



Proven Performance
EMC Mortgage Corporation

What is the Mod Squad?

Default Operations

MOD SQUAD

A newly-formed loan modification team dedicated to helping delinquent borrowers avoid foreclosure, comprised of:

- **Call Center Team:** A 50-person team who receives inbound calls from customers and makes outbound calls to borrowers at risk on the toll-free Mod Squad Hotline: **1-877-EMC-MOD1**
- **Expanded Loss Mit Strategies:** Attorney network soliciting workouts & Advanced Contact Strategies utilizing "Door Knockers"
- **Road Show Team:** A group of EMC workout specialists who will team up with local community groups to conduct educational workshops and explore possible financial restructuring for at-risk EMC customers

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What is the Mod Squad?

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Mod Squad began a six-city national road show in Dallas on May 4 & 5 at the Hilton Garden Inn, partnering with Consumer Credit Counseling Service (CCCS). EMC Customers who attended received:

- \$100 Home Depot Gift Card
- Free Taxi Ride to & from the workshop
- Free Food and refreshments

Future Road Show locations:

- Atlanta
- Chicago
- Detroit
- Minneapolis/St. Paul
- Cleveland

Mod Squad Progress Report

Default Operations

EMC Mod Squad - Days in production as of May 2007 Month End

Inbound calls	21,485
1) Promises to Pay	4,543 (21%)
2) Workouts Open	2,492 (12%)
3) Right Party – No Activity	9,752 (45%)
4) Third Party	4,698 (22%)

- **Promise to Pay:** Borrower has indicated a date when we can draft their account to bring the loan current (70% of promises stick)
- **Workouts Open:** Workout / Modification options are legitimate with negotiations started
- **Right Party – No Activity:** EMC has talked to the right party (borrower) and workout was not qualified or borrower was not ready to start negotiations
- **Third Party:** A foreclosure referral, call from someone who is not an EMC customer, borrower is current

Mod Squad Progress Report

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Incremental Improvements from the Mod Squad

- Deed in Lieu & Short Sales are up 27.68% month over month
- Loan modification completion is up 28.29% month over month
- Promises to pay are up 56.12% month over month - Due to new dialer strategy and Mod Squad
- Door knocker campaign contact rate is up 14.07% on customers who have not contacted us in the last 60 days (Eventual Mod Squad Candidates)
- Inbound call volume month over month from our foreclosure bucket has increased 19.54%

Mod Squad Progress Report

Default Operations

Dallas Road Show Results (May 4-5, 2007):

92 Total scheduled appointments
 17 No-shows (7.6%)
 12 Walk-in's
 87* Net serviced borrowers

Category	Raw Number	%
Repay plans	44	47%
Modification	16	17%
Deferments	15	16%
No resolution	6	6%
Forbearance	5	5%
Reinstatement	5	5%
Workout	2	2%
Short sale	1	1%
Totals	94*	99%

*Some borrowers had multiple loans