



Press Release

For more information:

Michelle Kersch
Black Knight, Inc.
904.854.5043
michelle.kersch@bkfs.com

Mitch Cohen
Black Knight, Inc.
704.890.8158
mitch.cohen@bkfs.com

Black Knight Enhances MSP Servicing System to Support Freddie Mac Investor Reporting Change Initiative and Create Additional Efficiencies for Clients

- MSP was enhanced to support Freddie Mac's Investor Reporting Change Initiative (IRCI) and streamline the investor reporting process for Black Knight clients
- IRCI was introduced in August 2016 to convert single-family investor reporting requirements closer to an industry standard and update remittance cycles
- Black Knight's enhancement effort required years of planning and coordination with both Freddie Mac and impacted clients, ultimately affecting 8 million loans from 55 clients
- Black Knight offered extensive training and materials to help clients prepare for the IRCI transition

JACKSONVILLE, Fla. – June 27, 2019 – After years of extensive planning, collaborating, training and programming, Black Knight, Inc. (NYSE:BKI) announced new enhancements to its industry-leading MSP servicing system in support of Freddie Mac's new Investor Reporting Change Initiative (IRCI). The IRCI, required for Freddie Mac mortgage sellers/servicers, was implemented in May 2019 to help bring Freddie Mac's single-family investor reporting requirements closer to an industry standard and update its remittance cycles. These changes were designed to streamline the reporting process, improve operational efficiencies and provide Freddie Mac mortgage sellers/servicers with a more complete view of investor reporting data.

“The Freddie Mac team extends our thanks and appreciation to Black Knight for the collaboration, dedication and hard work put forth by everyone on the IRCI initiative,” said Freddie Mac Loan Servicing Director John Felix. “By enhancing the MSP servicing system to support the IRCI, Black Knight is helping its servicer clients see the benefit of increased efficiencies that come with streamlining the investor reporting process. This was truly a team effort, and we look forward to our continued partnership.”

Updating the MSP system to support IRCI proved to be the largest enhancement initiative in Black Knight's 57-year history, impacting 8 million loans for 55 clients. To meet the new investor requirements, some of the primary system changes included converting the reporting cycle; changing to a single remittance type; introducing daily Loan Level Reporting (LLR); modifying the reporting of interest on the LLR to a forecasted interest model; changing the remittance method for principal and interest and payoffs; determining mortgage status and delinquency based on the Due Date of the Last Paid Installment (DDLPI) reported by Investor Reporting; and introducing a new partial

reinstatement process. Outside of Investor Reporting, IRCI changes impacted all areas of servicing, requiring review of business processes beyond technology remediation.

Prior to the initiative being formally announced, Black Knight representatives first met with Freddie Mac to understand the GSE's requirements and direction. Black Knight then formed the Freddie Mac Working Group to review the IRCI requirements with clients, and discuss/validate the system business requirements in preparation for an MSP enhancement. An Investor Client Collaboration Site was created to offer Black Knight clients online access to documentation for the forthcoming enhancement, white papers, meeting materials and timelines. In addition, training was held on-site at Black Knight headquarters in Jacksonville, Fla.; regional training in Dallas, San Diego and Puerto Rico; and two-day, instructor-led webinars.

MSP is used to service 35 million first lien mortgages nationwide, and services both first mortgages and home equity lines and loans on a single, comprehensive platform. Servicers use the MSP system to help manage all areas of servicing, including loan boarding, payment processing, escrow administration and default management.

“We were honored to take a leadership role in collaborating with Freddie Mac and all of our impacted clients to help ensure the success of this vital MSP enhancement,” said Black Knight President Joe Nackashi. “Black Knight is proud to support the IRCI and help create a simpler, more flexible investor reporting process that will benefit our clients with greater operational efficiencies and support their compliance initiatives.”

About Black Knight

Black Knight (NYSE:BKI) is a leading provider of integrated software, data and analytics solutions that facilitate and automate many of the business processes across the homeownership life cycle.

As a leading fintech, Black Knight is committed to being a premier business partner that clients rely on to achieve their strategic goals, realize greater success and better serve their customers by delivering best-in-class software, services and insights with a relentless commitment to excellence, innovation, integrity and leadership. For more information on Black Knight, please visit www.blackknightinc.com.

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