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SECONDARY MARKET ALL-STARS

• 2015 •

THE SECONDARY MORTGAGE MARKET is staging a determined, if quiet, recovery. Fannie Mae, Freddie Mac and Ginnie Mae still hold a majority share, but after years of shrinkage, the dormant private label market is emerging as a real opportunity for growth.

What does it take to capitalize on that opportunity? What strategies and solutions will enable a sustainable private market that can thrive alongside the GSEs? In this section we profile 12 companies who are working out those answers, with exciting results. Our list of Secondary Market All-Stars spotlights companies at the heart of the industry who are delivering solutions and services in both the GSE and private-label market, and forging a path for others to follow.

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A L I G H T

Alight Mortgage Lending: Solutions that make scaling easy

Alight Mortgage Lending specializes in providing dynamic, real-time scenario analysis to mortgage lenders so they can proactively manage their business. The company's applications enable lenders to continuously evaluate the impact of economic factors on their firm, a critical tool as lenders look to sell their loans to the secondary market. Changing interest rates, in particular, can dictate adjustments in loan volumes, staffing plans and access to warehouse lines, and fast, accurate data and analysis is paramount.

"People who are running their firms — CEOs, CFOs and even branch managers — need a decision-making solution to run the enterprise every day," said Michele McGovern, CEO of Alight. "Our applications allow them to proactively make adjustments ahead of being hit with surprises."

And acting ahead of the curve translates into true monetary savings for those lenders, McGovern said. A great example — one of Alight's clients, after seeing how an interest rate jump of 100 basis points overnight was going to affect his company's volume, was able to significantly renegotiate fees with his warehouse lender, saving the client hundreds of thousands of dollars.

Another client, in a daily meeting between the CFO and the head of capital markets, used Alight to evaluate interest rate projections and, based on that analysis, negotiated a temporary increase in its credit line, allowing them to take advantage of an important growth opportunity.

"Alight Mortgage Lending is really designed to give corporate executives — say the vice president of finance — the ability to very quickly and easily make decisions about strategy going forward," said Jared Huff, managing director of Alight Financial Services. "The ability to make contingency plans 30, 60, or 90 days ahead of time because of our applications makes a real difference to their bottom line."

Alight's solutions are engaged at the very beginning of the process by forecasting locks, then flow to funding and sold volume. By controlling five to 10 key assumptions or drivers of the business, executives and managers can very quickly look at the effect of changing economic factors without having to spend a lot of time digging into the data. Executives can update key assumptions and everything else is updated automatically, giving them immediate understanding of what's going on internally and how they can manage their cash and strategic plan.

"The real benefit comes from bringing data from all the disconnected sources into one central point where various individuals from through-

out the company can see the results in real time, which facilitates better decision making," Huff said.

Without Alight, sharing information between a firm's capital and secondary market group and the finance group takes up precious executive time while yielding "back of the envelope" calculations for what their projections mean down the line.

With Alight, these groups can coordinate in a seamless and transparent process that yields accurate analysis.

"As they collaborate like this, the users don't need a face-to-face meeting, because the data from the secondary market group is directly incorporated. If one person makes changes, they can all see an updated view," Huff said.

Alight has been working with firms in the mortgage banking business for three years, and developed its SaaS application to fit the very specific way that mortgage firms work. Using Alight, mortgage lending firms can get up-to-the-minute forecasts, understand cash flows, evaluate productivity, ensure targets are met, mitigate risk and turn challenges into opportunities.

"Alight is focused on financial optimization for the corporate enterprise," McGovern said. "Our application helps mortgage lenders with planning, forecasting, and business optimization in a world where they have to continuously manage change."

Alight works with both public and private firms, and sees many of those firms aggressively pursuing growth and acquisition opportunities in the current market.

"Firms are working with Alight to expand their business — to see how they can open up new branches or new product channels," McGovern said.

As companies seek to grow, the dynamic nature of the company's applications make it easy to scale resources.

"Alight applications show how interest rate forecasts affect volume, and how volume changes impact cash needs," Huff said. "We give firms the information they need to increase their warehouse lines or secure additional funding."

As a unique solution in the mortgage industry, Alight Mortgage Lending empowers lenders to navigate any number of changing market conditions with certainty, putting them in the driver's seat — whether conditions turn up or down.

Mission Statement:

Alight is a fast-growing provider of industry-specific applications that enable firms to continuously optimize their financial performance and make more money. Alight Mortgage Lending is the industry's only solution for continuous financial optimization. Mortgage lending firms get up-to-the-minute forecasts, understand cash flows, evaluate productivity, ensure targets are met, and turn challenges into opportunities.

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