

Foreclosure Prevention Efforts Augmented by Technology

MBA (3/10/2008) Palaparty, Vijay

Merging **foreclosure prevention** efforts with **technology** has potential in pacifying growing foreclosure problems facing homeowners and lenders. Jacksonville, Fla.-based **XSell** addresses the need through its **software-as-a-service platform** that enables **lenders** to automatically offer **alternatives** to **borrowers** who might be headed toward trouble.

Foreclosure Prevention Efforts Augmented by Technology

MBA (3/10/2008) Palaparty, Vijay

Merging foreclosure prevention efforts with technology has potential in pacifying growing foreclosure problems facing homeowners and lenders. Jacksonville, Fla.-based XSell addresses the need through its software-as-a-service platform that enables lenders to automatically offer alternatives to borrowers who might be headed toward trouble.

"The technology ultimately aims to help lenders keep borrowers in their homes," said Nick Woodcock, COO of XSell. "It provides borrowers with options for making modifications or refinances either through lenders' websites or over the phone, however borrowers contact their lenders. **The primary initiative is to keep borrowers in the homes.**"

Woodcock said the technology parallels efforts of the HOPE NOW Alliance, of which the Mortgage Bankers Association is a member. "What we are trying to do is provide technology in foreclosure prevention to have a positive result," he said. "We wanted to see how we could use analytics and optimization by pulling data from multiple sources to create advice/suggestions on loss mitigation."

XSell provides **analysis and presentment technology** that allows lenders to alert borrowers through multiple delivery channels—online and phone—about loan modification options they might be **eligible** for. The alerts are not only **targeted** toward borrowers in trouble but also pro-actively toward borrowers in good standing—making use of cross-sell opportunities.

"The core of the data is the servicing data," Woodcock said. "We've built series of data out of multiple systems that include investor guidelines and document tracking. We're not a data warehouse, but we pull relevant pieces of data for modifications. The process starts when the borrower contacts the lender. When contact is made, XSell provides notification either online or through the call center or IVR

that a modification is available. Customers then have the option of modifying or refinancing.”

The service interfaces with lender web sites; the company helps design and deploy interfaces.

“As borrowers interact with the lenders’ web sites, we will be able to control and provide information that might be of use and interest,” Woodcock said. “Similarly, CSRs or collectors will also have electronic alerts that pop up on their desktops when working with borrowers.”

Through phone or online, Woodcock said consistency across channels is necessary. “If the CSR skillfully makes recommendations and provides offers, it should work,” he said. “For example, if a borrower is offered a home equity loan over the telephone and refuses it, then the web site should not offer this product to the borrower in the future either. It’s as important to know what not to offer as it is to know what to offer. **What XSell provides is the opportunity for lenders to make relevant offers across all channels** that are based on a real-time dataset—a richer data set that personalizes the offers .”

The company plans to license the software but currently the industry is more comfortable using the service on a SaaS basis, Woodcock said. “What drives us from a client point of view is the lack of IT resources within companies. People are looking for immediate solutions, payback and development. SaaS really helps in this case. Security and reliability are important and once you build the service to the standards the companies expect, they can get a much quicker return on investment,” he said.

“Our goal is to **help the lender interact with the borrower**—what we are doing is saying once you’ve realized that you need to offer modifications or reach out to borrowers for whatever reason, we can give you a **guided and consistent way to make that transaction happen**,” Woodcock said. “Lenders may necessarily not have the ability to provide that capability on a self service basis or might not have the talent in house.”

The company has **partnered with SigniaDocs Inc.**, Houston, to streamline the process in the case of a modification or refinance—to **provide electronic transactions and self service**. The partnership enables borrowers to have **access to documents and eSigning capabilities**.

“[We are] a company that enhances the interaction between an organization and their customers.” Woodcock said. “It takes a customer-centric view starting with the knowledge of the customer from multiple perspective data from multiple systems and helps decide **what the most effective interaction with the customer is**. After deciding what the interaction will be, the offers have to be **personalized** and optimized across multiple channels. This is followed by tracking and monitoring that interaction.”