

GOVERNMENT INSURING - CASE STUDY

In Brief

- One of the top mortgage lenders and servicers in the U.S. acquired a large government loan portfolio to service from a large residential lender that went out of business. The portfolio had a high percentage of FHA, VA and Rural Housing loans that had not been insured or guaranteed, and many were aged more than 90 days
- Indecomm developed and implemented policies and procedures with the client and the government agencies to facilitate the insuring/guaranty of the outstanding loans
- Indecomm was able to insure/guaranty over 90 percent of the uninsured loans

Client Information

The client was the servicing department of a large global bank.

Background

The client has over 280,000 employees world-wide and is based in the U.S. The bank is ranked as one of the top ten mortgage originators and mortgage servicers in the U.S. The client handles special mortgage servicing for various public and private entities.

Problem Statement

- The bank adversely acquired a large government loan portfolio through prior contractual agreements with a government agency. The portfolio of loans was seized from a large residential lender that went out of business
- Indecomm's client was made aware that an unusually large percentage of FHA, VA and Rural Housing loans were not insured or guaranteed by the agencies. Many of the loans were aged more than 90 days
- Our client had limited resources available to evaluate the quality of purchased loans and to get them insured/guaranteed
- The risks associated with the uninsured loans acquired had not been determined at the time of acquisition

Solution Summary and Key Benefits

- Indecomm worked with the client and FHA, VA and the Rural Housing authority to develop policies and procedures to insure and guaranty outstanding loans which were originated by another lender and originally the responsibility of that now defunct lender to insure
- Indecomm develop a comprehensive process to review the uninsured loans to determine if they were ready to be insured or what steps needed to be taken to cure deficiencies found
- Indecomm implemented multi-level curing efforts to make loans eligible for insuring

- Per the procedures developed with the agencies and the client, Indecomm submitted eligible loans for Mortgage Insurance Certificates or Loan Guaranty Certificates
- Indecomm developed and implemented effective loan status tracking which included loan level details regarding and the measures being take to resolve outstanding issues
- Indecomm escalated risk reporting of loans identified as uninsurable for our client

The Results

- Indecomm's client was able to get over 90 percent of the uninsured loans insured or guaranteed, which significantly reduced our Client's overall risk
- Indecomm provided the qualified and flexible human resources, which the client did not have to accomplish the results
- Indecomm helped the government agencies identify effective procedures for future adverse situations when a lender suddenly goes out of business with uninsured loans

