



Select Portfolio Servicing Residential Servicer Rankings Affirmed; Outlook Positive

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NEW YORK (Standard & Poor's) March 17, 2005--Standard & Poor's Ratings Services today affirmed its AVERAGE residential subprime and residential special servicer rankings assigned to Select Portfolio Servicing Inc. (SPS), formerly known as Fairbanks Capital Corp. Concurrently, the outlook is revised to positive from stable.

As a result of events leading up to a \$40 million settlement between Fairbanks Capital Corp. and the Federal Trade Commission in November 2003, a predominately new and well-seasoned management team was recruited and installed at SPS as the company embarked on a comprehensive review of its servicing policies and practices, organizational structure, corporate culture, technology, and human resources. Additionally, numerous mid-level managers and staff have been recruited to enhance servicing operations. As a result of the aforementioned changes, the company's core business strategy and corporate culture have greatly evolved in the past 24 months. On July 1, 2004, the company announced a corporate name change to SPS from Fairbanks Capital Corp.

Overall, the SPS management team has been successful in demonstrating a more borrower-centric culture in its loan servicing policies and practices. For instance, call center monitoring is enhanced through the use of an independent quality assurance group that extensively monitors and grades call center performance. The corporate training curriculum and certification programs have been strengthened in critical areas such as FDCPA, RESPA, and FCRA. The Consumer Assurance Review Department (CARD) performs a comprehensive review of all loans prior to foreclosure to ensure that all loss mitigation alternatives have been sufficiently explored. The company closed servicing sites in Hatboro, Pa., and Austin, Texas to eliminate redundancies and maximize cost-efficiencies, consolidating all servicing functions in Salt Lake City, Utah, and Jacksonville, Fla.

Outlook

The outlook is revised to positive from stable. The company finalized its commitment to provide redress to borrowers pursuant to the FTC agreement and funds were dispersed to various claimants under the class action settlement in the latter half of 2004. SPS employs the services of an independent auditor to illustrate and validate its ongoing compliance with the specific servicing requirements of the FTC agreement. In January 2005, SPS and Credit Suisse First Boston (CSFB) signed a letter of intent to enter into a strategic servicing agreement that brings approximately \$6 billion in servicing rights to SPS from CSFB. Further, CSFB has the option to purchase SPS by July 31, 2005. In consideration of the strategic business challenges encountered by SPS in 2004, foremost among them executing a portfolio growth strategy, Standard & Poor's views the recent developments between CSFB and SPS as an integral aspect of reversing portfolio runoff and moving forward with a successful growth strategy.

Standard & Poor's will continue to monitor SPS' continuing compliance with the servicing requirements specified in the FTC agreement and will continue monitoring the status of the aforementioned agreement with CSFB.

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