

CASE STUDY:

A top 20 bank improved its REO processes with Altisource solutions.

CHALLENGE

Large national bank struggled with high cost and inefficiencies in REO management and disposition strategies. A top 20 bank faced significant obstacles in liquidating its REO assets. The financial institution needed to streamline its operation to eliminate unnecessary delays, reduce processing costs and accelerate vendor onboarding timelines. Its barriers to success included:

Technology Limitations The bank found that — due to outdated technologies and REO workflows — its traditional approach to asset management led to higher asset carrying costs, increased head count and operational inefficiencies.

Marketing Gaps Marketing decisions made by bank employees as opposed to seasoned REO asset management and broker oversight professionals led to the implementation of less effective marketing efforts and ineffective brokerage assignments.

Operational Inefficiencies The bank's legacy processes and REO management strategies focused on traditional marketing efforts as opposed to technologically savvy and automated solutions, resulting in (1) lower asset liquidation rates, (2) higher on-market timelines, (3) asset deterioration and (4) operational inefficiencies. These inefficiencies reduced net sales proceeds and increased risk.

SOLUTION

Improved workflow and reduced costs with comprehensive solutions from Altisource. Altisource leveraged proven technology-enhanced processes from its Equator® Default Servicing Platform and Hubzu® Online Real Estate Marketing Platform to overcome limitations of the bank's legacy systems and staffing constraints. Its highly experienced professional teams then helped ensure a quick and smooth transition from the bank's existing technology and vendors.

Altisource implemented comprehensive workflow and process controls that covered the entire REO lifecycle — from REO onboarding,



METRICS



228 – 208

Days on average.*
Reduced disposition
timeline



45%**

Increased
liquidation rate



\$4,400

Per property*



\$4.3M***

Created annualized
operational
savings

Streamlined asset
management
processes drove
profitability.

pre-marketing and marketing to closing. Expanding automation and task-based systems not only helped ensure easy onboarding and rapid assignment of assets to vendors, it also applied improved processes for completing work to meet the bank's high standards.

To help maximize ROI, Altisource introduced innovative marketing solutions to help promote properties earlier in the REO process, including "Marketing while Occupied" and "Coming Soon" tactics. Altisource also promoted properties through its Hubzu platform, driving more traffic from prospective buyers and bidders through syndicated websites, digital promotions and local advertising campaigns.

RESULTS

Streamlined asset management processes drove profitability. By boosting technical capabilities and refining best practices, the bank was able to improve disposition timelines and quality while reducing costs and maintaining strong vendor oversight. It also achieved significant financial and timeline savings in less than 12 months.

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PROVEN EXPERIENCE

Over **223,000** single-family residential properties have been sold to date

(sold between January 2009 – March 2020)

61.1% of homes marketed on Hubzu are sold within **60** days they are active on the market

(sold between April 2019 – March 2020)

18 average bids per sold property

(sold between April 2019 – March 2020)

Trusted by **1.8** million users

(as of March 2020)

*As reported by client, January 2016 – December 2016

**45% more sales of marketable properties

***Values reported by client include both cost savings and increased proceeds (consistent monthly increases of sales annualized)