

Banking Compliance

Mortgage Servicing Compliance Review

Advisory Services for Large Lending Institutions

A Compliance Management System (CMS) Review for Mortgage Servicers

Mortgage servicers are experiencing an increased volume of borrower inquiries seeking forbearance in the wake of the economic downturn caused by the COVID-19 pandemic, testing the limits of mortgage servicing operations, which are large and complex by nature. And in a business that is heavily regulated, examiner scrutiny of modifications, workouts, or forbearance arrangements is inevitable. There are important regulatory compliance requirements applicable to mortgage servicers and increased volume could result in compliance challenges and scrutiny. Moreover, mortgage servicers must consider CARES Act provisions in related mortgage loan loss mitigation. With so much at stake, Wolters Kluwer® created consulting services focused specifically on reviewing servicing processes and advising lenders on regulatory concerns related to servicing arrangements.

Mortgage servicers must maintain compliance with a broad range of rules and regulations. A Compliance Management System (CMS) review will evaluate whether compliance responsibilities are being addressed, including:

- Real Estate Settlement Procedures Act (RESPA)/Regulation X
- Truth in Lending Act (TILA)/Regulation Z
- Electronic Funds Transfer Act (EFTA)/Regulation E
- Fair Debt Collection Practices Act (FDCPA)
- Homeowners Protection Act (HPA)
- Fair Credit Reporting Act (FCRA)/Regulation V
- The Gramm-Leach-Bliley Act (GLBA)
- The Equal Credit Opportunity Act (ECOA) and Regulation B
- Servicemembers Civil Relief Act and Interagency Guidance on Mortgage Servicing Practices Concerning Military Homeowners with Permanent Change of Station Orders
- CFPB Bulletin 2013-07, 2013-09, 2013-12, 2014-01, 2015-03, 2015-06, 2016-01
- CARES Act Sections 4021, 4022 and 4023



Consulting Services Tailored to Large Banks

Mortgage Servicing Compliance Review: A CMS Review of Servicing Programs

Mortgage servicers of all sizes must have an effective Compliance Management System (CMS) framework. Our experts can conduct a CMS review of a servicer's program to identify gaps in compliance risk management programs and processes. And since no two servicers are alike, we can tailor the review to your institution's requirements, whether you want a comprehensive or focused program assessment, a one-time or recurring evaluation, a broad policy review or deep-dive transaction testing. Reviews can be supplemented with an assessment of training programs and customer complaint management programs.

Our subject matter specialists assess the effectiveness of servicing compliance through:

- Reviewing and analyzing the CMS framework
- Conducting exam readiness risk assessments
- Reviewing existing compliance documentation (policies and procedures, monitoring, training and reporting)
- Conducting third-party vendor management program reviews
- Evaluating the efficacy of the compliance testing program
- Reviewing the effectiveness of regulatory change management processes for anticipating rule changes impacting compliance obligations



Confidently Face Examiner Scrutiny and Avoid Potential Risk Exposure

Examiners expect mortgage servicers to maintain a framework for ensuring all compliance responsibilities are addressed. With dispersed workforces, remote access to customers, and the addition of pandemic-driven regulatory obligations, such as the CARES Act, a strong CMS is more critical than ever. Our senior compliance subject matter experts will conduct an independent evaluation of your institution's framework for managing compliance to:

- Identify program gaps and weaknesses
- Evaluate policies, processes, controls, monitoring, reporting, training and systems against regulatory requirements
- Tailor the review to a particular issue or area of concern

For Large Banks: Sensible, Scalable Pricing Structure for Targeted Guidance

Larger, more complex organizations service higher volumes of mortgage loans often resulting in greater potential for compliance risk exposure. Each client's needs are unique and should be evaluated based on information gained through scoping calls, discussions, and documented information provided. Our team can customize our consulting services for your institution.

For more information, contact your Wolters Kluwer Account Representative or call **800-261-3111**.

About Wolters Kluwer Governance, Risk & Compliance

Governance, Risk & Compliance (GRC) is a division of Wolters Kluwer, which provides legal and banking professionals with solutions to ensure compliance with ever-changing regulatory and legal obligations, manage risk, increase efficiency, and produce better business outcomes. GRC offers a portfolio of technology-enabled expert services and solutions focused on legal entity compliance, legal operations management, banking product compliance, and banking regulatory compliance.

Wolters Kluwer (AEX: WKL) is a global leader in information services and solutions for professionals in the health, tax and accounting, risk and compliance, finance and legal sectors. Wolters Kluwer reported 2019 annual revenues of €4.6 billion. The company, headquartered in Alphen aan den Rijn, the Netherlands, serves customers in over 180 countries, maintains operations in over 40 countries and employs 19,000 people worldwide.

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