

Visions

A Newsletter Publication of Horizon Consulting Incorporated

I am laughing out loud as I reflect back on this year's first edition of Visions. Why? Because in my letter to you was written "To the change that is here and forthcoming, I say bring it on!" Well, there is so much power in the tongue and there was a grand response to this challenge, both personally and professionally. Yet, I sit here today victorious through it all because the foundational principles were not compromised. It would not be appropriate; however, if I did not share that there was temptation to do so.

I've learned through this season that you can never let your guard down and you must trust the gift of your intuition. When something does not feel exactly right, whether its instruction from your supervisor, a word spoken to you by a friend or something you read in a magazine, do not ignore it but question, explore, even consider speaking with someone who you trust and who you know has your best interest in mind. With respect to business, seek out your human resource department for clarification or seek wise counsel from a peer who you respect or a mentor who has successfully guided you up to this point. Personally, if it's a friend or family member that has done something, ask the appropriate questions to get to the root of the matter. Use your voice and do not accept less than honesty and integrity in all relationships—personal or professional.

IN TIMES OF LIFE CRISIS, WHETHER WILD FIRES OR SMOLDERING STRESS, THE FIRST THING I DO IS GO BACK TO BASICS... AM I EATING RIGHT, AM I GETTING ENOUGH SLEEP, AM I GETTING SOME PHYSICAL AND MENTAL EXERCISE EVERY DAY.

—Edward Albert

I am sharing this because I have realized through this season that when I did not practice this basic principle, the result was not good and I was tempted to compromise to address the matter. I am so grateful for an awesome business partner who is always there when professional matters get the best of me and for the best team any business owner can ask for, bar none. For several good girlfriends and sisters who rally around when personal matters overwhelm, reminding me of who I am and of the principles I choose to live by. For a host of wonderful people who

I love and whose intention is the same with respect to their relationship with me. I am grateful for basic rules that were not only taught to me, but were required of me to follow by loving and hard working parents. These rules never leave me and continue to guide through the difficult times. No matter the circumstance, getting back to basics ensures your victory in all situations and diminishes the temptation to compromise.

STICK TO THE BASICS, HOLD ON TO YOUR FAMILY AND FRIENDS—THEY WILL NEVER GO OUT OF FASHION.

—Niki Taylor

Basics are found in the contracts Horizon has signed because they outline clearly what we've agreed to do. When you couple that with one of Horizon's basics—exceed expectations—success follows. Basics are found in employee and supervisory handbooks, Horizon's foundational principles and the awesome skills and talents each team member brings to the job each and every day. Basics are in you—who you are, what you believe, what principles guide your life. Tap into those each and every morning, and measure the activities of the day against them as the sun goes down. It is in those moments that it all becomes clear, answers are revealed and hopefully, it is during those moments, that you experience great joy, a peace that surpasses all understanding and renewed strength for the next thing.

WORK AND LOVE; THESE ARE THE BASICS. WITHOUT THEM THERE IS NEUROSIS.

—Theodor Reik

Let's get back to basics so that when we say "bring it on" there is confidence that we will overcome every challenge, without compromising principles, and rejoice in each victory!

Sincerely and with Gratitude,



Wanda Alexis Alexander
President and CEO

Letter from the President



Horizon Headquarters

44135 Woodridge Parkway, Suite 100
Lansdowne, VA 20176
703.726.6430
703.726.6434 (fax)
www.horizon-inc.com

Ownership

Wanda Alexis Alexander
Principal, President and CEO

Stephen R. Coakley
Founder and Principal

Human Resources

Sue Suk
HR Consultant

Project Managers/Supervisors

Glennice James
Senior Project Manager—Atlanta

Shawn Lawson, Summer Totten
Atlanta Insuring

David Casey, Tiffany Goodwin
Philadelphia Insuring

Jeffrey Dorfman, Dorothy Montana
Santa Ana Insuring

Julie Hansen
Technical Reviews

Luciouna Mallard
Denver Insuring Support

Carolyn Brockington
Philadelphia Insuring Support

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HORIZON'S EXPERIENCED UNDERWRITERS HAVE THE ABILITY TO RECOGNIZE POSSIBLE FRAUD IN WAYS THAT TECHNOLOGY CANNOT.



Insurance Endorsement Processing Atlanta, Philadelphia and Santa Ana

Horizon's Atlanta and Philadelphia teams encountered a 19% increase in assignments in June due to low interest rates and the extension of H.R. 5623. While the work increase was expected and welcomed, it required the teams to be diligent about both timeliness and quality and, as always, both teams came through. The Santa Ana team also experienced increased assignments, along with a reduction in workforce due to attrition, and occurrences out of their control such as loss of power, nevertheless delivering quality work and service. All teams focused on "back to basics" training refreshers: Atlanta on signatures and the requirements for approved ineligible loans that indicate accept in FHAC; Philadelphia on processing city changes, disposition of files for appraisal review and endorsement protocol; and Santa Ana on archiving boxes to NARA and resolving the "Insuring Error/Appraiser/Underwriter" error message. Team Philadelphia experienced a sudden, significant increase in system generated technical reviews which, after investigation, were determined to be in error.

Post Endorsement Technical Reviews Atlanta, Philadelphia and Santa Ana

After HUD announced mortgage fraud charges against 400+ defendants in June, Horizon has focused even more heavily than before on the red flags that may indicate fraud in a file. Horizon's experienced underwriters have the ability to recognize possible fraud in ways that technology cannot. The teams also began tracking Early Payment Default (EPD) loans in June. EPDs are loans that are in default after making three or

fewer mortgage payments. Findings indicate that the rating of Unacceptable in Mortgage Credit occurs most often, because the file is lacking the original mortgage amount and reviewers are unable to ensure that the current loan amount does not surpass the original principal balance. All teams are now flagging every new construction file to assist the HOCs with evaluating properties that are within a special flood hazard area. After careful evaluation of the reduction in technical review volumes throughout this past quarter, Horizon determined that the reduction will remain steady, and therefore took steps to adjust staffing to a level that will better match daily volume and still ensure Horizon's standard of quality.

Insurance Endorsement Support Services Denver and Philadelphia

The Denver team experienced a welcome increase in assignments along with a number of changes to processes and procedures. Accordingly, training sessions were held on handling Early Payment Default loans, 203Ks, HECMs and box loading. Due to insufficient archival boxes, the team was unable to file or receive prepared boxes for archiving. They quickly rallied to eliminate the temporary backlog and get back on schedule. The Denver team expects to receive a large number of EPD files from archives over the next several months, which they will need to evaluate for immediate shipping to the PETR contractor or assignment to an underwriter for further processing. The Philadelphia data entry team received a 19% increase in assignments, for a total of 14,051 files logged in June. With the closing of Taylor Bean & Whitaker, Horizon was unable to process their loans. Moving forward, all TB&W files will be pulled upon receipt by data entry and forwarded to the GTR for processing. 🏠

Spotlight on Amanda Bornarth

If you call Horizon's headquarters office with an administrative question or for help with any of a number of administrative tasks, you may find yourself speaking with Amanda Bornarth, Executive Assistant to Wanda Alexander and Stephen Coakley. That is, when she's not handling accounting duties, assisting with proposals, editing monthly status reports or any of the other responsibilities she has as part of Horizon's administrative team.

"My job has a lot of variety, and I like that," says Amanda. "I'm sort of the 'eyes and ears of the company' because I work with a multitude of people and am exposed to a diverse range of tasks. I also like the stability of the job—the things I do on a regular basis."

Nearly every day starts with checking email and reviewing the calendar for appointments and meetings, Amanda explains. After that, she may work on daily accounting tasks, edit monthly status reports or Visions articles, assist with shipping or arrange for travel. The administrative team is well versed in each other's jobs to ensure that work is completed as efficiently as possible and that they are able to help when needed.

"Although Horizon as a whole has many employees, the staff at the headquarters office seems small and creates a more intimate atmosphere," says Amanda. "Together as a team, we handle shipping, updating of the blog, conduct frequent trainings to keep us on track with administrative functions and general administrative duties. We all know each other well and want to help out when we can," Amanda continues.

Amanda graduated from James Madison University in May of 2008 with a Bachelor of Science in Communication Studies and a minor in Human Resource Development. She was working for another



company—one that she had worked for during her college summers—when a friend referred her to Horizon. She joined the Horizon team on October 1, 2008.

Born and raised in Virginia, Amanda's family lives here too—her mother and father, younger brother, and older sister and her husband.

In her leisure time, Amanda enjoys going to the movies or shopping with friends. She recently took up running and ran her first 5K race in May. She hopes to run a 10K this fall, a half-marathon next spring and eventually a full marathon—perhaps in another city or exotic locale since she loves to travel.

A dancer all through her childhood, Amanda and her fellow dancers were asked to perform during the Sydney Olympics in 2000. During their two-week stay, they performed in the athlete's village, attended an Olympic handball event and saw such sites as the Sydney Opera House and the Harbour Bridge. She's been to several tropical islands, but never Europe, thus it is on her bucket list.

Amanda caught the volunteering bug in college where she served as Philanthropy Chair of her sorority, Delta Delta Delta. Joining forces with other chapters nationwide, Tri Delta raised the money to fund a room just for teens—complete with computers, video games and movies—at St. Jude Children's Research Hospital in Tennessee. Amanda continues to support St. Jude today.

Between her work at Horizon, spending time with family and friends and her new passion for running, Amanda keeps busy—but she wouldn't have it any other way! 🏠

Employee Spotlight

MY JOB HAS A LOT OF VARIETY, AND I LIKE THAT.

Amanda Bornarth

DENVER

Marie Rosales gave birth to a baby girl on July 4, 2010.

JoEllen Boren, Jennifer Ramirez and Damien Moore will all be going back to school in the coming months. Boren in July, Ramirez in the fall and Moore to ministry school.

Congratulations to Yvonne Solis on the purchase of a new home.

CALIFORNIA

Congratulations to Monica Guzman who married Carlos Bravo on Saturday, June 26, 2010.

PHILADELPHIA

Congratulations to Derrick Morris and Wydia Smalls who both recently graduated from All State Career School and Pierce College respectively.

Horizon congratulates Nadirah Brockington on the birth of her son, Zaden Terry, weighing 5lbs 9oz. Both mother and baby are doing well!

Renee Muchison continues to provide anointed massage therapy to cancer survivors at the local church.

Congratulations to Irene Coward on her daughter's acceptance to the Philadelphia College of Osteopathic Medicine for a Doctorate in Psychology.

Employee Happenings

Horizon Hints

WE TALKED TO EVERYONE DAILY, WEEKLY AND MONTHLY CONCERNING QUANTITY AND QUALITY, AND THOSE WHO WERE DOING WELL WERE CONGRATULATED.



It's so true—anyone can be pleasant and easy to work with when things are rolling along smoothly. But, what happens when the going gets tough? We all have tough times, and here at Horizon, many of us have faced challenges this past quarter.

We've always been impressed with how our Horizon teams react during difficult situations, and how they work together to solve them. So we asked our teams in Atlanta, Denver, Philadelphia and Santa Ana to tell us their recent challenges and solutions so we can learn from one another.

Atlanta: Picking up the pace

Team Atlanta started the quarter with a lower than normal number of assignments. Then, just as summer started and people began taking vacation and leave, the pace began to pick up.

"We kind of went from famine to feast," said Project Manager, Shawn Lawson. "People get used to working at a particular pace, so we let the team know that the assignments would be increasing so that they could get themselves back up to our renewed pace."

What could have been a stressful transition was instead made fun with contests and prizes. Those team members who completed the most assignments during a set period of time won a gift card or other prize. "The key to making it work was steady communication," Lawson explained. "We talked to everyone daily, weekly and monthly concerning quantity and quality, and those who were doing well were congratulated," he continued. "It's one thing to increase quantity, but the quality has to be there too. It's easy to miss the little things, so you have to keep your focus in order to keep the high quality we need."

Denver: Keeping up with weekly changes

Team Denver's challenges concerned steps and processes that were changing, in some cases every week. "The processing of Early Payment Default (EPD) files required many different steps," explained Louciana Mallard, Data Entry Supervisor. "Using an Excel spreadsheet from HUD, we would check to see if the files were on it. If they were, the files were shipped to the underwriters, who would request the original from archives. If the files were not on the list, they were shipped elsewhere."

A similar process was put in place for sorting e-binder files. Those that were on the streamline



Keeping our cool when the heat is on

list were marked off, boxed and sent to underwriters. Others that weren't streamlined were sent to HUD's PETR contractor.

With so many steps to cover, it would be easy to make costly mistakes. The team met to discuss solutions—ultimately deciding to check carefully every step of the way, and then go back to double-check afterwards. Together, they were able to employ a system capable of handling constant changes and maintaining pace with the workload.

Philadelphia: Workload ups and downs

For the Philadelphia team, the challenge has been increasing and decreasing workloads. Management had to determine whether a workload would stay constant, or might be short-lived for just one month, as well as how to prepare the team for either situation.

When the normally 35–38 files handled per employee climbed to 55–58 files, Project Manager Dave Casey had to prepare the team for the increase. "It's not that people are resistant to the increased amount of work, it's that it's normal to get used to a certain pace," said Casey. "We have to remember the pace will pick up, and be prepared for it. Our team has done a good job of handling the increase."

Meanwhile, technical reviews decreased sharply, going from 150 per day to just nine at one point. "With such a huge decrease in workload, we had to determine whether this was the new trend or whether the numbers would increase next month, so we could assign our staff accordingly," explained Julie Hansen, Project Manager of Technical Review. "We used the time we had to focus on training and retraining, helping everyone to refresh some areas and learn new skills." Ultimately, it was determined that the lower numbers would remain a constant, and Horizon adjusted bandwidth to meet the new requirements.

Sometimes it's the little things that can make the difference, good or bad, as Data Entry Supervisor, Carolyn Brockington explained. "HECM files get sorted separately, and should have the HECM stamp on the front of the binder. But a few lenders were not stamping the binders, so we didn't know how to sort it. This slowed us down and affected our daily counts." By noting which lenders were consistently missing the stamp, the team is able to notify those lenders. The team has begun to notice fewer missing stamps, thus the workload can continue at the necessary pace.

Santa Ana: Getting acquainted and up to speed

"With me being new to the company, we had to spend some time getting to know one another," said Project Manager, Jeffrey Dorfman. "Then, we had to work on increasing our volume as fast as we could, while still keeping our high standards. Through individual and team meetings, we outlined each person's daily goals and role, and how each affects the team overall."

Posting statistics on a bulletin board and playing "The Road to Riches" and "Deal or No Deal" made it a fun challenge, with weekly prizes such as gift certificates for a free lunch. Daily announcements including "Who's in First" kept the competition hot. After some additional overtime, the team met their goals.

From coast to coast, the Horizon team proved that when the heat is on, we keep our cool, pull together and get the job done! 🏠

Horizon Hints

SOMETIMES IT'S THE LITTLE THINGS THAT CAN MAKE THE DIFFERENCE, GOOD OR BAD.

Giving Back to the Community

VOLUNTEERING DOES NOT HAVE TO TAKE PLACE ON A LARGE SCALE. EVEN DEDICATING A FEW HOURS OF YOUR TIME CAN MAKE A DIFFERENCE.

The simple time of summer. When days consist of lounging at the pool and barbecuing with friends and nights are spent catching fireflies and sipping on cool lemonade. When children play outside until dinner and the family takes its annual trip to the beach. It's easy to get caught in a day-to-day routine—working, running errands, shuffling the kids back and forth to soccer practice—but summer brings life to a slower pace, a time when things are trouble-free and basic. Wouldn't it be nice if things remained this way throughout the year? Just basic. This is exactly what Horizon plans to do over the next few months, return back to basics, and we can all take this approach in our own lives by contributing to our communities. Volunteer at the local high school or speak on topics that affect us all.



Edie Fraser, organizer of the AIA Diversity Workshop, and Wanda Alexander.



This year, Horizon once again sponsored Stone Bridge High School's Ethics and Leadership Day program. The purpose of this program is to provide graduating seniors with the opportunity to make difficult decisions and consider the impact those decisions have on society. It demonstrates the importance of having a strong value system and to explore how those values are developed. Students are encouraged to discuss their views with peers and to seek consensus amongst one another. The entire senior class participates along with community leaders who volunteer to work with the students on this day of learning and debate. In addition to a financial contribution, Horizon's Principal, Stephen Coakley, participated as a community leader. "Horizon

has sponsored Ethics and Leadership Day at Stone Bridge High School for several years," says Coakley. "It is always energizing to be around so many high school seniors all of which will be entering college, the workforce or the military in just a couple of months. They are full of life and opinions! This year was even more fun with my oldest daughter being a senior and seeing many of her friends engaging in the scenarios that present some ethical dilemmas."

In early June, Horizon's President and CEO, Wanda Alexander, volunteered to speak at the American Institute of Architects conference in Miami, FL. She was charged with speaking on a panel of experts regarding the topic of diversity and inclusion,

Giving Back to the Community

HORIZON HAS SPONSORED ETHICS AND LEADERSHIP DAY AT STONE BRIDGE HIGH SCHOOL FOR SEVERAL YEARS.



specifically in the workplace, community and what is expected moving forward. This topic is of utmost importance, as it seeks to determine ways to reach younger minds and invoke a creative interest in the architectural field. Wanda was able to share her wealth of knowledge and create a productive discussion on the topic.

“I WAS VERY HUMBLLED WHEN EDIE FRASER ASKED ME TO PARTICIPATE IN THIS WORKSHOP, BELIEVING THAT I HAD SOMETHING OF VALUE TO ADD—TO AN ARCHITECT’S CONVENTION NO LESS. I CANNOT DRAW STICK PEOPLE! OVERALL, THE EVENTS OF THE DAY WERE SO REWARDING AND I RECEIVED AS MUCH AS I GAVE.”

—Wanda Alexis Alexander

As you can see, volunteering does not have to take place on a large scale. Even dedicating a few hours of your time can make a difference. As summer is wrapping up, take advantage of the slower pace and go back to basics. Explore the opportunities in your area and determine the ways in which your knowledge and expertise may provide a helping hand! 🏠

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Final Thoughts



Stephen Coakley

Quiz: What company provides mission-critical services to the largest mortgage insurer in the United States? What firm provides support services to the largest owner of 1-4 family properties in the U.S.? Last question, what organization supported the oversight of the GSEs—Fannie Mae and Freddie Mac? If you answered...Horizon Consulting...you're right! Sometimes lost in the day-to-day of insuring hundreds of loans or reviewing hundreds of appraisals and credit packages is the fact that Horizon has built an impressive resume in providing mission critical, high volume/high quality and sometimes labor intensive workflow services. In the on-going aftermath of the mortgage crisis brought on by a number of factors, not the least of which was simply an entire industry cutting corners, Horizon is now poised to help its customers mitigate risk and fraud even more. From the Mortgage Asset Research Institute's 12th Periodic Mortgage Fraud Case Report, "Fraud and misrepresentation in



the mortgage industry helped to facilitate the economic crisis, and...[is] leading to new forms of collusion and opportunistic scamming. As we move forward in 2010, the seemingly simple back to basics approach is the best way to thwart threats, both new and old. Don't just trust, verify." Back to basics. Verify. Sound familiar? It should—that's what Horizon does and on a large scale. 🏠