



The Collingwood Group®

## The Collingwood Group *Risk Management and Compliance Division*

The Collingwood Group recognizes the importance of understanding changes within the environment of the financial services industry; knowing what to do – and what not to do – and proactively identifying potential issues for resolution before they bring additional scrutiny and enforcement actions.

Within this framework, the Collingwood Group's Risk Management and Compliance Division brings very unique qualifications to the area of FHA and Ginnie Mae (GNMA) compliance and risk management. The division supports the full range of clients' government lending business activities, across the entire loan life cycle including origination, servicing, and claims for FHA, USDA, and VA. Staffed by the industry's largest group of former HUD employees – including a former FHA Commissioner and two former Mortgagee Review Board Secretaries – the team brings a combined two hundred plus years of experience in government lending compliance and risk management.

### *The Risk Management and Compliance Division services include:*

- Operational risk assessment to determine the company's vulnerability with regard to potential regulatory and/or compliance enforcement actions;
- Automated Neighborhood Watch analysis of corporate, branch office, national and FHA field office data and trending, as well as TPO analysis to effectively manage counterparty risk and identify potential areas of enforcement action;
- Readiness audits to identify compliance and risk management deficiencies and making recommendations for constructive corrective actions;
- Client support for appeals and responses to Mortgagee Review Board actions, Quality Assurance Division reviews, Office of Inspector General audits, Credit Watch or Direct Endorsement enforcement and Indemnification Requests;
- Preparation for FHA, USDA and VA compliance reviews;
- Review of Quality Control plans, processes and systems to help ensure compliance with FHA regulations;
- Sub-servicer monitoring and oversight as required by GNMA;
- Analysis of FHA and VA claims processing operations, potentially saving lenders significant dollars in claims recoveries;
- Compliance Training on FHA, VA origination, servicing and claims as well as GNMA;
- Litigation support in defense of False Claims Act and Qui Tam Cases.

If you are an FHA lender or servicer, you are aware of the increase in FHA volume and the corresponding heightened level of enforcement. Of note, there has been a recent increase in inquiries around Policies and Procedures (P&P) for sub-servicer oversight and monitoring. This oversight is not only required by GNMA, but also falls under the Consumer Financial Protection Bureau (CFPB) policy regarding management of service providers to ensure compliance with federal law as well as the CFPB regulations. In addition, the dramatic increase in FHA origination that began in 2007 has resulted not only in a parallel surge of enforcement activity but also Credit Watch and Direct endorsement terminations and indemnification requests.

Collingwood Group's Risk Management and Compliance professionals know first-hand the importance of understanding and interpreting the nuances of compliance changes within the FHA, VA, and USDA space. With expertise spanning all aspects of FHA financing programs and GNMA securitization activities, The Collingwood Group is uniquely qualified to help our clients manage and grow their businesses by being proactive in identifying areas of concern.

The costs of non-compliance have never been higher and our clients have experienced first hand the benefit of working with an experienced partner in dealing with FHA and GNMA compliance issues.

- *Are you prepared for a HUD/GNMA audit?*
- *Are you facing Credit Watch or Direct Endorsement termination in any branch or FHA field office?*
- *Have you received indemnification requests from HUD?*
- *Do you think you may be leaving money on the table in your FHA and/or VA claim filing from rejected or suspended claims?*
- *Are you considering updating your GNMA servicer/sub-servicer surveillance?*
- *Is your corporate, retail or sponsored compare ratio over 150?*

If you answered "yes" to any of these questions, or have additional questions on the Risk Management and Compliance Division's Services, please contact us.



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The Collingwood Group provides advisory services and business development opportunities combined with access to decision makers, financial sponsors, corporate boards and senior industry executives. The firm's core focus is set on helping companies and investors in the financial services industry, utilizing its unique ability to combine the Partners' federal sector knowledge with nearly a century of combined private sector industry experience. Offering extraordinary perspective on federal agencies and private sector entities at the center of today's restructuring of financial services, The Collingwood Group's expertise spans all aspects of FHA financing programs, Ginnie Mae securitization activities; domestic and international secondary market activities and issues, risk and loss mitigation, primary and special servicing, vendor and talent management, and all elements of portfolio acquisition, property management and asset disposition.