

# Residential Mortgage Lending Outsourced Services

Multi-purpose assessments on one loan file help financial institutions adhere to secondary market quality control requirements and monitor consumer financial protection regulations compliance in a timely, cost-efficient, and consistent manner.



## Quality control

CLA Bankers Advisory's pre- and post-funding Quality Control (QC) services are designed in accordance with the most recently published requisites of Housing and Urban Development (HUD), Fannie Mae, Freddie Mac, the Federal Home Loan Bank's Partnership Program, and private secondary market investors. As part of our offerings, we evaluate the underwriting decision, income and asset documentation, credit documents, and appraisal to determine whether applicable guidelines were followed.

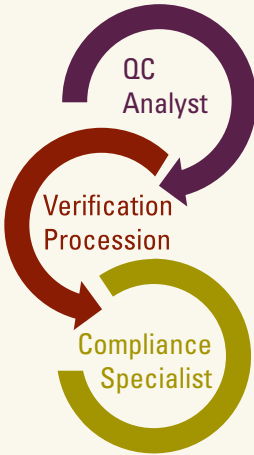
Deliverables include a summary of identified defects for each loan file, as well as sampling metrics, including root cause and defect rate reporting. All findings are risk-rated and our reports include rolling trends to measure quality standards by severity of defect, documentation category, and area of responsibility over time. Clients work directly with a designated QC – Client Service Manager who helps administer QC steps, including completion of each loan sampling selection, supervision of file review services, and report delivery.

## Federal and state compliance

Loan file documentation is evaluated to ascertain compliance with consumer financial protection regulations, including Truth in Lending/RESPA Integrated Disclosure (TRID) requirements. We evaluate disclosure completion, timing, and delivery requirements, along with adherence to fee restrictions and collection requirements. Optional services include annual percentage rate recalculation and qualified mortgage points and fees testing utilizing a commercial testing program. Assessments cover state-specific mortgage disclosure requirements, including application and closing disclosures and Tangible Net Benefit requirements. Compliance monitoring reports include risk-rated errors and trend reports.

## Fair lending

Our fair lending monitoring services compare documents from approved loan files with denied loans for similarly situated borrowers categorized as prohibited-basis group files. Known as a "closely matched pairs" analysis, our services are designed to complete steps in accordance with the Interagency Guideline for Self-Assessment, adopted by the Consumer Financial Protection Bureau. Our proprietary software analyzes loan characteristics to detect patterns of disparate pricing and other areas of weakness by loan origination staff and production areas.



**QC Analyst**

**Verification Procession**

**Compliance Specialist**

**What makes our services unique?**

Our end-to-end process is contained within an environment built on strong operational controls that foster accuracy and safeguarding of confidential information. Our practice is evaluated annually by an outside audit firm that tests our workflow process in accordance with SOC-2 procedures. Through our proprietary software, Enterprise Mortgage Compliance (EMC), our assessment checklists, risk ratings, and metrics are continually updated in accordance with the requirements of secondary market agencies and changes in regulatory compliance.



## Our process

Clients utilize a dedicated Microsoft SharePoint® site to administer their QC and compliance program. Our infrastructure and workflow procedures consistently meet our clients' rigid vendor management standards. Transparency is reinforced at all stages of services, and our clients receive all documentation in support of the data reflected in our reports. We perform all services in our office facilities, and no client data is accessible from home or personal devices. In addition, we do not outsource any client service functions.

Our report deliverables have been recognized as among the most innovative in the industry. With more than 2,000 risk-rated exception questions and dozens of risk classifications, we tailor reports to suit your needs. Reports are segregated for each service type (QC, compliance, and fair lending) for multi-purpose assessments on the same loan file.

You will be offered a wide range of delivery options, including bound hard copy and/or electronic formats. You may order special reports for Board meetings, such as a Peer Analysis Executive Summary that measures your risk standards against Bankers Advisory's comparative model. For holding companies, investors, and wholesale lenders, we deliver 10,000 foot-view roll-up summaries and trend analyses, delineating risk-classified error rates on an enterprise-wide level.

## Our pricing

We offer an advantageous program for enhanced risk management. Working within our three divisions — regulatory compliance, QC, and verification processing — our personnel collectively utilize their skills and subject matter experience to complete services on one set of loan files in a timely manner.

*We consistently strive to deliver services that are above the standard.*

With the exception of the costs for travel, verification of employment, assets, credit reports, appraisals, and other out-of-pocket expenses, our fees include a full set of reports. Please contact our office to discuss quantity discounts, pricing options, and fees for other assessment types such as pre-funding and loan servicing assessments.

## Our history

Bankers Advisory has been helping financial institutions achieve mortgage QC and compliance goals since 1986. Founded by Anna DeSimone, the company has been nationally acknowledged for providing resources that help mortgage lenders maintain compliance and better the industry's overall practice. Bankers Advisory was acquired by CliftonLarsonAllen in 2014, bringing the company under the umbrella of one of the nation's top professional services firms. Our clients receive complimentary publications and guidebooks covering the latest industry news and changes.

## Policy manuals

Clients who contract recurring services for compliance or QC are entitled to a complimentary QC plan template. Our plans provide workflow directives for your staff and reflect current secondary market requirements for Fannie Mae, Freddie Mac, Federal Housing Administration (FHA), Veteran Affairs (VA), and Federal Home Loan Banks (FHLB). Plans are customized with your institution's logo and name.



## Home Mortgage Disclosure Act

We provide HMDA scrubs and offer a range of options for more in-depth services and assistance. Engagements typically include a review of your draft Loan Application Register (LAR) for correctness and pricing analyses, side by side reviews of borrower files, and HMDA-LAR for the most comprehensive data-integrity check. Options include geo-coding cross-check and reviews of commercial or mixed-use property files to assess applicability for HMDA filing.

## Mortgage electronic registration system

Bankers Advisory is a mortgage electronic registration system (MERS) patron member and provides consulting services, including assessments necessary for completion of the MERS Annual Report process. Engagements evaluate completion of system-to-system reconciliation and validation of records between lenders, MERS, and any sub-servicer.

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