

NEWS RELEASE

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BasePoint Introduces Sophisticated Fraud Detection Solution for UK Mortgage Lenders

FraudMark® identifies up to 70% of fraudulent loan value by reviewing only 10% of incoming loan applications

Carlsbad, Calif. – October 21, 2008 – BasePoint Analytics®, a leading provider of scientific fraud and risk analytic scoring solutions, today announced the availability of the FraudMark® for Origination UK solution, the first pattern-recognition fraud detection solution that identifies the specific fraud patterns of UK mortgage applications. Built on the FraudMark scoring technology that enabled US lenders and investors to prevent over \$2 billion in losses, this version has been personalized to the specific fraud patterns of the UK market, including solicitor and buy to let fraud. The FraudMark for Origination UK solution enables lenders to minimize fraud, improve risk management and reduce losses.

BasePoint conducted a scoring study on large amounts of historical lending data in the UK and was able to detect 70% of the fraudulent loan value that resulted in financial loss in the 10% of the highest scoring loans. The highly predictive UK model was shown to be over 300% more effective than current solutions, and more precise in marking a loan as high risk. Lenders benefit from BasePoint's patent-pending scoring technology to address mortgage fraud, in a similar manner that has been used for many years in the credit card market. The BasePoint team has many years of experience in solving fraud problems in the UK, reducing millions in losses, and this extension to detecting mortgage fraud addresses a critical need.

"UK mortgage lenders are experiencing increased losses from distinct fraud patterns. BasePoint developed the predictive analytics to identify the specific loan application characteristics that detect misrepresentation and loss in this market. The FraudMark for Origination UK solution enables lenders to find the problem applications before loan completion, thereby minimizing exposure, cutting losses and enabling an efficient funding process," said Tim Grace, president and CEO of BasePoint Analytics. "In the increasingly challenging times for the mortgage market, the FraudMark for Origination UK solution provides streamlined, automated scoring to improve the bottom line."

The FraudMark for Origination UK solution assesses and precisely identifies the riskiest loan applications by generating a fraud risk score. In addition to the score, likely misrepresentation type, risk indicators, and recommended actions are produced to aid lenders in prompt determination of fraud issues with a mortgage application. Low risk loans pass through the system, while BasePoint's enhanced fraud review process enables focused review of highest risk loans. The FraudMark for Origination UK solution produces high fraud detection rates, dramatically reducing mortgage losses.

About BasePoint

BasePoint Analytics is a leading provider of predictive analytic fraud and risk management solutions for global banks, the mortgage industry and consumers. Using proprietary pattern-recognition technology,

BasePoint quickly identifies potentially fraudulent or high risk activity, minimizing losses while accelerating the processing of non-risky records. The company's fraud experts have deep, real-world domain expertise and have successfully solved fraud and risk challenges for many high profile institutions. BasePoint works with industry-leading customers in mortgage origination, investment banking, payment cards and consumer services. BasePoint clients achieve dramatic improvements in fraud and loss detection performance using a predictive analytic approach rather than traditional methods. BasePoint is headquartered in Carlsbad, California. For more information, visit www.basepointanalytics.com or call 1.760.602.4971.

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