

Case Study

Eliminating Tax penalties by enhanced Tax reporting using RETS®



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Customer



- A leading third-party provider of loan servicing for the commercial real estate finance industry

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Business Situation



- Collecting Agencies offer different discount dates for early payment of taxes
- Varying dates caused incorrect tax due date information to be recorded for several loans in the servicing system leading to penalties from late payments
- Needed help in identifying such incorrect loan records without the added cost of performing delinquent or open tax searches for every loan

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Solutioning



- **RETS** platform automatically reviews each loan for potential problem based on review of the agency payment

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Execution



- Collateral report was enhanced to include tax payment due date and discount date in addition to property information like parcel number and collecting agencies
- Further customization made to proactively report loans at risk

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Value Delivered



Reduced penalties from late tax payments

- Helped eliminate late tax penalties - **3%** penalties avoided for the whole portfolio
- Enhanced reporting to flag records that needed additional review to avoid penalties