



DAY 1 CERTAINTY & FLORIDA MORTGAGE TRENDS

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Your #1 for Day 1



As the first designated third party provider of verifications for the Fannie Mae DU® validation service, Equifax delivers the experience and solutions you need – making Day 1 Certainty as easy as 1-2-3.

Day 1 Certainty – It's as easy as 1-2-3!

Through Equifax, you can take advantage of all Day 1 Certainty solutions – it's as easy as 1-2-3!

Step 1: Contract for all eligible Equifax solutions (if already contracted, you'll just need to opt in for Audit By Loan Number (ABLN)).

Step 2: Activate the appropriate Institution ID with Fannie Mae.

Step 3: Start ordering from Equifax.

Day 1 Certainty Solutions from Equifax

Income and Employment Verifications

Through Equifax, you can verify employment and income information in seconds with The Work Number®, the largest database of instantly available employment and income records, as provided by employers. If your applicant's information isn't instantly available on the database, Equifax agents can contact the applicant's employer and fulfill the verification on your behalf.

IRS Income Verification (4506-T tax transcript service)

Through a direct connection to the IRS, our 4506-T tax transcript service provides an efficient and streamlined process for retrieving all tax transcript forms. With up-front quality checks on every order and robust QC reporting capabilities, Equifax delivers faster results with fewer rejections from the IRS.

Additionally, Equifax offers access to *Record of Account*, which provides insight into tax lien information – delivering the data you need to help further mitigate risk.

Asset Verification

Through an alliance with FormFree, we can offer Asset Verification through AccountChek™, a service that allows you to securely order asset information, collected directly from the financial institution. This information may help you analyze and certify a borrower's financial data, as well as eliminate the need for borrowers to collect, copy and submit paper statements.

Data as of Dec-Jan 2016

The typical loan origination process

- › Incomplete and inaccurate data sets may fall short of critical Government Sponsored Enterprise (GSE) underwriting requirements for verifying reserve and cash requirements to close on their mortgage
- › Lenders may receive inaccurate borrower data, which can increase the risk of fraud and error in the data sets (leading to buy-backs, delays and re-work)
- › Collecting bank statements is resource intensive and time consuming for both the lender and borrower



Asset verification provided by AccountChek

- › Enables lenders to order and analyze asset information
- › Web-based platform can help eliminate the need for borrowers to collect, copy and submit paper statements
- › Utilizes artificial intelligence and proprietary algorithms to generate a verification of asset report in just minutes

AccountChek™



Asset verification provided by AccountChek

- › Collects data directly from the financial institution and provides a third-party asset verification designed to be integrated with GSEs and accepted by leading investors
- › Borrowers give express permission for their account data to be shared with lenders for asset verification purposes
 - Can select accounts they want (or don't want) to share



A new approach to asset verification

- › Day 1 Certainty™
- › Helps eliminate fraud
- › Enhanced borrower experience
- › Streamlined underwriting process
- › Provides data directly from the source
- › Reports on other accounts – not just checking and savings
- › Lenders only charged for completed asset reports



Fannie Mae DU Validation – Day 1 Certainty

- › Effective December 10, 2016, users of Fannie Mae’s new Desktop Underwriter® validation service may receive freedom from representations and warrants relating to a borrower’s employment and assets
 - Greater speed and simplicity
 - An improved borrower experience
- › AccountChek has been named as a designated vendor for asset validation.

———— DAY1 ————
CERTAINTY™

Integrate into your current system

› Loan Origination Systems

- Encompass
- PC Lender
- Lending Manager
- CloudVirga
- Empower
(scheduled for Q1 2017)
- Mortgage Cadence
(scheduled for Q1 2017)



› Portal for Direct Ordering

- In cases where lender does not have integration

› Support for Custom Integrations

- Point of Sale
- Lender System

Automating the asset verification process

Lender places the asset verification order with AccountChek



Borrower receives an email from the lender, which contains a secure access key that is used to access AccountChek



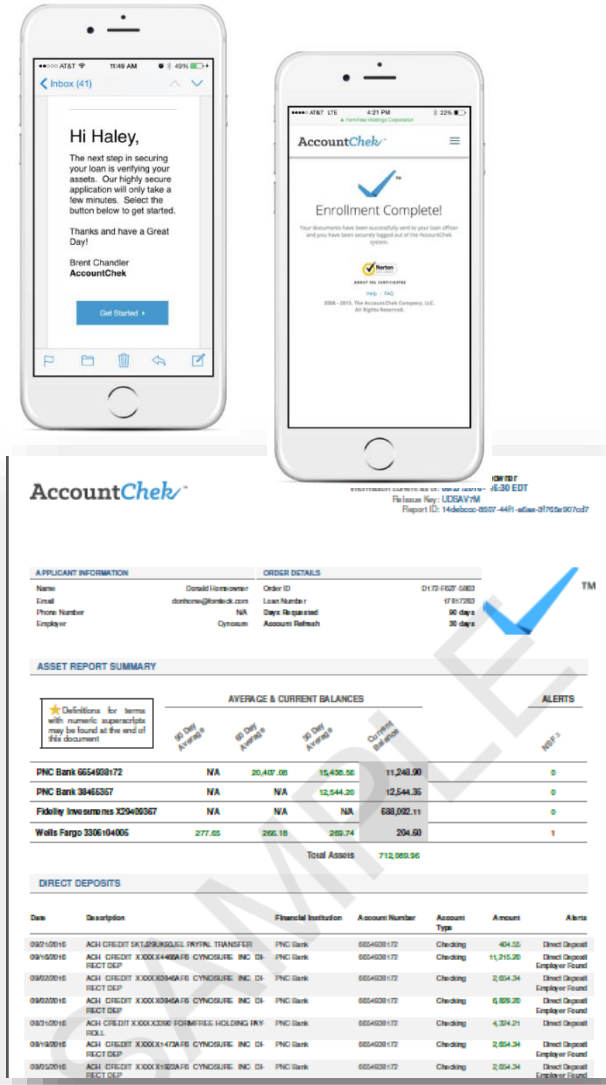
Borrower authorizes his/her account(s) using respective financial institution credentials



Asset information securely collected by AccountChek directly from the financial institution in real-time



Lender receives report on borrower's assets and the 'Relssue Key' which is provided as part of the DU and Loan Prospector® submission



FLORIDA MORTGAGE TRENDS

PREPARED FOR THE FL CUREN

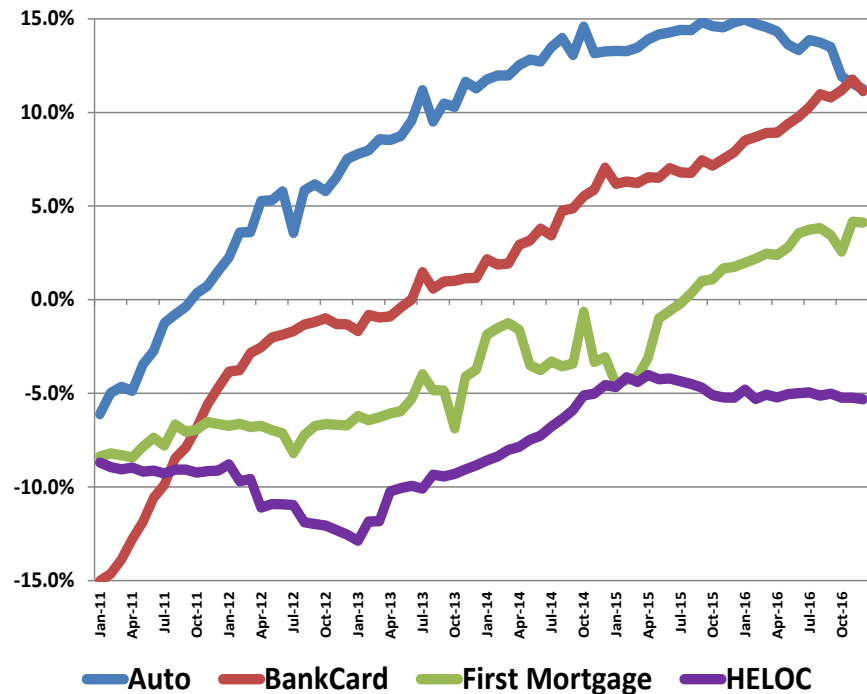
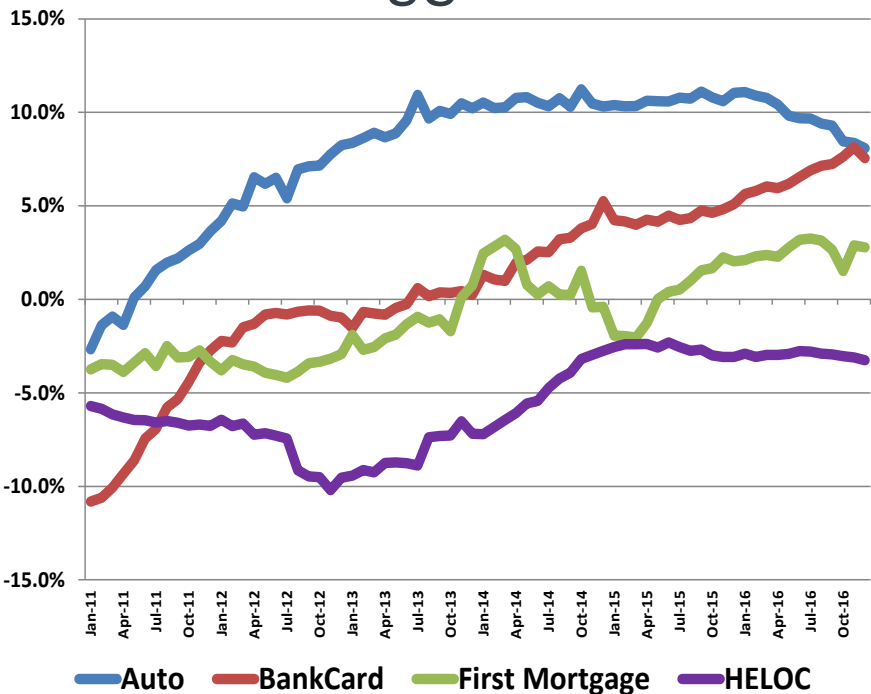


Growth Rates by Product – Florida, US

Yr/Yr % Chg - \$ of Outstanding Balances

US

FL



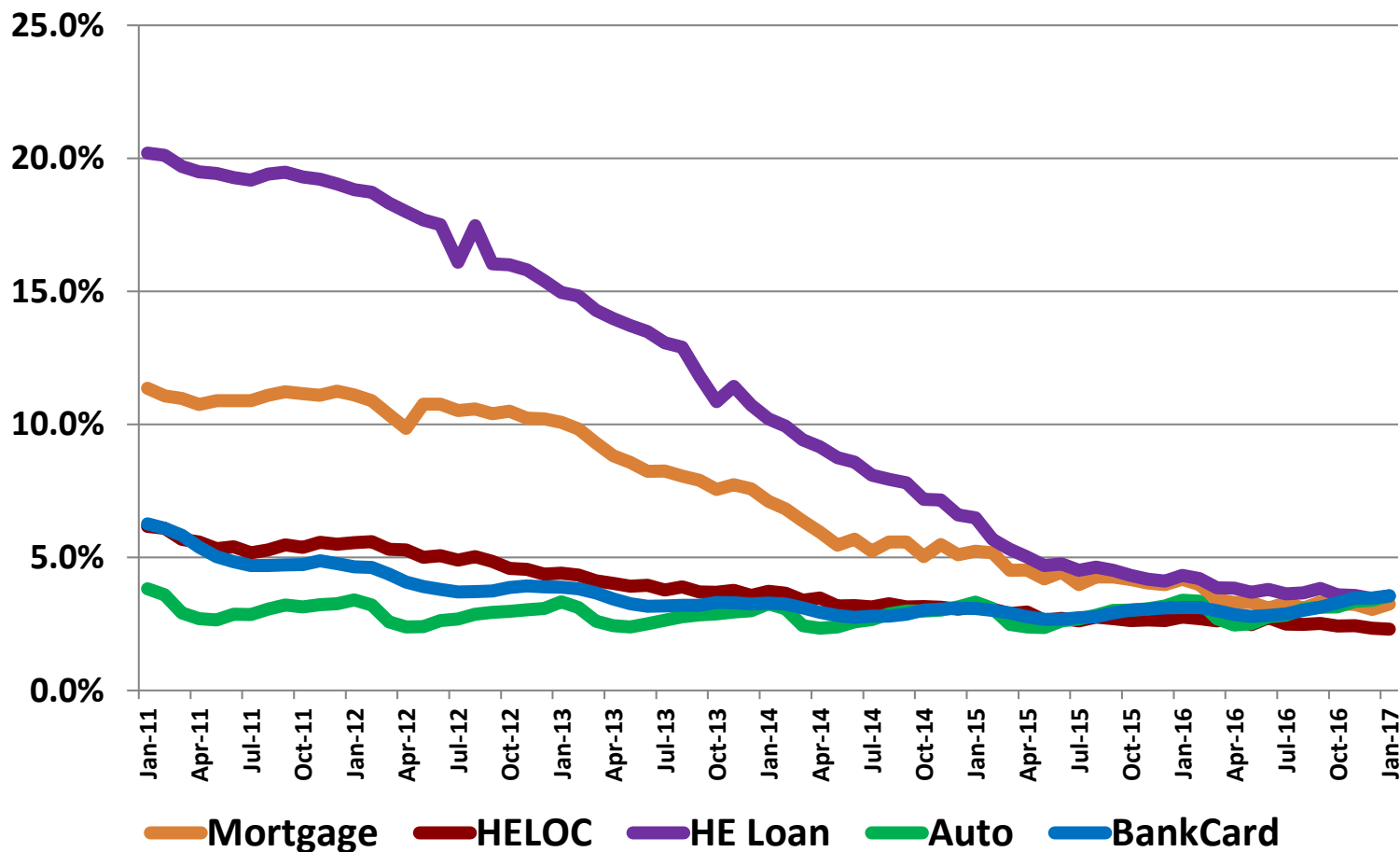
Source: Equifax Inc.

Data as of Dec-Jan 2016

Delinquency Rates by Product - Florida

30+ Days Past Due

% of \$ Outstanding Balances

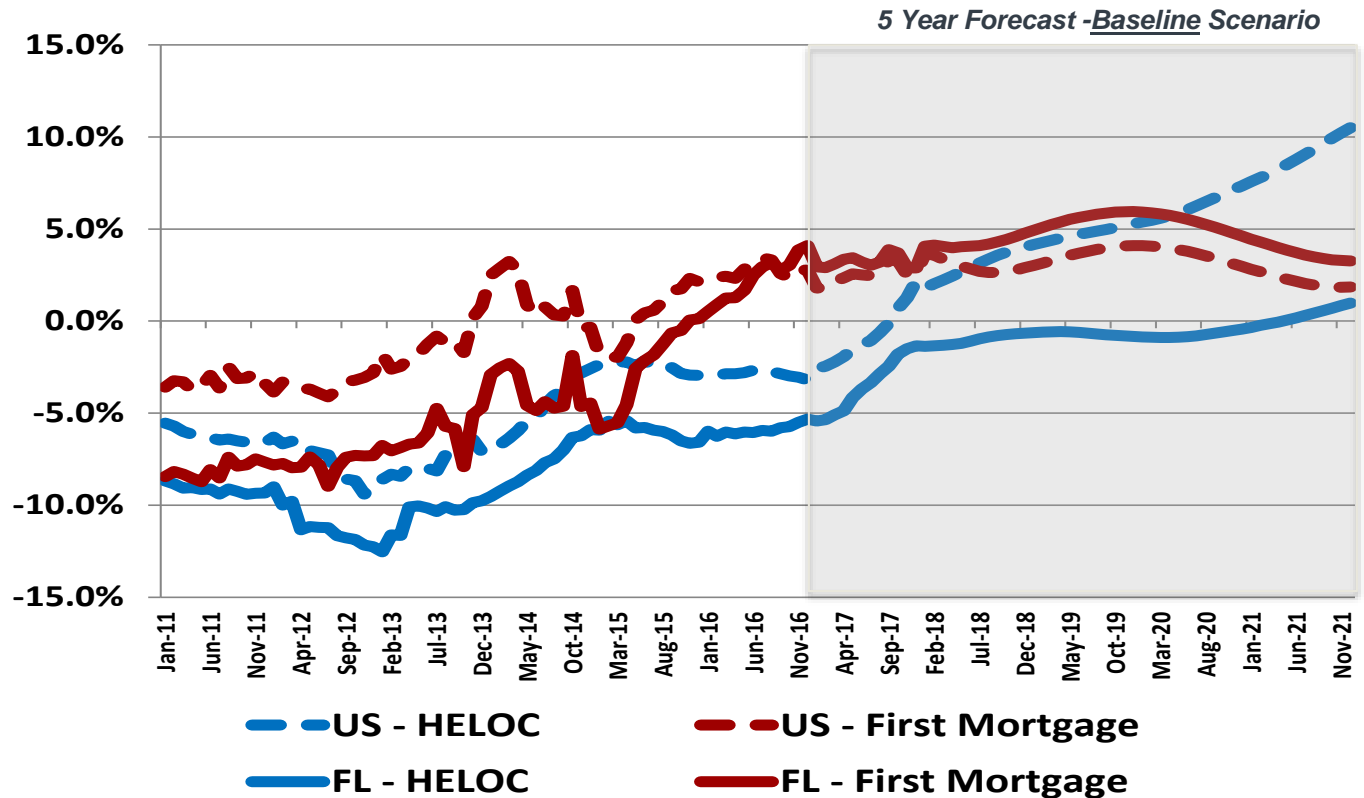


Source: Equifax Inc.

Data as of Dec-Jan 2016

Mortgage Balances – Florida, US

First Mortgage and Home Equity Lines
Yr/Yr % Chg



- › CreditForecast.com, a joint product offering with Moody’s Analytics, provides multiple 5 year forecasts on all credit variables
 - Includes all CCAR/Regulatory economic scenarios; quarterly updates

Source: Equifax Inc, Moody’s Analytics

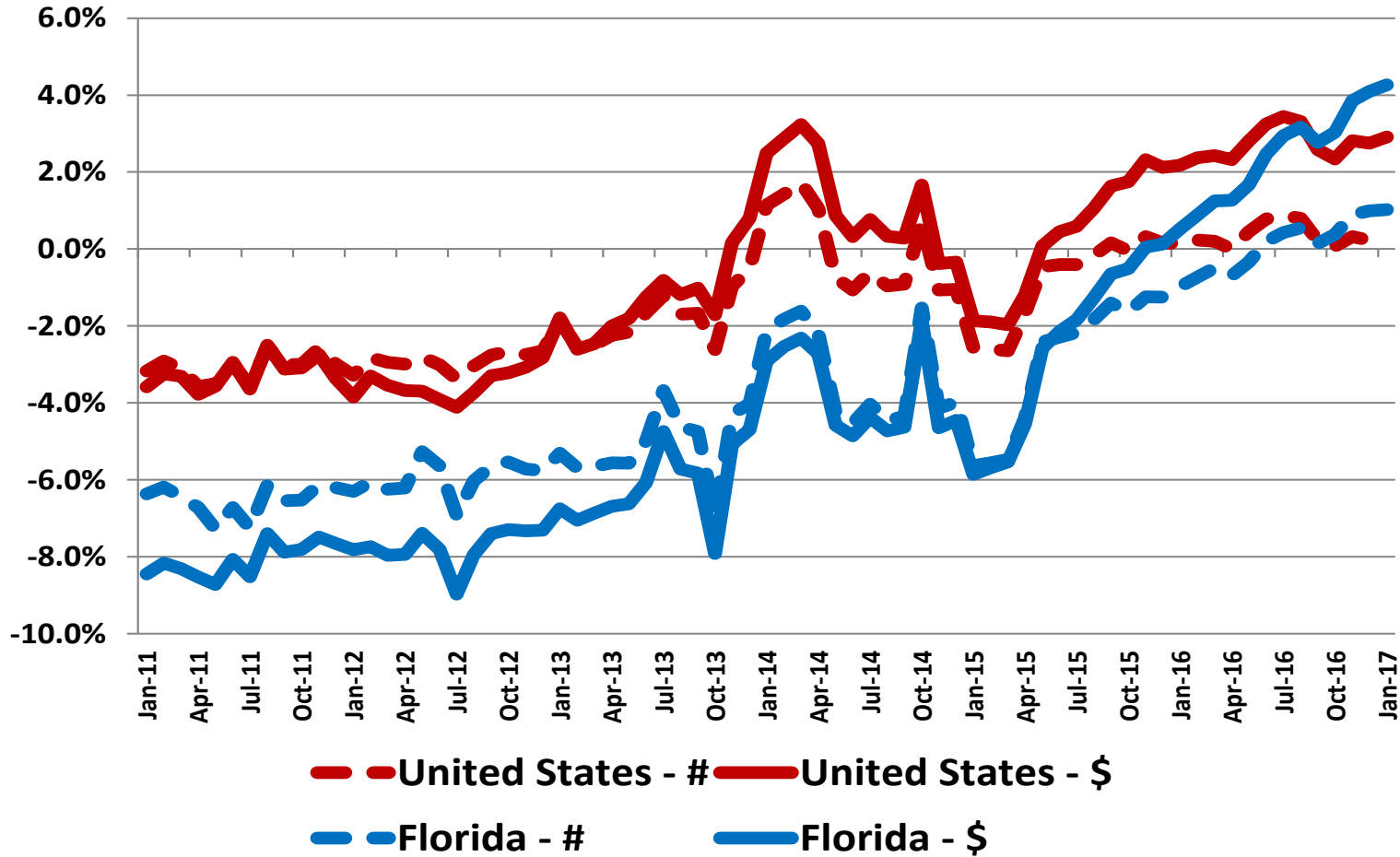
Data as of Dec-Jan 2016

CREDIT TRENDS: FIRST MORTGAGE



Outstanding Loans - #, \$

Yr/Yr % chg

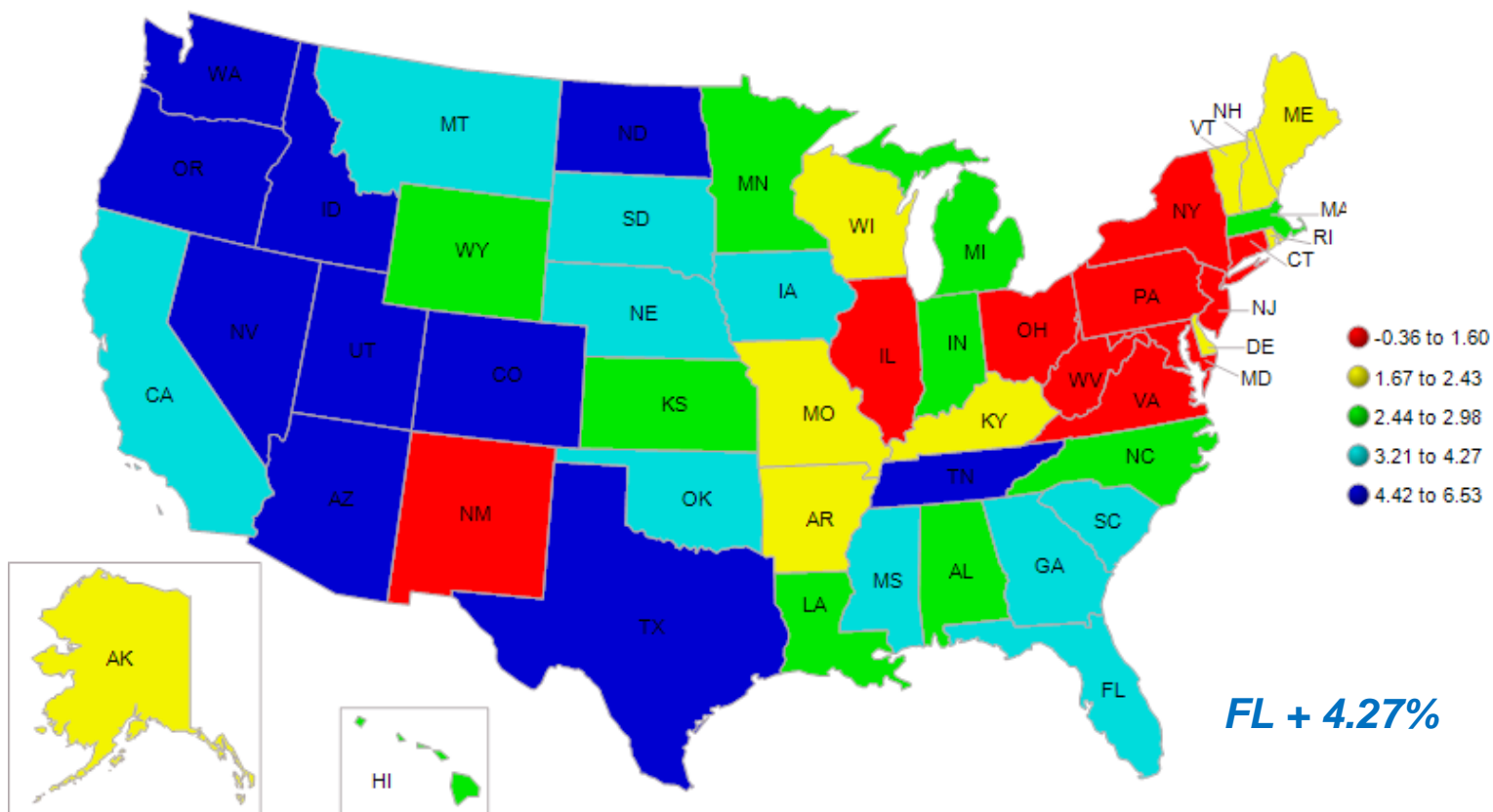


Source: Equifax Inc.

Data as of Dec-Jan 2016

First Mortgage Balance Growth

Yr/Yr % Chg - \$ of accounts

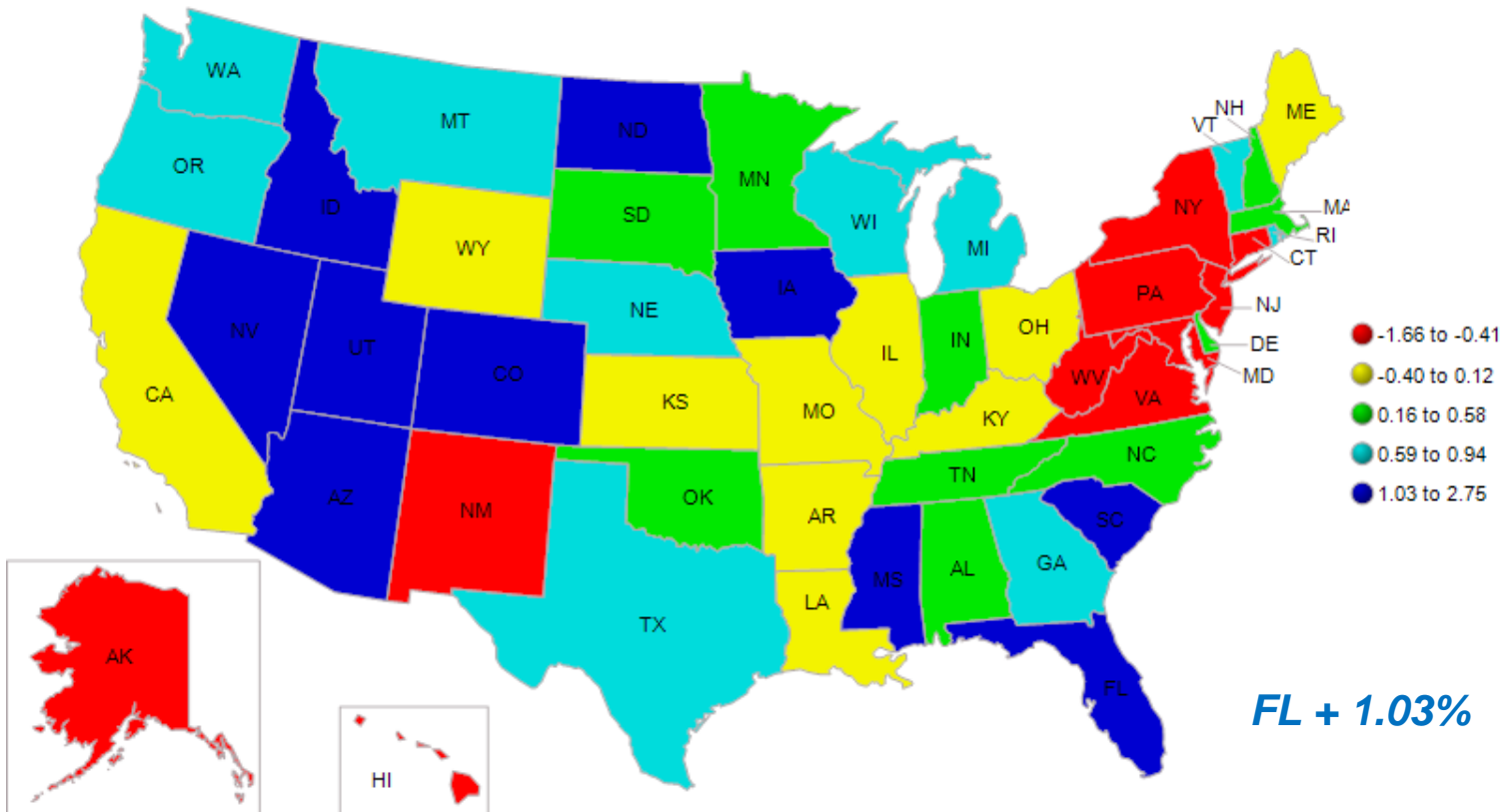


Source: Equifax Inc.

Data as of Dec-Jan 2016

First Mortgage Account Growth

Yr/Yr % Chg - # of accounts

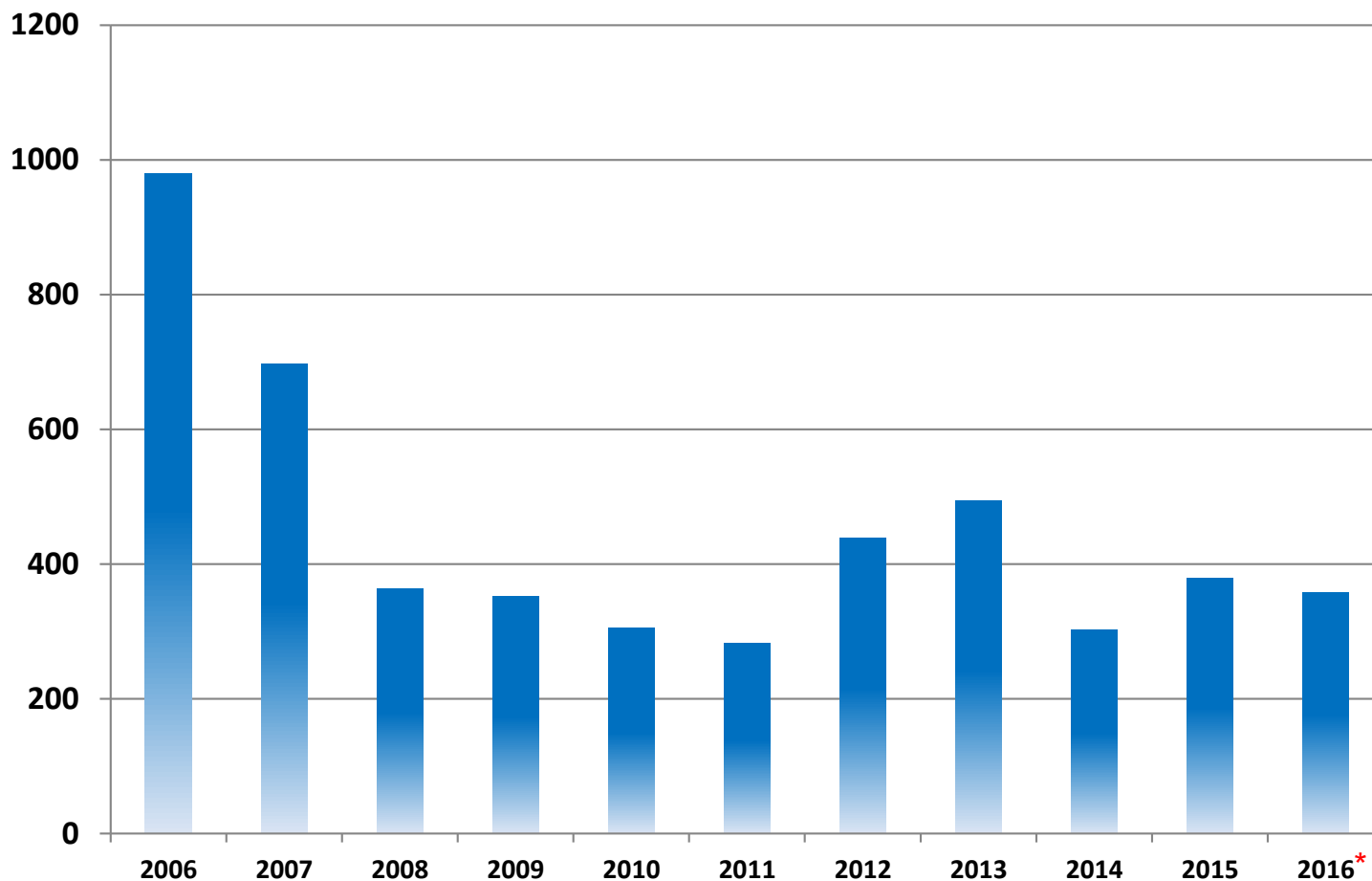


Source: Equifax Inc.

Data as of Dec-Jan 2016

First Mortgage Originations: Accounts - Florida

of Accounts (000)



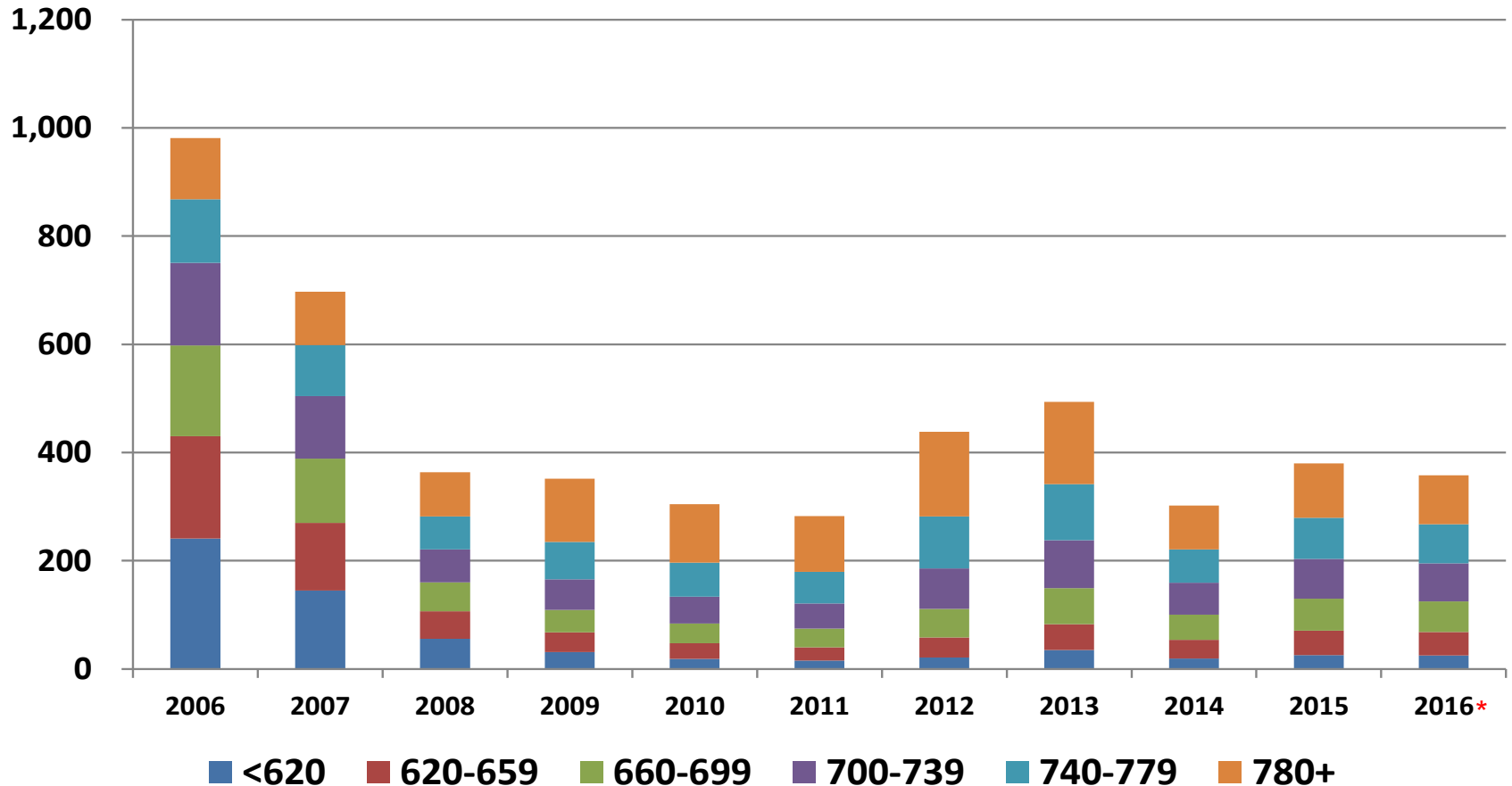
** Note - There is a lag in reporting, so 2016 totals are incomplete*

Source: Equifax Inc.

Data as of Dec-Jan 2016

First Mortgage Originations: Accounts - Florida

By Origination Risk Score
of Accounts (000)



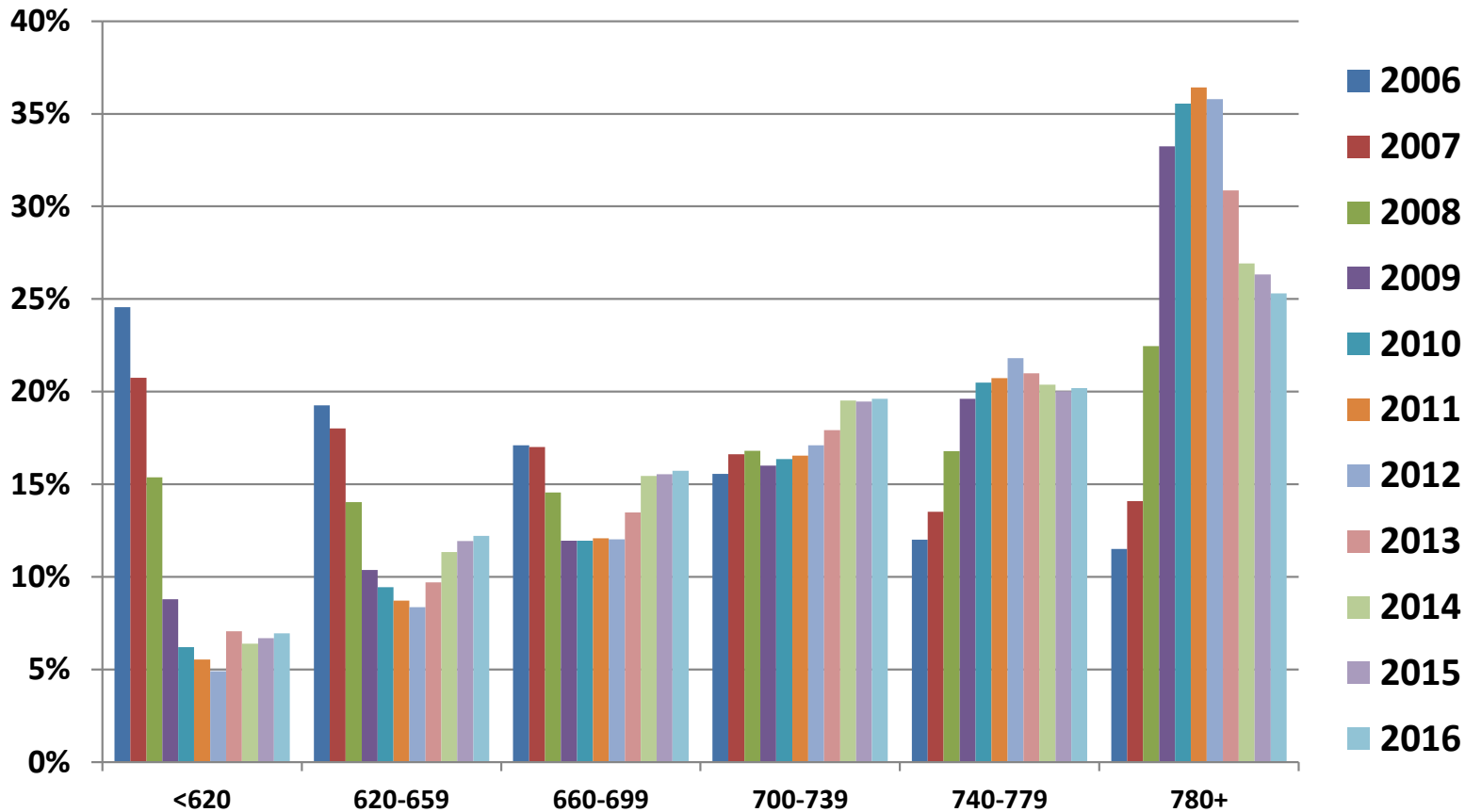
* Note - There is a lag in reporting, so 2016 totals are incomplete

Source: Equifax Inc.

Data as of Dec-Jan 2016

First Mortgage Originations: Accounts - Florida

By Origination Risk Score
% of Accounts



Source: Equifax Inc.

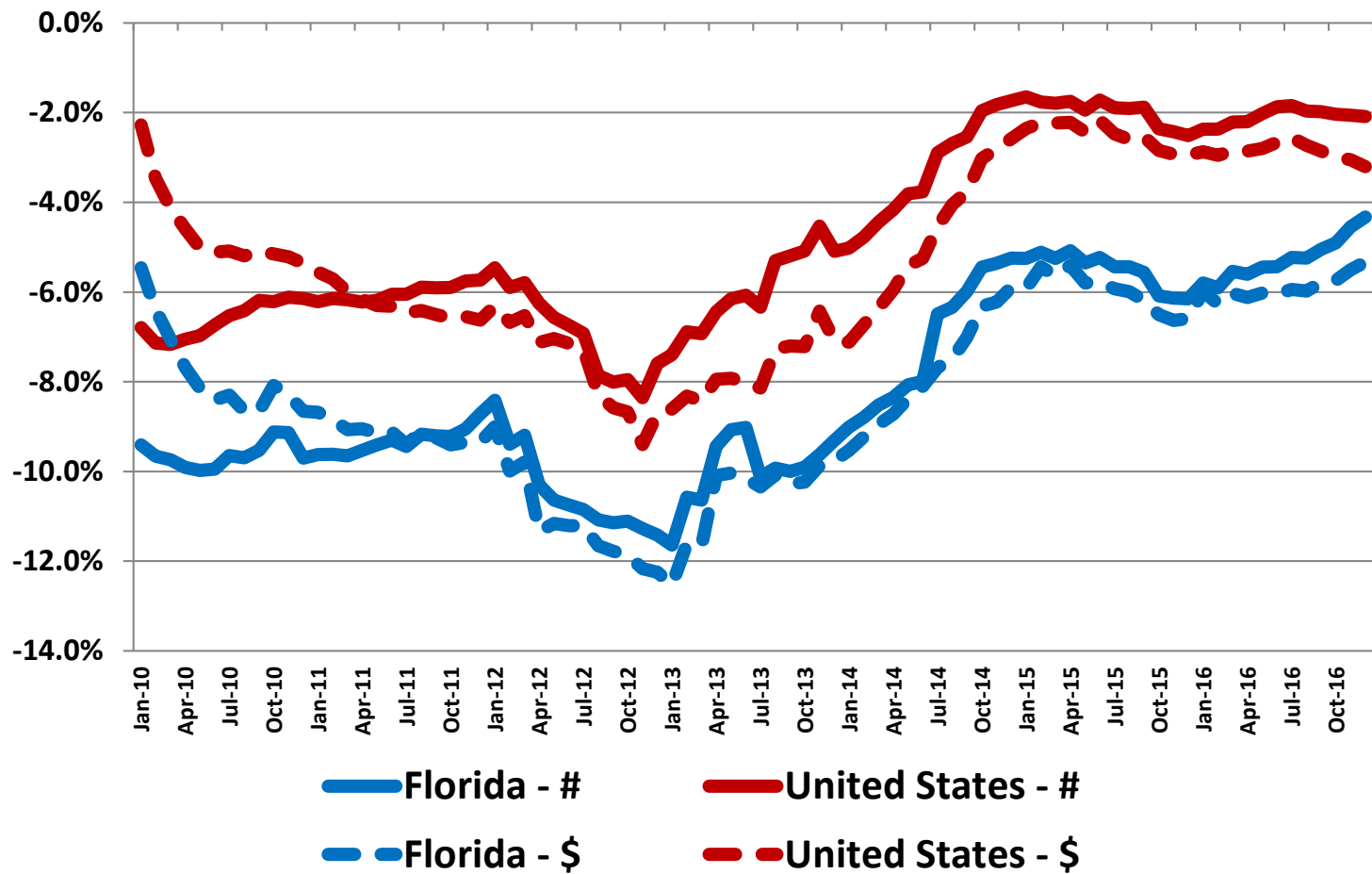
Data as of Dec-Jan 2016

CREDIT TRENDS: HOME EQUITY REVOLVING



Outstanding Loans - #, \$

Yr/Yr % chg

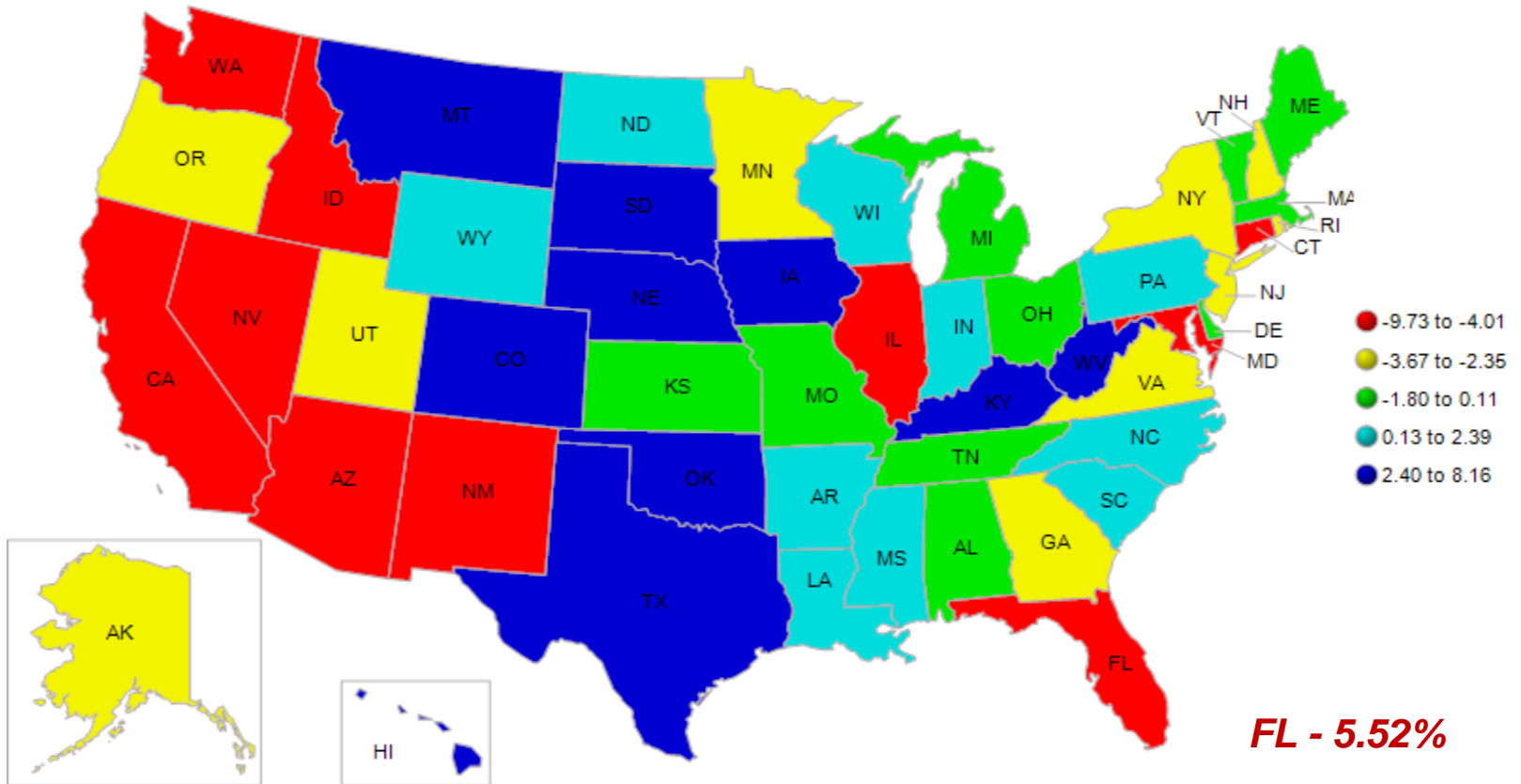


Source: Equifax Inc.

Data as of Dec-Jan 2016

HELOC Balance Growth

Yr/Yr % Chg - \$ of balances

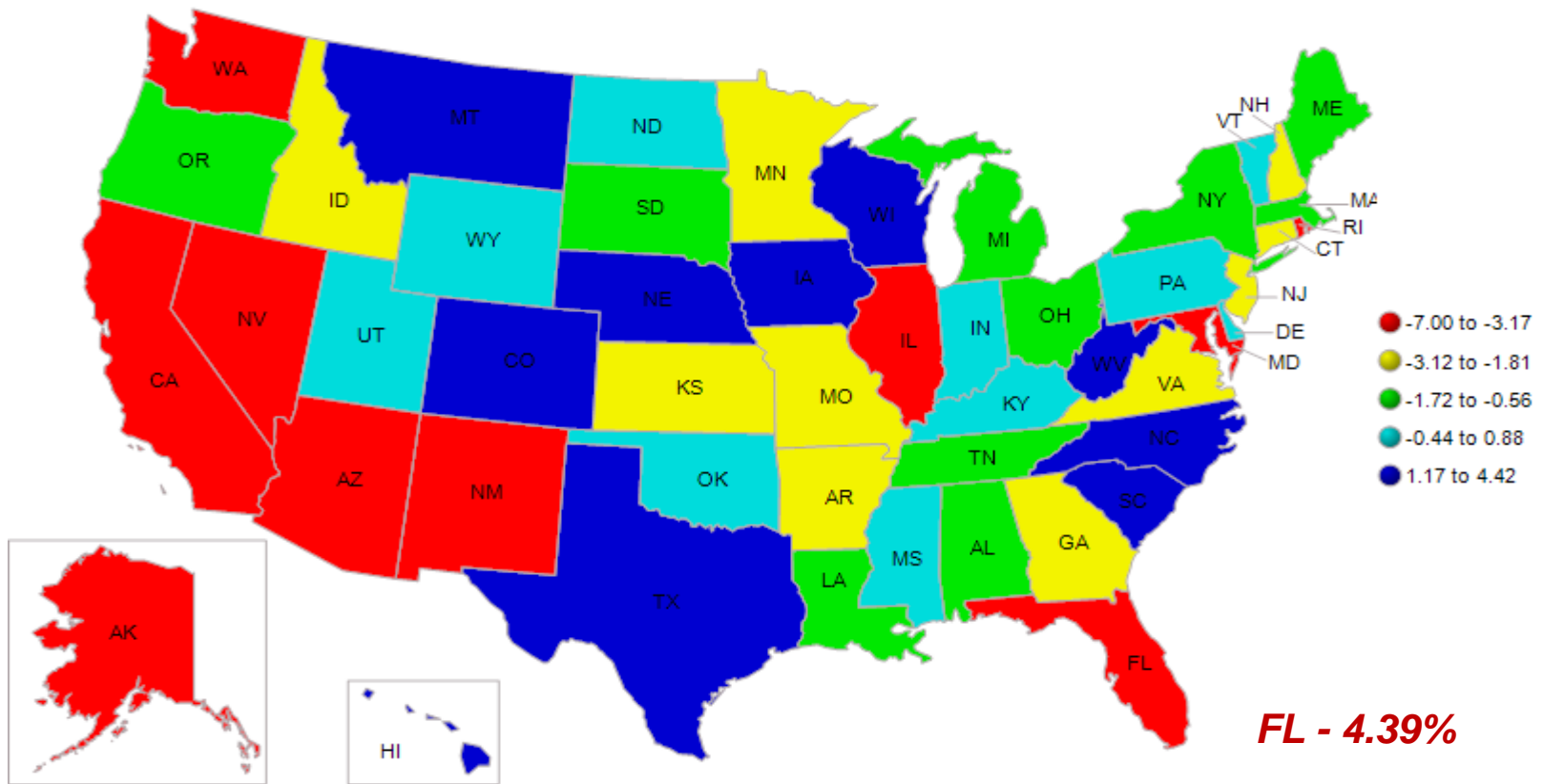


Source: Equifax Inc.

Data as of Dec-Jan 2016

HELOC Account Growth

Yr/Yr % Chg - # of accounts

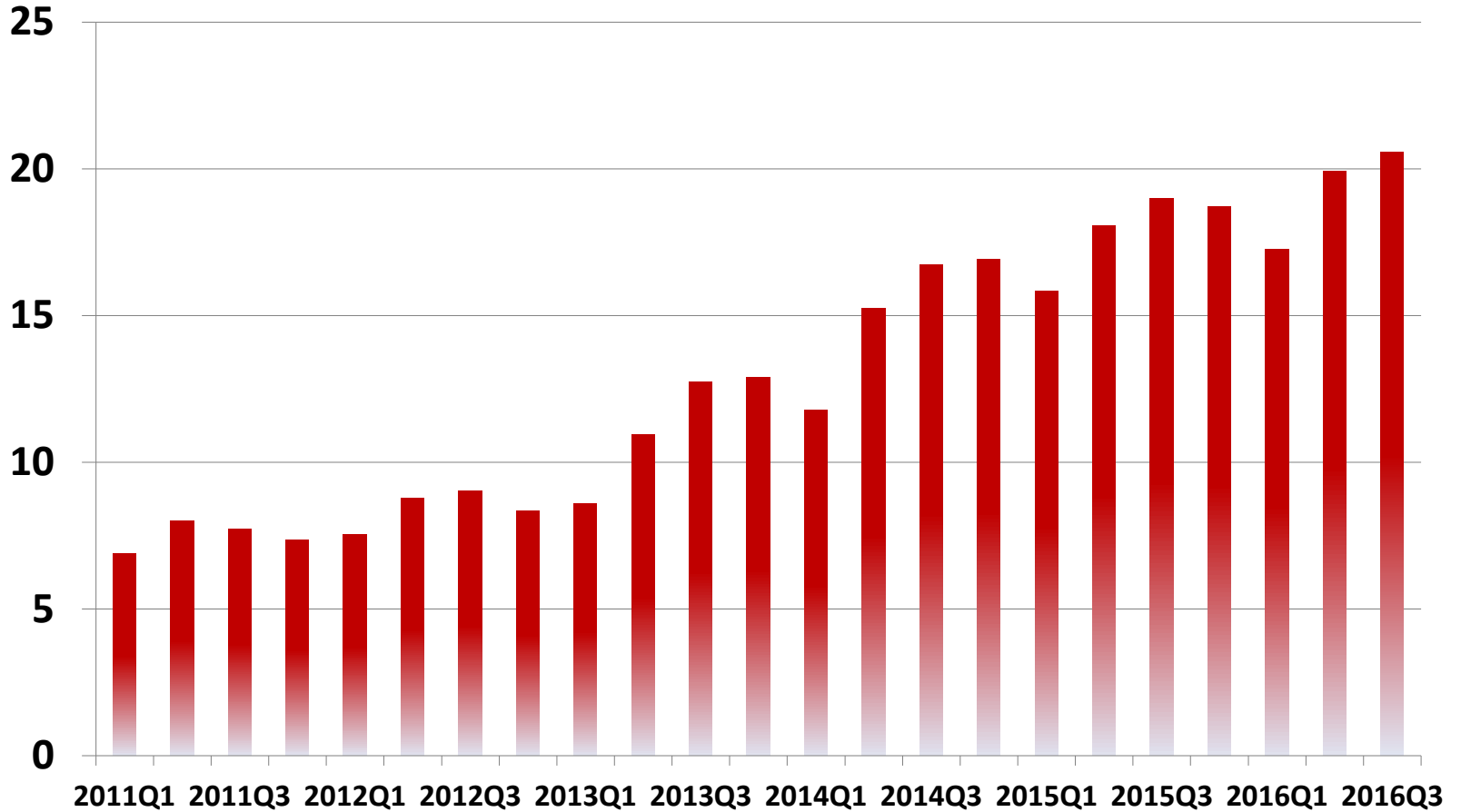


Source: Equifax Inc.

Data as of Dec-Jan 2016

Originations: Accounts - Florida

of Accounts (000)

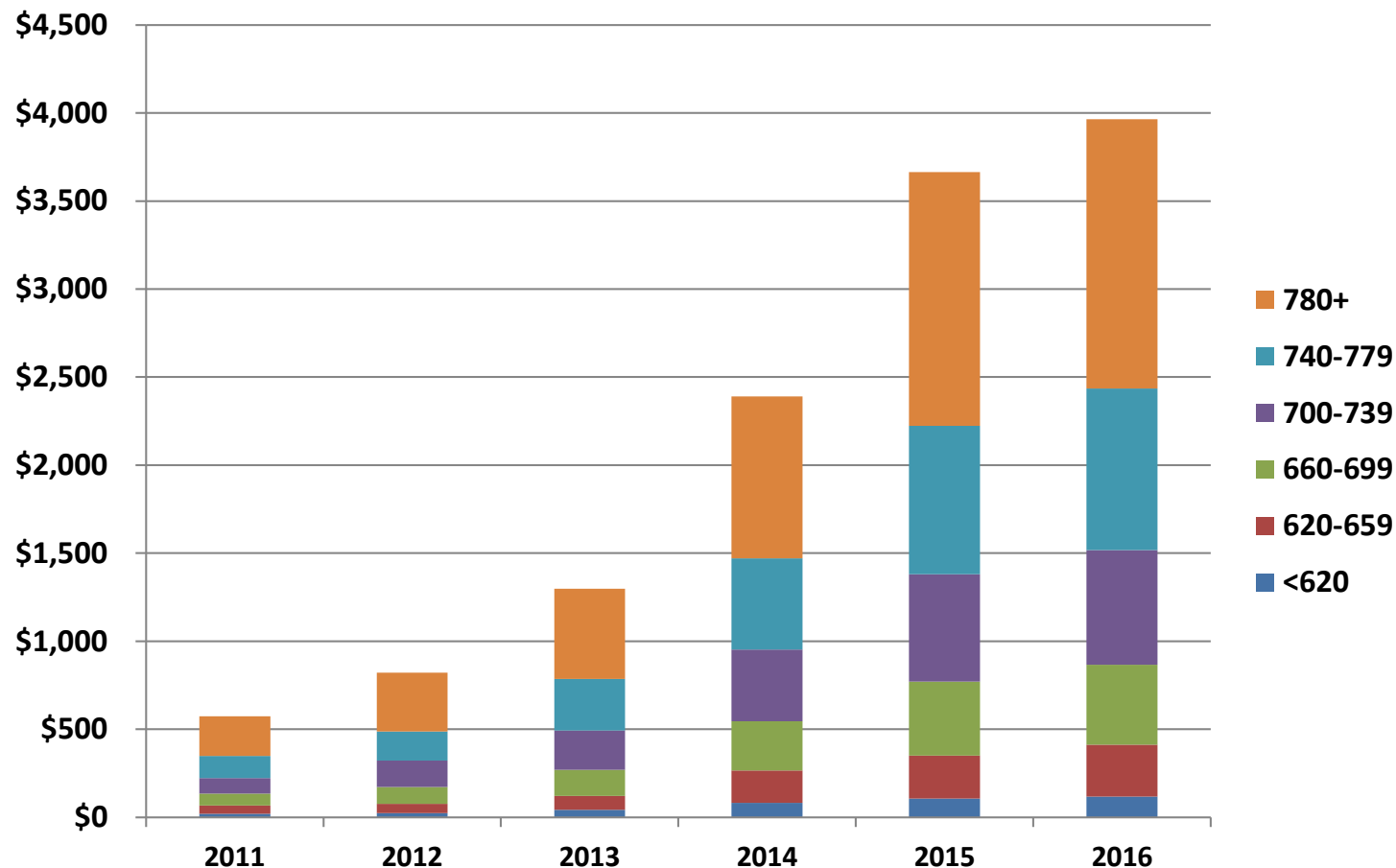


Source: Equifax Inc.

Data as of Dec-Jan 2016

HELOC - Florida

New balances, by year, by origination risk score (\$ mil)

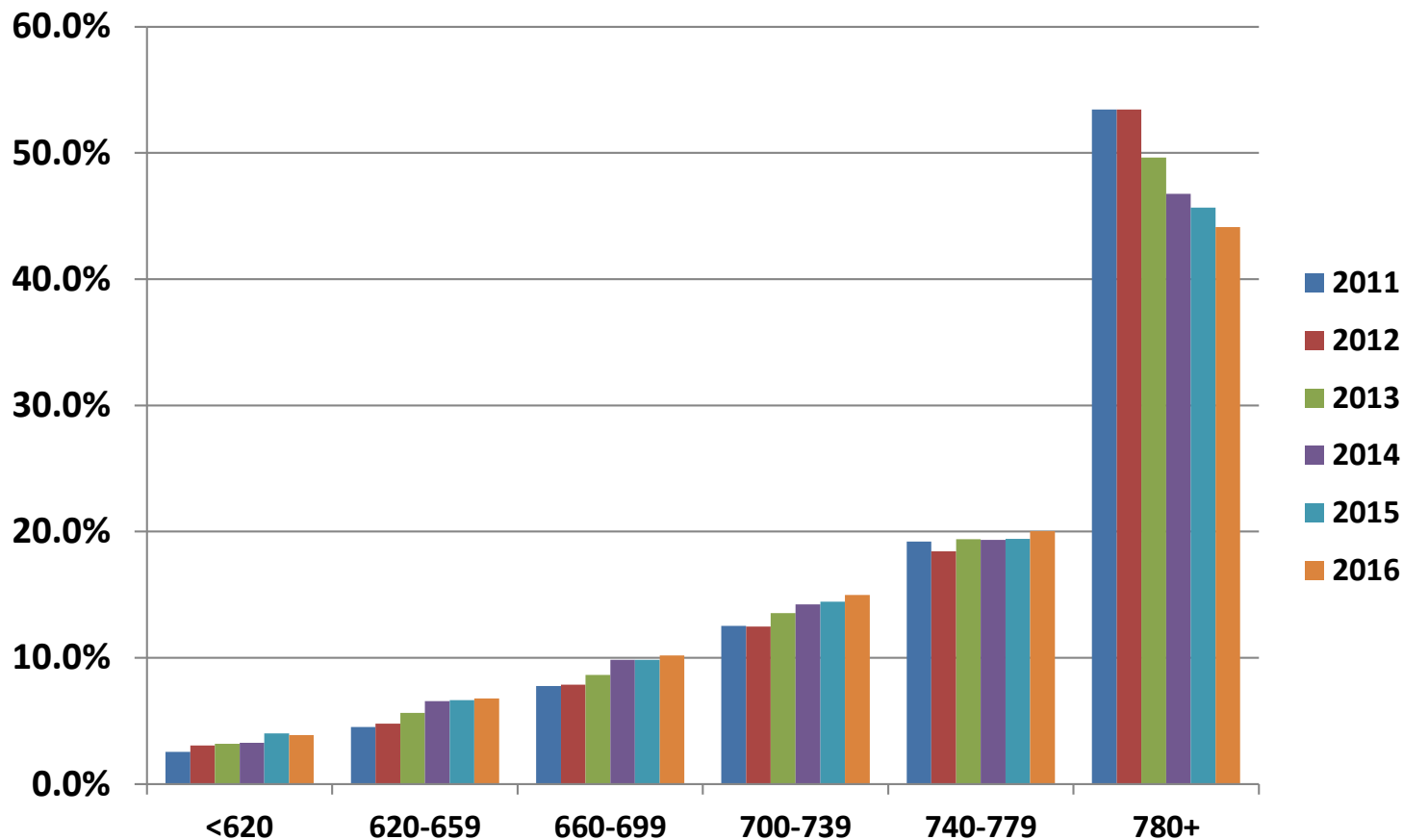


Source: Equifax Inc.

Data as of Dec-Jan 2016

HELOC - Florida

% of # new accounts by year, by origination risk score

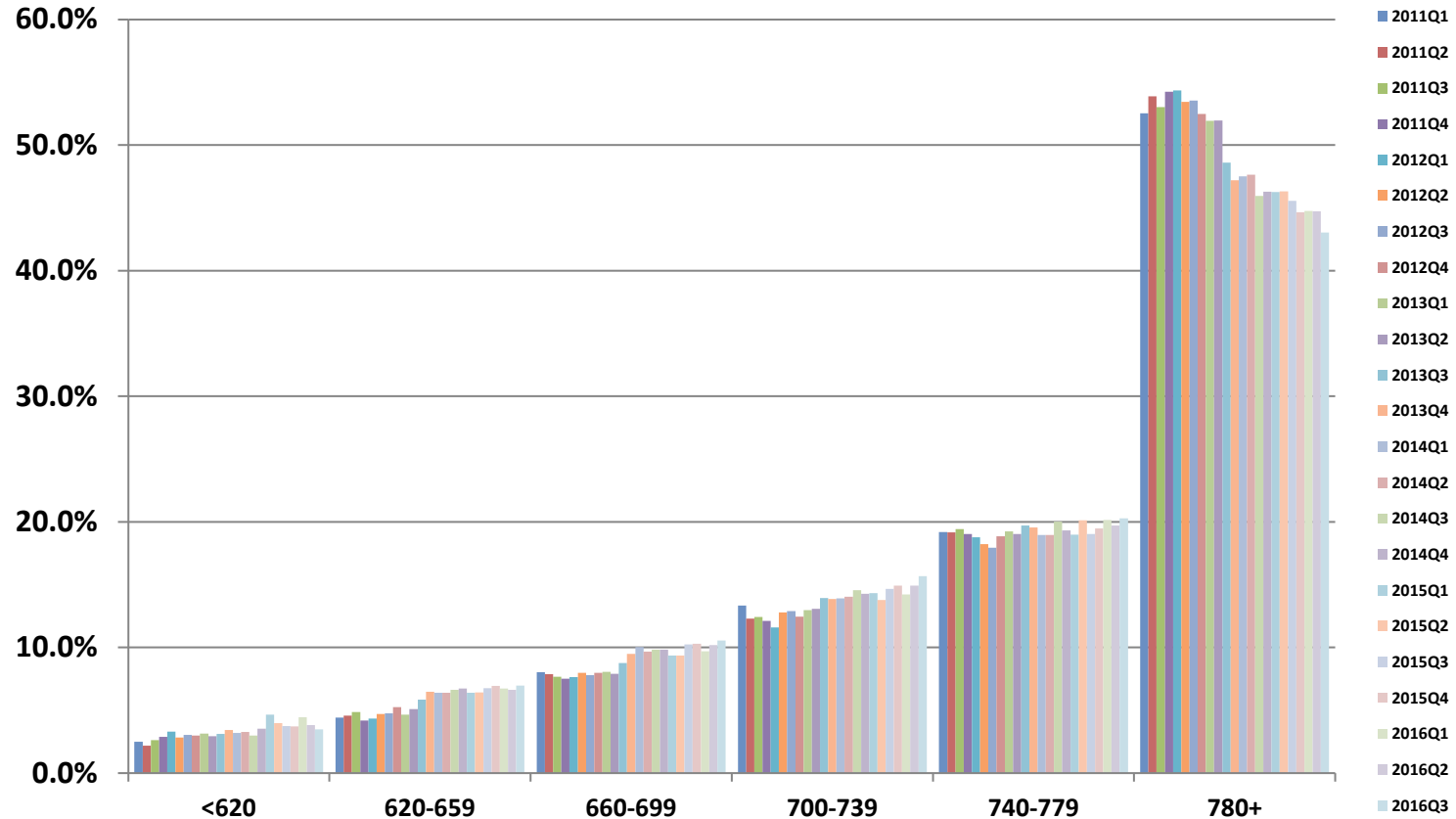


Source: Equifax Inc.

Data as of Dec-Jan 2016

HELOC - Florida

% of # new accounts by quarter, by origination risk score



› More granular view - quarterly vintages

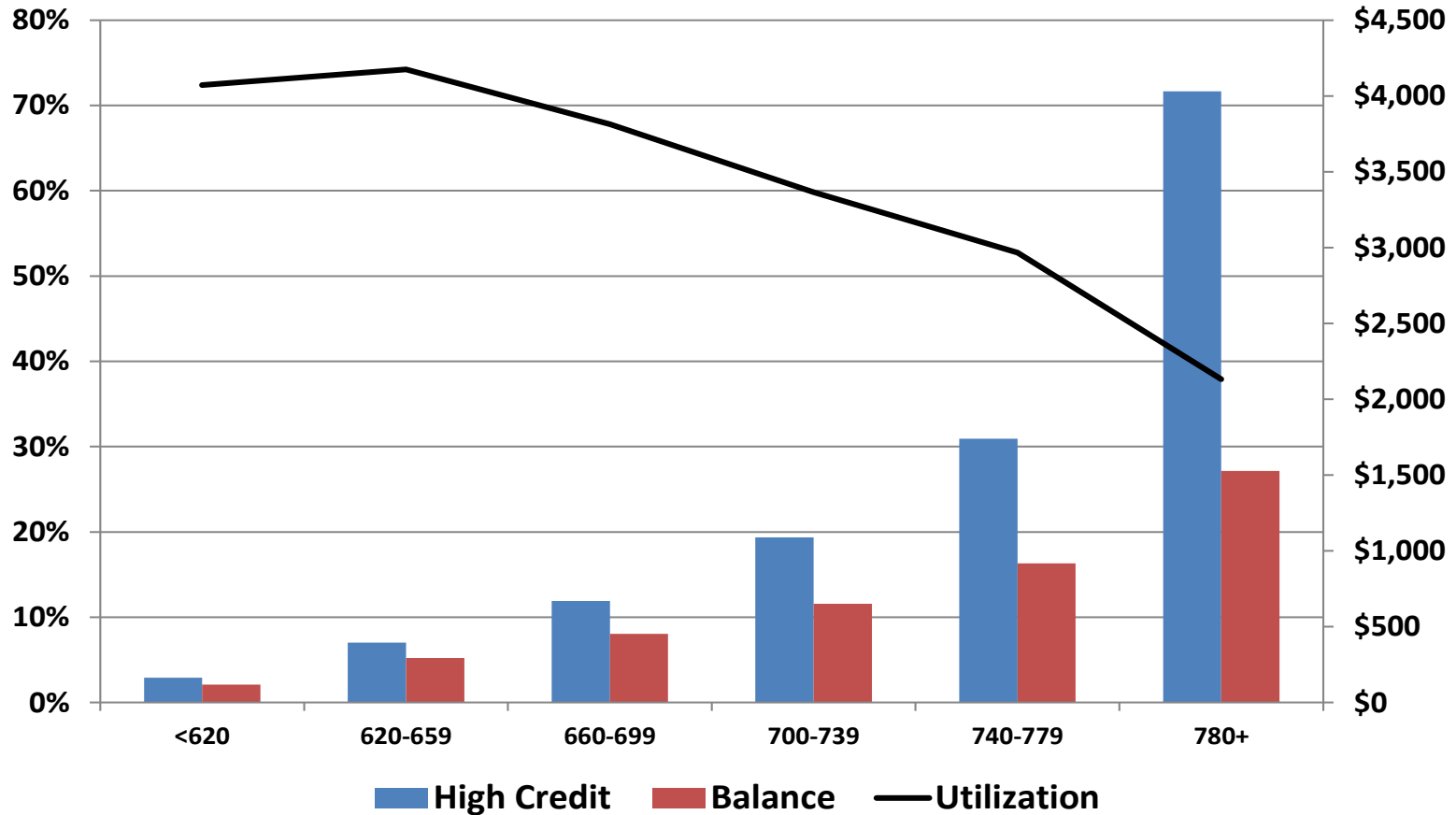
Source: Equifax Inc.

Data as of Dec-Jan 2016

Home Equity Line – Originations 2016

Florida

Utilization %; Credit Limit, Balances
(\$ mil)



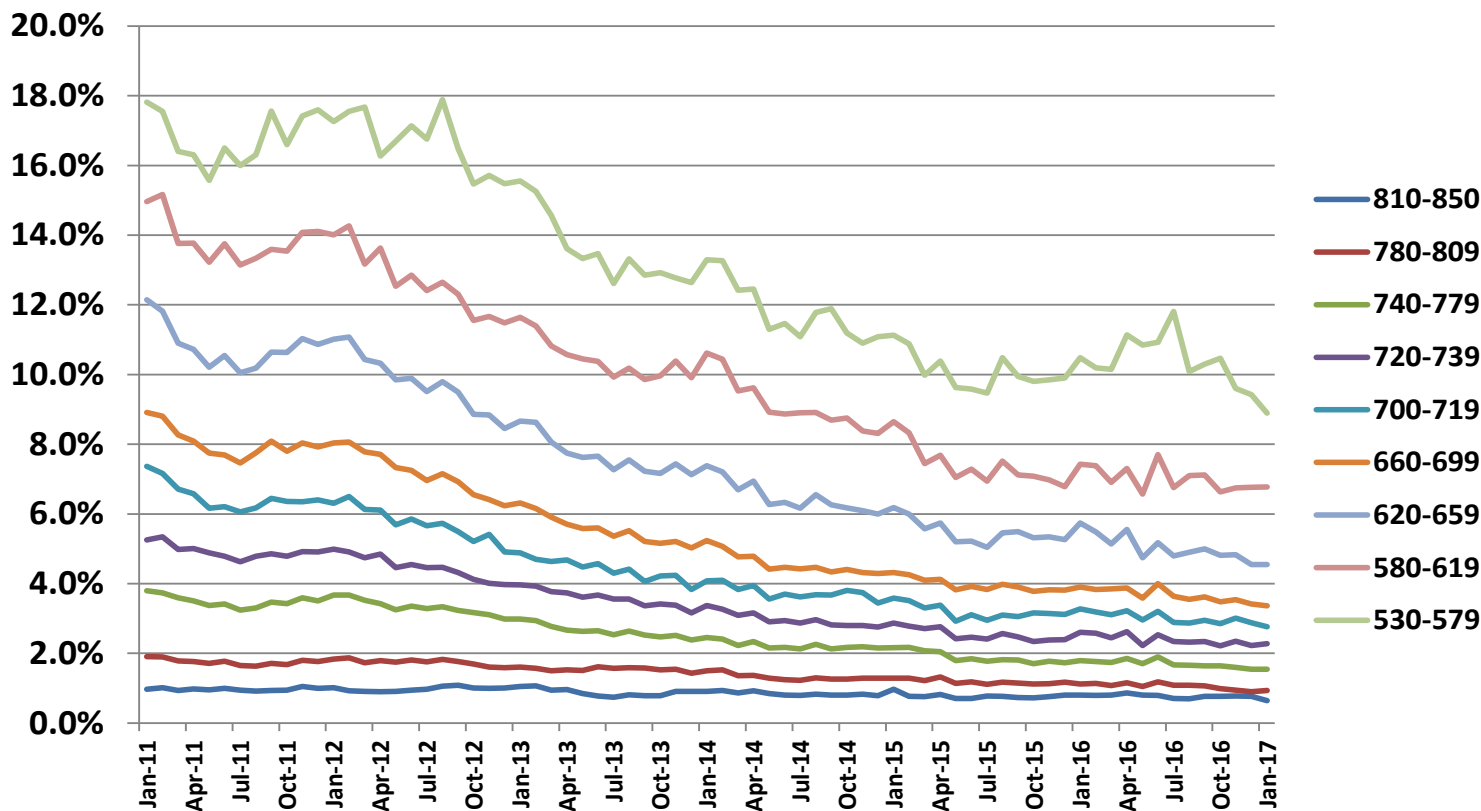
Source: Equifax Inc.

Data as of Dec-Jan 2016

Delinquency Rates by Origination Risk Score - Florida

30+ Days Past Due

% of \$ Outstanding Balances



- › Risk scores rank order risk; good/bad odds shift over time
- › Utilize periodic score validations to update scoring strategies

Source: Equifax Inc.

Data as of Dec-Jan 2016

A proprietary, **anonymous time-series consumer credit data** solution...
specifically attributed for trending, benchmarking, forecasting, research and analytics...
to improve credit, risk, marketing, policy, investment and strategic planning decisions.

Utilized a **major Equifax investment** in technology and analytics to enable the **linking** and accurate tracking of an enormous amount of account level credit data over time, across a number of different dimensions.

An extensive and **flexible data intelligence tool** that allows customization of packages and output options to best fit customers' business needs.

It is the **underlying aggregated credit data** that feeds into **CreditForecast.com**, a partnership product with Moody's Analytics.

Credit Trends Portfolio Metrics

Data Metrics Available by Origination Vintage, Origination Risk Score Bands, Current Risk Score Bands, Product, Geography, & Firm+Peers
Number of Current Trades
Number of 30 DPD Trades
Number of 60 DPD Trades
Number of 90 DPD Trades
Number of 120 DPD or Collection Trades
Number of Trades Foreclosure Started (mortgage secured only)
Number of Trades Entering Default Status this Month
Number of Trades Entering Closed Positive Status this Month
Number of Trades Entering Bankruptcy Status this Month
Number of Trades Entering Miscellaneous Status this Month
Total Balance of Current Trades
Total Balance of 30 DPD Trades
Total Balance of 60 DPD Trades
Total Balance of 90 DPD Trades
Total Balance of 120 DPD or Collection Trades
Total Balance of Trades Foreclosure Started (mortgage secured only)
Total Balance of Trades Entering Default Status this Month
Total Balance of Trades Entering Closed Positive Status this Month
Total Balance of Trades Entering Bankruptcy Status this Month
Total Balance of Trades Entering Miscellaneous Status this Month
Total Monthly Payment on "Active" Trades (excl Final Disposition & Misc)
Total High Credit on "Active" trades (excl Final Disposition & Misc)
Number of Active Trades with Positive Balance

Credit Trends Origination Metrics

Data Metrics Available by Origination Vintage, Origination Risk Score Bands, Product, Geography, & Firm+Peers
Number of Unique Consumers (deduped)
Number of Accounts
Balance of Accounts
Total High Credit (Loan Amount)

Six data dimensions by which the data can be sliced

Origination Vintage	<ul style="list-style-type: none"> Groups loans together based on when they were opened, so their unique performance can be tracked over time
Origination Risk Score	<ul style="list-style-type: none"> Reflects consumer risk level at loan origination, 4-10 customizable score ranges
Current Risk Score	<ul style="list-style-type: none"> Reflects consumer risk level at current period 4-10 customizable score ranges
Loan Product	<ul style="list-style-type: none"> Up to 20 mutually exclusive product categories represent all major consumer credit products
Geography	<ul style="list-style-type: none"> Options are ZIP Code, County, CBSA, MSA, State, Census Division (9), Census Region (4), National
Firm+Peers	<ul style="list-style-type: none"> Summarizes Credit Trends data elements for accounts from your portfolio and/or a chosen peer group

➤ Customize Credit Trends output with SmartView

- web-based data visualization solution
 - ✓ No IT support required
- Intuitively extract the insights and business value from the data Credit Trends delivers, without having to rely on sophisticated hardware, software and analytical resources
- Direct benchmarking of your firm's portfolios vs. self-defined peer groups
- Understand your portfolio's composition, quality, performance, and trends relative to one or more peer groups

NOTES



U.S. Consumer Credit Trends

- › Data are not seasonally adjusted (NSA).
- › Due to changes in data reported to Equifax or other factors, previously reported data may change.
- › Data are sourced from Equifax's U.S. Consumer Credit database of over 210 million consumers.
 - Equifax Credit Trends is the primary source for the data in this report
 - These data are population level – not a sample.
 - Jointly held accounts are represented by a randomly selected borrower on the account. Tradelines are only counted once.
 - Exclusions for data quality are applied, such as timely reporting of the establishment of the trade (≤ 12 months); completeness of the tradeline record including type, credit limit, balance outstanding and status; and other similar filters (e.g., exclude if borrower's death reported).

Consumer Credit Trends

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