In one view, all information and instructions to the single point of contact are displayed.
- 🏠 People are prompted what to say and how to say it.
- 🏠 People can learn to use the tool with ease.
- 🏠 People can rest assured they are knowledgeable and are delivering quality information.
- 🏠 People to people social interaction through technology, magnifies empathy.
- 🏠 People have a better experience through need based scripting which improves overall performance.

Clarifire presents borrower experience messaging to the Single Point of Contact. Examples of script:






Introduction/ Greeting	<p>Good afternoon, my name is John and I'm calling today to see if I can assist you with managing your mortgage and want to be sure you understand your options.</p>	
Probe/Determine Needs and Desires	<p>I see that you are behind on your mortgage payments and would like to see if I can help you in any way. Have you had financial difficulties?</p> <p>Example: "No. I would like to do a short sale." Drop down:</p> <ol style="list-style-type: none"> 1. No-wants out of loan- Short Sale 2. No-home not safe- DIL 3. Yes <p>Ok, I would be more than happy to assist you in this process. What made you decide to do a short sale on your home?</p> <p>A friend of mine did it and she was able to walk away in 2 months and now lives in a great house!</p> <p>Drop down: Reason for wanting out of loan.</p> <ol style="list-style-type: none"> 1. Home unsafe 2. Job relocation 3. No valid reason <p>Have you spoken to anyone to determine if you qualify for a short sale?</p> <p>No?</p>	<p>Have you had financial difficulties lately?</p> <p>Yes, I lost my job and have not been able to find employment yet. My wife works but she doesn't make enough to cover all of our bills.</p> <p>Drop down:</p> <ol style="list-style-type: none"> 1. No-wants out of loan- Short Sale 2. No-home not safe- DIL 3. Yes <p>I'm sorry to hear that. Have you been interviewing for any jobs in the past 3 months?</p> <p>Yes I have, and I have a final interview this week. I'm hoping to get the job and start in the next few weeks.</p> <p>Drop down: Reason for financial difficulties.</p> <ol style="list-style-type: none"> 1. Job loss 2. Medical 3. Other <p>If you would like we can review your finances and discuss some options for you and your family. Would lowering your monthly payment or granting forbearance be something that might help until you can get caught up?</p> <p>Yes, I would like to review what I qualify for so that I can stay in my home.</p>

	<p>Drop down: Has the borrower taken any action yet?</p> <ol style="list-style-type: none"> 1. No 2. Yes 3. Need more information <p>Ok, I can walk through a typical short sale process with you and review all risks and benefits that would apply if you would like. I'd also be more than happy to review your finances with you to see if you would qualify.</p> <p>Drop down: Does the borrower qualify for a short sale?</p> <ol style="list-style-type: none"> 1. No 2. Yes 3. Need more information 	<p>Drop down: Does the borrower want to stay in his/her home?</p> <ol style="list-style-type: none"> 1. Yes 2. No
<p>Present Appropriate Solutions based on borrower's information</p>	<p>I) A short sale might be the right answer for you. We can review your finances and see if this would be the best fit, if you would like. A short sale is the sale of a home for less than the balance remaining on your mortgage. If your mortgage company agrees to a short sale, you can sell your home and pay off all (or a portion of) your mortgage balance with the proceeds.</p> <ul style="list-style-type: none"> *Eliminate or reduce your remaining mortgage debt. *Get assistance for relocation if available. *Start repairing your credit sooner than if you went through a foreclosure. *Get another Fannie Mae mortgage to purchase a home sooner (in as little as 2 years) than if you went through foreclosure (at least 7 years), if available. <p>II) With a Deed-in-Lieu of Foreclosure (DIL), you transfer the ownership of your property to the owner of your mortgage in exchange for a release from your loan and payments. We can review your finances and see if this might be the right answer for you, if you would like.</p> <ul style="list-style-type: none"> *Eliminate or reduce your mortgage debt. *Get relocation assistance, if eligible. *Start repairing your credit sooner than if you went through a foreclosure. *Get a Fannie Mae mortgage to purchase a home sooner (in as little as 2 years) than if you went through foreclosure (at least 7 years), is available. <p> Do you understand the 2 options I have just reviewed with you? I would be more than happy to answer any questions of discuss next steps.</p>	<p>I) Refinancing your loan might be a good option for you. We can review your finances and see what you would qualify for, if you would like. A new loan—with new terms, interest rates and monthly payments—that completely replaces your current mortgage may be available. Even if your home value has decreased or you owe more than your home is worth, you may be able to refinance your loan as part of the government's Home Affordable Refinance Program (HARP).</p> <ul style="list-style-type: none"> *Make your payment more affordable by lowering your interest rate or adjusting the terms of your loan. *Creates no negative activity or event on your credit history. *Stay in your home and avoid foreclosure. <p>II) An agreement between you and your mortgage company that lets you pay the past due amount—added on to your current mortgage payments—over a specified time period to bring your mortgage current.</p> <ul style="list-style-type: none"> *Resolve your delinquency. *Catch up on your past due payments over an extended period of time. *Is less damaging to your credit score than a foreclosure. *Stay in your home and avoid foreclosure. <p>II) We can review your finances and see if you qualify for forbearance if you'd like. An offer by your mortgage company to temporarily suspend or reduce your monthly mortgage payments for a specified period of time.</p> <ul style="list-style-type: none"> *Have time to improve your financial situation and get back on your feet. *Is less damaging to your credit score than a foreclosure. *Stay in your home and avoid foreclosure.

<p>Conclusion</p>	<p>I appreciate your call today. Are there any additional questions I can assist you with? Did this conversation meet your needs?</p> <p>Drop down: Do you have additional questions?</p> <ol style="list-style-type: none"> 1. No 2. Yes <p>Drop down: Were your needs met?</p> <ol style="list-style-type: none"> 1. No 2. Yes 	<p>(Business Rule Automated Responses)</p>
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Clarifire technology drives much needed business process improvements. Synchronization of activities through technology transforms the way you do business.

Business Transformation

-  Synchronization of change.
-  Collaboration of work activities.
-  Real time process improvement.
-  Single platform, one access point.
-  Integration of technologies.

Thank You for Your Interest in the Clarifire Application!



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