



# OCC Process and Procedure Quality Control for Defect-free Cases

## Key Challenge

As the credit crisis continues, the spotlight is now focused on the loss mitigation and foreclosure processes. The OCC Consent Orders now mandate process and procedures from a single point of contact to process transparency. Ever since the discovery of the “robo-signer,” the federal government and state attorneys general are meticulously ensuring that all default management steps are being followed to the letter of the law. Servicers must now confirm that all the information and pre-foreclosure activities are 100% correct before moving a loan to foreclosure. Servicers are keenly aware that creating manual processes (human Band-Aid®) or checklists will not provide the level of quality control and case management that can stand up in a court of law.

## The Solution

Leveraging Pega’s Loan Loss Mitigation Framework, the Pre-Foreclosure solution automates the complex set of processes and decisions across the early collections, loss mitigation and customer service activities. Disparate activities across these departments can impact the integrity of a case recommendation on a daily basis. Pega’s solution automates the monitoring of activities to ensure that all loss mitigation and pre-foreclosure activities are 100% quality controlled. All activities are controlled, tracked and viewed in a single case that can stand up in a court of law.

## The Solution allows Servicers to:

### Eliminate Operational Risk in the Default Management Process

Regardless of how the Servicing system is configured, within 90 days, clients using Pega’s solution are able to implement the process and procedure changes needed for OCC compliance. The solution provides the case management needed to: 1) guide knowledge workers through the complex review and certification process across collections, loss mitigation & customer service, and 2) monitor any system updates and provide the “decisioning” needed to determine any changes to the certified status and resolution to the change.

Clients have found that the pre-foreclosure certification process takes 66% less time to complete and ensures that all of the needed reviews are completed and monitored. Built-in role-based routing, case prioritization and service-level management capabilities ensure that cases are quickly triaged and processed in a timely manner.

### Manage Regulatory Compliance and Transparency

Pega’s solution leverages a unified process and rules environment that enables consistent and transparent execution and enforcement of policies surrounding the specific loss mitigation & foreclosure activities. A built-in audit trail captures all activities performed through the pre-foreclosure. The solution also ensures that the required regulatory and program documentation is in line with company standards.

### Improve Business Agility

Because the framework is built on Pega’s award-winning Pega BPM, it is the catalyst to rapidly deploy and evolve your solution to keep up with the pace of change in mortgage servicing, today and tomorrow.



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## Key Features

### Improved User Experience

- ▶ Supports multiple servicing applications across collections, loss mitigation and customer service .
- ▶ Rules-driven processes guide knowledge workers through the complex checks needed to certify the loan.
- ▶ Configuration Wizard guides business users through the steps to rapidly add or modify federal, state and local program changes based on the non-judicial or judicial process.

### Checklist, Document & Correspondence Management

- ▶ Provides the “on-hold” definitions to be set by management (e.g., Probate, Bankruptcy, Military Indulgence) and which situations “stop the clock”.
- ▶ Automatically generates and tracks correspondence and communications with all related parties.
- ▶ Guides knowledge workers through all steps in the verification process for documents and conditions.

### Pre-Foreclosure Processing

- ▶ Automatically prioritizes cases to work first based on business defined priorities.
- ▶ Monitors the pre-foreclosure status in a real-time environment as updates occur on the case .
- ▶ Comprehensive case management and rules engine supports complex decisioning to reduce the number of steps that require human intervention.

