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Survey of Mortgage Servicing Professionals Provides Insights on Growing Home Purchase Opportunities within the REO Market

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[Altisource Portfolio Solutions S.A.](#) ("Altisource") (NASDAQ: ASPS), a leading provider of real estate, mortgage and technology services, today issued additional results of its inaugural Default Servicing Survey, a survey of over 200 mortgage default servicing professionals. According to the study, the vast majority of servicing professionals surveyed (93 percent) said their organization is currently investing to improve the condition of REO properties under management; 62 percent said their organization is currently making a significant investment.

"For many home buyers, access to conventional financing and move-in ready condition are requirements to purchase their next home," said Min Alexander, Senior Vice President, Real Estate Services, Altisource. "Distressed properties, including REO, have historically been marketed in as-is condition, at times limiting the potential buyer pool. Servicers are changing this by increasing investments to maintain or improve the condition of these properties, attracting more owner-occupant home buyers."

With tight inventory and rising prices, the National Association of Realtors found that the median single-family home price grew nearly six percent from August 2016 to August 2017 while inventory was down 6.5 percent.¹ The Default Servicing Survey results show servicers are increasingly working to meet demand - and divest assets - by making REO assets a more appealing and viable option for consumers. A majority of servicing professionals surveyed (82 percent) ranked their investment in improving the condition of their REO asset portfolio among their top three most effective ways for attracting traditionally minded consumers to the REO market. Servicing professionals also pointed to offering financing options for REO [such as FHA 203(k)] to make purchasing these assets more achievable (76 percent) and offering buyers the opportunity to work with a real estate agent (43 percent) as two other leading tactics for bringing consumers to the REO market.

Technology Facilitates Consumer Participation in REO Market

While focusing on property maintenance and accepting consumer-friendly financing options both play an important role in helping servicers make properties more appealing to the traditional market, servicers must also find ways to get available properties in front of prospective buyers. With technology increasingly driving consumer participation in the real estate market, there is power in leveraging online platforms to market real estate assets. The majority of servicing professionals surveyed (95 percent) said they believe consumer-friendly technology, such as easy-to-access online auctions, has had a positive impact on consumer participation in the default market. Sixty-one percent indicated that providing helpful property and neighborhood information on online auction display pages - such as virtual tours and school information - is among their top three methods to attract consumers to the REO market.

"The REO market offers both servicers and consumers a compelling opportunity to meet each other's needs and solve for today's supply-demand disconnect," said Marcello Mastioni, President, Real Estate Marketplace, Altisource. "Technological innovation, such as online real estate marketing platforms like Hubzu, can help savvy buyers discover a new pool of properties. Servicers' investments in consumer-friendly features, along with improvements in property conditions, are broadening home buyers' horizons and encouraging them to consider the REO market."

Survey Methodology

The Default Servicing Survey was completed online among 205 professionals in the U.S. mortgage default servicing industry. Fieldwork was conducted by independent research firm Ebiquity between June 22 and 29, 2017. The margin of error associated with the sample of n=205 is +/- 6.8 percent at a 95 percent confidence level.

About Altisource®

Altisource Portfolio Solutions S.A. (NASDAQ: ASPS) is an integrated service provider and marketplace for the real estate and mortgage industries. Combining operational excellence with a suite of innovative services and technologies, Altisource

helps solve the demands of the ever-changing market. Additional information is available at altisource.com.

¹ <http://realtormag.realtor.org/daily-news/2017/09/20/housing-shortages-constrain-existing-home-sales>

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