

# FIRST AMERICAN'S HOA LIEN MONITORING SOLUTION HELPS PROCTOR FINANCIAL MANAGE PORTFOLIO RISK

## CASE STUDY

### THE COMPANY

Proctor Financial, Inc. (Proctor), an industry-leading lender-placed insurance firm that mitigates risk for mortgage lenders and servicers who operate nationwide — a market with strong competition.

### THE GOAL

Track mortgages linked to homeowners associations (HOAs) to monitor and protect loan assets, particularly in super-lien states where HOAs can become first lienholders.

### THE CHALLENGE — AN EFFICIENT WAY TO MANAGE RISK

For lending institutions, analyzing mortgages tied to HOAs is a challenging, yet critical component of loan portfolio management. Without the ability to monitor activities on these properties, businesses can fail to gain an edge in super-lien states — where an HOA lien can supersede

the first mortgage and even foreclose on the property, extinguishing the first lien — as well as overlook pre-foreclosure activity that could drive the right decisions to preserve assets.

As a lender-placed insurance firm, Proctor recognizes that customers and borrowers are the lifeblood of their clients' businesses. As such, Proctor is committed to superior service and compliance assurance in managing the mortgage servicer and borrower relationships.

To best serve its clients Proctor was seeking a partner to provide:

- Precise, timely and aggregated HOA lien and pre-foreclosure datasets
- Active monitoring and managing of risks associated with HOA liens (nationwide and in super-lien states); and
- Responsive, efficient customer service and technology solution support

As a means to safeguard its industry position, Proctor needed an advanced solution to identify and manage its portfolio of properties at risk for loss due to HOA fee delinquency. HOA lien

information is available within disparate public record data sources. Proctor required a resource to compile and analyze the information efficiently, especially in super-lien states.

## THE SOLUTION – CUSTOM HOA LIEN MONITORING BY DATATREE

Proctor collaborated with DataTree® by First American® to deploy an advanced HOA lien monitoring solution to actively manage loan portfolio risks (specifically HOA liens and in super-lien states). Backed by DataTree's consultative approach, the new results-driven "early warning solution" needed to:

- Monitor and identify HOA liens on mortgage lenders' properties
- Prioritize HOA liens based on the likelihood the lien would result in a foreclosure
- Aggregate and analyze portfolio risk results for internal review

DataTree developed a customized solution to aggregate the immense property data needed to achieve these objectives while enabling Proctor to efficiently analyze the findings. This solution enabled Proctor to inform clients of the possible risk they hold due to HOA liens in addition to providing early warnings on potentially problematic HOA liens. As a result, Proctor's clients were able to proactively resolve many of the HOA liens before the lienholder started foreclosure proceedings.



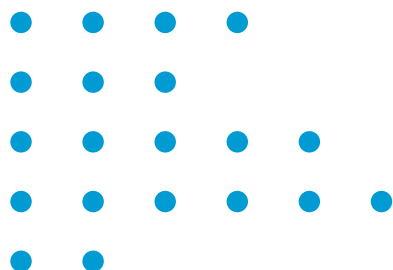
### What Makes DataTree the Leader in HOA Data

- Comprehensive access to hard-to-find HOA contact information (including names, fees and contacts) that stretches across all 50 states and 2,300+ counties nationwide
- HOA lien information that supplies critical lien data, association information and property/ownership details from a single source and is available in 1,400+ counties
- Access to HOA data and HOA lien data solutions, as well as the help of qualified experts so mortgage servicers can protect their assets



"[DataTree is] willing to collaborate, review our evolving needs and adjust the processes accordingly to ensure they are meeting the needs of our clients."

**ANDREW FLOURY**  
REGIONAL VICE PRESIDENT  
PROCTOR FINANCIAL INC.



## THE RESULTS – SIGNIFICANT ASSET RETENTION: \$66M IN AT-RISK PROPERTIES

Proctor recognized almost immediate results after implementing the solution in February 2019. Their team quickly identified nearly 1,600 at-risk properties, which equated to significant financial holdings for their clients. Upon analyzing the high-risk properties, Proctor was able to locate the high-risk liens that required quick action to protect client interests. In a measured period of approximately four months, Proctor resolved 618 liens, with loan values estimated at \$66 million.

Leveraging the solution, Proctor was able to provide value-added services to clients while benefiting from time, cost and operational gains once constrained by assembling and analyzing data. The Proctor Lien Risk Resolution Department actively identifies and researches liens, obtains payoff demands and submits payments on behalf of their clients using the HOA lien information by DataTree. To maintain their client's financial position, staff resolve the problematic lien and obtain lien relief documentation.

The quality, breadth and timing of the data provided by DataTree allowed Proctor to provide this high-value lien risk resolution offerings for their clients.



“The product we established with First American helped to identify our clients’ risk of properties located in super-lien states. Without DataTree, we would not have been able to provide this service to clients.”

**ANDREW FLOURY**  
REGIONAL VICE PRESIDENT  
PROCTOR FINANCIAL INC.

## DATATREE SOLUTIONS SUPPORT PROCTOR’S INITIATIVES AND CAN DO THE SAME FOR YOU

DataTree and Proctor collaborated to develop and implement a custom results-oriented portfolio monitoring solution. The HOA lien resolution service provided operational, compliance and risk management to ensure significant asset protection for clients.

For businesses in need of customized data solutions, DataTree experts are available to assist. Market-leading companies across many industries – including real estate, financial services, government, education and legal – choose DataTree by First American for their data needs. Only DataTree can take the most comprehensive, verified property data and combine it with customized solutions that help businesses better service clients and protect assets.



**Speak with One of Our Experts Today**

### **DataTree by First American**

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#### **Sales**

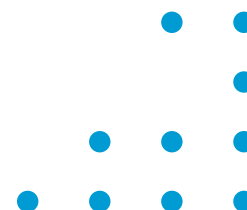
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