PowerSeller® Risk Manager
SFAS 133/138 Support

Risk Manager's combination of packaged tools, reports, an open database structure and powerful report-writing capabilities makes it the reliable resource for tackling the SFAS 133/138 accounting challenges. Here are a few reasons why:

- Risk Manager allows you to test potential correlation for contemplated asset groupings and asset hedges. It has the tools that allow hedges and loans to be coupled.
- Risk Manager's loan-level mark-to-market reporting capability is provided in such granularity as to identify components comprising a loan's profitability, such as the portion of a loan's value applicable to mortgage servicing rights. It stores needed source information including market rate and price information, fallout experience and hedging effectiveness metrics.
- With Risk Manager, you can capture the daily change in the mark-to-market gains or losses related to loans that reside in the warehouse, and you can capture the appropriate portion of changes in the gains or losses of hedges used to protect the value of the warehouse.
- Changes in the daily mark-to-market value of loans in inventory are grouped into similar asset buckets. The volume of loans in inventory (warehouse) will be re-phrased (denominated) in terms of a benchmark equivalency. The benchmark will typically be a common hedging instrument such as the coupon currently closest to par on conventional 30-year Mortgage-Backed Securities. A benchmark equivalent portion of the non-option MBS trades value change will be apportioned to each similar asset bucket. You can then use this captured data to support SFAS 133 hedge effectiveness evaluations.

PowerSeller is a comprehensive secondary marketing and pipeline risk management system composed of the Secondary Manager, Risk Manager, Post Closing Manager, and Data Manager. PowerSeller's Risk Manager provides risk management functionality including:

- Meaningful mark-to-market and exposure position reporting
- Interest rate volatility analysis
- Interest rate archiving; hedge ratio and hedge position support
- Hedge instrument vs. asset correlation support
- "What-if" capable hedge decision support
- Fallout analysis and tracking

Risk Manager also provides delivery and pricing functionality including:

- Loan allocation decision support
- Production source productivity reporting
- Non-MBS vs. MBS delivery comparison
- Servicing fee vs. guaranty fee mix recommendation
- Off sheet pricing: market driven and risk based
- Rate sheet production: market driven and risk based

For more information about PowerSeller's Risk Manager, contact ASC at **800-628-4687** or check us out online at **www.powerseller.com**.

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