

## Pro-Teck's CollateralPoint: Proven a reliable valuation tool in distressed markets

**Waltham, January 6, 2009** - A large mid-west mortgage bank has been facing the difficult task of managing residential valuations in distressed markets. The primary issue has been not just "what is the value today", but understanding the basis of that value so proper decisions can be made quickly. After trying to use industry "standard" products that are AVM based models or REO broker based BPO's, both were found to be deficient. The AVM products were based on old data and combined with the lack of human intelligence they delivered wide swings in value, while the BPO was simply not an objective value,- again leading to unreliability. Components such as current MLS, objectivity, market and subject data have become critical elements in determining values in the default markets. The Loss Mitigation Director said: "determining value today is as much a jigsaw puzzle as ever, you try to get as many pieces as you can to determine value".

Consolidated information has also been a problem. Multiple valuation services have been required to gather all the needed information, supporting data and visibility into the valuation logic. Decisions are being made on the array of data, not just the valuation. Multiple reports, parallel processes and numerous data resources resulted in driving up costs as well as turn-time.

CollateralPoint solved the problem. Success was driven by a combination of Market data, Subject data, MLS data, and a drive-by inspection with an appraiser managed set of valuation methods that includes: Modeling, Appreciation/Depreciation calculation, square foot pricing and sold/listed comparable evaluation. The bank achieved a single valuation service that delivered all the data and visibility desired in an objective process. Turn time was reduced by days; costs were reduced through the use of a single, comprehensive report. Short sale, loss mitigation and REO listing price decisions were not only simplified but clarity was provided into the logic of the valuation, building a higher confidence through defensible decisions.

CollateralPoint is being used by a number of top mortgage banks, servicers and GSE's throughout the loss mitigation/short sales/REO process and the origination of second mortgages.

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