

## HOME EQUITY TURBO & EQUITY PROTECTION PROGRAM

### What is Home Equity Turbo?

Home Equity Turbo is a point-of-sale lending solution that allows borrowers to apply for a home equity loan online. It is white-labeled, mobile-ready and delivered through websites of banks and credit unions. The solution gathers application data and enhances it with an automated valuation model, soft credit pull, and verification of income and employment. All data, documents and an underwriting summary are securely delivered to the bank or credit union. Loans can be closed in a couple of days which provides operational efficiency and drives bottom line revenue.

### What is the Equity Protection Program (EPP)?

EPP is a single interest credit default program that insures home equity lenders against loan defaults. For the home equity lender, it provides broader loan eligibility for both credit and CLTV ratios to meet additional consumer demand and grow revenue. If there is a loan default, the lender is protected, no foreclosure is required and REO expenses are eliminated. Implementation of EPP is simple and is customizable to meet a lender's specific needs and lending goals.

### Why is the combination of interest to Banks & Credit Unions?

By incorporating EPP into Home Equity Turbo, both the borrower and lender benefit. As the borrower proceeds through the application, Home Equity Turbo automatically applies the EPP program rules to the borrower's loan scenario, including the proper interest rates. The borrower benefits by receiving their desired home equity loan, since EPP is added in the background. The lender benefits through an expanded home equity offering and improved efficiency, as Loan Officers no longer have to apply EPP during loan processing.

### What is a Point-of-Sale (POS) solution?

A POS solution is the online interface between the borrower and lender/loan officer/loan origination system.

### Why would a bank or credit union want to use Home Equity Turbo?

Today's borrowers are interested in performing many of the tasks associated with a loan without having to speak to a loan officer (at least initially) or visit a branch – similar to 21<sup>st</sup> century retail shopping. Many of the largest banks in the US have invested in technology that puts lending tools in the hands of the borrowers. Regional and community banks will need to follow suit or risk losing loan customers on the basis of technology. Home Equity Turbo is a perfect example of how automation is applied to the loan application process, so the borrower can make many of their own loan decisions and close their loan faster. Banks and credit unions can attract new borrowers as they are viewed as a technology leader.

### What are the most common questions regarding Home Equity Turbo?

- **Implementation Timing:** Lenderful Solutions can implement Home Equity Turbo with EPP in 4-6 weeks
- **IT Requirements:** the only IT involvement required of the bank or credit union is to provide a sub-domain for their website – about a ½ hour exercise

- **Loan Origination System (LOS) Integration:** once data is collected in the Home Equity Turbo application, it is delivered to the LOS to eliminate re-keying of data; we have a long list of LOS integrations and are adding more all the time
- **Customization:** although the Home Equity Turbo process flow is fixed, there are many customizations available including logos, colors, questions/answers rephrasing, automation selections, etc.
- **Security & Due Diligence:** we have a standard due diligence package available for interested banks and credit unions and have successfully completed reviews with some of the country's larger financial institutions

#### Where would I get assistance?

Lenderful Solutions can assist with demos, questions, etc. by contacting Paul Lehnert ([plehnert@lenderful.com](mailto:plehnert@lenderful.com)) or Robb Gardner ([rgardner@lenderful.com](mailto:rgardner@lenderful.com))

#### FAQ's

##### What if lender changes their interest rates?

Interest rates can be changed in two ways – by a request to Lenderful or by the lender. Changes by Lenderful are handled by sending us a spreadsheet and we will make the changes within an hour during normal business hours. Additionally, we have a Lender Portal which allows the lender to make rate changes on their own 24/7.

##### What is the timeframe for updating the application?

Application changes are rare, given that the flow is required to take the borrower through the home equity process. However, changes to wording (questions/answers) or the insertion/deletion of specific questions do occur. Generally, these changes can be made in a week or less.

##### How is pricing structured?

Lenderful's Standard Home Equity solution is priced with a set-up fee and a flat monthly fee based on the number of branches at the bank/credit union (up to 30). The set-up fee is \$5,000 - \$10,000 and the monthly fee is \$500 - \$1,000. Banks/Credit Unions with more than 30 branches have customized pricing.

Home Equity Turbo is priced with a set-up fee and a volume-based fee. The set-up fee is \$12,500. For the volume-based fee, lenders have the option of Flat Fee or Basis Points and Application or Closed Loan, as indicated in the table below.

	Charge Per Application	Charge Per Closed Loan
Flat Fee	Closed End = \$90 / application HELOC = \$60 / application	Closed End = \$150 / application HELOC = \$100 / application
Basis Points	Closed End = 50 BPS / application HELOC = 30 BPS / application	Closed End = 80 BPS / application HELOC = 50 BPS / application

- Charge Per Application: Bank/Credit Union is invoiced for every completed application regardless if that loan closes OR
- Charge Per Closed Loan: Bank/Credit Union is invoiced for every completed application we deliver that results in a loan closure
- The Flat Fee calculation is a set dollar amount for Closed End or HELOC submission OR
- The Basis Point calculation is a % of the loan amount for a Closed End or HELOC submission

**Are there other charges the bank/credit union may incur?**

For the automation services included with Home Equity Turbo, there are additional charges based on usage. In the case on Credit Reports and Verification Reports (VOE, VOI, VOA) the lender will contract directly with these entities (including price negotiation) with Lenderful support.

**Do you offer a mobile app?**

Lenderful's solutions can be used on all devices (phone, tablet, desktop) without the need for an app.

**Does the Home Equity application require a login and password?**

No, it does not, which is a key selling point. The probability of a borrower starting and completing an application without the need for another ID/PW is much greater and provides a much improved customer experience.