










Core Strategy

- 1. Effective Business Solutions** - Partner with businesses to conceptualize and deliver cost effective and innovative business solutions aligned with the strategy of primarily leveraging third party packaged systems and adapting our processes to fit the systems.

2007 Initiative	Group	Comments	Status
Implement robust front and middle office systems for Financial Freedom	Lending Systems, Info Management	Financial Freedom has reallocated resources from the front and middle office solution areas to focus more on product development and smaller enhancements to better address changing Reverse Mortgage market conditions.	
B2B website rewrite including eConsultant functionality	Lending Systems	Business requirements for tactical component of B2B rewrite delivered in June with Technical Design completion scheduled for end of 2007 with delivery in 2008. Definition of the strategic component of the rewrite has been postponed until 2008. Also, resources were redeployed to higher priorities like FHA and Agency business.	
Implement Loan and Pipeline Accounting System (LPAS) to more accurately price loans and manage loan profitability	Lending Systems, Corporate Systems	Due to the Secondary Marketing Group's need to focus on changing market conditions, this initiative was put on hold in Q2. It is resuming activity in Q4 with dedicated senior management focus and moved under the Chief Management Accountant who reports directly to the CEO.	
Implement a single platform for risk measurement, analysis, valuation, mark-to-market and reporting for multiple business units	Corporate Systems	The implementation of the first phase of this initiative, the Polypath Investment and Borrowing System, to automate components of risk analysis and trading/control is on schedule to rollout in December 2007.	
Implement a Customer Analytics Solution to improve cross sell and retention and expand implementation of an Integrated Lead Management system to increase pull-through	Shared Services	Siebel Marketing Analytics application for Consumer Bank was implemented 10/1 to improve marketing efficiencies and improve Business Intelligence in the marketing area.	
Support operations of retail lending acquisition and new site development	IT Operations	Conversions of former AHM sites has run into several challenges including the migration of moving existing phone lines into Indymac's name. This is being resolved on a case by case basis but approximately 80% of site have been converted and all 1400 users onboarded.	



Core Strategy

2. Reduce Complexity - Simplify and manage the complexity of our systems.

2007 Initiative	Group	Comments	Status
Create a single Servicing platform across all of Construction lending	Lending Systems	HBD is migrating to TCL in Q1-08. ICLIC likely to follow.	
Reprioritize NetOxygen Implementation to include system consolidation and front end systems	Lending Systems	NetOxygen 4.1 Release rolled back to Pasadena due to multiple issues including stability, ability for offshore team to complete data capture accurately, required enhancements, and others. Future NetOxygen related rollouts on hold until all issues are addressed and resource reprioritization is completed.	
Simplify and implement standards and governance process relating to technology, security, data and architecture	All Groups	Significant progress made till date with implementation of Architecture and Standards Review Board (ASRB), and new leadership in PMO. With IT reorganization of Oct-07 ASRB is likely to continue in some form under CAO.	





Core Strategy

3. Digitization – Capture data at source and Imaging.

2007 Initiative	Group	Comments	Status
Image the entire loan file and implement Imaging and Electronic Data Interchange (EDI) throughout the loan lifecycle	Lending Systems, Info Management	The rollout of Imaging projects has been delayed pending stabilization of existing environments which has been completed. Recently completed initiatives include roll-out of all underwriting conditions to new imaging platform and piloting of customer self service initiatives such as bar-coded separator sheets and customers viewing conditions on-line.	
Migrate indexing of Conduit loan files offshore	Info Management	Complete and in production but significantly scaled back due to shut down of Conduit.	






Core Strategy

4. Reliability - Sustain better than industry leading levels of systems availability and reliability.

2007 Initiative	Group	Comments	Status
Upgrade backend database of lending systems to improve scalability and availability	Architecture and IT Operations	The SQL 2005 project to upgrade the FOCUS database has been pushed back by a quarter to Q1 2008. The stability issues (e.g. spinlock, etc), which was the primary concern for the upgrade did not surface in Q2 or Q3. Moreover, the NetOxygen database upgrade has been added to the scope due to increased load on this server in Q2.	
La Mirada Data Center infrastructure improvements to extend the life of the data center	IT Operations	Project is on track and no major issues to report. Scheduled for December 15 th turn up.	
Increase Server Virtualization to reduce hardware, power and maintenance costs	IT Operations	Project scope has been reduced due to success of conversion efforts. Project will be converted to operational with the exception of the automation portion.	
Monitoring of systems and proactive reporting	IT Operations	Efforts have been delayed due to RIF and Voluntary Severance program. Demo was given on end to end capabilities and project will be re-initiated once organization structure has been defined.	




Core Strategy

5. Security & Business Continuity - Protect and monitor Indymac's assets, and minimize business disruptions through coordination of business continuity planning.

2007 Initiative	Group	Comments	Status
Complete Technology Recovery proof of concept to propose options for better disaster recovery of systems	IT Operations	Project has been delayed due to voluntary severance, RIF, re-organization, and BCP initiatives but is back on track and proof of concept is currently underway.	
Business Continuity Integration with Technology Recovery	Security & Business Continuity, IT groups, Business Units	Initiative completed on time in Q2 and transitioned to operational status.	
Physical security Improvements at headquarters building	Security & Business Continuity	Obtained city and landlord approval. Equipment has been ordered and we intend to install it during Christmas break.	
Security monitoring to support offshoring of processes	Security & Business Continuity	Increased the scope of automated tool (Arcsight) to monitor offshore activities. Solution will be upgraded to the newest version of the software in Q4, 2007.	
Utilize a second location in India for key processes	Chief Administrative Office (CAO), IT Operations	Currently utilize second location for IT Helpdesk and increased utilization will be explored when IT workforce grows.	



Core Strategy

6. Disciplined Delivery - Effective oversight of projects to ensure cost effective and timely delivery while ensuring alignment with business goals and minimizing risk.

2007 Initiative	Group	Comments	Status
Implementation of monthly project budget forecasting and reconciliation process for IT and Business Units at both the project and portfolio level	Chief Administrative Office (CAO)	Completed.	
Implement a portfolio management function in PMO	Chief Administrative Office (CAO)	Completed.	
Drive consistent and shared accountability to Business Units and Project Teams for projects	Chief Administrative Office (CAO)	In process.	

Core Strategy

7. Workforce Management - Effectively invest in our workforce while prudently leveraging outsourcing and offshoring reducing costs and cycle time while preserving quality and intellectual property.

2007 Initiative	Group	Comments	Status
Workforce planning for – capacity planning, demand management and resource pooling	All Groups	In process.	
Implement a training program for IT Managers to improve “soft skills”	Chief Administrative Office (CAO)	In process.	
Perform a portfolio analysis of IT applications and processes to identify and capture offshoring opportunities	Chief Administrative Office (CAO)	Postponed to next year after initial analysis and identifying a partner due to focus on higher/immediate cost savings activities.	