NTrust
The Lease Data Specialists

Single Family REIT uses REmaap™ Platform to support valuation process and Asset Securitization

After purchasing thousands of single family homes in select markets across the United States, a Single Family REIT leverages NTrust's REmaap™ software to validate income streams that allow it to securitize its holdings.

SINGLE FAMILY HOME REIT NEEDS ROCK SOLID DATA TO SUPPORT SECURITIZATION OF ASSETS

Problem

After selectively purchasing thousands of single family homes in select markets across the United States at values 35% to 40% below market and leasing/ managing them for the last 5 years, an innovative Single Family REIT was ready to implement its Asset Securitization strategy.

The REIT had been using a large ERP to manage the properties, bill and collect rents, track maintenance costs and needs, and report to shareholders on returns. As can be expected the volume of homes and lease contracts meant that there would likely be some data errors in the system. To be sure of the reporting it was going to create to support its Securitization Strategy, the REIT management turned to NTrust's REmaap™ platform to audit its system's data against the active lease documents, billings, collections, and rent stream projections.

Quickly and Cost Effectively Auditing Lease Data

The REIT's executive management knew it was essential to have tools that supported robust workflows and document management to co-ordinate the activities of their over 20 Property Managers and Lease Administrators.

REIT Executive Management needed a tool set to coordinate the activities of over 20 Property Managers and Lease Administrators.

This required having a flexible platform that would allow a quick audit of 2,000 leases vs. their system data, and then determine if current system data would support the quality level required for their Securitization Strategy, or if further data clean up would be required.

Initially the management team was considering using a several different software solutions...one for Project/Workflow management, one for Document Management, and one for Data Entry and Analysis.

Then the Executive Management team got a recommendation from a trusted advisor that they need only use ONE platform that had all the functionality they needed for the project--NTrust's REmaap™ platform. REmaap™ satisfied all of the project's requirements:

- Flexible Workflow Management
- Document Management
- Project Management and communications tools
- Data Abstraction Tool
- Extract, Transform, and Load (ETL) Tool
- Web-based secure access

Leveraging REmaap™ for the initial Audit

After forming the project team and selecting the REmaap™ platform, the REIT set up an aggressive project timeline…they wanted to complete the audit of 2,000 leases within 1 week.

Within one day the team had:

- Created the **data screens** in REmaap™ which contained the same data elements as their ERP
- Set up a **double blind entry** process to assure that the newly entered data was 100% accurate
- Implemented **automated validations** that come as an integral part of the REmaap™ platform
- Configured the **import** templates to match the export file from their ERP system
- Set up the **Lease Data Accuracy** reports they needed to analyze their data accuracy and determine next steps for the project

Workflow Status, Data Entry fields, and the contract can all be displayed simultaneously. The lease document can be bookmarked and highlighted for easy review and reference, and this bookmarked document can be imported into the ERP system for ongoing management of

Project Timeline

The REIT then contracted with NTrust to provide rapid lease abstraction services. The project timeline was aggressive, but the NTrust team felt it they could accomplish it.

Initial Audit Results

After the first week the audit of 2,000 leases vs. existing system data showed an error rate of just over 10%. Because REIT management wanted to make sure the Securitization Strategy was transparently implemented, they chose to perform data clean-up on all their existing leases.

REmaap™ was used as the project management and communications platform for the abstraction process. Daily deliveries were reviewed by the REIT project team and any issues were resolved on a daily basis.

> Daily deliveries and using REmaap™ to manage project communications and data kept the project team working at an amazingly fast pace.
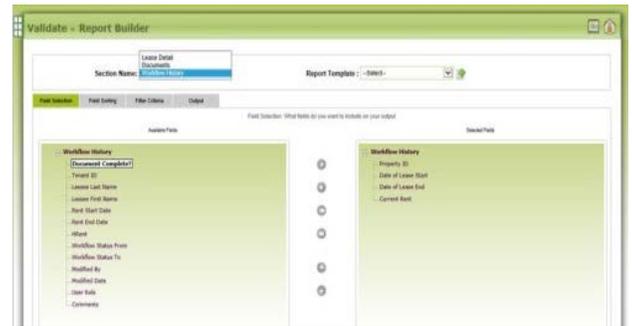
This approach kept both the abstraction team and the project team working at an amazingly fast pace and allowed the project to be completed in the very aggressive time frame set forth at project kick-off.

As the data was abstracted it was immediately compared against system data and a daily change log report was prepared. The properties with errors were assigned to the appropriate property manager for remediation.

Reporting to Senior Management

Because of the ease of developing and sharing reports in REmaap™, the REIT's Senior Management team asked to see daily reports and used these to help guide models to support the

The REmaap™ Report Builder lets you easily build complex reports without having to be a programmer. It's easy to compare data and report on data discrepancies.
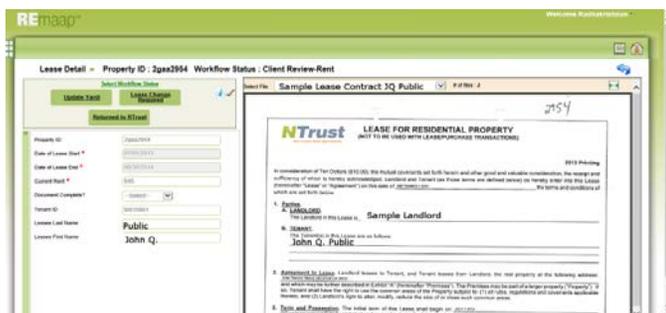
Securitization process. In addition they could see the project status and how many leases were in each stage of the abstraction process.

The Bottom Line

Running a project with a tight timeline means the selection of the right software tools and the right team communications platform is central to project success:

1. Select a software tool that requires a minimum of IT resources
2. One that has already integrated Workflow, Team Communications, Data Entry, Document Management, and Import/Export ETL tools
3. A software platform that is easy and intuitive to use

The REIT executive management put together a highly motivated internal team and selected an excellent partner in NTrust to provide both the software and the services to make the project a success.