

two months escrow deposit. In order to reach this low point, your required escrow balance after your 03/01 payment should be \$5,428.25, whereas your actual escrow balance is \$4,134.11. The difference, \$1,294.14, represents an escrow shortage and will be collected in three monthly payments. Based on these calculations for the coming year, your required amount for 04/01/01 will be \$4,312.47.

Effective 07/01/01, your required amount for 07/01/01 will be \$3,881.09.

your escrow payment amount is calculated:
\$1,298.78 divided by 12 monthly payments \$1,298.78 collected in 03 monthly payments \$432.93

When a shortage is prorated and disbursed into the coming year, your Annual Disbursement will be \$1,298.78.

A&C Mortgage Corporation

Loan No. 249968-9

SHORTAGE COUPON

Loan Number: 249968-9

Your Escrow Analysis indicates a shortage of \$1,294.14.

If you wish, you may pay the entire shortage of \$1,294.14 and reduce your payment. The new payment, after the shortage has been paid, will be \$4,312.47. If you decide to pay your shortage in full, please sign and return this statement with your payment to A&C Mortgage Corporation, Attn: Escrow Department, P.O. BOX 0000 ABC, NJ 00000-0000.

Customer Signature _____ Date _____

Co-Mortgagor Signature _____

Maximize Float - Minimize Shortages



- Reduce error rates
- Improve department productivity and efficiency
- Catch escrow shortages sooner
- Improve tracking of tasks and requests
- Reduce escrow advances
- Increase escrow collections

Escrow Shortage Management - Float Maximization

What is VisiEscrow®?

VisiEscrow® automates escrow analysis activities to reduce the number of customer inquiry calls, catch escrow account shortages sooner, improve the tracking of escrow related tasks and follow ups, and improve the overall efficiency of the department.

VisiEscrow® uses a workflow engine for task tracking and follow up activity of team members. In addition, the system monitors the "Servicing System" for exceptions and triggers automatic follow up tasks.

VisiEscrow® Benefits

Productivity

- 50% reduction in time it takes to complete an off-schedule escrow analysis
- Provides task and team queues to manage workload and resources
- Task critical information available on one screen
- Exception based processing of information from CPI

Cost

- 30% reduction in escrow advances
- 30% increase in escrow collections
- Reduced transaction fees

Quality

- Catch and fix errors within 60 days of loan setup
- Manage service guarantees & reduce penalties
- Minimize missed or incomplete activities

Visibility

- Improve tracking of critical tasks
- Provide real time automated performance reports

VisiEscrow® Modules

Shortage Management Module

The Shortage Management module performs the following:

- Monitoring of loans that have escrow advances that exceed a certain limit, are within limits but payment increase exceeds a limit.
- Monitoring of loans that have made their one time shortage payment but still have outstanding advances that exceed a limit.

Task and Exception Handling Module

The Task and Exception Handling module performs the following:

- Monitors the Trial Activity Report for loans that have failed escrow analysis on Servicing System due to an exception. These loans are loaded into the analyst work queue for further research.
- Monitoring of loans that have payments for MIP/PMI but are not setup for MIP/PMI.

- Monitoring of loans that come out of loss mitigation with new workouts.
- Monitoring for borrower requests to become non escrow.

New Loan Audit Module

The New Loan Audit module performs the following:

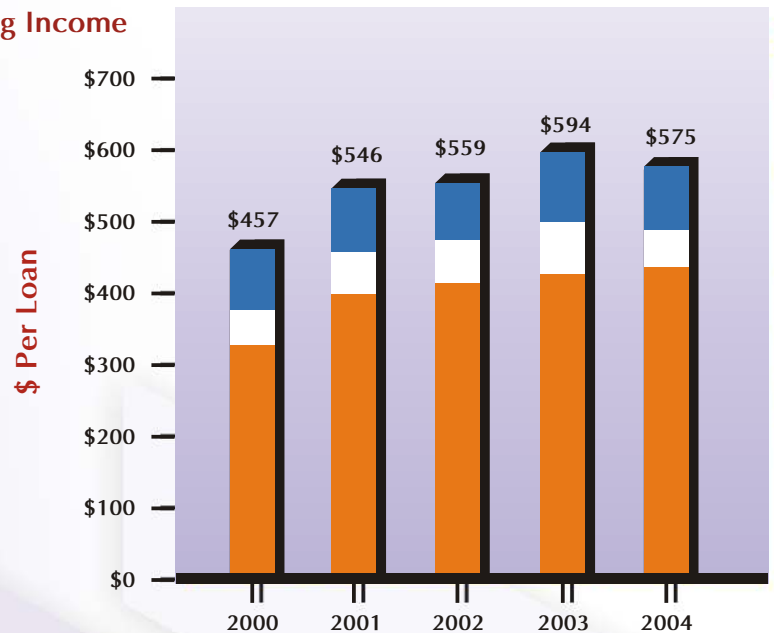
- Loan Setup
- Escrow Payment
- Projected Shortage
- Duplicate Initial Escrow Deposits
- Second Mortgage with Escrow Lines
- Audit of VA, FHA and CONV Loans for Compliance

Lender Placed Insurance Audit Module

The Lender Placed Insurance Audit module performs the following:

- Forced Insurance
- Disbursements for Escrowed and Non-Escrowed Loans
- Forced Insurance Refunds or Escrowed and Non-Escrowed Loans

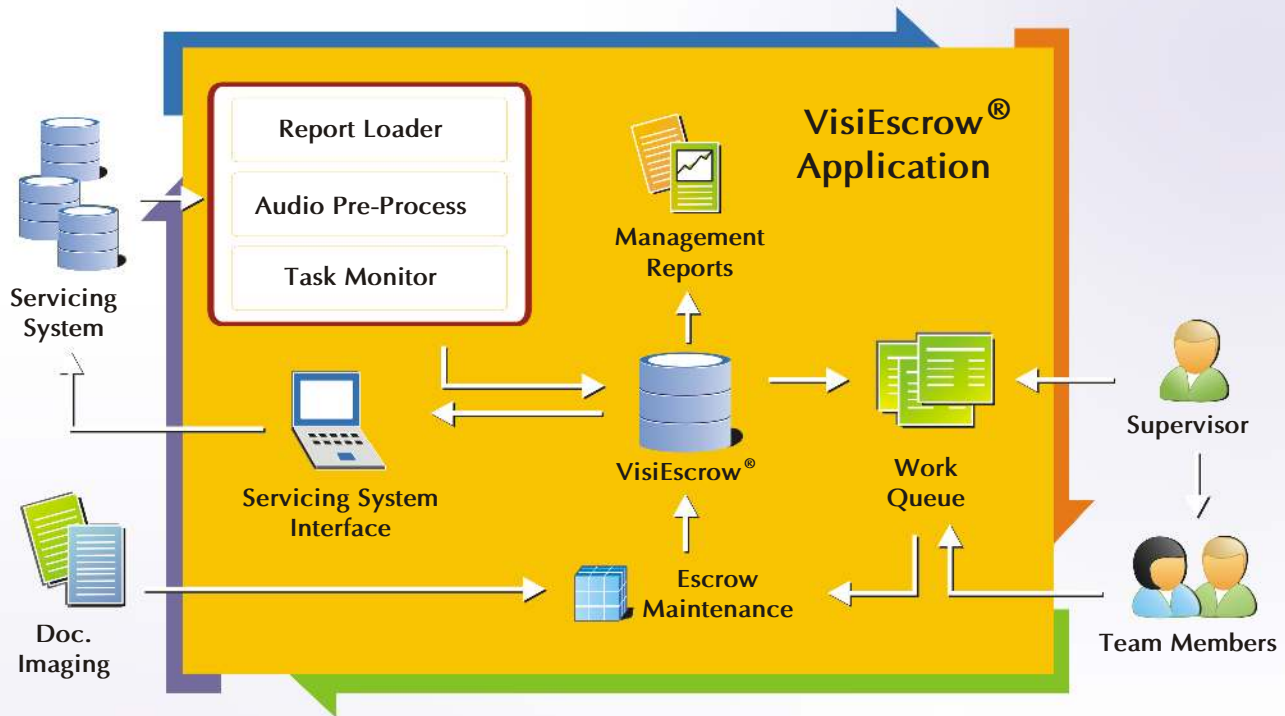
Servicing Income



| | | | | | |
|----------------------------------|-------|-------|-------|-------|-------|
| ■ Net Escrow Earnings | \$79 | \$89 | \$83 | \$87 | \$83 |
| □ Direct/Indirect Ancillary Fees | \$46 | \$55 | \$62 | \$79 | \$59 |
| ■ Net Servicing Fees | \$332 | \$402 | \$414 | \$428 | \$433 |

SOURCE: 2005 MBA COST OF SERVICING STUDY

Reduce escrow advances, Increase escrow collections



Servicing System Interface Module

The Servicing System Interface module performs the following:

- Monitoring of the Servicing System database for loans that meet the business rules.
- Upload of changes made by the users via transactions.
- Ordering of escrow analysis on Servicing System.
- Ordering letters address to the borrower on Servicing System.
- Updating of servicing notes on Servicing System.
- Monitoring of tasks assigned to the department and assignment of tasks to other departments (TSK1 screen).
- Monitoring completion of assigned tasks.
- VisiEscrow® monitors account activity on Servicing System for:
 - Shortages/Overages Detection
 - PMI changes
 - Payment changes that exceed a limit
 - Task assignment from other departments
 - Non-escrow requests from borrowers

- The system examines the Trial Activity Report for failed escrow analysis, such as:

- Delinquent Taxes
- Delinquent Hazard
- Delinquent PMI/MIP
- Illogical Hazard
- Illogical PMI
- Illogical City-Lien-County
- Insufficient 1st ARM Data
- Missing Initial Escrow Deposit
- New Loan Date
- FHA Without Taxes
- FHA Without Hazard
- FHA Without MIP
- Conventional Without PMI
- Disbursement Stop
- Analysis Stop
- Process Stop
- Foreclosure Stop
- Pre-Paid Payments
- Delinquent Payments

VisiEscrow® Impacts

The identified business impacts of the system are:

1. Eliminate violations of float and RESPA rules
2. 50% reduction in time taken to complete an off-schedule escrow

analysis - Eliminate manually intensive process for gathering/filtering exception information from CPI

3. Increase escrow float opportunities - catch escrow shortages sooner - reduce escrow advances
4. Catch and fix errors during loan setup - Improve customer satisfaction - Reduce customer calls and inquiries
5. Manage service guarantees & reduce penalties
6. Provide task and team queues to distribute, track and manage workload efficiently
7. Minimize missed or incomplete activities
8. Prevent the loan from going to non-escrow by mistake, using business rules
9. Seamlessly integrate with Imaging system
10. Mask task critical information available on one screen
11. Improve department productivity and efficiency.
12. Minimize missed or incomplete activities
13. Provide real time automated productivity and performance reports

Why Visionet?

Visionet has spent ten years working with top tier **mortgage** companies in the country. Visionet has built various **mortgage** industry specific products and solutions over the years. Please visit www.visionetsystems.com for more information. These products include production lead management, product recommendation engines, channel and broker profitability, post close compliance automation, loan boarding and special loan setup, escrow float and shortage management, prepayment risk modeling, default risk analysis, loss estimation and tracking and REO. We built these solutions after analyzing the data from dominant servicing and origination platforms.

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