

NEWS RELEASE

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BasePoint Releases FraudMark™ for Investment Banking

New analytics help investment banks fight mortgage fraud

Carlsbad, Calif. – January 24, 2007 – BasePoint Analytics, a leading provider of scientific fraud analytics and consulting services, today announced the availability of FraudMark™ for Investment Banking, a statistical pattern recognition software product designed to assess mortgage fraud risk. FraudMark uses sophisticated analytic scoring technology to identify suspicious mortgage loans, enabling investment banks and due diligence firms to score and identify each loan's fraud risk before it is purchased, during the bid tape selection or due diligence review process. FraudMark for Investment Banking was developed in response to investment bank and due diligence provider demand for more sophisticated, analytics-based solutions to help curtail the growing multi-billion dollar mortgage fraud problem.

"Investment banks are actively seeking solutions that improve upon data verification tools to accurately identify those loans with the greatest risk of financial loss due to fraud", said Tim Grace, president and CEO of BasePoint Analytics. "The analytic advancements of FraudMark now enable investment banks and due diligence firms to go beyond traditional fraud management tools and processes and cost effectively score loans to understand true fraud risk at the individual loan and portfolio pool levels. During the loan purchase transaction process FraudMark quickly and accurately predicts which loans and pools of loans have the highest risk of fraud."

FraudMark uses patent-pending pattern recognition technology to find fraud based on historical patterns of both fraudulent and non-fraudulent loan applications. These models accurately predict the likelihood of a loan containing fraud that will result in financial loss to the lender or investor. Using limited bid tape data, FraudMark enables investment banks to decrease fraud risk in their investment portfolios by automatically assessing the fraud risk in a total pool of loans available for sale, as well as identifying the fraud risk of individual loans so that those with the highest associated fraud risk can be selected for further investigation during the due diligence process. FraudMark is a complementary product to credit and compliance risk tools, addressing fraud risk during the trading process.

BasePoint's release of FraudMark for Investment Banking is part of a suite of fraud detection software designed to bring next generation fraud solutions to all parts of the mortgage industry. FraudMark has been helping mortgage lenders cost-effectively score loan applications in real-time, driving down fraud losses and increasing overall production since late 2005. To date, lenders using FraudMark have prevented the funding of nearly \$1 billion in suspicious loans.

About BasePoint

BasePoint Analytics, based in Carlsbad, California offers a unique combination of scientific fraud scoring software and expert services. Using sophisticated predictive analytics, BasePoint enables global banks and high volume mortgage lenders to quickly identify fraudulent transactions early in the process, minimizing fraud loss while accelerating the processing of non-fraudulent transactions. The company's fraud experts have deep, real-world domain expertise and have successfully solved fraud for some of the highest profile banks and lending institutions in the world. BasePoint's industry-leading customers include: New Century Mortgage, Aegis Funding Corporation, MasterCard Worldwide and several top 20 global banks. In addition, the company has strategically partnered with First American Real Estate Solutions. For more information about BasePoint, visit www.basepointanalytics.com or call 760.602.4971.

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