

Loan Protector Adds Additional 15,000-square feet to Accommodate Growth

In May of this year, Loan Protector relocated part of its operation into a newly re-modeled 15,000 square foot office, just minutes from the corporate headquarters, to accommodate the continued growth of the company. The data input and computer information technology departments, which will be housed in the new facility, have grown by more than 100% within the past year due to an increased demand for the company's proprietary software, EasyTrack.

"Thanks to our hard-working and dedicated staff, last year was a very good year for Loan Protector," said Ron Wiser, President of Loan Protector. "We are currently working with some of the largest servicing operations in the nation and it became necessary for us to expand to effectively meet the needs of our clients. Much of our success can be credited to continuously updating our technology and providing enhancements that our customers want. Several industry experts joined our team this year and we added new products and services to further meet the needs of our growing client base."

In the past year, Loan Protector has taken several additional steps to further develop the products and services including more than 80 enhancements to its tracking system. Additionally, Loan Protector increased its customer call center by 100% and added several seasoned managers. Finally, the company instituted new bi-directional interfaces with leading servicing software providers, as well as X12 interfaces with more than 50 insurance companies to more effectively and accurately capture insurance data for customers.



Solon Mayor Kevin Patton and Loan Protector President Ron Wiser cut the ribbon for the grand opening

President Ron Wiser:

"This additional 15,000 square feet expansion will be home to our tracking operations. Over the next 18 months we plan to add 50 additional staff members. We envision filling this building to 80 Loan Protector employees by 2006. We have been able to grow our business, primarily through the hard work and dedication of our employees, but also by being responsive to the needs of our clients. That attention and focus on the customer has proven a winning strategy, and this new office is a reflection of that hard work. We moved our business to Solon in 1991 from Northern California. Our first office was a converted house and we had only four employees. Today we have more than 100 employees who provide service to more than 300 clients across the United States."

- Ron Wiser, President

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Loan Protector Expands Call Center and Surpasses Industry Standards

Loan Protector understands the importance of having superior customer service. To better serve our clients and make sure your clients receive the best possible service, we have expanded our call center to better manage customer needs.

In addition to increasing the size of the call center to a 20-seat center, Loan Protector has created detailed processes, specific job instructions and informative scripts to help improve the efficiency and quality with which each call is answered. The center has quality controls in place to ensure that information furnished is consistently updated and accurate. Loan Protector is instituting a long-term quality control system that will measure each representative's performance against a set of standards to point out any deficiencies in training and ultimately improve the overall effectiveness of the call center.

President of Loan Protector, Ron Wisner, said, "We estimate that each call center representative will have more than 25,000 contacts with our client's customers during the course of one year. It is important that our clients are confident that their customers' concerns will be handled in a professional manner; therefore, we have set up a comprehensive set of quality controls to ensure each customer receives the utmost service."

We have installed state-of-the-art booths to improve productivity. Each workstation is uniform with standardized, proper working equipment to ensure all incoming calls are answered effectively and all outbound calls are successfully completed. Along with the improved workstations, we plan to have each representative certified and to have the call center recognized nationally for its efficiency, quality and retention programs.

Current industry standards dictate each customer service representative should be able to answer 90% of incoming calls within 20 seconds and keep abandoned call rates under 1%. Last quarter, Loan Protector's call center volume increased 40%, but the company maintained a 91% service level, answering most calls within 10 seconds and with a less than .8 percent call abandon rate.

Mr. Wisner further explained, "Our goal with the call center is to surpass industry standards in customer service. We credit much of our success to our ability to personally assist each customer. Our specially trained customer service team is constantly examining better ways of navigating the system and collecting information to ensure progress."

Each call center representative receives an initial three-week training session in Loan Protector's data entry department to familiarize themselves with the various types of insurance and forms inherent within the industry, as well as our tracking software, EasyTrackSM. Then, all representatives are trained on the company's quality control system, becoming familiar with how to navigate and use the information to best help the customer.

Representatives are also thoroughly trained on how to satisfy unpleasant callers, control objections and interruptions and ultimately how to conduct themselves professionally on the phone. In addition to role playing, new representatives receive side-by-side monitoring to ensure each caller's needs are met. Upon completion of the initial training, each representative is trained on making outbound calls, ensuring the correct information is gathered and then entered into the system.



Loan Protector Chooses Registrar for ISO 9001:2000 Certification

Seeking international recognition for its quality management system

Loan Protector is among one of the few within the financial services industry to begin the process to become ISO 9001:2000 certified. We have selected Intertek Systems Certification, a division of Intertek Testing Services, as our registrar for the certification. ISO 9001:2000 is the internationally recognized standard for quality management systems.

Ron Wisner commented, "Intertek has a long-standing reputation within the financial industry for its ISO 9001:2000 certification services. Their commitment to growth and quality systems was a key factor in our decision to partner with Intertek. Overall, Intertek is a good fit for our business."

Bob Carter, senior account executive for Intertek Systems Certification, will manage a specialized team of qualified auditors to determine if Loan Protector's quality management system complies with ISO 9001:2000 requirements.

"ISO 9001:2000 certification of financial services companies in this country is rare," Mr. Carter said. "During the request for proposal and interview stages, it was clear that Loan Protector had done its homework. The company is well acquainted with the audit requirements and is looking for the type of value-added audits we provide. In addition, they are enthusiastic about the benefits of the ISO 9001:2000 certification and are using the requirements to further develop its system. We're looking forward to working with Loan Protector."

To become ISO 9001:2000 certified, an organization must demonstrate it has developed and

implemented a quality management system that meets the requirements of the international standard. The areas to be reviewed include customer service requirements and satisfaction, compliance with applicable regulatory requirements, internal audits and continual improvement. Audits by an accredited third party registrar provide independent confirmation that the auditee's system complies with the requirements. The registrar conducts regularly scheduled surveillance audits to maintain the certification.

Loan Protector has implemented a comprehensive quality management system to continually improve the processes and products. Each business process is documented and ownership clearly defined. Key customer, regulatory and internal requirements are written into quality plans, which the managers use to guide process activities and monitor results. In addition, job instructions and forms are controlled and published from a single source and all documents are automatically published in electronic books customized to the areas where they are used. Employees are trained using the current instructions and their progress is recorded. Specially-trained employees audit processes to verify compliance with the planned arrangements.

"It is part of each manager's job to see that our business processes are properly documented and executed," Mr. Wisner said. "We have been using the ISO 9001:2000 requirements to improve our business practices and are looking forward to certification as recognition for our efforts."

Loan Protector Improves X12 Processing With New 4010 Version

We recently enhanced our electronic data interchange (EDI) X12 processing capabilities. As you know, X12 is the universal standards body for the cross-industry development, maintenance and publication of electronic data exchange standards. The improved EDI X12 processing enables us to more efficiently share borrowers' insurance information electronically.

We have been instrumental in helping the insurance industry move from the former 3030 version to the new 4010 version of EDI X12. The enhancements offer a wider variety of insurance documents, such as cancels, reinstates and endorsements, to be processed in addition to the renewals and new business transactions handled by the previous version.

EDI X12 has allowed the insurance industry to realize significant cost savings by reducing the number of documents that would normally move through the mail. Using version 4010, manual data entry of documents has been eliminated, reducing the numbers of errors and improving the accuracy of the data. This significantly increases productivity because the number of documents processed each hour is limited only by the speed of the computer used in the interface.

In the new version, information about the insured property including the address and pertinent information about the insurance agent is available, as well as additional coverage types normally listed on an insurance policy, such as wind or earthquake. The 4010 version also recognizes and allows for specific exclusions to policies such as flood or hurricane.

Loan Protector Adds Dedicated Escrow Department

We are proud to announce the addition of a new department completely dedicated to researching, processing and verifying insurance documents for escrowed and impounded loans serviced by Loan Protector. With the completion of more than 95 electronic interfaces with major insurers, as well as interfaces with Fidelity MSP, Financial Industry Computer Systems, Inc. (FICS), McCracken and MortgageServ, the number of escrowed loans Loan Protector receives has significantly increased.

The escrow department's sole focus is on servicing and processing issues related to escrowed or impounded loans. As more and more escrowed loans were coming in to be processed, we realized there was a need for a separate department with a single focus.

The new department allows us to more accurately and efficiently process bills for escrowed loans; research and verify payee and billing document exceptions; verify and audit data entry; communicate exceptions to clients; respond to client inquiries and provide feedback to product management on enhancements needed. The

department is headed by experienced mortgage escrow professionals and consists of nine full-time escrow specialists responsible for maintaining a knowledge base of specific insurance carrier billing procedures and for obtaining timely and adequate billing documentation from carriers.

Loan Protector's escrow payment of premiums is tailored to each lender's needs and specifications from the reporting of insurance payables to the actual payment of insurance premiums. Within the department, all documents go through a thorough quality control process, including four instances of redundant data entry to ensure there are no discrepancies. Loan Protector's EasyTrackSM software enables lenders to have immediate Web access to billing history and images of paper bills. In addition, EasyTrack's features include an automated bill review and a Web-delivered, collaborative bill-marking system.

The Lender Connection is a publication of Loan Protector Insurance Services, the leading independent outsourcer of customized insurance tracking and lender-placed insurance programs, designed to fit each mortgage lender's specific requirements. We offer a complete line of insurance tracking products, including hazard and flood insurance tracking for residential mortgages and multi-line insurance tracking for commercial mortgages. Using its state-of-the-art proprietary software, EasyTrackSM, Loan Protector helps servicers manage their insurance verification, escrow premium payment and lender-placed insurance processes in a secure, online environment. Loan Protector has custom interfaces with most of the residential loan servicing platforms including Fidelity MSP, MortgageServ, and FICS. Our custom interfaces with commercial loan servicing platforms include McCracken and Enterprise.

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