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Globalization and Mortgage Loan Servicing

Globalization has affected many industries including the Mortgage Servicing industry. With the advent of Internet and enhanced international communication, we see the world shrinking at a rapid rate for about 150-200 years. Where an image can replace a paper or email can replace stationery, borders dissolve and the cultural divide narrows.

Linguists point out that diverse regional accents in England resulted from the fact that people were born, lived and died in the same community and rarely ventured elsewhere – so their word usage and pronunciation varied greatly from town to town, as little as 100 miles apart. By the time the English language moved into the U.S., it carried forward in a movement to settle the frontier across vast areas; and, although you observe regional accents in the U.S., these differences are considerably less. One linguist said that regional differences in speech in cities 100 miles apart in England are greater than in the whole of the U.S.

Then came the train, the telegraph, the airplane, the radio and television which continued to smooth out these differences in language. The resultant milieu opens opportunities for men and women who centuries earlier would not have dreamed possible. The aspiring lady from Iowa could decide to try her luck at an acting career in New York or California, or the young man from Chicago could decide to move to the



country and try ranching or farming. At least in the U.S., the barriers to travel disappeared. But the U.S. was still isolationist as recently as the early part of the 20th Century. Then came World War II, and the world shrank more, as the U.S. culture began to dominate much of the globe.

One of the primary barriers to international participation in American business was language. Americans and British and Australians and Canadians and South Africans and people in several other key areas spoke English. That comprised a large percentage of the world economy. Among countries where English was not the primary language, India had a leg up because of the fractionation of their own languages and dialects (there are more than 1,600 different languages spoken in India) and their experience with the British occupation of the country for several centuries. The same phenomenon created participation in small but powerful economies like Hong Kong and Singapore. Even though people spoke their own languages at home, English became the language of business and government – the common denominator. Japan and many European countries began to support learning English as a second language for the benefit of their own citizens, so they could better

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Message from the CEO: An International Visa to the World

When we released the original version of Rekon in the middle 1990s, four of our biggest clients – all of whom were top-ten servicers – had their primary servicing centers located in California.

Within a few years, they had all moved out of state to take advantage of lower overhead in other venues. California had (and still has) high real estate prices. And, where the state government penalizes businesses with high taxes, workers comp fees and other legislation, the move was natural, especially for businesses that hire a lot of employees. But little did we suspect at that time that corporate activity would continue to fragment, with companies moving or outsourcing segments of their operations to wherever they could be done most cheaply – including the transition of call centers and

data-entry operations overseas. The move is natural.

Since the beginning, the Rekon software has been used in various configurations, including overseas or right in your backyard – from China and India to Missouri and California. Processing lien releases in India is no different than processing in Middle



America. You can set up your operations in one city and your server infrastructure in another. Whether connecting your office to the servers in the building next

door or hosting the infrastructure in Florida while processing in India, well-designed software won't know the difference.

We're delighted to see technology move into this new realm of possibilities and have always appreciated the idiosyncrasies of this industry. As we exit this last refi phase and prepare for the next, improved technology is our best tool for meeting the upcoming challenges. Thus, we look for solutions that utilize existing resources by capitalizing on their strengths and thereby eliminating the needless actions that make existing operations less profitable. Global enterprise can bring economies of scale that make your jobs easier and increase your value to the company.

Technology advancements can incite global thinking. Sometimes it's the other way around. The dreamer envisions a new world of transparent borders and free-flowing international commerce. The technology unlocks new opportunities hitherto unforeseen. In either case, technology is your international visa to the world.

Stanley Gainsforth
Founder and CEO

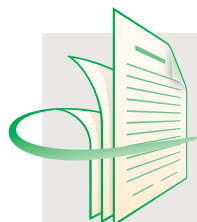


rekon™

The Lien Release and Assignments Solution

The world after payoff is unlike any other in the mortgage servicing industry. There's the administrative juggle, the 3600+ State and County document requirements to manage, fee maintenance and updates for recording fee checks, the clearing of the title as the lien was sold from lender to lender, and the risk involved if the lien release is not prepared in time.

Rekon products address all aspects involved in the world after payoff. If you're interested in learning about Rekon, contact our Sales Team at 626-577-4350.



DokTrak™:

The Post-Closing Management Solution

All post-closing activities and functions can be handled with the Rekon Technologies' DokTrak™ software – the most robust post-closing, file and document tracking solution on the market.

Capable of high-volume processing, DokTrak is a comprehensive solution for the gap between the loan origination software or acquisitions and the boarding system. DokTrak provides data-warehousing capabilities to retain, manage, track and monitor loans for exceptions processing, securitization management and file routing.

Rekon Buzz – The Bi-Weekly Update of All Things Recording

Introducing the new Rekon Buzz. We're offering a limited free trial to anyone who wants to stay abreast of regulatory changes, fee updates, system enhancements, recorder address changes and all things involving the world of recordation. To sign up for the free trial subscription, contact our Sales Team at 626-577-4350 or email us at sales@rekon.com

eRecording Update

Many exciting changes have happened with the eRecording system in Rekon with new partnerships and new counties. Here is a recap of all the counties enabled with eRecording through the Rekon system.

Enabled Counties

Maricopa	AZ	Renville	MN
Yavapai	AZ	Boone	MO
Los Angeles	CA	St. Louis City	MO
Orange	CA	Durham	NC
San Bernardino	CA	Mecklenburg	NC
San Diego	CA	New Hanover	NC
Alamosa	CO	Gloucester	NJ
Arapahoe	CO	Monmouth	NJ
Boulder	CO	Washoe	NV
Conejos	CO	Butler	OH
Delta	CO	Tulsa	OK
Denver	CO	Allegheny	PA
Douglas	CO	Lancaster	PA
El Paso	CO	Philadelphia	PA
Gilpin	CO	Collin	TX
Jefferson	CO	Dallas	TX
La Plata	CO	Denton	TX
Mineral	CO	Ft. Bend	TX
Pueblo	CO	Hidalgo	TX
Weld	CO	Tarrant	TX
Bay	FL	Williamson	TX
Brevard	FL	Fairfax	VA
Broward	FL	King	WA
Duval	FL	Snohomish	WA
Hillsborough	FL	Brown	WI
Orange	FL	Chippewa	WI
Palm Beach	FL	Columbia	WI
Polk	FL	Dane	WI
Champaign	IL	Kenosha	WI
Cook	IL	Milwaukee	WI
Du Page	IL	Portage	WI
Rock Island	IL	Racine	WI
Winnebago	IL	Washington	WI
Sedgwick	KS	Waupaca	WI
Wyandotte	KS	Winnebago	WI
Middlesex North	MA		
Ingham	MI		
Macomb	MI		
Oakland	MI		
Ottawa	MI		

To find out more about eRecording, contact our Sales Team at 626-577-4350 or email us at sales@rekon.com.

Globalization

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compete in a world market. This movement has accelerated, and today there are more people learning English in China than the entire population of the United States.

Industrial capacity in other parts of the world increased sharply, and lower labor costs or other advantages shepherded an exodus of industrial production out of the U.S. and into other countries. Japanese and European cars, Chinese clothing and electronic devices from many different companies began to find their way into our culture. At first, American companies remained with their heads in the sand as their market share shrank; then they began to realize they didn't have to take a licking at the hands of foreign corporations – they could simply move parts of their own operations overseas.

But there was still another barrier: Distance. It was possible to take a plane to the Orient or to Europe, but communication between the U.S. and overseas sites was difficult until quite recently. Phone lines were unreliable and expensive. There was no practical way to transfer large volumes of data on an ongoing basis except by paper, usually transferred by air express – an expensive solution.

Then along came computers, optical cable and the Internet, and suddenly it seemed like the world was washed in hot water and put in the drier for too long. Today a phone line to a call center in India or China is as good as a call to the neighbor next door. Data sent via email can arrive from Russia or Africa in seconds or minutes, and can include large volumes of data, like scanned documents or large databases. Computers set up in China can access American servers for data entry or look-up – and vice versa.

So now the world has become truly global – not just for mapmakers and Magellan, but for any corporation trying to determine where best to get the work done.



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US POSTAGE
PAID
MARKETSHARE

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Upcoming Events

Event	Location	Dates
MBA's Document Custody Conference 2006	The Westin Seattle (Seattle, WA)	9/17/2006 – 9/19/2006
MBA's 93rd Annual Convention & Expo 2006	Hyatt Regency Chicago (Chicago, IL)	10/22/2006 – 10/25/2006
MBA's National Mortgage Servicing Conference & Expo 2007	Manchester Grand Hyatt (San Diego, CA)	2/21/2007 – 2/24/2007
MBA's National Technology In Mortgage Banking Conference & Expo 2007	Tampa Convention Center (Tampa, FL)	3/25/2007 – 3/28/2007

About Rekon Technologies Rekon Technologies is a software company based in Pasadena, California, recognized nationally as one of the key providers of software systems to the mortgage loan servicing industry.

The Rekon system is known for its advanced, infallible method of lien release and assignment document preparation. DokTrak provides solutions to the ubiquitous problem of file and document tracking.

