



Evolv Loan Accounting

PRODUCT FEATURE SET, Q1 2011 | V 2.8

Reporting and Analytics

FLEXIBLE REPORTING INFRASTRUCTURE

- Web-based, Dynamic User Interface with Full Adhoc Reporting leveraging Microstrategy
- Configurable Custom Field Definitions

OUT-OF-THE-BOX REPORTING

- Management Dashboards
- Full SEC Disclosure Coverage
- Coverage Regarding Disclosures for Credit Quality & Allowance for Credit Losses
- Specific SOP 03-3 Reports (AY/NAD Roll-forward)
- BI Integration with Microsoft Office Suite include MS Excel and Power Point
- Mobile Business Intelligence Capabilities

DETAILED ANALYTICS

- Analytics Combining Risk Attributes and Accounting Results
- Yield Trending Analytics
- Impairment Analysis
- Period-over-Period Percent Changes
- Loan Level Metric Capture with Custom Dimension Definition Capabilities for Quick Slice/Dice Reporting and Drill Through Analytics

Platform, Integration, and Workflow

ARCHITECTURE

- Highly Scalable Architecture
- Open Platform Based on Linux, Java Stack
- Open Oracle-Based Data Warehouse Architecture

EASE OF UPSTREAM INTEGRATION

- Standard and Simple File Interface Experience with Many of the Consumer / Commercial Servicing Platforms Used in the Market

GENERAL LEDGER POSTINGS

- Configurable Posting Rules
- Loan Level Sub-ledger
- Ability to Generate Uploadable GL File

WORKFLOW AND SECURITY

- Automated Data Validations
- Automated Error Reporting
- Rewind / Replay Functions – Ability to Process Adjustments After Close
- Automated Data Archiving Capabilities
- Integrated Security Features (Configurable Roles, LDAP Integration, UI Security Testing)

Accounting Functionality

LIFECYCLE OF LOAN EVENT PROCESSING

- Initiation Events (Purchase, Origination, Modification/ TDRs, Consolidation)
- Activity Events (Shadow Payment Processing, Shadow Accruals, Amortization, MTM, Impairments, Balance Transfers)
- Exit Events (Charge-offs, REO Transfers, Payoff/Short Sale, Sales/Securitizedizations)

SOP 03-3 / 141R MODULE

- Day One Purchase Accounting Adjustment
- Day One SOP 03-3 Accretable Yield (AY) and Non-Accretable Difference (NAD) Calculation
- Day Two AY and NAD Roll-forwards
- Automated / Transparent Accretion Schedules
- Impairment Testing and Tracking
- Yield Adjustments and Tracking
- Ability to Handle Exit Events
- Cohort Level Accounting (Tracked at the Loan Level)
- Accounting for Balance Transfers

FAS 144 / REO MODULE

- Life-Cycle GAAP Accounting for REO HFS Assets (FAS 144 and FAS 66) – Including Mortgage Insurance Receivable Tracking
- Recognition of Initiation Events
- Ongoing LOCOM Analysis and Resignation Event Processing
- Disposition and Profit/Loss Recognition (Multiple Methods)

CASH FLOW FEATURES

- Commercial and/or Residential Cash Flows
- Contractual Cash Flow Modeling
- Conversion of Loss Curve Inputs to Expected Cash Flows
- Workflow for Credit Personnel to View Historic Activity and Express Go-forward Expectations
- Ability to Run Multiple Scenarios

TAX BASIS MODULE

- Support for Tax Market Discount or Market-to-Market Method
- Section 597 Highest Guaranteed Value Adjustment for Federal Financial Assurances
- Loan level Effective Yield Accretion Method for Tax Market Discount
- Significant Modification
- Reconciliation of Book Value and Income Recognition between GAAP and Tax

FAS 65 MODULE

- Automation of Re-designation Events
- Automated LOCOM Accounting
- Accounting for Activity Against HFS Loans

FAS 91 / IAS 39 MODULE

- Multiple Fee Level Yield Amortization (Contractual)
- Application to FAS 166/167 Loans
- Loan Modification Testing Under EITFs 96-19 / 01-07
- Full Availability of Loan / Fee Level Schedules
- Tracking of Unamortized Balances at Fee Level
- Accounting for Balance Transfers
- Fee Allocation from Facilities to Underlying Loans

FAS 15 / 114 / TROUBLED DEBT RESTRUCTURING (TDR) MODULE

- Automated TDR Testing – Borrower in Financial Difficulty and Concession Tests (EITF 02-4)
- Automated Reporting of Test Results
- Integration with SOP 03-3 to Comply with CAQ White Paper: Application of FAS 114 to Modifications of Residential Mortgage Loans that Qualify as Troubled Debt Restructuring
- Automated FAS 114 Impairment Testing

FDIC INDEMNIFICATION ASSET MODULE

- Day One Fair-Value
- Day One Accretable Yield (AY) Calculation
- Day Two AY Roll-forwards
- Automated / Transparent Accretion Schedules
- Valuation Adjustments & Carrying Value Tracking
- Yield Adjustments and Tracking
- Handles Indemnification Asset & Loan Exit Events
- Cohort Level Accounting
- Over-all Combined SOP 03-3 Loans and Indemnification Asset Tracking
- Integrates with Evolv FDIC Loss Share Application

Features in Upcoming Releases

1. Further Forecasting Capabilities
2. Loan Fair Value Workflow (Including FAS 159)
3. FAS 5 Accounting for Contingencies
4. Capitalization (141(R))
5. HFU Accounting for REOs
6. IFRS Accounting for Acquired Loans