



LEVEL 1 LOANS

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MODELING SERVICES

Level 1 Loans offers valuation and modeling services, and software licenses, for mortgages and mortgage related assets. We perform mark-to-market & economic valuations, default & prepay risk analyses, and loan-loss-provision estimates. Our proprietary Level 1 Loans™ system provides slotting and pricing of mortgage asset portfolios based on quoted prices, for identical assets, in active markets as of the valuation date. Loans and servicing rights that do not match existing product being acquired by the major aggregators are priced using our proprietary Cash Flow Valuation Model.

POTENTIAL BENEFITS INCLUDE

- Accurate – valuations down to the loan level guarantee that no potential risk or reward opportunity in the portfolio is overlooked
- Transparent - our valuation binder discloses the methodologies utilized as well as all assumptions and their sources;
- Auditable – our price and assumption discovery process assures you that all assumptions used are defensible, and can be tracked over time
- Minimum number of subjective elements used - because our valuation system looks first at our database of prices actually being paid for loan products, predicting market prepay speeds and default assumptions can be minimized.

HOW ARE WE DIFFERENT FROM OUR COMPETITORS

Level 1 Loans is the nation's only valuation firm that is not also a broker. This benefits you in two ways:

- There is no conflict of interest – appraisers are required to disclose if they may have any past or future financial interest in brokering the asset they are valuing. We need no such disclosure.
- Because we pose no competitive threat to brokers, we can obtain actual market intelligence from all of them. They will share with us what they cannot share with each other.

Additionally, because we have developed and own our valuation models, we can more easily modify them to the particular idiosyncrasies of a portfolio, or changing economic dynamics.

OUR EXPERIENCE

The staff at Level 1 Loans has been in the financial valuation and modeling business for over twenty years. We understand the industry as well as the financial and statistical disciplines needed to perform these complex analyses. Our President, Dr. Thomas J. Healy, CMB, is the Dean of the Faculty for the MBAs education program, a Master Faculty Fellow, has literally “written the book” on valuing mortgage servicing rights¹, published a wide variety of articles, and is a sought after public speaker both here and abroad on these financial subjects.

We can help you with the valuation and financial management of your loan and servicing portfolios.

1. Servicing Portfolio Evaluation and Management: A Financial Perspective