



JOE BADA

CEO, Five Brothers



DEFAULT MANAGEMENT SOLUTIONS

What are the keys to preserving REO assets for banks and investors?

Effective REO asset preservation starts with integrated pre-foreclosure services, including property preservation, inspections and valuations. To maximize asset value, the field services provider must also be able to deliver a full complement of technology-enhanced REO-specific services, working seamlessly with real estate professionals, vendors, title companies, law enforcement officials and attorneys to optimize the REO asset-disposition process. Assuring regulatory compliance is critical: services must be carefully calibrated to maximize property value and marketability, while minimizing unnecessary costs, including compliance-related interest penalties and non-reimbursable insurance claims, as well as penalties associated with vacant-property ordinances and local building codes.

What sets the leading firms in the field services industry apart from the others?

The services of leading field service providers are generally more comprehensive and integrated than competitive offerings. Leading providers tend to have the resources, expertise and advanced technology needed to adapt quickly to their clients' varied and evolving business needs. Services are more likely to be organized into multi-level solutions that lower task-based costs and reduce compliance risk while furthering the client's strategic goals and market opportunities. Other leadership factors include deployment of highly robust, multi-level quality control systems, the ability to deliver scalable, end-to-end business solutions, and in-depth nationwide service coverage supported by highly trained customer and field service professionals.

INDUSTRY
Speaks

But no set of operating practices can fully protect companies in our industry from the trials that come with a volatile economic environment. Describing what we're experiencing today as anything other than volatile would be an exercise in understatement.

Going into our fourth year of the downturn, hundreds of institutions have closed and thousands of executives have moved on to other industries. With five times more troubled borrowers than servicers have ever been asked to deal with before—and in some cases more—the federal government has become extremely active in the mortgage loan servicing business.

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FHA Default Properties: Turning Challenge into Opportunity

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Strict property conveyance rules and other HUD mandates pose a unique challenge to mortgage servicers. Bid procedures, covered work, dollar thresholds, submittal protocols—these and other details can seriously compromise the servicer's ability to meet strict HUD conveyance rules and requirements. The added costs—including interest penalties and denied claims—can be significant.

As a leading provider of regulatory-compliant property preservation, inspection, valuation and REO Management services, Five Brothers has created a series of support solutions that help servicers eliminate frustrating and potentially costly problems, while improving the value of their FHA-backed mortgage assets.

With more than 40 years of FHA experience, FHA loans comprising a major portion of its service portfolio, and a 99% conveyance compliance success rate, Five Brothers is strongly positioned to help servicers navigate today's challenging and often confusing compliance landscape. These advantages can lead directly to highly efficient, fully compliant servicing and foreclosure processes for every FHA property in the servicer's portfolio

More Efficient Claims Processing

One example—Five Brothers ClaimSys™ technology, which expedites FHA claims by allowing servicers to generate completed HUD claims sections A through E faster and more efficiently. Acting as an enhancement to existing claims processing programs, ClaimSys seamlessly integrates with the servicer's existing mortgage servicing system, including LPS MSP, GCC G/Serv, MortgageSERV and others. The payoff: lower claims processing costs and improved productivity with virtually error-free results.

Assuring Bid Accuracy

Using the latest HUD-approved cost estimator, Five Brothers streamlines bid validation and submittal by automatically adjusting non-conforming repair/maintenance bids to meet HUD specifications, prior to submittal. Benefits include reduced work completion/reimbursement cycles, fewer time-wasting bid rejections, and lower administrative costs.

HUD P260 Data Entry

As FHA specialists, Five Brothers is able to deliver the process and technology needed for efficient entry of HUD bid data into the P260 portal. Five Brothers now includes data formatting and pre-entry for the P260 portal as a service to its customers. Not only does this relieve client compliance worries, it reduces processing time and eases workflow bottlenecks.

Notification of data input is automatically posted to client's secure section of Five Brothers' FiveOnline web-based workflow management system, which is accessible 24/7 by all registered users. By using the HUD P260 portal, mortgage servicers then simply accept the completed P260 bid.

Strength on the Ground

With its extensive FHA experience and ongoing involvement with FHA-backed properties, Five Brothers is exceptionally well prepared to communicate HUD rule changes to its field service team. Knowledge-based training, expert service implementation and rigorous quality control programs produce better compliance and more efficient field operations with fewer errors—a strong foundation for minimizing problems and maximizing the value of FHA-backed mortgage assets.



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