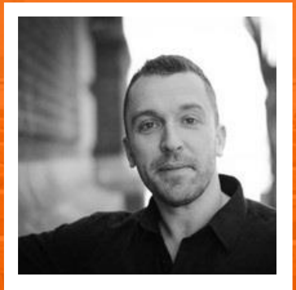
McCRACKEN UNIVERSITY

WEBINAR SERIES

An Intro to STRATEGY's Asset Management Applications

Meet the team.



Anthony Villa
Moderator
Director of
Marketing & Sales

Nick McCracken
Lead Developer

Today you will learn:

- **All the Asset Management applications available to you in STRATEGY**
- **The benefits of using each application**
- **A high-level view of functionality**

Our agenda.

- An overview of our suite of Asset Management applications
- Commonly used applications for Asset Managers
- Let’s ‘tour the store’ & our Asset Management Applications
- “Should I be using STRATEGY’s Asset Management applications?”

Overview of Asset Management features

- Our suite of Asset Management applications live in our cloud-based portal to help you **store, analyze and report on collateral performance**

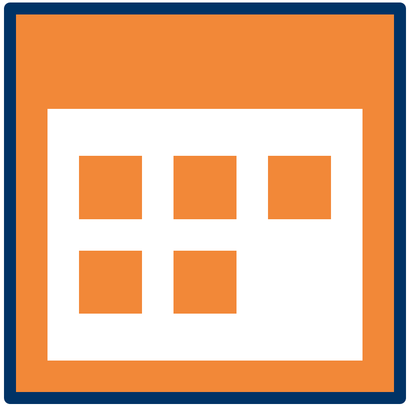
- A customizable and user-friendly dashboard allows you to **pick and choose what applications you want to use** (even the **colors** of each widget)

- Our Intelligence Engine proactively **automates monitoring of your entire commercial portfolio** for any risk indicators or covenants to ensure loan health

- Our integrated Process Manager Workflow tool helps **you automate all of your processes, track all of your day to-day activities, while providing a complete history and audit trail you can view instantly**

Commonly used applications for Asset Managers

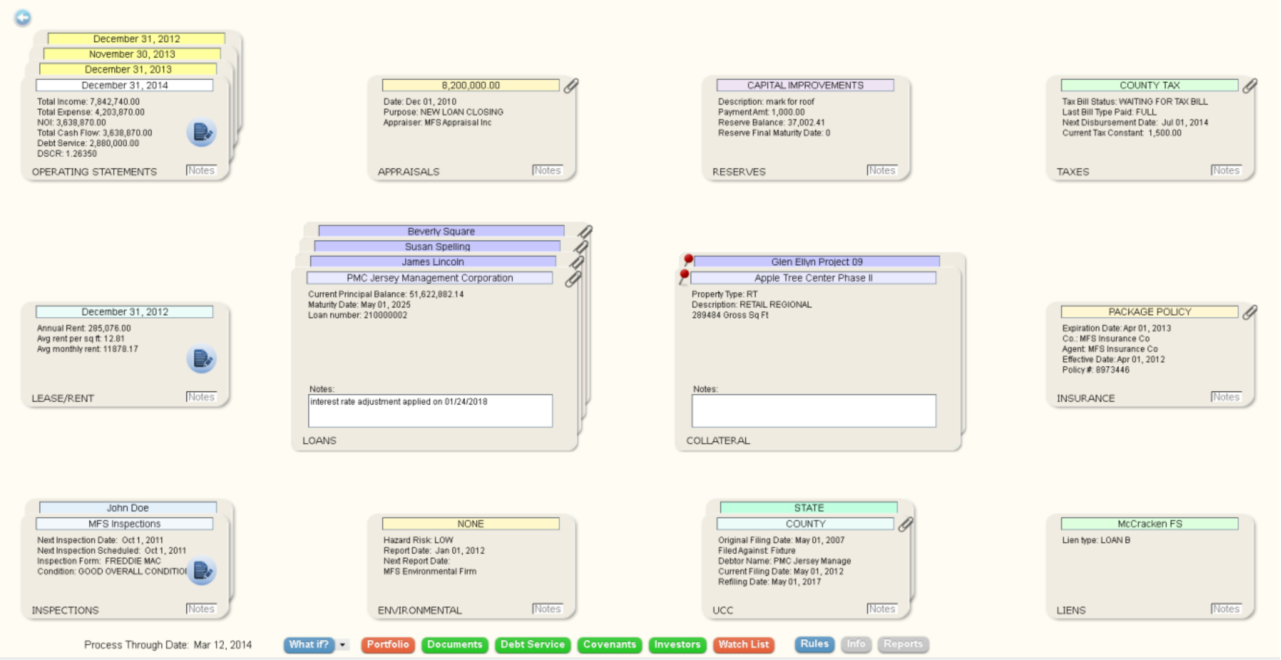
1. Portfolio Analysis
2. Financial Statements / Valuation
3. Rent Rolls
4. Inspections
5. Appraisal
6. Reporting
7. Intelligence Engine
8. Process Manager



Portfolio Analysis

Holistic view of your entire portfolio

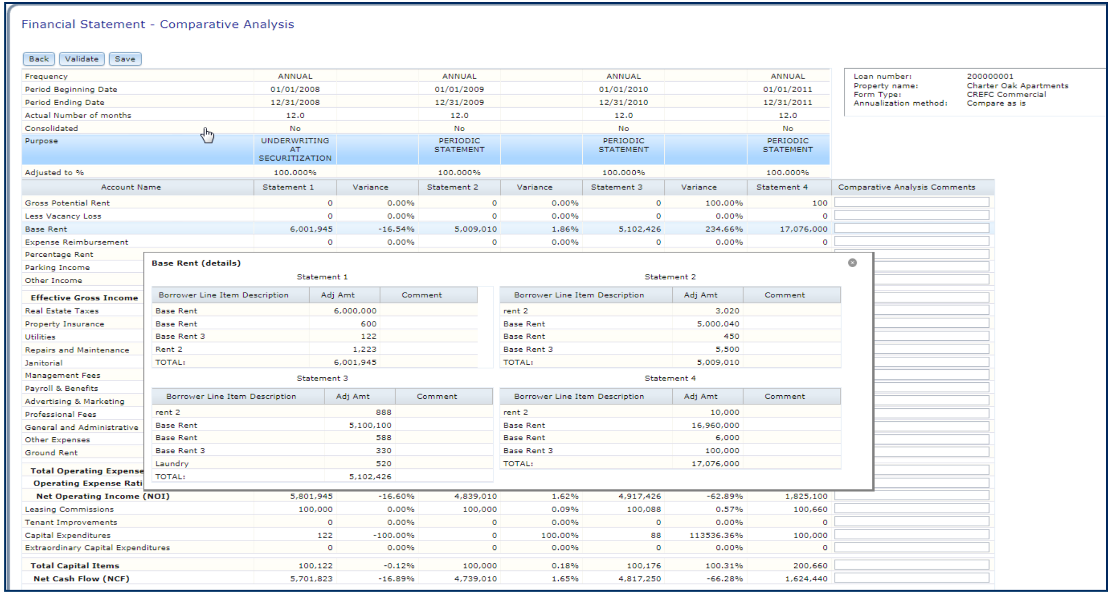
- Credit exposure, relationships within your portfolio, monitoring and alerts



Financial Statements

Analyze, adjust, and compare operating statements over time

- Easily enter financial statements into predefined templates, or customize templates
- Users are guided through entering, analyzing, and reporting the financial statement information in the correct format for the appropriate property type and investor
- Import an operating statement from a borrower provided spreadsheet
- Also works for comparing to a base underwriting statement



Financial Statement - Comparative Analysis

Back Validate Save

Loan number: 200000001
Property name: Charter Oak Apartments
Form Type: CREFC Commercial
Annualization method: Compare as is

Frequency	ANNUAL		ANNUAL		ANNUAL		ANNUAL		
Period Beginning Date	01/01/2008		01/01/2009		01/01/2010		01/01/2011		
Period Ending Date	12/31/2008		12/31/2009		12/31/2010		12/31/2011		
Actual Number of months	12.0		12.0		12.0		12.0		
Consolidated	No		No		No		No		
Purpose	UNDERWRITING AT SECURITIZATION		PERIODIC STATEMENT		PERIODIC STATEMENT		PERIODIC STATEMENT		
Adjusted to %	100.000%		100.000%		100.000%		100.000%		
Account Name	**Statement 1**	**Variance**	**Statement 2**	**Variance**	**Statement 3**	**Variance**	**Statement 4**	**Comparative Analysis Comments**	
Gross Potential Rent	0	0.00%	0	0.00%	0	100.00%	100		
Less Vacancy Loss	0	0.00%	0	0.00%	0	0.00%	0		
Base Rent	6,001,945	-16.54%	5,009,010	1.86%	5,102,426	234.66%	17,076,000		
Expense Reimbursement	0	0.00%	0	0.00%	0	0.00%	0		
Percentage Rent									
Parking Income									
Other Income									
Effective Gross Income									
Real Estate Taxes									
Property Insurance									
Utilities									
Repairs and Maintenance									
Janitorial									
Management Fees									
Payroll & Benefits									
Advertising & Marketing									
Professional Fees									
General and Administrative									
Other Expenses									
Ground Rent									
Total Operating Expense									
Operating Expense Rati									
Net Operating Income (NOI)	5,801,945	-16.60%	4,839,010	1.62%	4,917,426	-62.89%	1,825,100		
Leasing Commissions	100,000	0.00%	100,000	0.09%	100,088	0.57%	100,660		
Tenant Improvements	0	0.00%	0	0.00%	0	0.00%	0		
Capital Expenditures	122	-100.00%	0	100.00%	88	113536.36%	100,000		
Extraordinary Capital Expenditures	0	0.00%	0	0.00%	0	0.00%	0		
Total Capital Items	100,122	-0.12%	100,000	0.18%	100,176	100.31%	200,660		
Net Cash Flow (NCF)	5,701,823	-16.89%	4,739,010	1.65%	4,817,250	-66.28%	1,624,440		

Base Rent (details)

Statement 1

Borrower Line Item Description	Adj Amt	Comment
Base Rent	6,000,000	
Base Rent	600	
Base Rent 3	122	
Rent 2	1,223	
TOTAL:	6,001,945	

Statement 2

Borrower Line Item Description	Adj Amt	Comment
rent 2	3,020	
Base Rent	5,000,040	
Base Rent	450	
Base Rent 3	5,500	
TOTAL:	5,009,010	

Statement 3

Borrower Line Item Description	Adj Amt	Comment
rent 2	888	
Base Rent	5,100,100	
Base Rent	588	
Base Rent 3	330	
Laundry	520	
TOTAL:	5,102,426	

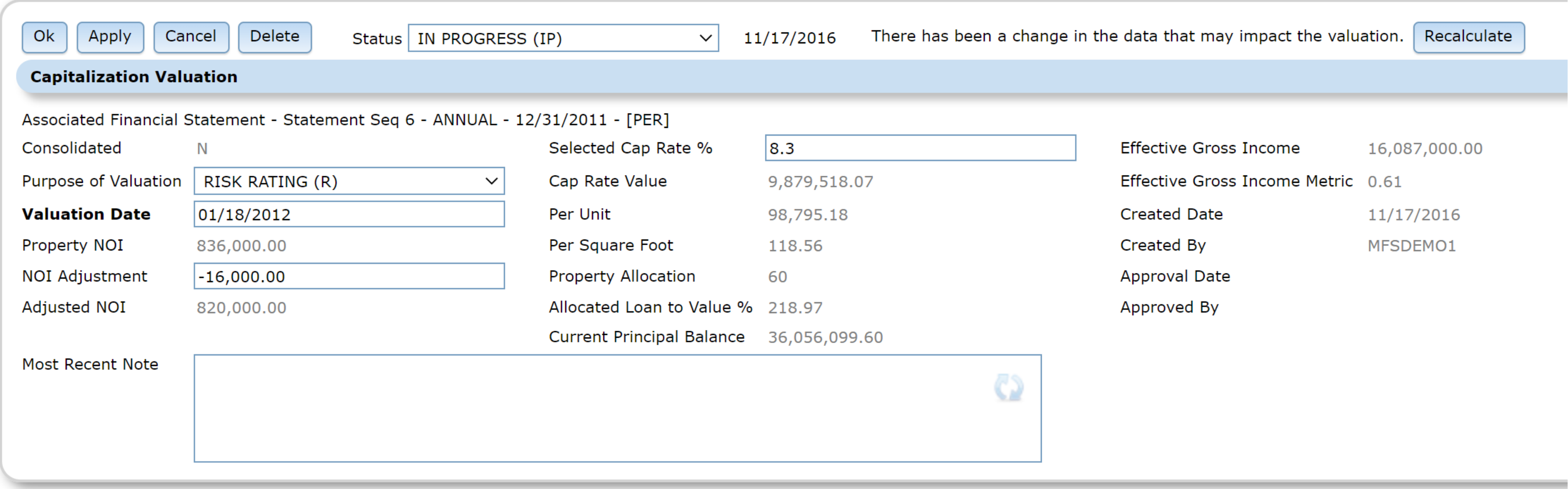
Statement 4

Borrower Line Item Description	Adj Amt	Comment
rent 2	10,000	
Base Rent	16,960,000	
Base Rent	6,000	
Base Rent 3	100,000	
TOTAL:	17,076,000	

Valuation

Storage and evaluation of capitalization

- Tied to Financial Statement
- Automatically calculates Cap Rate Information



Rent Rolls

Track & analyze tenant and lease information

- Works at both the property or consolidated loan level
- See a historical view, tenant parent/child relationships (legal structure)
- User-defined forms and templates associated with different property types
- Easily enter and import rent rolls and unit mix into user-defined templates

Unit Mix

As of Date	10/09/2017	Total Units	200	Total Square Feet	316,750
Total Rooms	30	Total Bedrooms	29	Total Bathrooms	4.0
Total Rent/Month	523,000.00	Indep/Congreg Unit Mix		Assisted Living Unit Mix	
Analysis Date	10/11/2017	Analysis By	SHARTWEL	Full/Partial	
Received Date	10/16/2017	Description			

Gross Potential Rent	Units	Rent	Occupancy/Va
Occupied Units at Lease Rent	199	6,276,000.00	100.000%
Vacant/Down Units at Market Rent	0	0.00	0.000%
Non-Revenue Units at Market Rent	1	0.00	
Total	200	6,276,000.00	

Most Recent Note

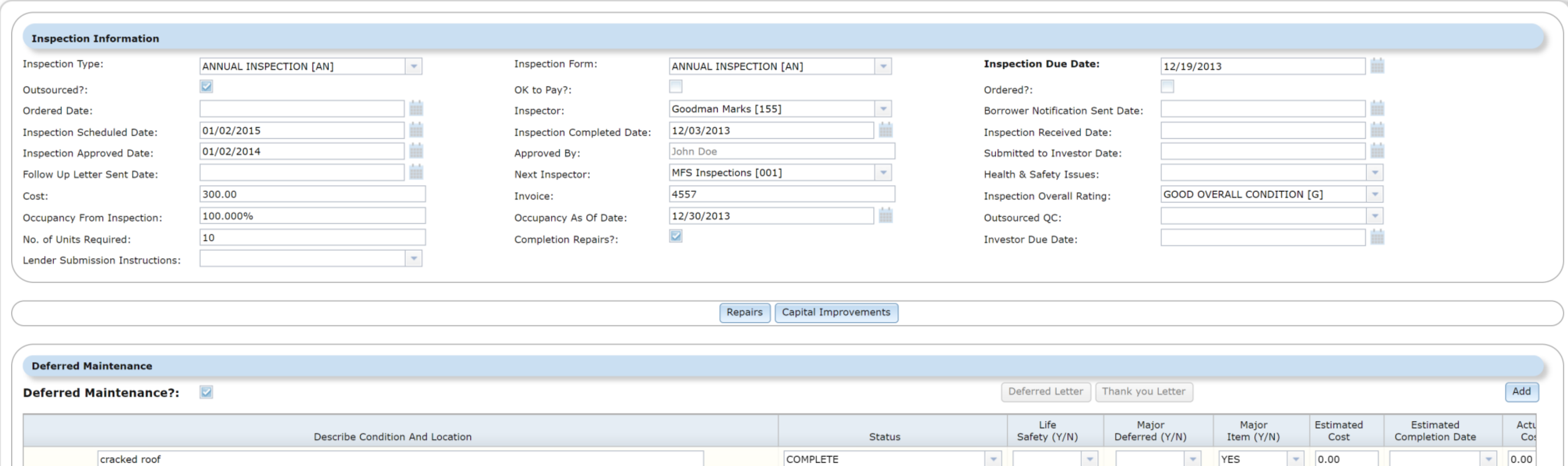
Unit Mix Details

Unit Description	Unit Detail Description	# of Units	# of Rooms	# of Bedrooms	# of Bathrooms	Square Feet/Unit	Rent/Unit/Month	Rent/Square F
SEE DETAIL DESCRIPTION	Assited Living	50	2	2	1.0	1,000	3,000.00	3.00
SEE DETAIL DESCRIPTION	Full Nursing	25	25	25	1.0	750	5,000.00	6.67
SEE DETAIL DESCRIPTION	independant	124	3	2	2.0	2,000	2,000.00	1.00
SEE DETAIL DESCRIPTION	MGR App	1	0	0	0.0	0	0.00	0.00

Inspections

Keep historical site inspections in one place

- Includes deferred maintenance items, fully integrated notes, and O&M information
- Fully integrated with our Intelligence Engine and Process Manager workflow tool to help schedule and approve inspection reports
- Upload the inspections document and photos to glean key data or issues



Inspection Information

Inspection Type:	ANNUAL INSPECTION [AN]	Inspection Form:	ANNUAL INSPECTION [AN]	**Inspection Due Date:**	12/19/2013
Outsourced?:	☑	OK to Pay?:	☐	Ordered?:	☐
Ordered Date:		Inspector:	Goodman Marks [155]	Borrower Notification Sent Date:	
Inspection Scheduled Date:	01/02/2015	Inspection Completed Date:	12/03/2013	Inspection Received Date:	
Inspection Approved Date:	01/02/2014	Approved By:	John Doe	Submitted to Investor Date:	
Follow Up Letter Sent Date:		Next Inspector:	MFS Inspections [001]	Health & Safety Issues:	
Cost:	300.00	Invoice:	4557	Inspection Overall Rating:	GOOD OVERALL CONDITION [G]
Occupancy From Inspection:	100.000%	Occupancy As Of Date:	12/30/2013	Outsourced QC:	
No. of Units Required:	10	Completion Repairs?:	☑	Investor Due Date:	
Lender Submission Instructions:					

Repairs Capital Improvements

Deferred Maintenance

Deferred Maintenance?: ☑

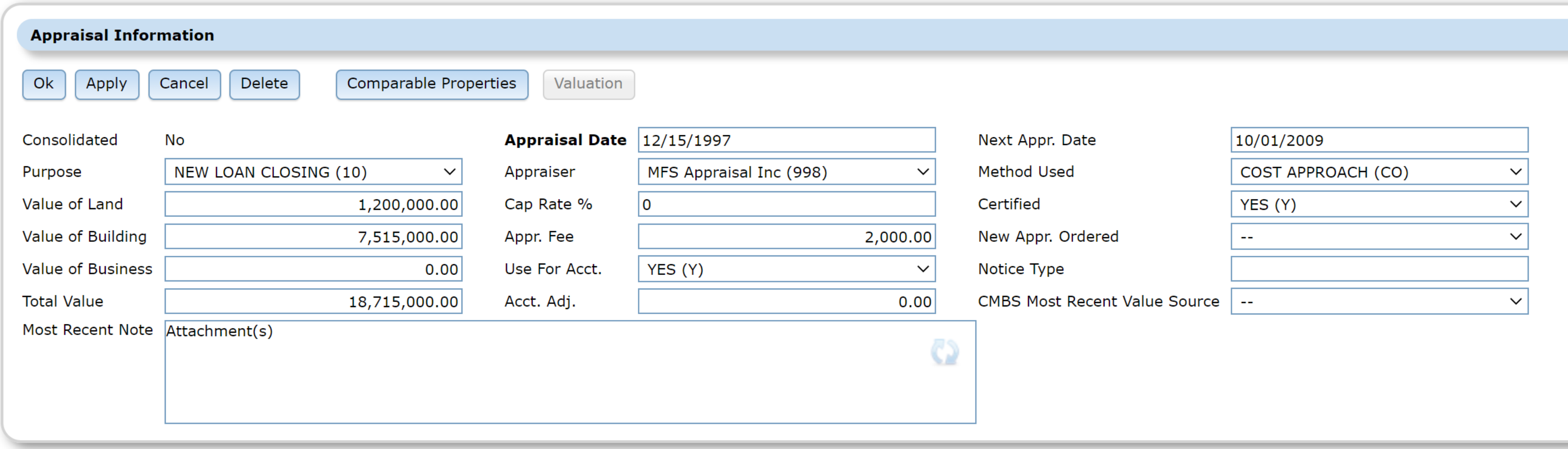
Deferred Letter Thank you Letter Add

Describe Condition And Location	Status	Life Safety (Y/N)	Major Deferred (Y/N)	Major Item (Y/N)	Estimated Cost	Estimated Completion Date	Actu Co:
cracked roof	COMPLETE			YES	0.00		0.00

Appraisal

Keep historical values in a central location

- Upload comprehensive appraisal documents to glean key data



Appraisal Information

Ok | Apply | Cancel | Delete | Comparable Properties | Valuation

Consolidated	No	**Appraisal Date**	12/15/1997	Next Appr. Date	10/01/2009
Purpose	NEW LOAN CLOSING (10)	Appraiser	MFS Appraisal Inc (998)	Method Used	COST APPROACH (CO)
Value of Land	1,200,000.00	Cap Rate %	0	Certified	YES (Y)
Value of Building	7,515,000.00	Appr. Fee	2,000.00	New Appr. Ordered	--
Value of Business	0.00	Use For Acct.	YES (Y)	Notice Type	
Total Value	18,715,000.00	Acct. Adj.	0.00	CMBS Most Recent Value Source	--
Most Recent Note	Attachment(s)				

Reporting

One-stop shopping for any report you need within seconds

- No need to engage with technical resources or other reporting tools
- 100’s of pre-packaged reports available for use
- Ad hoc reporting available to create custom reports

Reports

Investor Trial Balance - only include first prop - Demo-Inv Trial one prop

XLS PDF Create New Process/Task WriteTrack Search

LOAN NUMBER	CUSTOMER SHORT NAME	CURRENT PRINCIPAL BALANCE	NEXT PAYMENT DUE DATE	MATURITY DATE	SEQUENCE#	INVESTOR#	PARTICIPATION% OWNED	CURRENT PRINCIPAL BALANCE
990008116	Verona	70,600,000.00	2013-09-15	2023-08-15	1	600	1.00000000000000	70,600,000.00
975754834	mscha	300,000.00	2014-01-01	2020-12-01	1	502	1.00000000000000	300,000.00
970000764	Madison Bond	4,045,000.00	2013-09-15	2023-08-15	1	600	1.00000000000000	4,045,000.00
970000696	Verona Bond	39,500,000.00	2013-09-15	2023-08-15	1	600	1.00000000000000	39,500,000.00
970000695	Verona Bond	2,600,000.00	2013-09-15	2023-08-15	1	600	1.00000000000000	2,600,000.00
970000692	Verona Bond	28,500,000.00	2013-09-15	2023-08-15	1	600	1.00000000000000	28,500,000.00
910610921	HIGHPOINTE HO	999,804.79	2008-01-01	2016-08-01	1	531	1.00000000000000	999,804.79
890610921	MOORE	999,804.79	2008-01-01	2006-08-01	1	531	1.00000000000000	999,804.79
880001116	Revere Dev	1,000,000.00	2013-09-15	2015-08-15	1	600	1.00000000000000	1,000,000.00
880000718	Revere Dev	500,000.00	2013-09-15	2015-08-15	1	600	1.00000000000000	500,000.00
512121212	neg am	50,100,000.00	2007-12-31	2037-09-02	1	702	1.00000000000000	50,100,000.00
500001234	CONW	8,640,582.20	2014-07-01	2023-11-01	1	516	1.00000000000000	4,320,291.10
490837071	GRAV	51,050,000.00	2008-06-15	2033-05-15	1	503	1.00000000000000	51,050,000.00
220000011	Pool A PIF	0.00	2014-04-01	2014-12-31	1	22001	0.19968000000000	0.00
220000011	Pool A PIF	0.00	2014-04-01	2014-12-31	2	22002	0.13978000000000	0.00

Intelligence Engine

Proactive monitoring of your entire portfolio

- Monitor for any risk indicators and covenants to ensure the health of the loan

- Example: when an NOI drops below a certain level – how do you know? The ‘engine’ will tell you so you can resolve it

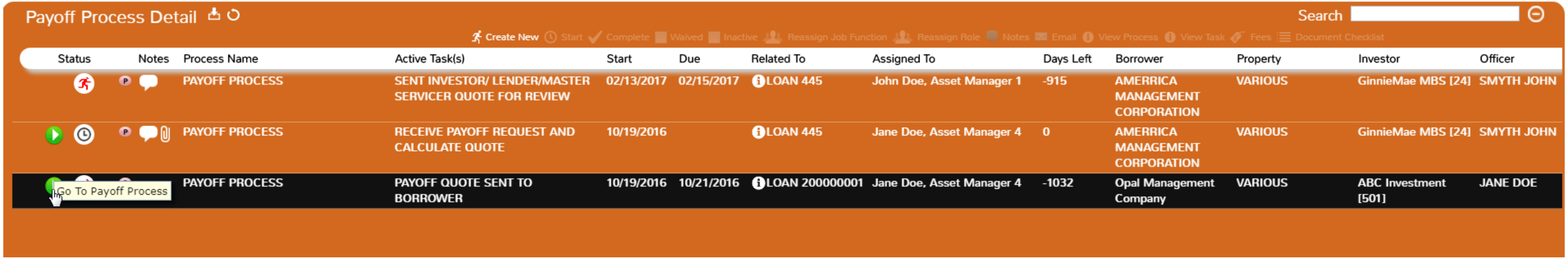
- Automatically performs actions when indicators are identified
    - Displays alerts
    - Emails to notify appropriate parties
    - Creates letters to notify borrowers, property managers, etc.
    - Starts user defined processes to mitigate risk

- Eliminates manually pouring over reports for dates and multiple risk factors

Process Manager

Automate <u>all</u> of your processes

- Quickly assign and route work to whoever you want (even third party vendors)
- Completely visibility to all parties with your notes and associated documents in one central location
- Consents, covenants, asset management, etc.
- Eliminate the need for reminders and ticklers when implemented
- Provides a complete history and audit trail you can pull up instantly on screen



Status	Notes	Process Name	Active Task(s)	Start	Due	Related To	Assigned To	Days Left	Borrower	Property	Investor	Officer
		PAYOFF PROCESS	SENT INVESTOR/ LENDER/MASTER SERVICER QUOTE FOR REVIEW	02/13/2017	02/15/2017	LOAN 445	John Doe, Asset Manager 1	-915	AMERRICA MANAGEMENT CORPORATION	VARIOUS	GinnieMae MBS [24]	SMYTH JOHN
		PAYOFF PROCESS	RECEIVE PAYOFF REQUEST AND CALCULATE QUOTE	10/19/2016		LOAN 445	Jane Doe, Asset Manager 4	0	AMERRICA MANAGEMENT CORPORATION	VARIOUS	GinnieMae MBS [24]	SMYTH JOHN
		PAYOFF PROCESS	PAYOFF QUOTE SENT TO BORROWER	10/19/2016	10/21/2016	LOAN 200000001	Jane Doe, Asset Manager 4	-1032	Opal Management Company	VARIOUS	ABC Investment [501]	JANE DOE

Is there another application for
Asset Management that you’d like for us to
develop?

Or specific functionality?

Let’s ‘tour the store’ & our Asset Management applications

“Should I be using STRATEGY’s Asset Management applications?”

- My organization is on an older STRATEGY release and not taking full advantage of all the system has to offer
- My organizations pays for a separate system *just* for Asset Management
- My organization built and maintains a homegrown system *just* for Asset Management
- My organization could benefit from tighter integration between our Servicing & Asset Management departments and systems

Next Steps

- Take the 1-minute email survey!
- Make sure to **download the PDF attachment** to see all the other applications available to you in our cloud-based portal
- This presentation and a recording of this webinar will be available at www.mccrackenfs.com in the SUPPORT CENTER under WEBINAR PRESENTATIONS
- If you are interested in learning more about our **Asset Management** applications please reach out to the McCracken Support Center at:

SupportCenter@McCrackenFS.com

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Thank you for attending our webinar. Don’t forget to:

Share the webinar recording with your colleagues.

Attend our monthly webinars.

Contact McCracken if you’d like to learn more.

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