



CRFS 2021 CASE STUDY

ACCELERATED DISPOSITION CONSULTING



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CRFS Real World Case Study 2021-04

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- **Client:** Mid-sized mortgage servicer
- **Challenge:** In late 2021 our client identified a population of FHA loans that were deemed as eligible to proceed with foreclosure and eviction activities. However, LOB leadership was faced with the challenge of determining the best path for disposition and resolution of their inventory to avoid unnecessary losses, maximize recoveries, and reduce holding costs. In most cases, these paths included Conveyance vs. Non-Conveyance, and if Non-Conveyance, the REO vs. 2nd Chance route.
- **Solution:** CRFS' Accelerated Disposition Consulting resource is a proprietary analytics engine that equips our consulting team with the tools to conduct a thorough review and evaluation of each loan. The variables built into the engine include foreclosure timelines, proper bidding ranges, surchargeable damage estimates, and documented advance amounts. Through the unique combination of the engine's customized algorithms and our extensive knowledge of the disposition process, CRFS was able to provide our client with predictive data on the possible recoveries from the Conveyance, REO CWCOT, and 2nd Chance CWCOT options. Moreover, the review output delivered detailed estimates if the client opted to sell the property through a REO "As Is" or a REO "Repaired" process. Once the estimated recovery and expense amounts were determined, a comparative Summary Report was provided that estimated the potential gain or loss for each of the possible disposition scenarios. Loans referred to CRFS for Accelerated Disposition Consulting required on average no more than five business days for the Summary Report to be provided.
- **Value Add:** The standardized loan output provides quantitative data that supports our client's decision making as they assess and select the option with the best potential financial outcome. At the time of acquisition or service transfer (as part of onboarding the loans), this will help monetize the conveyance options for the loan pool and quantify the financial implications of the investment. A periodic ongoing Accelerated Disposition Consulting review of an existing loan conveyance population will identify existing inventory that has already been curtailed as well as maintain visibility into the potential financial outcomes of asset disposition decisions to help speed the disposition process.