

NEWS RELEASE

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BasePoint™ Releases Industry's Only Solution Specifically Designed to Identify Portfolio Risk

DefaultRisk™ and FraudMark® provide new risk insight enabling Mortgage Investors to quantify portfolio risk and systematically prioritize loans for refinance and modification

Carlsbad, Calif. – December 2, 2008 – BasePoint Analytics®, a leading provider of scientific risk and fraud analytic scoring solutions, today announced the availability of the BasePoint DefaultRisk™ score, the industry's only risk modeling solution designed to address the immediate need to identify default risk within loan portfolios and provide transparency into the propensity for default risk by mortgage loan portfolio investors. BasePoint's DefaultRisk model uniquely leverages learned risk characteristics using pattern recognition technology for default risk and has the ability to apply this technology to extremely large portfolios with sub-second loan scoring. The statistical models are based on delinquency and default data across more than 12 million loans in BasePoint's unique mortgage loan consortium. This solution provides fast and precise risk scoring and classification of loan populations. When combined, the solutions accurately separate the highest risk loans for further diligence to help guide loss mitigation and pool valuation efforts. These scores can further be used to quickly and systematically identify the best loans for modification or refinance.

"The mortgage investment community is under tremendous pressure to quickly evaluate loan and borrower risk in an effort to maximize performance and reduce the increasing rate of delinquency and default within loan portfolios," said Tim Grace, CEO and president of BasePoint Analytics. "The DefaultRisk solution enables investors to quickly expose potential risk and delivers portfolio transparency to reduce loss. This solution will further help to stem the current default and foreclosure cycle by increasing the efficiency and success rates of modification and re-finance programs."

The DefaultRisk model produces score-based rank ordering of loans identifying the likelihood that a loan contains predictive characteristics indicative of future loss. These scores are based on the confirmed risk patterns that are captured and updated daily as part of BasePoint's growing data consortium. Accompanying the risk score are likely risk indicators for the potential high risk loans. Lower scoring loans can be utilized for prioritizing loss mitigation efforts, enabling the lowest risk loans to get processed more quickly, providing efficiency, expense reduction, and meaningful savings to the investors and borrowers in the modification and refinance process. DefaultRisk score is based on statistical models, and is more precise than traditional index-based or valuation tools. Clients realize a large return on investment with proven low false positives.

Proven to identify 40-50% of default risk within the top 10% of the scores, the DefaultRisk model provides superior mortgage default risk identification. Traditional credit risk scores do not take into account the breadth of borrower and loan information that the BasePoint predictive model uses, enabling DefaultRisk to provide a more precise assessment of the default risk for loans and portfolios.

The DefaultRisk model is complementary to the FraudMark for Mortgage Investors solution which specifically evaluates the risk of fraud, enabling targeted reviews to identify the misrepresentation. This set of solutions provides comprehensive risk management for servicers and investors.

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 low risk transactions. The company's risk 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, mortgage investors, 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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