

NEWS RELEASE

Media Contacts:

Shelley Ehrman
BasePoint Analytics
760.602.4971
sehrman@basepointanalytics.com

Colleen Edwards
PowerMark
949.481.4100
cedwards@thepowermarkgroup.com

BasePoint Releases FraudMark[™] for Origination 2.0

New model helps mortgage lenders detect more fraud at low review rates

Carlsbad, Calif. – January 30, 2007 – BasePoint Analytics, a leading provider of scientific fraud analytics and consulting services, today announced the availability of FraudMark[™] for Origination 2.0, the newest version of its highly effective fraud detection solution. FraudMark uses patent-pending predictive analytic technology to accurately predict the likelihood of a loan containing fraud that could result in financial loss to a lender. FraudMark helps mortgage lenders cost-effectively score loan applications in real-time, driving down fraud losses and increasing overall production. Within the last 12 months, lenders using FraudMark have prevented the funding of more than \$650 million in suspicious loans.

The newest version of FraudMark has been updated to detect the most current fraud patterns and trends, increasing fraud detection. It incorporates newly tailored model segments to adapt to the unique portfolio characteristics of prime, Alt-A and non-prime loans and maintains market leading detection rates and low false positives on all portfolio types.

FraudMark 2.0 adds several new features that improve predictive performance and client ease of use. Proprietary Dynamic TRAITS[™] has been upgraded so that individual entities involved in the mortgage transaction, such as brokers and account executives, are scored on their fraud risk. New risk tables as well as enhanced data evaluation using the Social Security Number issuance table and death master files are included in the fraud evaluation. Clients can add their own internal files for this evaluation step. All of these model components are incorporated into the final FraudMark score to improve predictive power.

Scoring with FraudMark is simple—a single output score is produced that predicts total fraud risk, accompanied by fraud misrepresentation types, risky file matches and recommended actions to help guide the investigative process. The solution enables clients to set their own parameters for out-sorting the riskiest applications for further review.

“We have found BasePoint’s FraudMark solution to be highly effective in catching potentially fraudulent mortgage applications and we are very pleased with results we’ve seen to date,” said Lenice Johnson, senior vice president and chief operating officer for NC Capital Corporation, New Century Financial Corporation’s secondary marketing subsidiary. “We have upgraded to FraudMark 2.0 to use this solution more widely across our business, and we look forward to higher levels of productivity and continued acceleration in the funding of quality loans.”

FraudMark's high detection rates are achieved in production with less than 10:1 false positives, when reviewing only 5% of the applications. Lenders previously relied on a variety of tools including database verification to detect fraud. While database verification serves an important purpose in confirming fraud, using it alone results in extremely high false positive rates often in excess of 100:1 and requiring over 50% of applications to be reviewed, which places an unnecessary burden and expense on the loan review process.

Tim Grace, president and CEO of BasePoint Analytics emphasized the benefit of applying advanced analytic technology to detect fraud. "The analytic advancements of FraudMark enable mortgage lenders to cost effectively score all of their loan applications in real-time, drive down their fraud losses, and increase overall production," said Grace. "FraudMark has been very well received by lenders in their aggressive fight against fraud. Our customers can depend on us to continue to innovate as we have with FraudMark 2.0 and bring them next generation technology and tools to combat fraud."

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 Corporation, 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.

#

Note to Editors: FraudMark and Dynamic TRAITS are trademarks of BasePoint Analytics. All other companies, brand names or products are trademarks or registered trademarks of their respective companies.