



# Loan Vision Client Success

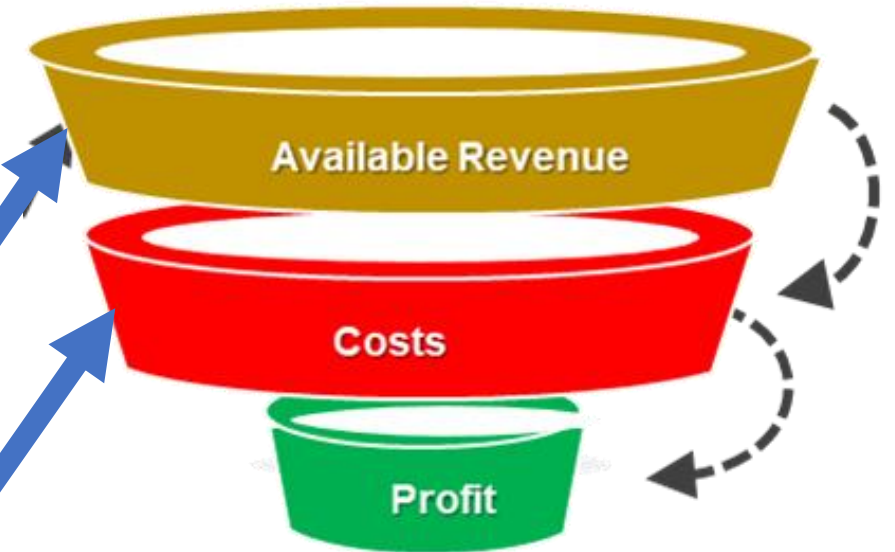
## Teraverde's® Fundamental Truths of Mortgage Banking

A Sustainable Business Model means Costs and Desired Profit must fit in "Available Revenue".

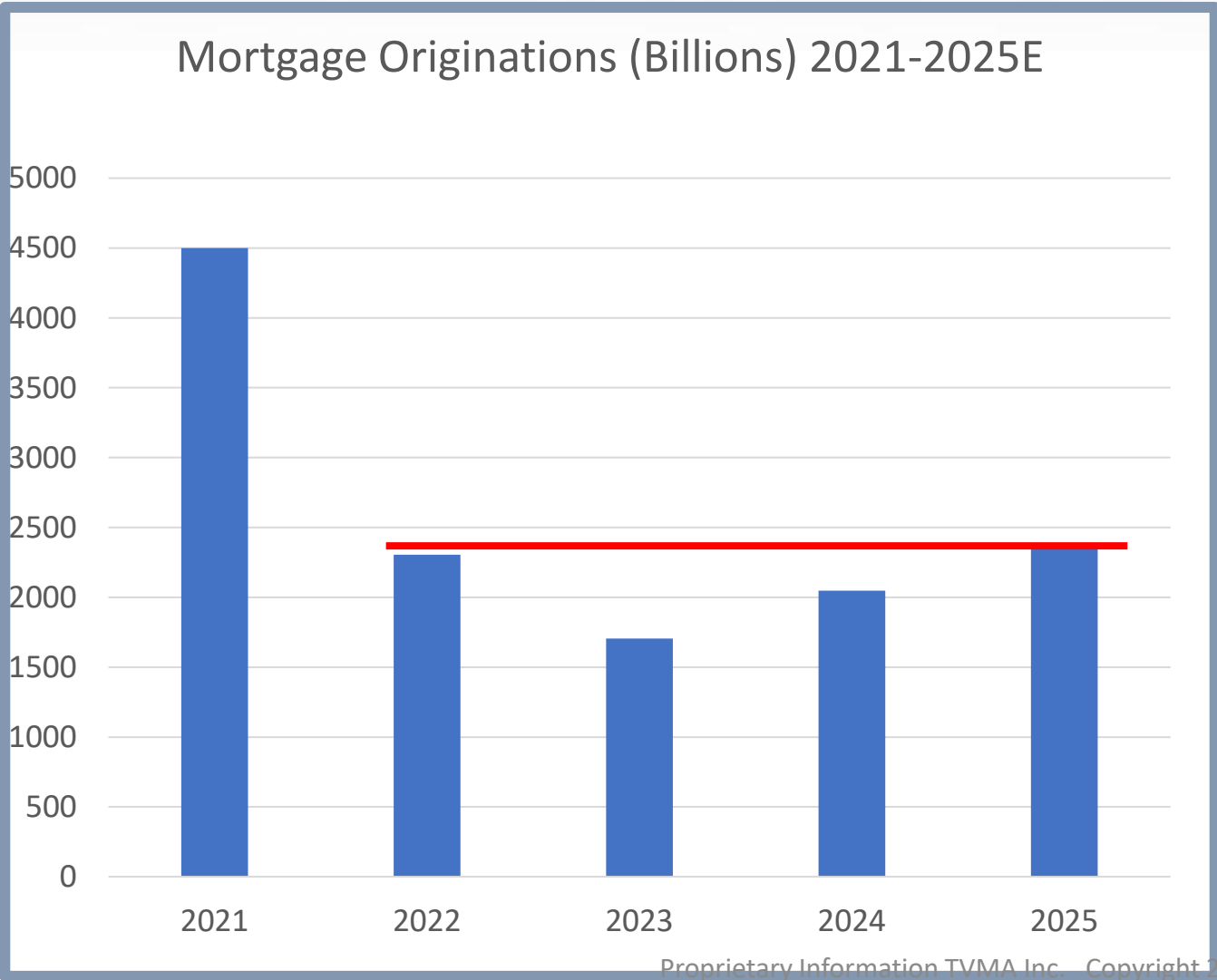
The housing market, interest rate market and credit markets define "Available Revenue".  
*The Lender cannot control Available Revenue.*

A Lender can control *all* of its Costs. A Lender can choose to fit its cost and desired profits within Available Revenue.

### Revenue and Cost Funnel



# We Won't Return to 2022 Volume Until 2025



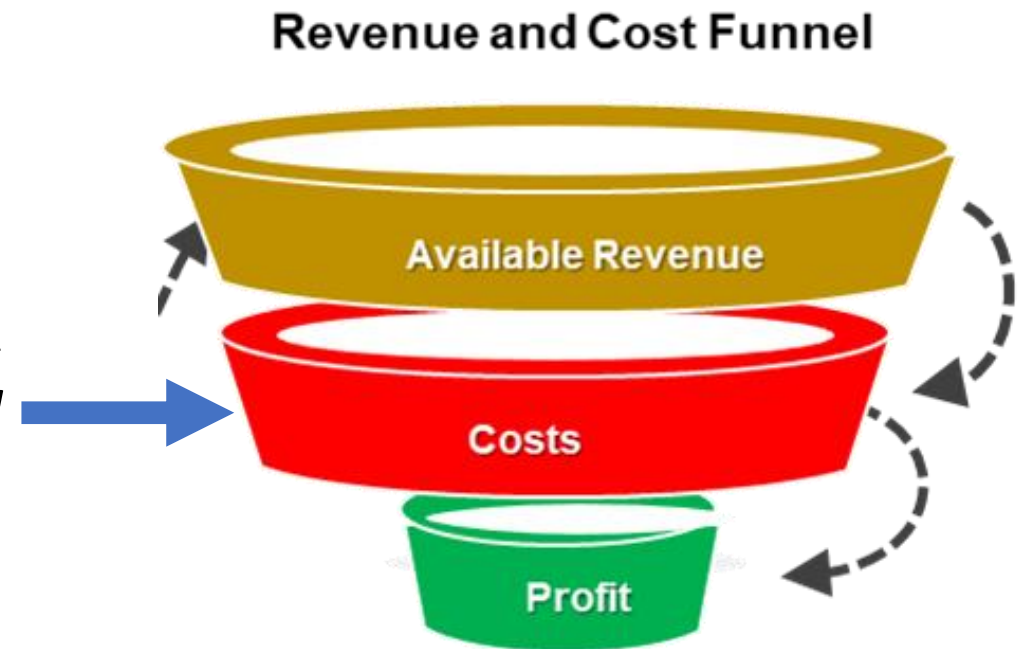
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# Commit to Ensuring Costs and Profit Fit Into Available Revenue

A Sustainable Business Model means Costs and Desired Profit must fit in “Available Revenue”.

A Lender can control *all* of its Costs. A Lender can choose to fit its *cost and desired profits* within Available Revenue. Just Do It!

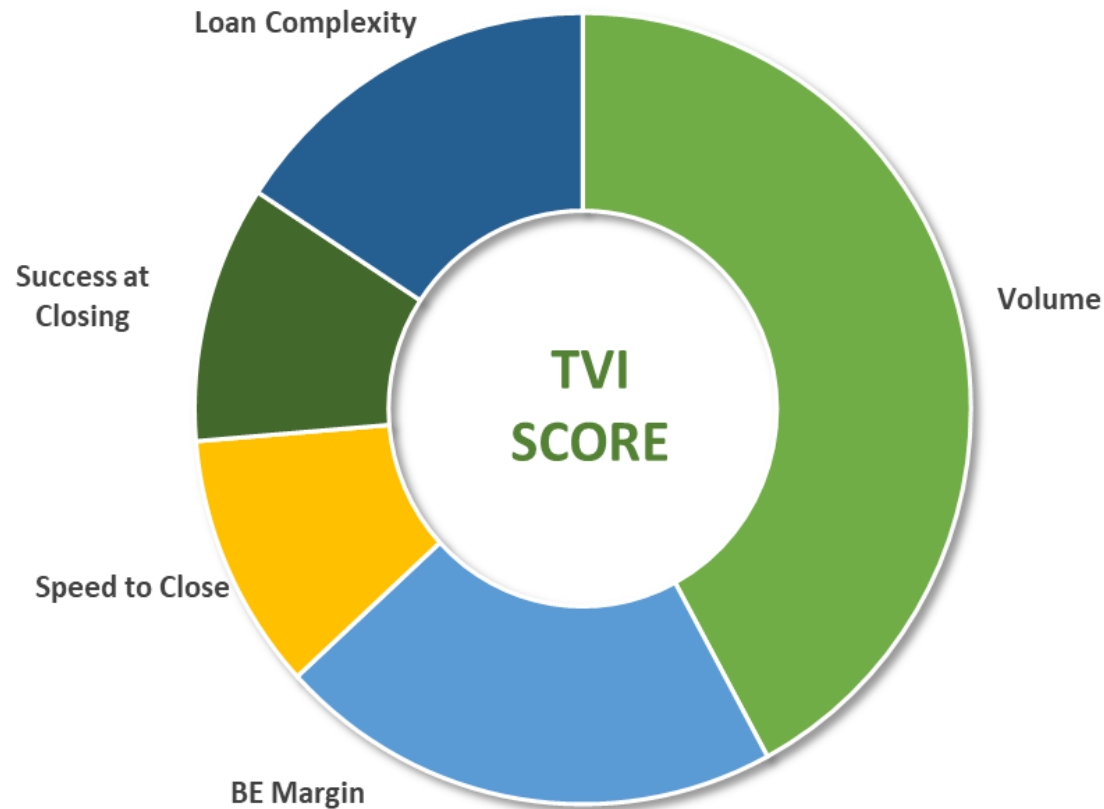




# Measuring Employee Productivity with a FICO Score for Human Performance

Research: TopTier Employees are 2 to 8 Times More Productive than Bottom Tier Employees

## TVI Score



### TVI Uses Weighted Elements Such As:

- Volume and Units
- Best Efforts Margin
- Concessions
- Success Factor Percentage
- Speed to Close
- Loan Complexity (about 15 factors)

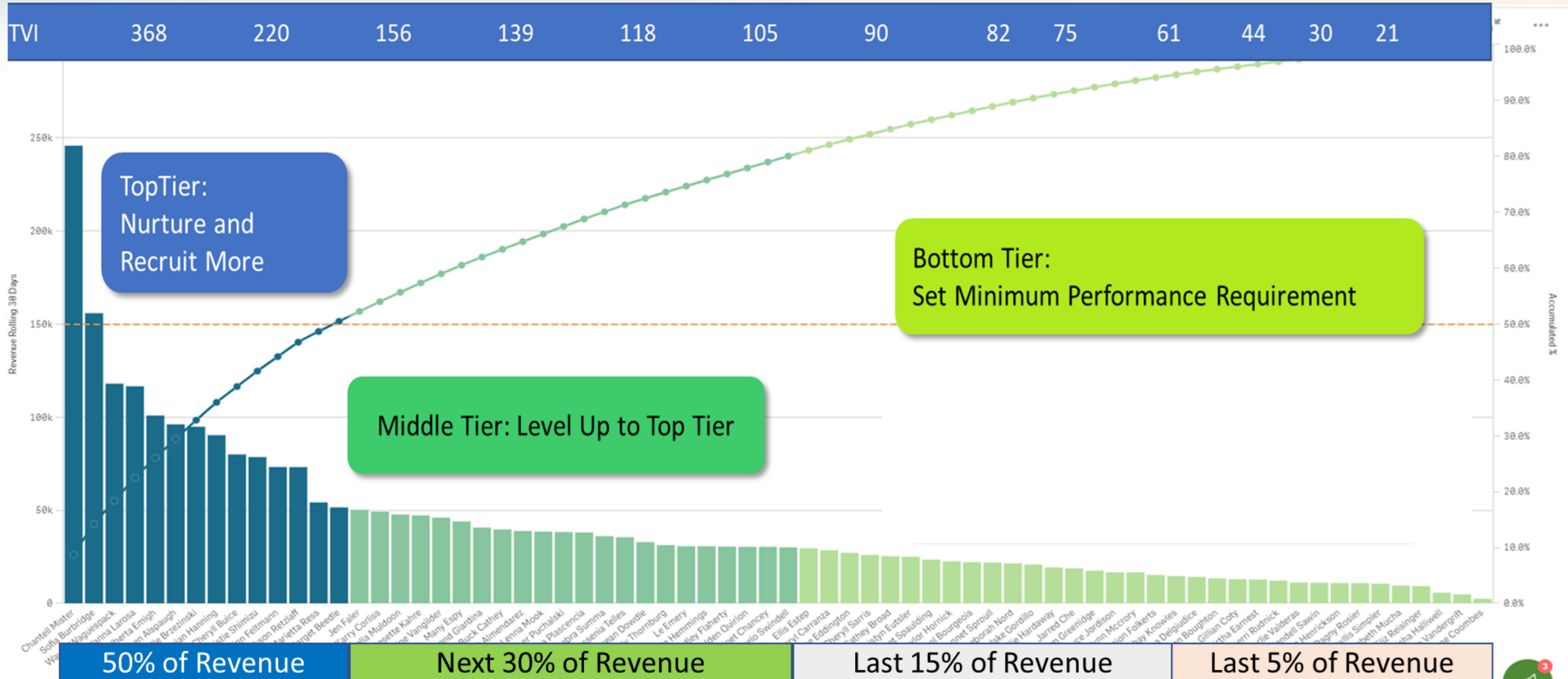
# The Top Tier Drives Almost All Lender Profitability

(Actual, Anonymized Data, Q1 2023, \$ per Loan)

Top Tiering Profit Impact	Total	Top Tier	Second Tier	Bottom Tier
.				
LO Revenue Per File A16	5,873	6,836	5,716	5,577
LO Commission per File	3,849	3,331	3,920	5,754
Processor Comp Per File	1,085	599	1,023	2,636
Underwriter Comp Per File	621	369	626	1,739
Closer Comp Per Files	256	89	513	816
Revenue Less Compensation per file	62	2,447	(366)	(5,368)
Direct Contribution to Profit Summary				
Units		435	101	169
Total Cont Profit		1,064,647	(36,943)	(907,272)
Cumulative		1,064,647	1,027,705	120,432
			Total Profit if Bottom Tier Eliminated	Total Profit including Bottom Tier



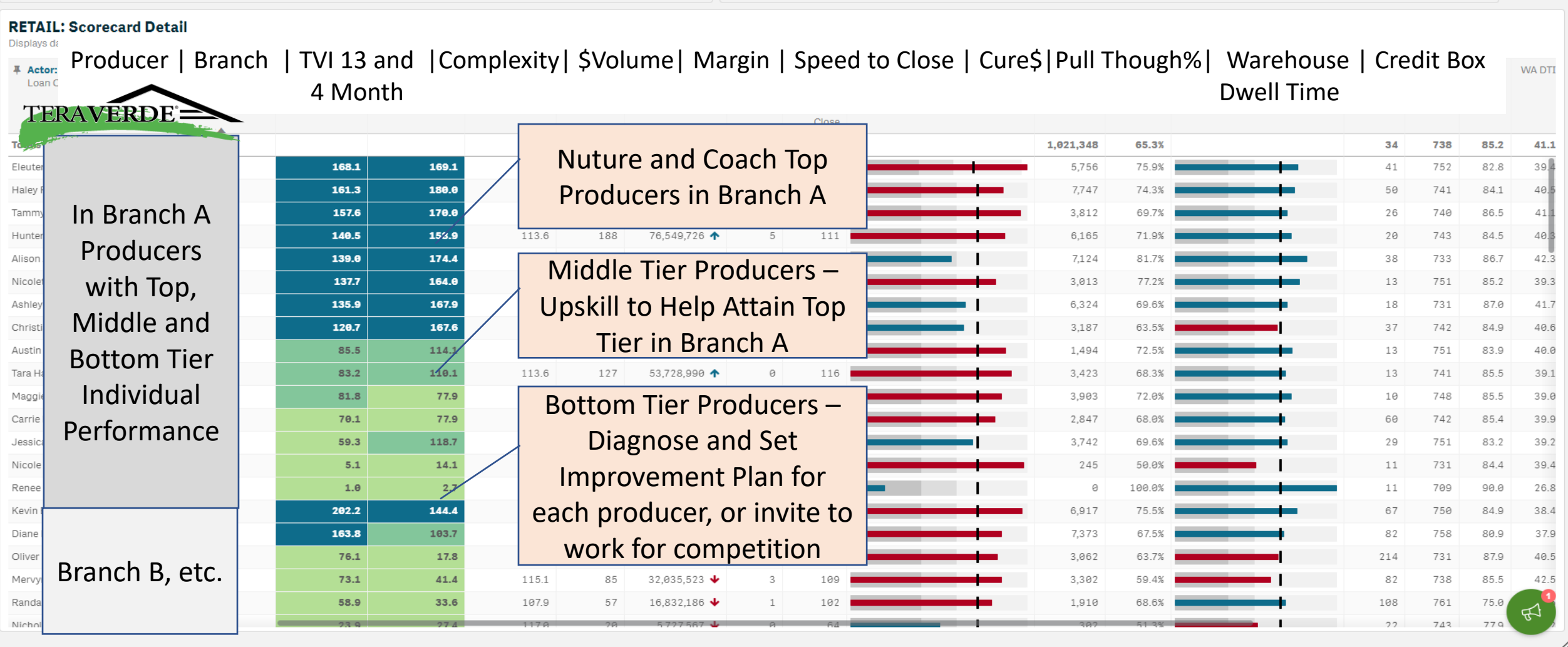
## 2B. Coach Up the Middle Tier to Get to or Near Top Tier







## 2. Cost Control means Productivity Management of Producers



# 3. Why Pay a Second or Bottom Tier Operational Employee 50-300% More per File Than Top Tier Operational Personnel (Actual, Anonymized Data, Q2 2023, \$ per Loan)

## Operation Scorecard

### Compare Performance By

Actors

Months

### Choose An Actor

Processor

Underwriter

Closer

### Processor Output Trends

Date Currently Displayed: Sent To Underwriting

Processor	Cost per File	Jul-2023		Jun-2023		May-2023		Apr-2023	
		Units Output	Average Days	Units Output	Average Days	Units Output	Average Days	Units Output	Average Days
DH	244.19	30	-	29	-	27	-	25	-
RF	295.77	19	-	24	-	28	-	24	-
BG	308.82	26	-	22	-	20	-	23	-
AL	295.77	15	-	26	-	30	-	18	-
DO	381.82	12	-	24	-	19	-	27	-
KW	344.26	16	-	18	-	27	-	19	-
LQ	403.85	15	-	19	-	18	-	12	-
JD	396.23	18	-	18	-	17	-	10	-
DC	456.52	20	-	17	-	9	-	16	-
AH	500.00	6	-	21	-	15	-	16	-
WP	552.63	9	-	12	-	17	-	17	-
LS	538.46	9	-	16	-	14	-	10	-
SJ	677.42	6	-	14	-	11	-	18	-
TG	600.00	14	-	9	-	12	-	6	-
KO	807.69	3	-	11	-	12	-	9	-
YS	875.00	10	-	9	-	5	-	8	-
JP	954.55	8	-	8	-	6	-	3	-
VF	1,105.26	7	-	5	-	7	-	2	-
LN	2,100.00	3	-	3	-	4	-	4	-
		246	-	305	-	298	-	267	-

### Summary

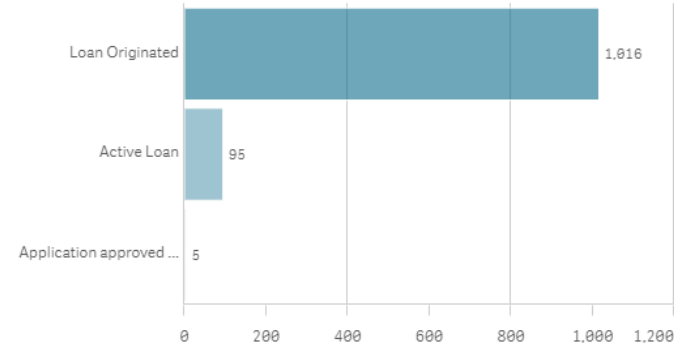
### Scorecard

### Trends

Units

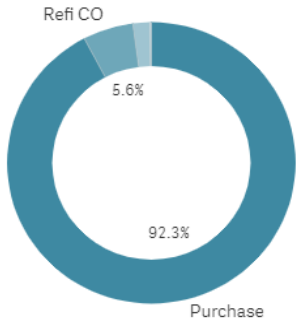
### Current Loan Status

Units Output



### Units Output By Purpose

Drill down from Purpose → Type





### 3. Why Pay a Second or Bottom Tier Operational Employee 50-300% More per File Than Top Tier Operational Personnel (Actual, Anonymized Data, Q2 2023, \$ per Loan)

#### Underwriter Output Scorecard

Displays data for rolling 4 months: 5/1/2023 to 8/27/2023

Processor

Underwriter

Actor: Underwriter	TVI 4 Month Score	TVI 13 Month Score	Loan Complexity Score	Units Output	Average Conditions	% Approved	% Denied	Volume Output	Average Days	Turn Time Comparison	Conventi...	Government
Averages			117.8	85	-	95.2%	3.5%	24,624,708	8		61.4%	38.6%
BG	141.68	119.10	110.8	134 ↑	-	97.0%	3.0%	39,692,618 ↑	8		100.0%	0.0%
AL	123.92	118.25	122.8	109 ↑	-	95.4%	4.6%	31,162,474 ↑	7		50.5%	49.5%
DO	122.02	123.48	115.1	115 ↑	-	96.5%	1.7%	31,742,074 ↑	9		69.6%	30.4%
KW	122.02	145.53	119.1	108 ↑	-	89.8%	8.3%	27,112,067 ↑	7		58.3%	41.7%
LQ	117.89	107.83	118.3	106 ↑	-	95.3%	3.8%	28,098,415 ↑	8		61.3%	38.7%
JD	104.33	108.56	113.1	95 ↑	-	95.8%	3.2%	28,455,341 ↑	9		68.4%	31.6%
DC	99.42	109.84	122.4	85 ↓	-	94.1%	5.9%	27,266,152 ↑	8		43.5%	56.5%
AH	82.56	100.64	118.8	52 ↓	-	94.2%	0.0%	14,853,227 ↓	5		42.3%	57.7%
WP	66.19	43.25	119.7	45 ↓	-	93.3%	4.4%	16,270,452 ↓	7		40.0%	60.0%
LS	19.97	23.52	118.0	5 ↓	-	100.0%	0.0%	1,594,255 ↓	13		80.0%	20.0%

### 3. Why Pay a Second or Bottom Tier Operational Employee 50-300% More per File Than Top Tier Operational Personnel (Actual, Anonymized Data, Q2 2023, \$ per Loan)

#### 4 Month TVI Score Summary

Displays data for rolling 4 months: 5/1/2023 to 8/27/2023

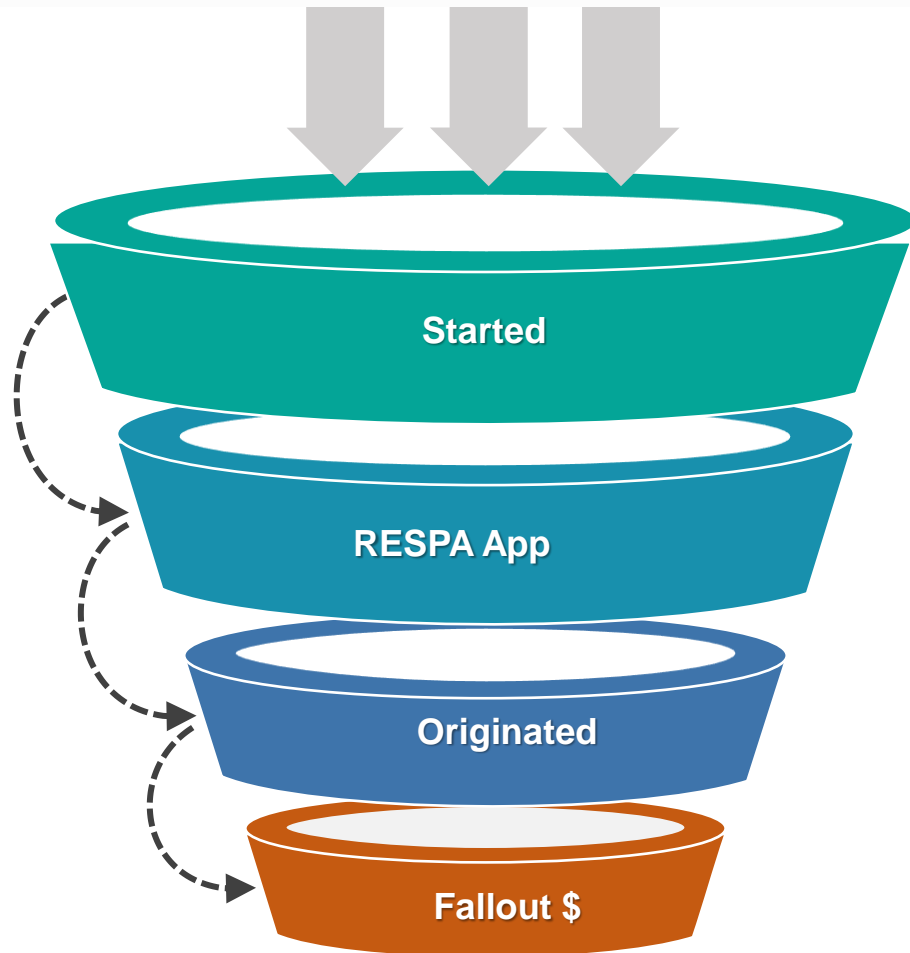
	Total	Top Tier	Second Tier	Bottom Tier
Processor Min TVI	0.00	0.00	0.00	0.00
Processor Max TVI	0.00	0.00	0.00	0.00
<b>Underwriters</b>	<b>10</b>	<b>4</b>	<b>4</b>	<b>2</b>
Underwriter Units	2,083	1,154	873	56
Underwriter Volume	\$559,721,777	\$305,778,035	\$233,975,876	\$19,967,866
Underwriter Avg Conditions	0	0	0	0
Underwriter % Approved	95.2%	94.7%	94.9%	96.7%
Underwriter % Denied	3.5%	4.4%	3.2%	2.2%
Underwriter Turn Times	8	8	7	10
Underwriter Min TVI	19.97	122.02	82.56	19.97
Underwriter Max TVI	141.68	141.68	117.89	66.19
<b>Closers</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>2</b>
Closer Units	1,718	820	726	172
Closer Volume	\$462,487,038	\$227,511,485	\$188,767,050	\$46,208,503
Closer Turn Times	0	0	0	0
Closer Min TVI	12.16	121.27	107.86	12.16
Closer Max TVI	173.82	173.82	117.28	67.60

## 2. Why Pay a Second or Bottom Tier Originator 20-80% More per File?

(Actual, Anonymized Data, Q1 2023, \$ per Loan)

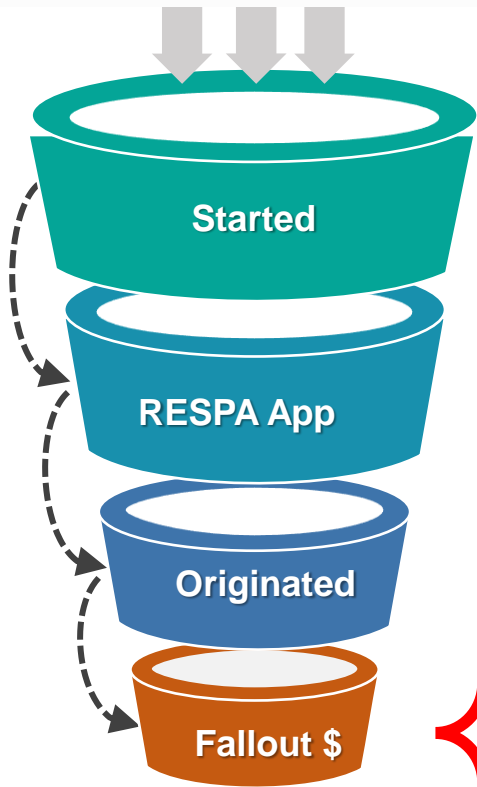
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## 4. Don't Treat Fallout as a Cost of Doing Business....



Potential Lost Opportunities in Fallout			
Current Loan Status	Units	Waterfall from Started	Waterfall from RESPA Application
Loans Started in 2022	10,000	100.0%	
Loans with no RESPA Application	4,880	48.8%	
Loans with RESPA Application *	4,910	49.1%	
Originated	3,178	30.7%	62.5%
Application withdrawn	1,290	12.9%	26.2%
Application denied	490	4.9%	9.9%
File Closed for incompleteness	60	0.6%	1.2%
Application apprd not accepted	10	0.1%	0.3%
<b>Potential Lost Opportunities in Fallout</b>	<b>6,730</b>	<b>67.2%</b>	<b>37.5%</b>
*220 Loans Active with No Final HMDA Status, or 2.1% as of 5/31/2023			12

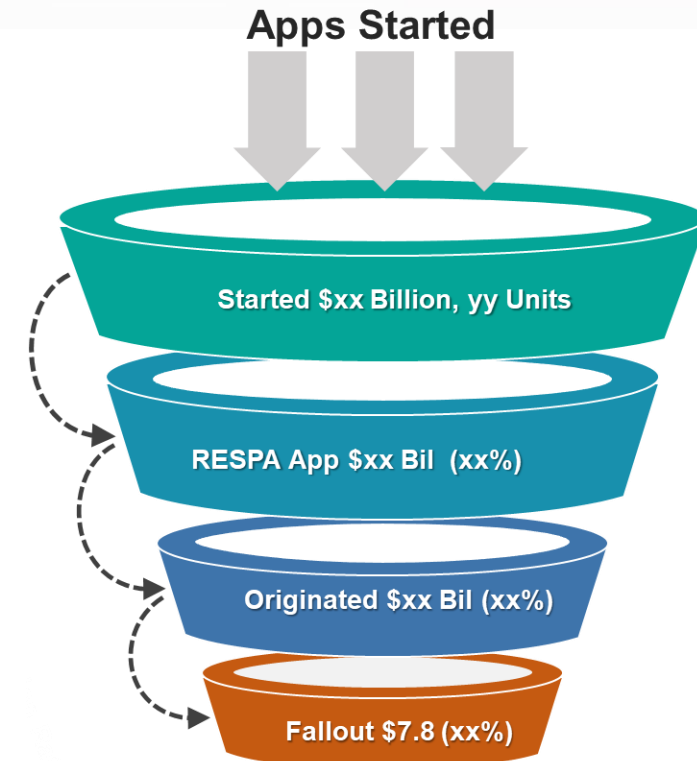
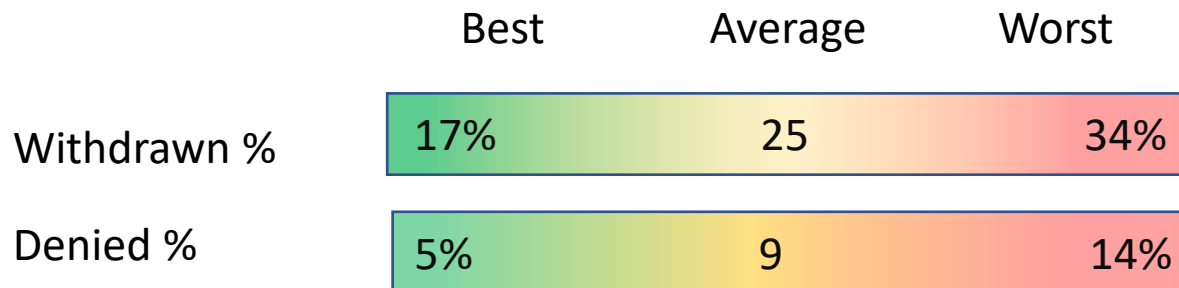
## 4. Don't Accept Fallout as a Cost of Doing Business....



Opportunity Lost and/or Revenue Leakage	Units	Dollars	Tri-Merge Credit Report	Salaried Time	Cures	Hedge Losses	Gain on Sale (after 1/4% Concession )	Total	BPS
<b>Started</b>	10,000	3,300,000,000							
<b>No RESPA App</b>	4,880	1,610,400,000	253,760	610,000				863,760	8.2
<b>RESPA App</b>	4,910	1,620,300,000						-	-
<b>Originated</b>	3,178	1,048,740,000			63,560			63,560	0.6
<b>Withdrawn</b>	1,290	425,700,000	67,080	1,483,500		638,550	4,257,000	6,446,130	61.5
<b>Denied</b>	490	161,700,000		514,500				514,500	4.9
<b>Incomplete</b>	60	19,800,000	3,120	63,000		27,000	198,000	291,120	2.8
<b>App Not Accepted</b>	10	3,300,000	520	10,500		4,500	33,000	48,520	0.5
<b>Revenue Leakage</b>			324,480	2,681,500	63,560	670,050	4,488,000	8,227,590	78.5

# Material Fallout Variations Among Regions; Opportunities for Enhanced Results?

Results by 2022 Origination Date By Region	App Volume \$Million	Active	Originated	W/D	Denied
A	323	2%	64%	28%	6%
B	377	3	58	34	5
C	477	2	54	30	14
D	410	3	60	20	7
E	299	2	65	17	6
All	1,886	3%	63%	25%	9%





# Loan Vision Client Success

## Four Imperatives

