

Logicalis Gives Marix Servicing a Head Start on Saving Viable Mortgages for Homeowners in the Face of the Collapse of the Sub-Prime Market

Marix Servicing LLC, a loan servicing company founded in 2007 in response to distress in the U.S. mortgage market, leverages technology to initiate loss mitigation procedures in time to keep homeowners in their homes. If time is of the essence in normal markets, it is especially critical today, as the outright collapse of the sub-prime market continues to undermine credit markets around the world.

Responding to clients' urgent need to collect detailed information about mortgages they either insure or own, Marix needed an application to help the company gather current data from homeowners who were at risk of defaulting on their loans—Marix needed it fast.

"It is a truism in the mortgage market that the more time goes by for a distressed loan, the more likely it is to end up in foreclosure," says Marix Senior Vice President Steve Paton. "The key to saving distressed borrowers is contacting them directly. We needed a way to reach out to individual borrowers as quickly as possible and begin collecting information on their loans."

Marix maintains teams of highly trained experts who can help homeowners save their mortgages through a range of financial options, including refinancing, short-sale arrangements, and other workout plans. Everyone benefits, especially the homeowner, when a mortgage can be kept from foreclosure. Innovative technology was required to get help to homeowners in time to make a difference. Marix had worked with Logicalis in the past on the development of a comprehensive Portfolio Management Reporting Solution that allows employees and investors to create custom reports within a secure portal accessible via the Internet.

In the face of the political and economic tsunami crashing through the mortgage market, Marix Chief Technology Officer Glen Banta again turned to Logicalis to develop the Marix Borrower Outreach program, a new software application that would be used to greatly accelerate the process of collecting critical information from homeowners. The word from the business side was clear—they wanted this yesterday. This would be rapid application development on steroids.

Less than five weeks later, working as an extension of the Marix IT team, Logicalis completed requirements for development, quality assurance, user acceptance testing, and full production of the Marix Borrower Outreach program. "Logicalis knocked it out of the park," Banta summarizes.

A Light In The Darkness

The Marix Borrower Outreach program responds to the very specific needs of two distinct sets of Marix clients: mortgage insurance companies and mortgage investors. The key for both audiences is the ability to begin direct communication with individual borrowers as quickly as possible.

Mortgage insurance companies are liable for claims on defaulted mortgages, and rely on loan officers to provide critical information on the status of the mortgages the companies insure. As delinquency rates increase, and some officers' capacity is stretched, many borrowers are not being reached on a timely basis.

Marix recognized the need to begin collecting information from borrowers more quickly and developed the Marix Borrower Outreach, a high-touch, high-tech approach with special licensing that enables Marix to reach borrowers quickly while

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Glen Banta, Chief Technology Officer, Marix Servicing

there may still be time to prevent homeowners from defaulting on their mortgage loans. Similarly, mortgage investors who buy mortgages in blocks of hundreds and thousands need to establish immediate communications with individual homeowners to initiate loss mitigation procedures before their mortgages reach a tipping point that almost always ends in foreclosure.

Typically, there is a delay of anywhere from 30 to 90 days during the legal transfer of mortgages from one investor to another before the data on an individual loan is fully “boarded” into a loan officer’s system. This delay effectively creates a dark period during which no information is available. By accelerating the collection of critical data, the Marix Borrower Outreach program shines a light into that darkness and allows Marix to begin contacting homeowners as soon as a minimal amount of information is available.

Pre-boarding Critical Information

The Marix Borrower Outreach program makes it possible to “pre-board” critical information including property information, payment history, and the real-time status of the mortgage before the formal transfer of data is complete from the previous owner of the loan.

Marix distinguishes itself from other loan servicing companies by its diligence in its efforts to establish direct contact with the homeowner. If calls and letters don’t establish a meaningful dialogue with the homeowner, a Marix loan expert will make house calls. The Marix Borrower Outreach program enables Marix to capture more than 500 data points and customize a

strategy to save the home for the homeowner, and preserve the value of the mortgage for the investor. The program gives Marix a competitive advantage among loan servicing companies.

“At every presentation I make, clients and prospective clients are impressed with our use of technology,” says Banta. “No one else has anything like this—yet.”

“Logicalis has been very good at understanding the business needs and bringing that to bear on what we are trying to accomplish,” Paton says. “They do a good job of retaining that information, too,” he adds. “We’ve done several projects with them, and they never have to start over from scratch. Logicalis works like an extension of our own IT team.”

What’s good for Marix has also been good for the mortgage market. By shedding light on a dark space in the market, Marix is able to facilitate the informed re-evaluation, maintenance, and management of mortgage portfolios.

“With the money the government has infused, and the acknowledgement that everyone is in the same boat,” Paton says, “activity will begin to pick up, and these distressed assets will be traded more actively. There are lots of buyers with billions of dollars waiting on the sidelines to purchase these loans.”

What can we do for your organization?

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