

## More Tools to Fight Repurchase Demands

### New offering from The Work Number

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A new service helps lenders establish the income of a borrower at a given point in time -- providing ammunition for battling repurchase demands.

The new offering was announced Wednesday by [The Work Number](#).

According to the Equifax subsidiary, the product -- Point In Time -- validates the borrower's employment at the time the loan closed. It also documents the borrower's income as of the loan's funding.

The new service reportedly documents and archives all information obtained during fulfillment.

"According to Freddie Mac, a top underwriting deficiency seen in their Q1 2010 reviews of performing and non-performing loans is income misrepresentation, resulting from inaccurate or insufficient data and calculation errors at the time of loan origination," the news release stated.

In addition, the statement said the two secondary lenders are picking up the pace of repurchase demands.

The Work Number cited data from Fitch Ratings indicating that the four largest U.S. banks have been hit with \$10.7 billion in pending repurchase requests from Freddie and Fannie Mae.

Yesterday, the acting director of Fannie's and Freddie's regulator -- the Federal Housing Finance Agency -- [testified](#) that seller-servicers repurchased \$8.7 billion in mortgages from the two government-controlled enterprises during 2009. In addition, \$11.1 billion in repurchase requests were pending -- though no response has been received from lenders on a third of those requests.

"As repurchase activity and instances of fraud both continue to rise, exact documentation is essential in order for lenders to avoid excessive obligations or undisclosed mortgage debt," The Work Number Senior Vice President Janet Ford said in the news release. "With waves of foreclosures hitting the market, lenders and investors need an easy way to prove the accuracy of loan-level documents to defend against fault."

ISGN [announced](#) Tuesday the launch of a loan quality audit and monitoring service

which it says helps prevent the type of errors that lead to buy-backs and other problems. Such errors might be the result of misrepresentation of income and employment, overstatement of appraisals, or errors and omissions.

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