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RMS-led Team Wins HUD Approval to Replace IACS
*System Critical to HECM Servicing and the Advancement
of Reverse Mortgage Technology*

Spring, Texas (November 17, 2009) – Recognizing the state-of-the-art reverse mortgage technology developed by Reverse Mortgage Solutions, Inc. (RMS), the federal government has selected the company's existing, core servicing system - known as STORM (Servicing Technology on Reverse Mortgages) - to fulfill HUD's Home Equity Conversion Mortgage (HECM) Service Provider (SP) contract.

The RMS-provided solution will replace the existing Insurance Accounting Collection Systems (IACS) -used by FHA/HUD to handle the collection of financial data unique to the reverse mortgage/HECM program - with a modernized platform that supports the full HECM lifecycle and other HECM accounting functions, according to Kevin Gherardi, CIO at RMS.

The winning bid from RMS had support from a team of four specialized partners including QSSI, Gaithersburg, Md., which specializes in developing and implementing enterprise solutions.

IACS was established in 1989 as a prototype for the then-pilot HECM program. The system has been used since by HUD to collect the initial mortgage insurance premiums ("IMIP) and the monthly mortgage insurance premium ("MMIP"). With the HECM program, FHA provides mortgage insurance to lenders, protecting them against losses resulting from non-payment in full of the loans, thus making the lenders more willing to make these loans. If a loss due to non-payment occurs, the lender files a claim to FHA for insurance benefits.

"HUD, as well as HECM servicers, will benefit greatly from STORM's true Web-based technology; new functionality; ease-of-use and access; document viewing and uploading; and Servicer File Upload Services (SFUS)," Gherardi said. "SFUS will be a dramatic improvement to the current tedious and manual process required today to keep servicer and HUD data in sync," he added. "These new features will allow servicers to electronically transmit HECM transactions, including initial loan data."

Gherardi was the HUD engineer who earlier planned, designed, and implemented the agency's mortgage servicing system to support seven unique HUD forward and reverse mortgage products.

HUD drafts the insurance premiums electronically, based on the servicer-entered loan balance information contained in IACS, "so it's extremely critical to both HUD and the servicer to maintain maximum accuracy in the system to ensure proper payment of the MIPs and also proper payment of claims," notes Gherardi, who says the new standardized online HECM calculators "will ease line-of-credit verification and change of loan payment plans."

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RMS Chairman and CEO Robert D. Yeary added: "We are gratified that the HUD procurement team recognized our experience and that we offer the best solution for this project."

Partner firms collaborating with RMS

In addition to QSSI, the other specialized partners include:

- ▶ **CoTs**, Tampa, Fla., which provides hosting and help desk services service to government agencies
- ▶ **GTBS**, Falls Church, Va., a nationwide provider of professional services with a primary focus of supporting non-profits, federal and local governments
- ▶ **Walker & Company**, Washington, D.C. an accounting and auditing practice, which helps clients improve operating infrastructure and achieve financial objectives

Each partner is a critical part of an integrated team of specialists forming the best solution for HUD, according to Gherardi. "This unique team enables the SP solution to focus on individual core strengths and easily scale with the current and projected growth of the HECM program."

"As leaders of this professional team, RMS will ensure that the new STORM HECM system meets and even exceeds the needs of the reverse mortgage industry for many years to come," said Yeary.

Among the many new benefits of the STORM system, it will:

- ▶ Allow servicers to electronically transmit loan balance transactions including initial loan data which is manually entered today
- ▶ Provide additional loan level maintenance functionality to authorized users.
- ▶ Be able to file claims electronically including the online entry of the 27011 HUD Claim form
- ▶ Allow Servicing Step Level tracking, including auto email notification
- ▶ Enable and document viewing and upload capability

About Reverse Mortgage Solutions

The company goal is to be the premier provider of hosted reverse mortgage loan servicing software as well as the nation's leading authority on all aspects of Reverse Mortgages. The focus is on building a company that will be a dominant force in all aspects of reverse mortgage business, as well as other mortgage and mortgage related specialty servicing products. Visit the company website at: www.rmsnav.com