



LPS Desktop®'s VALERI Helps the VA Take Service to the Next Level



Thor Temple

With more than one million active loans, the Department of Veterans Affairs (VA) faced substantial challenges at the onset of the housing market crisis in 2006. Not only were its loan management processes paper-intensive and highly manual, but VA loans were not immune to the negative trends in the housing market. Defaults on VA loans escalated along with the rest of the housing market, and the VA was no more prepared for the influx than any other industry player.



One of the VA's primary objectives is to keep veterans in their homes. Managing the over 100,000 defaulted loans involves more than 3,000 servicer users, more than 400 VA users and interfaces with four other VA systems. After a thorough analysis of its existing processes and systems, the VA determined that to meet its objectives it needed to upgrade its technology, streamline and standardize its business processes across regions and facilitate immediate access to VA technicians.

LPS initially engaged with the VA in 2005 as a subcontractor. In 2006, it became clear to the VA that the LPS Desktop® platform was a good fit for its needs. Since the Web-based LPS Desktop acts as a hub to connect disparate systems, uses business rules to automate processes, and is fully maintained and upgraded by LPS, it was ideally suited to address the VA's loan management needs. For this reason, the VA decided to engage the management at LPS Desktop to initiate a complete system overhaul on its behalf.

Collaborative Needs Assessment and Customization

In order to achieve stakeholder buy-in and increase the chances of successful deployment, LPS consulted with servicers, data providers and users at an early stage in the year-long assessment process. The needs of each stakeholder group would drive the creation of carefully crafted functionality and processes that would increase efficiency and accuracy, improve communication, speed processing and ultimately reduce costs for all parties.

From the voluminous requirements and specification data collected from users and stakeholders during the assessment, LPS developed a number of components, including a private-label installation of LPS Desktop, to provide a comprehensive solution for monitoring the servicing of VA loans. Upon completion of the system architecture, LPS worked with the VA to re-engineer processes and workflows in support of new VA regulations, policies, procedures and higher processing volumes. The new system, VA Loan Electronic Reporting Interface (VALERI), houses every VA originated loan, serves as a system of record, offers management capabilities and includes a combination of new software, LPS Desktop and third-party software and services.

The new system was designed to reduce paperwork and manual intervention, improve communication and servicer oversight, speed processing with automation and ultimately keep more veterans in their homes.

VALERI's State-Of-The-Art Technology Clears Testing Hurdles

VALERI is a Web-based application that includes more than 30 significant software components and system interfaces. User testing and servicer transition spanned the course of a year. There was heavy emphasis on testing system interfaces to make sure data was being delivered between systems securely, accurately and swiftly. In addition, the VA brought users into LPS' Jacksonville facility to perform user acceptance testing. Users were able to sit side-by-side with business analysts and developers to evaluate functionality and make adjustments as necessary.



VALERI Support Team, Jacksonville, FL

An interesting component of VALERI is the integrated ADA (Americans with Disabilities Act) Section 508 technology. VALERI is fully compliant with Section 508 for use by the visually impaired. The VA employs many veterans and is proactive in making sure to accommodate employees with disabilities. The Section 508 component audibly reads the screens to visually impaired users. In the user acceptance phase of the project, visually impaired employees, 508 Test Engineers from the Compliance Division of the Office of the Enterprise of the VA, were sent to LPS' Jacksonville facility to test the system.



Alan Schlank with his seeing-eye dog, Oneida

*I'll never forget one of the gentlemen, **Alan Schlank**, who came to test the system at our facility. Each day he would arrive on campus with his seeing eye dog, **Oneida**, who amazingly, would ride the elevator with him, watching the numbers as the elevator moved from floor to floor. Oneida knew exactly when to lead Alan out of the elevator and to his work area. Oneida would remain with him obediently at his desk while he worked. On the way back from lunch each day Alan would remove Oneida's harness and throw a ball for him a couple of times and then Alan would replace his harness and it was back to work. VALERI was truly a team effort.*

Thor Temple
Vice President
LPS Desktop® Product Management

VALERI Delivers Results

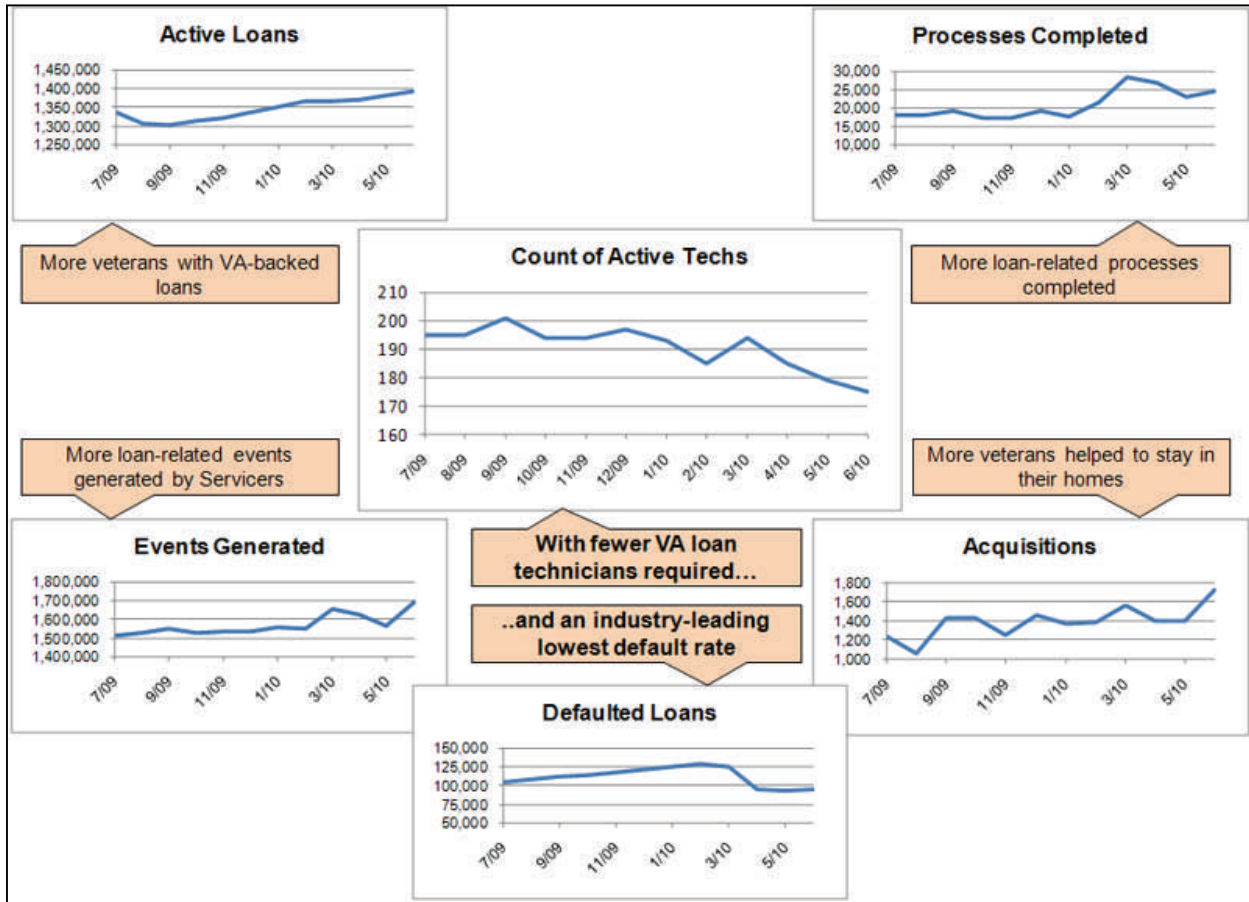
Since VALERI went live in February 2008, the results are clear. VALERI has helped the VA significantly improve its operations by standardizing and automating formerly manual processes, enhancing communication, improving data accuracy and instituting business performance indicators. Further, despite the most significant economic downturn in the history of our nation's housing market, the VA has experienced an increase in the number of loans serviced while maintaining defaults and foreclosures at a level lower than any other agency.

Integrated reporting tools help the VA see more clearly into servicing events to identify best practices and uncover processes that need improvement. In addition, VALERI helps the VA evaluate servicer performance. Impressively, all of this is done with fewer personnel resources. The VA estimates that the VALERI system has resulted in hundreds of millions of dollars in cost savings for the VA since its implementation. All of this results in more veterans keeping their homes.

"VALERI provides VA Loan Administration with a Web-based means of interfacing with the servicing community and other VA systems. It allows us to establish (and change as needed) clear, standardized business rules which ensure that every veteran borrower receives every possible opportunity to retain their home, or exit home ownership with dignity. As a third party guarantor, VALERI gives VA loan technicians an unprecedented oversight view into the activities on all of our guaranteed loans. The nationwide workload balancing is an added bonus, which addresses our continuity of operation needs when an office goes down due to weather or natural disaster."

Michael J. Frueh, US Department of Veterans Affairs
March 19, 2010

VALERI Deployment Statistics



To find out how your organization can benefit from LPS Desktop technology, call 800.991.1274 or email mortgage.marketing@lpsvcs.com.