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SUNTRUST MORTGAGE STREAMLINES MORTGAGE DEFAULT MANAGEMENT WITH VAROLII
Automated Communication Cuts Costs and Reduces First Payment Default Rates by 62%

SEATTLE—February 24, 2010—As the rising tide of defaults and foreclosures shows no signs of letting up, the nation’s [mortgage companies are struggling to communicate](#) with increasing numbers of troubled borrowers at a time when their resources are already stretched too thin. [SunTrust](#) (NYSE: STI)—one of the nation’s largest and strongest financial holding companies—chose to replace its predictive dialer technology with an intelligent automated communications solution from Varolii Corporation. By using Varolii to [deliver routine requests](#) for borrower information, proactively contact SunTrust customers [before they call into the contact center](#), and enable many customers to [self-serve](#), SunTrust has greatly improved how it communicates with delinquent borrowers. The company reduced the number of inbound calls to its call center, shaved more than a day off its overall loss mitigation timeline, saved between \$8 and \$25 per call, and cut first payment defaults by more than 60%.

“If mortgage default management were nothing more than applying a set of hard-and-fast rules to a generic group of delinquent borrowers for the sole purpose of collecting as much money as possible, the industry would have far fewer hurdles to overcome,” said Tony Chambers, vice president of Default Operations, Reporting and Strategy at SunTrust Mortgage. “But each borrower’s circumstances are different and require an entire series of personalized conversations over a critical timeline. Varolii helped SunTrust reach more troubled borrowers and gather the information we needed faster and at lower cost than we could have using our contact center agents.”

Early Communication Establishes the Relationship and Pre-Empts First Payment Defaults

Like many mortgage servicers, SunTrust not only collects on loans issued through its own branches, but also on loans acquired from brokers and portfolio acquisitions. As their first payment looms, many of these indirect customers have no idea who holds their mortgage or the various options available to make payments. Consequently, many default on their first loan payment.

In 2008, SunTrust implemented an automated welcome call using Varolii to reduce first payment defaults and get relationships with borrowers off to a good start. By setting customers' expectations early on that they would be proactively contacted on a routine basis, SunTrust established trust with its borrowers, which made them less likely to avoid future communications.

SunTrust calls each borrower a few days before the first payment is due, giving them multiple payment options, including an [automated system to take a payment right over the phone](#) or [transferring to an agent](#) to discuss their account and other payment alternatives. The results have been dramatic. In a year-over-year comparison, the number of SunTrust customers defaulting on their first payment dropped by more than 60 percent, despite a worsening economy.

Timing is Critical in Default Management—and Borrowers are Harder than Ever to Reach

In most default management cases, lenders have a finite window to expedite loan workouts or foreclosures, or risk having to start the costly process all over again. Even during a strong housing market, lenders struggle to communicate with every borrower at critical times. And with more messages bombarding consumers every day over multiple channels, some no longer respond to traditional communication efforts, especially those too embarrassed by their financial situation to discuss it with another human being.

SunTrust's dedicated Loan Resolution Team works with borrowers to complete the necessary workout documentation and keep the process moving forward. However, traditional outbound calling programs to provide status updates or request missing information couldn't keep up with the number of borrowers in the loan modification process who needed help and were flooding contact centers asking for immediate status.

SunTrust began using Varolii in its loss mitigation communication efforts to proactively contact borrowers in the modification process, provide a greater number of automated personalized updates and avoid the time-consuming problem of phone tag. Using Varolii, SunTrust freed up its agents to focus on more complex loan resolution tasks, cut its overall loss mitigation timeline by one to two days and dramatically reduced the number of inbound calls to its contact center—saving SunTrust the \$8 to \$25 it would normally cost to complete each call. And by listening and interacting with automated communication, SunTrust's troubled borrowers were able keep their loan resolution moving forward with less discomfort.

“By using intelligent automated communications from Varolii, not only did SunTrust improve its business metrics, we empowered our customers and helped them understand they're doing business with a

company that truly cares,” said Chambers. “And that’s important. When the housing market turns around, the lenders that provided superior customer service all along will come out on top.”

Varolii is the market and technology leader in intelligent automated communications. For more information about Varolii solutions for the Financial Services industry, visit www.varolii.com/Industries/Financial_Services. For information about how Varolii helps clients in all industries improve their collection efforts, visit www.varolii.com/Products/Billings_Collections.aspx.

About Varolii Corporation

Varolii is the market and technology leader in proactive outbound communications. Its on-demand communication software and services help organizations more effectively reach and interact with their customers and employees, getting the best result from every interaction. By automating the processes required for personalized communications such as flight cancellation notices, fraud detection alerts and prescription pick-up reminders, Varolii helps its clients reduce operational costs, increase contact center efficiency, and get more out of their existing IT investments. More than 380 companies, including many of the largest U.S. banks, airlines, wireless carriers, utilities, and healthcare organizations trust Varolii to send 4 million communications every business day. Varolii is headquartered in Seattle with offices in the Boston and Denver metropolitan areas. For more information, visit www.varolii.com.

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