

Quality Control 504 Program Centers Vertical Report: FY2017 Q2



Path to Quality Control Reporting on Center's "Vertical" Vitals



504 Loan Program: SLPC, FSC, & LRSC Root Cause Vertical Report FY 2016- FY 2017 (Q1 & Q2)



This report showcases the fluctuations of Root Causes for SLPC, FSC, and LRSC in the 504 Loan Program (Origination, Servicing & Liquidation)

For the time period October 2015 to March 2017, **Sacramento** had a total of 528 Root Causes for deficiencies that occurred. **SLPC's top 5 Root Causes** were:

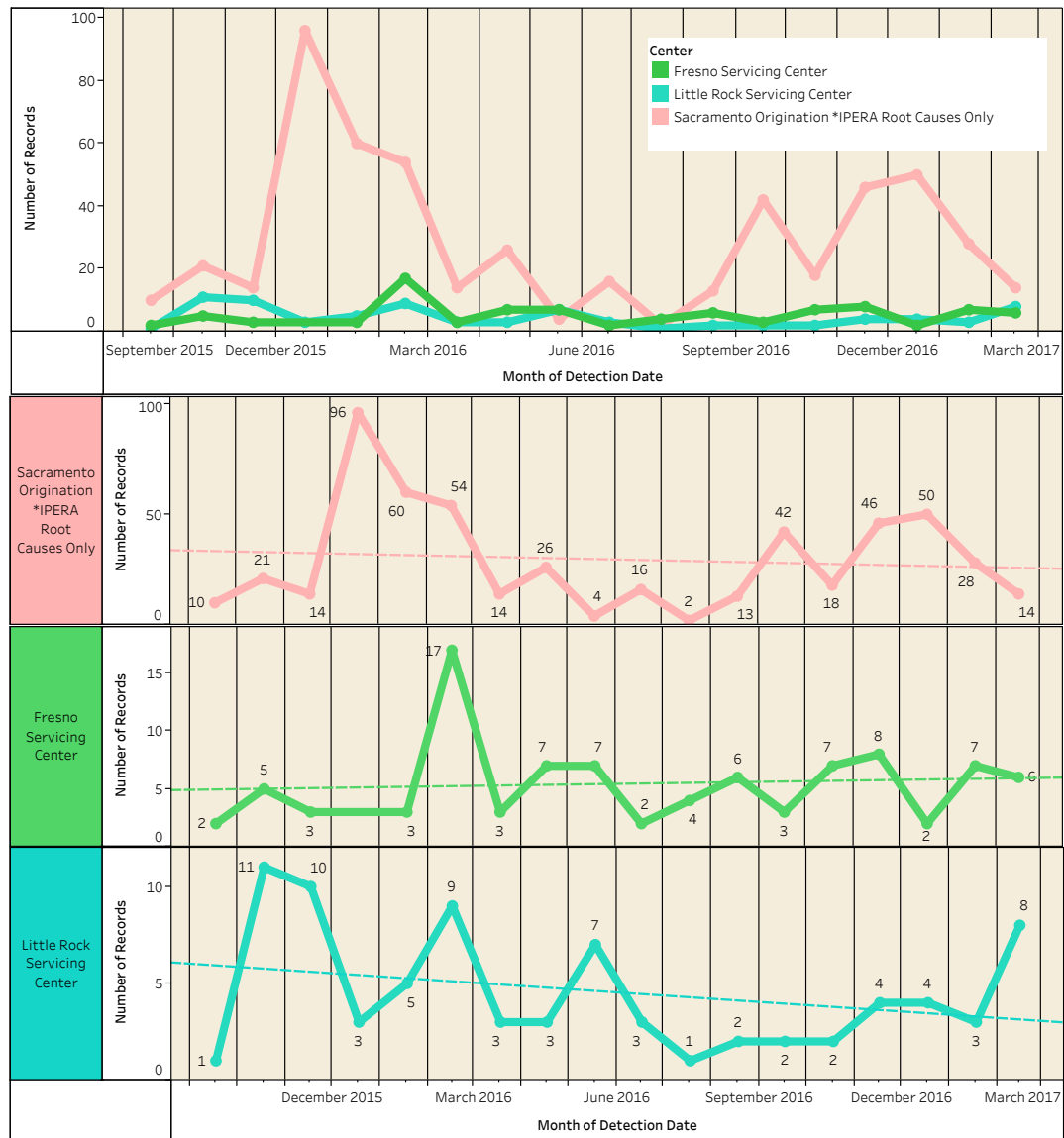
- 1)Affiliates and Size Analysis
- 2)Acceptable
- 3)Financials
- 4)Substantiating or Stale Docs
- 5)Miscellaneous Other Eligibility

For the time period October 2015 to March 2017, **Fresno** had a total of 92 Root Causes for deficiencies that occurred. **FSC's top 5 Root Causes** were:

- 1)Procedures Error
- 2)E-Tran Update
- 3)CHRON Input
- 4)Valuation Error
- 5)Collateral Identification

For the time period October 2015 to March 2017, **Little Rock** had a total of 81 Root Causes for deficiencies that occurred. **LRSC's top 5 Root Causes** were:

- 1)E-Tran Update
- 2)CHRON Input
- 3)Miscellaneous
- 4)Loan Documentation
- 5)Obligor/Guarantor Coding



		Frequency			Frequency			Frequency
Sacramento Origination *IPERA Root Causes Only	Affiliates and Size Analysis	112	Fresno Servicing Center	Procedures Error	11	Little Rock Servicing Center	E-Tran Update	22
	Acceptable	111		E-Tran Update	9		CHRON Input	17
	Financials	75		CHRON Input	8		Miscellaneous	10
	Substantiating or Stale Docs	69		Valuation Error	8		Loan documentation	8
	Miscellaneous Other Eligibility	45		Collateral Identification	7		Obligor/Guarantor Coding	6
	Credit	28		Obligor/Guarantor Coding	7		TIN/SSN Discrepancy	4
	Use of Proceeds	23		Collateral	6		Obligor/Guarantor	3
	Repayment Analysis	16		327 Action Accuracy	5		Recommendation & Approval Policy	3
	Authorization	8		Key Puncher/Data Entry Error	4		302 Valuation Error	2
	Signatures	6		Loan documentation	4		Miscellaneous	2
	Credit Memo	5		Policy Interpretation	3		Obligor/Guarantor	2
	Franchise	5		Recommendation & Approval Policy	3		Accounting & Mainframe Error	1
	Guarantee	4		302 Valuation Error	2		Address Discrepancy	1
	Third Party Lender	4		Miscellaneous	2		Appraisal	1
	Form 912	3		Obligor/Guarantor	2		CDC Internal Process	1
	Equity Injection	2		Accounting & Mainframe Error	1		Charge Off Justification	1
	Job Creation	2		Address Discrepancy	1		Conclusion Error	1
	Ownership	2		Appraisal	1		Financials	1
	Prior Loss to the Government	2		CDC Internal Process	1		Lack of Approval	1
	Appraisal/ Environmental	1		Charge Off Justification	1		Missing Documentation	1
	Eligibility	1		Conclusion Error	1		Repayment Analysis	1
	Legal Review	1		Financials	1		Use of Proceeds	1
	Occupancy	1		Lack of Approval	1			
	Project Structure	1		Missing Documentation	1			
	Special Purpose	1		Repayment Analysis	1			
				Use of Proceeds	1			
	Grand Total			528	Grand Total		92	Grand Total

504 Servicing: Fresno & Little Rock Concurrence Rate Performance Trend Analysis FY 2016- FY 2017 (Q1 & Q2)

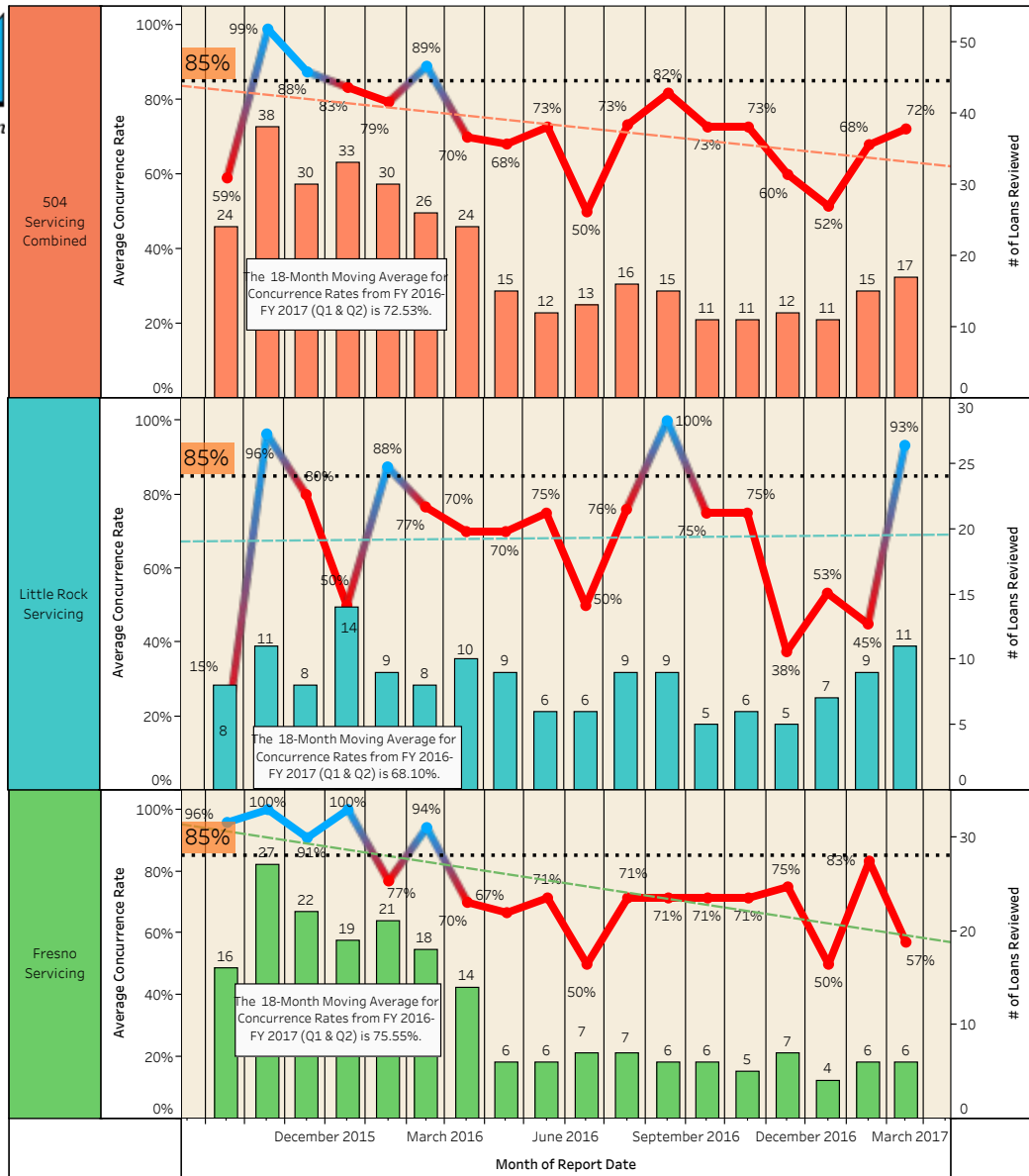


Quality Control has established an **85% benchmark** for concurrence rates across all 504 centers: SLPC, FSC, and LRSC.

For **Servicing Loan Actions** during the time period FY 2016- FY 2017 (Q1 & Q2), **Fresno and Little Rock's** average concurrence rates were **below the 85% benchmark** for 15 months and **above the 85% benchmark** for 3 months. Average concurrence rates **increased dramatically** in November 2015 by **40%** (FY 2016 Q1), August 2016 by **23%** (FY 2016 Q4), and in February 2017 by **16%** (FY 2017 Q2). Average concurrence rates **decreased dramatically** in April 2016 by **19%** (FY 2016 Q3), and July 2016 by **23%** (FY 2016 Q4). As the linear dashed trend line indicates, **average concurrence rates** for Fresno and Little Rock **decreased on average** during this time period. The moving average for **Fresno and Little Rock's** average concurrence rates was **72.53%**.

For **Servicing Loan Actions** during the time period FY 2016- FY 2017 (Q1 & Q2), **Little Rock's** average concurrence rates were **below the 85% benchmark** in 14 months and **above the 85% benchmark** for 4 months. Average concurrence rates **increased dramatically** in November 2015 by **81%** (FY 2016 Q1), February 2016 by **38%** (FY 2016 Q2), September 2016 by **24%** (FY 2016 Q4), and March 2017 by **48%** (FY 2017 Q2). Average concurrence rates **decreased dramatically** in January 2016 by **30%** (FY 2016 Q2), July 2016 by **25%** (FY 2016 Q4), and December 2016 by **37%** (FY 2017 Q1). As the linear dashed trend line indicates, **average concurrence rates** for Little Rock **increased on average** during this time period. The moving average for **Little Rock's** average concurrence rates was **68.10%**.

For **Servicing Loan Actions** during the time period FY 2016- FY 2017 (Q1 & Q2), **Fresno's** average concurrence rates were **below the 85% benchmark** for 13 months and **above the 85% benchmark** for 5 months. Average concurrence rates **increased dramatically** in March 2016 by **17%** (FY 2016 Q2), August 2016 by **21%** (FY 2016 Q4), and February 2017 by **33%** (FY 2017 Q2). Average concurrence rates **decreased dramatically** in February 2016 by **23%** (FY 2016 Q2), April 2016 by **24%** (FY 2016 Q3), July 2016 by **19%** (FY 2017 Q1), January 2017 by **25%** (FY 2017 Q2). As the linear dashed trend line indicates, **average concurrence rates** for Fresno **decreased on average** during this time period. The moving average for **Fresno's** average concurrence rates was **75.55%**.



		# Concurs	# Reviewed	Avg. Concurrence Rate
504 Servicing Combined	FY 2016			
	October	18	24	59.1%
	November	37	38	99.0%
	December	29	30	87.5%
	January	27	33	83.3%
	February	27	30	79.4%
	March	21	26	89.0%
	April	21	24	70.0%
	May	12	15	68.2%
	June	11	12	72.7%
	July	9	13	50.0%
	August	14	16	73.3%
	September	15	15	81.8%
FY 2017	October	10	11	72.7%
	November	10	11	72.7%
	December	7	12	60.0%
	January	7	11	51.5%
	February	11	15	68.0%
	March	15	17	72.2%

		# Concurs	# Reviewed	Avg. Concurrence Rate
Little Rock Servicing	FY 2016			
	October	3	8	15.0%
	November	10	11	96.4%
	December	7	8	80.0%
	January	8	14	50.0%
	February	8	9	87.5%
	March	5	8	76.7%
	April	8	10	70.0%
	May	7	9	70.0%
	June	5	6	75.0%
FY 2017	July	4	6	50.0%
	August	7	9	76.0%
	September	9	9	100.0%
	October	4	5	75.0%
	November	5	6	75.0%
	December	2	5	37.5%
FY 2017	January	4	7	53.3%
	February	5	9	45.0%
	March	10	11	93.3%

		# Concurs	# Reviewed	Avg. Concurrence Rate
Fresno Servicing	FY 2016			
	October	15	16	95.8%
	November	27	27	100.0%
	December	22	22	90.9%
	January	19	19	100.0%
	February	19	21	76.9%
	March	16	18	94.2%
	April	13	14	70.0%
	May	5	6	66.7%
	June	6	6	71.4%
FY 2017	July	5	7	50.0%
	August	7	7	71.4%
	September	6	6	71.4%
	October	6	6	71.4%
	November	5	5	71.4%
	December	5	7	75.0%
FY 2017	January	3	4	50.0%
	February	6	6	83.3%
FY 2017	March	5	6	57.1%

504 Liquidation: Fresno & Little Rock Concurrence Rate Performance Trend Analysis FY 2016- FY 2017 (Q1 & Q2)



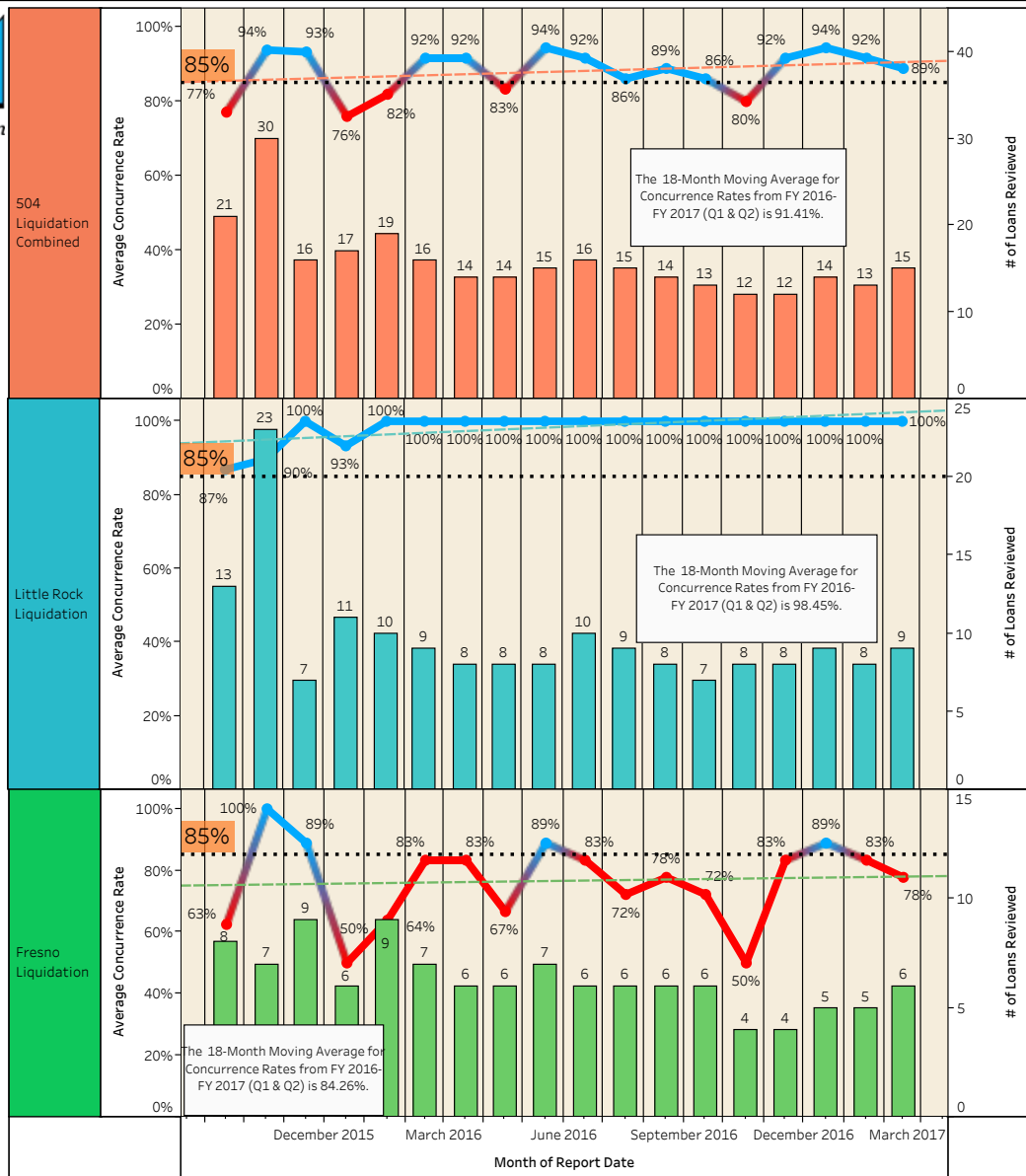
Quality Control has established an **85% benchmark** for concurrence rates across all 504 centers: SLPC, FSC, and LRSC.

For **Liquidation Loan Actions** during the time period FY 2016- FY 2017 (Q1 & Q2), **Fresno and Little Rock's** average concurrence rates were mostly **above the 85% benchmark**.

Average concurrence rates **increased dramatically** in November 2015 by **17%** (FY 2016 Q1), June 2016 by **11%** (FY 2016 Q3), and December 2016 by **12%** (FY 2017 Q1). Average concurrence rates **decreased dramatically** in January 2016 by **17%** (FY 2016 Q3). As the linear dashed trend line indicates, **average concurrence rates** for Fresno and Little Rock **increased on average** during this time period. The moving average for **Fresno and Little Rock's** average concurrence rates was **84.26%**.

For **Liquidation Loan Actions** during the time period FY 2016- FY 2017 (Q1 & Q2), **Little Rock's** average concurrence rates were **above the 85% benchmark** and were **100%** for most months. Average concurrence rates **increased dramatically** in December 2015 by **10%** (FY 2016 Q1), and February 2016 by **7%** (FY 2016 Q2). Average concurrence rates **decreased dramatically** in January 2016 by **7%** (FY 2016 Q2). As the linear dashed trend line indicates, **average concurrence rates** for Little Rock **increased on average** during this time period. The moving average for **Little Rock's** average concurrence rates was **98.45%**.

For **Liquidation Loan Actions** during the time period FY 2016- FY 2017 (Q1 & Q2), **Fresno's** average concurrence rates were **approximately below the 85% benchmark** in 12 months and **above the 85% benchmark** in 4 months. Average concurrence rates **increased dramatically** in November 2016 by **37%** (FY 2016 Q1), March 2016 by **19%** (FY 2016 Q2), and June 2017 by **22%** (FY 2017 Q3), and December 2016 by **33%** (FY 2017 Q1). Average concurrence rates **decreased dramatically** in January 2016 by **39%** (FY 2016 Q2), May 2016 by **16%** (FY 2016 Q3), and November 2016 by **22%** (FY 2017 Q1). As the linear dashed trend line indicates, **average concurrence rates** for Fresno **increased on average** during this time period. The moving average for **Fresno's** average concurrence rates was **84.26%**.



		# Concurs	# Reviewed	Avg. Concurrence Rate
504 Liquidation Combined	FY 2016			
	October	16	21	77.1%
	November	26	30	93.8%
	December	15	16	93.3%
	January	13	17	76.0%
	February	16	19	81.9%
	March	15	16	91.7%
	April	13	14	91.7%
	May	13	14	83.3%
	June	14	15	94.4%
FY 2017	July	15	16	91.7%
	August	13	15	86.1%
	September	12	14	88.9%
	October	11	13	86.1%
	November	10	12	80.0%
	December	11	12	91.7%
	January	13	14	94.4%

		# Concurs	# Reviewed	Avg. Concurrence Rate
Little Rock Liquidation	FY 2016			
	October	11	13	86.9%
	November	19	23	89.7%
	December	7	7	100.0%
	January	10	11	93.3%
	February	10	10	100.0%
	March	9	9	100.0%
	April	8	8	100.0%
	May	8	8	100.0%
	June	8	8	100.0%
FY 2017	July	10	10	100.0%
	August	9	9	100.0%
	September	8	8	100.0%
	October	7	7	100.0%
	November	8	8	100.0%
	December	8	8	100.0%
	January	9	9	100.0%

		# Concurs	# Reviewed	Avg. Concurrence Rate
Fresno Liquidation	FY 2016			
	October	5	8	62.5%
	November	7	7	100.0%
	December	8	9	88.9%
	January	3	6	50.0%
	February	6	9	63.9%
	March	6	7	83.3%
	April	5	6	83.3%
	May	5	6	66.7%
	June	6	7	88.9%
FY 2017	July	5	6	83.3%
	August	4	6	72.2%
	September	4	6	77.8%
	October	4	6	72.2%
	November	2	4	50.0%
	December	3	4	83.3%
	January	4	5	88.9%