



HST™ Audit *Home Sale Transaction Audit*



The Accuracy & Confidence of an HST™ Audit

- Confirmed validity of all charges
- Ensured contract compliance
- Coordination and processing of error refunds
- Detailed, independent and objective support
- Expert solutions for continued process improvement

The highest cost in relocation is the Home Sale process. While the invoice may be categorized into simple and easy to read categories, it is typically the most complex and detailed part of a move.

However, what does each amount include? The HST audit program breaks down each category into individual charges to confirm and justify that they are traceable, contractual and reasonable. All transactions are then analyzed together to ensure a consistent approach and discover any methods that create ongoing unnecessary cost exposures.

HST™ Features

Traceability

Examine all charges for client authorization and traceability to its source.

Contract Adherence

Ensure that all costs, services, fees, interest charges, referral fees, and timelines are in contract compliance.

Reasonability

Confirm reasonable charges. Are costs market competitive for the location, season, and/or duration?

Trend Analysis

Facilitate solutions for continued process improvement, by analyzing the trends within your files compared to the relocation marketplace.

Expert Support Services

Billing Review & Investigation

- Find the source of all charges and fees
- Identify hidden fees
- Verify client authorization
- Validate Two-Deed charges and specific state requirements

Analysis & Consulting

- Trending and other data analyzed for recommended cost savings and solutions

Contract Review Process

- Analysis for contract compliance
- Determine if proper process was utilized for appraised value
- Verify proration calculations of insurance, mortgage interest, utilities, taxes, etc.
- Review equity funding and interest charges

HST™ Audit *Features in Detail*

Traceability

All charges are examined for client authorization and traceability to its source (i.e., utility company, HUD-1 settlement statement, etc.) Examples of issues include:

- Lack of supporting receipt for a billed repair
- Duplicate inspection charges
- Hidden interest/penalty charges for late payment

Contract Adherence

A comprehensive review assures that all costs, services, fees, interest charges, referral fees, timelines, etc., are in compliance with the agreed terms of the contract. Parsifal can assist with a contract amendment, if necessary. Ongoing audits are then recommended to ensure contract adherence. Examples of Errors:

- Fees billed for an AVS when a BVO occurred
- Interest was billed based on a 360-day cycle vs. the contract's 365-day cycle
- Incorrect dates applied for vacancy/catastrophic insurance charges

Trend Analysis

On-going analysis of invoices can flag uncontrolled/unrestrained billing trends to facilitate pro-active solutions for cost savings and continued process improvement. Trending analysis focuses on major areas including, but



not limited to excess appraisals/ inspections, sales concessions, and gain/loss on home sales, etc. Examples of problem trends:

- Appraisals costs are higher than the market average
- Broker estimated utilities are trending high and are not refunded to the client
- Broker referrals not refunded back to client as per contract
- Charges for internal fees on the HUD-1 statement outside of contract agreement

Reasonability

Are the costs and charges reasonable and market competitive for the location, season, duration, time in inventory, etc., such as: utility charges, acquisition expenses, repairs, maintenance and administrative costs. Parsifal has uncovered various problems including:

- Broker estimated utilities were excessive for last period prior to closing
- Additional interest for equity disbursement processed to transferee too early
- Inadequate refund on mortgage escrows