



CUSTOMER STORY

Saxon Capital Inc.

Saxon Capital Inc., Implements MindBox Technology in Integrated Decision and Automated Loan Service



"Our customers can now Click... Choose... Submit... a loan application on-line and receive approval options within seconds! Based on products, pricing and deal structure select option that are best suited for the loan request."

JIM SMITH
EXECUTIVE VP, PRODUCTION
SAXON CAPITAL INC.

CUSTOMER
Saxon Capital Inc.

INDUSTRY
Mortgage

APPLICATION
ArtOptimize™
MindBox Power Editor

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SAXON CAPITAL, INC. ("Saxon") (NYSE: SAX), Saxon is a residential mortgage lender and servicer that manages a portfolio of mortgage assets. Saxon purchases, securitizes, and services real property secured mortgages and elects to be treated as a real estate investment trust (REIT) for federal tax purposes. The company is headquartered in Glen Allen, Virginia and has additional primary facilities in Fort Worth, Texas and Foothill Ranch, California.

In the early 2000s, Saxon began looking for technology that could streamline their loan processing. They knew they needed a system that incorporated a great deal of flexibility and could change with their evolving business needs. They also knew the system needed to be able to handle an increasing volume of loan processing. Saxon chose MindBox as their partner to create this system.

Working closely with Saxon, MindBox® implemented ART*Optimize* to implement an end-to-end pricing, product selection, deal structuring and automated underwriting system. The new system enables Saxon to enforce business policies, rules, data, test changes and to improve their business practices. By implementing this robust counteroffer solution that includes: prequalification, pricing, underwriting along with providing counter offers, MindBox has provided Saxon with a reliable and fast decision support system.

"The new MindBox decision engine provides three core functions to Saxon," said Jim Smith, Executive Vice President, Production of Saxon. "The prequalification function analyzes credit and checks eligibility based on user supplied credit data. The pricing function provides base rate and margins at a variety of prices, performs adjustments based on scenario data, and calculates a final cost. And the underwriting function performs credit analysis and generates qualifying loan scenarios for a variety of programs."

The system evaluates and prices the request submitted, as well as generates an optimized on-line deal scenario based on Saxon's Underwriting guidelines for each eligible program. It also provides explanation messages with required conditions for qualifying scenarios and reason codes for denial, allowing Saxon to offer the best loan available to its customers by restructuring the deal. "Our customers can now Click... Choose... Submit... a loan application on-line and receive approval options within seconds! Based on products, pricing and deal structure select option that are best suited for the loan request" said Smith.

Allowing business users to maintain rules

Saxon business users are able to maintain and update the rules using the MindBox Power Editor. "This is a huge advantage for us, our business users can inspect, update and change the knowledge base of our business policies, and deploy those changes in minutes, thus allowing us to stay flexible to current pricing trends while maintaining our core underwriting policies." said Smith. "Our business users are in full control of the system. Through the MindBox Power Editor, they can update and enhance new policies using the graphical editor. They can implement rules directly to the structure of the decisioning request, manage the activation and expiration of rules as well as document the change process. This is huge because it allows us to reproduce and audit results from any time in the past, or test the impact of new policies considered for implementation. It also allows us to quickly respond to changing market requirements with new products and promotional offers."

Modular Design Yields Flexibility for Future Expansion

"The scalability and modular approach of the MindBox technology has allowed us to fulfill our current business policy implementation and enforcement needs; as well as create a platform that allows room for future expansion." Said Smith. "We can do that because of the intelligence and sophistication of the solution MindBox helped us develop" concluded Smith.

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