



**MReport**

PRESENTS

# Due Diligence GUIDE

This issue is dedicated to the future of the industry and helping to ensure that the future is bright are the following due diligence companies. Ensuring that portfolios are strong, on a growth trajectory, and performing better than market expectations is the mark of a solid due diligence firm. Read ahead to learn more about some of the companies that are leading the due-diligence pack. Companies listed here specialize in value portfolios, portfolio review, review loan transfers, and other due-diligence issues.



# Clayton Holdings, LLC



**KEY PERSONNEL**

**Joseph D'Urso**  
President

**Jeff Tennyson**  
COO

**Tim Reilly**  
President of Green River Capital

**Jeff Jonas**  
President of Red Bell Real Estate

**Shawn Murphy**  
EVP of ValuAmerica

**STAFF**

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**COMPANY DESCRIPTION**

Clayton provides information and services that financial institutions, investors, and government entities use to evaluate, acquire, securitize, service, and monitor loans and asset-backed securities.

Clayton conducts its business with uncompromising transparency and integrity, and its employees are committed to upholding solid principles of corporate governance. As part of the overall governance, Clayton's system of internal controls includes organizational design, written policies and procedures, operating practices, and controls to protect people and assets. This integration of key activities helps identify irregularities and reduce risk to a reasonable level as quickly as possible.

**COMPANY HISTORY**

Founded in 1989, Clayton pioneered both the residential due diligence and servicer surveillance industries. Since that time, Clayton has performed due diligence file reviews on more than 12 million loans; has performed surveillance/oversight on more than \$2 trillion in original balance; and, over the past three years alone, has conducted more than 250 residential mortgage servicer operational assessments.

**BUSINESS LINES, SERVICES & PRODUCTS**

Clayton Holdings LLC, a subsidiary of Radian Group Inc. (NYSE: RDN), provides risk-based analytics, residential loan due diligence, consulting, surveillance, and staffing solutions. The company's subsidiaries include:

- Green River Capital (GRC): Customized REO asset management and single-family rental services
- Red Bell Real Estate: Advanced AVMs, BPOs, and technology to acquire and track performance of loan portfolios and NPLs
- ValuAmerica: National title and appraisal management company and vendor management technology provider
- Clayton Euro Risk: Global services

**COMPETITIVE ADVANTAGE**

Clayton offers unparalleled breadth and depth, and is uniquely positioned to bring impartial, effective solutions to current market challenges and provide the most robust experience to its clients.

Clayton's differentiators include:

**Pioneering the residential loan due diligence industry**

- Largest and longest standing due diligence firm in the industry.
- Due diligence workforce of hundreds of underwriters and team leads.
- Clayton is an approved S&P and DBRS RMBS third-party review (TPR) provider and meets the

standards of Moody's, Fitch Ratings, and Kroll Bond Ratings for pre-securitization due diligence.

**Pioneering credit risk management/loan surveillance**

- Possess a broad and vast array of historical transaction data.
- Significant experience performing targeted reviews of assets to assess compliance with representations, regulatory and legal requirements, investor guidelines and settlement agreements, performing more than 235,000 such reviews since 2012.
- Depth of experience that includes providing advisory services, asset management services, and loan review/due diligence for all property and credit types.

**Regulatory knowledge**

- Clayton is an expert in all of the latest regulatory compliance guidelines including the TRID, ATR/QM, FACTA, HMDA, and NRSRO rules.
- Clayton was selected by Weiner Brodsky Kider to provide loan review expertise in their CFPB Examination readiness program.

**Team of industry experts**

- Beyond tools and technology, Clayton's most essential asset is its team of motivated, hard-working industry experts.
- Clayton's subject-matter experts have held significant positions in the banking and residential real estate industries and bring years of lending and operating experience to Clayton. The company's project teams possess best-practices knowledge of banking, finance and residential real estate operations, from origination through servicing, workouts, and REO.

**CORPORATE STRATEGIES/GOALS**

With the support of its parent Radian, Clayton is investing significantly in infrastructure, resources and technology to create more innovative solutions for the mortgage and real estate industries. Recently, the company acquired ValuAmerica, allowing them to offer a full range of appraisal, title and closing services.

Clayton has also launched several new products into the marketplace. Its Asset Representations Reviewer (ARR) service helps issuers of asset-backed securities, including auto finance, credit card, student loan and equipment-leasing issuers, comply with the requirements of the SEC's amendments to Reg AB II. GRC's Rental Asset Management and Performance (RAMP) addresses the need for greater standardization and transparency by providing surveillance and reporting all the way from portfolio to loan to property level.



# Digital Risk



#### KEY PERSONNEL

**Jeff Taylor**  
Co-founder & Managing Partner

**Sesha Dhanyamraju**  
CEO & Managing Partner

**Chris Castoro**  
SVP, Transaction Management

#### STAFF

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#### CONTACT INFORMATION

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**DigitalRisk**  
Making Mortgages Safe  
an Mphasis Company

#### CORPORATE PROFILE

Digital Risk, LLC is one of the nation's largest independent providers of risk management services, compliance, quality control, due diligence, valuations, and fulfillment services for the complex and dynamic financial services market. The individual talents of Digital Risk's thousands of analysts are amplified by the company's proprietary technology and advanced analytics performed using the Making Mortgages Safe™ solutions suite. Digital Risk, LLC is a wholly owned subsidiary of Mphasis Ltd. To learn more, visit DigitalRisk.com.

Headquartered in Maitland, Florida, with offices in Lake Mary, Florida; Jacksonville, Florida; Boca Raton, Florida; New York, New York; Denver, Colorado; Dallas, Texas; and Pune, India.

#### COMPANY HISTORY

Digital Risk started in 2005 and has grown from five employees to today's 1,500 USA-based workforce. During the last eight years, the company's dedicated team members have earned a stellar reputation for providing reliable solutions to mission critical, high-profile initiatives.

In December 2012, Digital Risk was acquired by Mphasis, a Hewlett Packard subsidiary. Mphasis is the global leader in the BPO and KPO markets, employing more than 27,000 people worldwide.

#### BUSINESS LINES, SERVICES & PRODUCTS

- **Due Diligence**
  - » Proprietary TRID reviews
  - » Knowledge of agency "hot buttons" and repurchase errors
  - » Anti-fraud tools and trend analysis
- **Securitization**
- **End-to-End Conduit Solutions**
  - » Jumbo, NPL, and GSE securitizations (private/STACR/CAS)
  - » Billions securitized
- **Approved by all rating agencies**
- **Credit-Valuation-Compliance-Servicing scopes**
- **End-to-End Fulfillment**
- **Valuations**

#### KEY FEATURES

- \$1.7 trillion in due diligence quality control reviews
- More than 10 million loan files reviewed
- Proprietary intelligence deployed:
  - » Database comprised of \$1.7 trillion in due diligence and quality control reviews
  - » State-of-the-art technology, anti-fraud tools and trend analysis, and proprietary techniques to solve new legislation
- Regulatory compliance department:
  - » In-house staff attorney team
  - » TRID, QM, and QRM expertise

- » Maintains proficiency with all federal and state compliance laws
- \$850 billion (UPB) under management

#### ADDED VALUE TO BUSINESS PARTNERS

With the rising cost of compliance, it is necessary for financial institutions to select partners who know how to navigate the regulatory waters. Through Digital Risk's unique market view, its leadership has seen a gap between regulatory understanding and operationalization. To provide the industry this missing link, the company has developed scalable solutions combined with a foundation of \$1.7 trillion in due diligence reviews to offer a sound layer of protection via our thorough comprehension of today's complicated regulatory environment.

#### KEYS TO SUCCESS

Digital Risk was founded in 2005 based on one focus—making mortgages safe. Since then, the company has succeeded in this area and even expanded its mission by combining the company's advanced technology and expert underwriters.

#### CORPORATE STRATEGIES/GOALS

The company's goal is to provide a comprehensive solution suite that is capable of safeguarding financial transactions, including the entire mortgage loan life cycle. The company achieves this by leveraging its proprietary technology and expertise, which enable clients to enhance their quality, regulatory compliance, turn times, and efficiency.

#### AWARDS AND ACCOLADES

- 2015 Stevie® Awards for Women in Business—Won 2nd Place Grand Stevie® for Best Company Overall
- 2015 Stevie® Awards for Women in Business—Won Gold Stevie® for "Business-to-Business Marketing Campaign of the Year"
- 2015 Stevie® Awards for Sales & Customer Service—Won Gold Stevie® for "Business Development Achievement of the Year"
- *MReport's* 2015 "Women in Housing" issue—Featured in "Emerging Leaders"
- *MReport's* 2014 "Women in Housing" issue—Featured in "35 Under 35"

#### SPECIALTY/EXPERTISE/QUALITY CONTROL INITIATIVES.

Successful completion of over \$125 billion in loan reviews provides unsurpassed expertise to mitigate the underwriting risk elements that may result in potential fraud, loan repurchase or default. Digital Risk Due Diligence services combine superior analytics, advanced technology, and the expertise of highly skilled underwriters to provide efficient underwriting support for any transaction volume and loan type, while maintaining the highest quality levels.



# Investors Consulting Group



**KEY PERSONNEL**

**Dave Pawlowski**  
President/Founder

**Bill Twombly**  
COO

**Ed Hunter**  
Senior Director

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**COMPANY DESCRIPTION**

Investors Consulting Group (ICG) delivers solutions that address risk management and due diligence needs in each of the various stages of the mortgage process from origination, servicing, investment, and securitization to litigation support. When the veracity of a loan file, loan pool, portfolio, or the data within a file is desired, ICG has the due diligence services that can be implemented to fit client specific needs.

**COMPANY HISTORY**

The founder of ICG brings more than 30 years' experience in the residential mortgage industry with some of the top banks and investment firms, including the GSEs. Established in 1991, ICG has a depth of experience in litigation support and has taken that capability into the broad due diligence market.

**REGULATORY COMPLIANCE**

Regulatory compliance has evolved into a multi-faceted and constantly changing aspect of due diligence. ICG provides a complete regulatory compliance solution that includes origination, servicing, trustee, issuer, state, federal and individual investor requirements.

**BUSINESS LINES, SERVICES, AND PRODUCTS**

**Categories:**

- Due Diligence
- Compliance
- Litigation
- Servicing
- Advisory
- Trustee
- Staffing

**Lines:**

- Origination
- Wholesale
- Conduits
- Warehouse
- Trust
- Investor
- Issuer
- Hedge Fund
- Litigation
- Correspondent lending

**Services:**

- Asset review
- Rep-warrant review
- Data integrity
- Originator/servicer operations review
- Pre-post funding
- QC/QA

- Breach cure
- Collateral review
- Dispute resolution
- Subject matter experts
- Forensic review
- MSR trade and transfer
- Short and long term staffing; on or offsite

**KEY FEATURES/BENEFITS**

- Specialized Order Management Technology
- Transparency
- Analytics
- QA and improvement process
- Quality control
- Reporting
- Client Level Configuration
- Services built for specific client needs
- Capability based resource assignment
- Consistent performance
- QC Team
- Higher quality
- Lower risk
- Higher margin
- Project Management Team
- Customer service focus
- Continuous improvement
- Training
- Regulatory compliance
- Client/loan program competence
- Servicing requirements
- Market, industry, and compliance updates
- Hiring
- Experienced team
- Capability assessed assignment

Steeped in litigation support (most active and experienced firm in the sector) ICG knows where the problems are and what needs to be targeted for particular attention. Continuous monitoring and analysis for improvement to stop recurring problems. Specialized team structure puts the right people in the right activity and service delivery.

**ADDED VALUE TO BUSINESS PARTNERS**

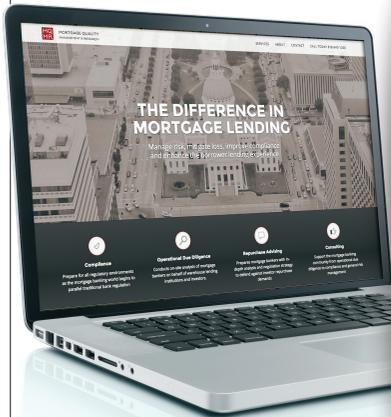
Regardless of the need, ICG can be the vendor—fewer vendors and managed services through the life cycle. ICG manages risk to increase performance, lower risk and increase margin.

**KEYS TO SUCCESS**

Hiring and training the right people, subject matter specialized teams, technology that supports the process and is easily implemented, constant/unrelenting service delivery meeting client's needs, and unbeatable customer service.



# Mortgage Quality Management & Research, LLC



## KEY PERSONNEL

**Benjamin Madick**  
President

**Michael Steer**  
VP and COO

**Tim E. Cox**  
Chief Strategy Officer

**Dayna Silver**  
Director, Strategic Development

**Nicholas Thomas Corpuz**  
Director, Servicing Oversight

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MORTGAGE QUALITY  
MANAGEMENT & RESEARCH

## CORPORATE PROFILE

Mortgage Quality Management & Research (MQMR) was founded in 2011 as a risk mitigation company focused on serving the mortgage lending community. To this day, MQMR works side-by-side with lenders, servicers, vendors, and warehouse banks to manage risk, mitigate losses, and enhance the borrower lending experience. In a highly regulated marketplace, risk management is key to the viability of the industry.

With this consideration, MQMR partners with clients to establish programs that utilize quantitative and qualitative metrics to elevate performance and promote accountability. MQMR is devoted to delivering a comprehensive compliance solution leveraging its core product menu in addition to that of its subsidiary HQ Vendor Management (HQVM) and sister company Subsequent QC.

## KEY FEATURES

- **Servicing Quality Control Audits:** Loan level, compliance, and operational audits of mortgage servicers.
- **Vendor Management:** Operational due diligence, detailed risk and compliance assessments, and on-going oversight of third party service providers.
- **Correspondent and Broker Approval:** Counterparty review and approval.
- **Vendor Management (For Vendors):** Evaluate the effectiveness of the operating controls and generate a uniform vendor management package for the vendor's clients.
- **Internal Audit:** An independent, objective assurance and consulting program designed to improve an organization's operations and ensure adherence
- **Warehouse Due Diligence:** Counterparty risk and operational reviews.
- **Compliance:** A suite of compliance services to assist lenders in establishing a comprehensive compliance program and mitigate exposures presented by changing regulatory requirements. Including, but not limited to, policies and procedures, MSA reviews, LO compensation agreements, advertising and marketing reviews, and overall compliance support.

## COMPETITIVE ADVANTAGE

MQMR's position in the industry, and its background, allow the company to view a significant aggregation of what companies do and do not do well. The ability of the MQMR team to provide recommendations across the entire originations workflow, carried through into servicing, is unique (leveraging all three of our business channels: MQMR, HQVM, and Subsequent QC).

## ADDED VALUE TO BUSINESS PARTNERS

The MQMR team is comprised of seasoned industry veterans across each area of counterparty risk, due diligence, and compliance advisory services. Due to the structure of the company, MQMR is able to have its clients work with and get feedback from true subject-matter experts in the applicable field of interest.

## KEYS TO SUCCESS

Being a boutique company allows MQMR to place an extreme emphasis on the quality of its product and the depth of its commitment to service levels. Leveraging years of due diligence expertise, MQMR focuses its business not just on identifying areas of risk within a company, but also providing best-practice recommendations designed to point the client in the right direction.

MQMR believes that the appropriate level of risk mitigation is more than just completing an audit, it is about building a platform of thorough oversight on an ongoing and consistent basis. MQMR's holistic approach to servicing its clients provides instant results and satisfaction to its clients and their counterparts.

## AWARDS AND ACCOLADES

MQMR is recognized as a leading due diligence provider in the industry having worked with the majority of warehouse banks, correspondent investors, and subservicers to perform counterparty risk functions. Additionally, many of the individual members of the MQMR team are recognized as top individuals within the industry and are often asked to speak at industry-related conferences, as well as featured within industry magazines.



# Stewart Lender Services



## KEY PERSONNEL

**Jason Nadeau**  
Group President, Mortgage and Title Services

**Scott Gillen**  
EVP, Originations and Servicing

**Bill Sullivan**  
EVP, Business Development

## CONTACT INFORMATION

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**stewart**  
lender services

### CORPORATE PROFILE

Stewart Lender Services, a wholly owned subsidiary of Stewart Title Company, is a nationwide provider of centralized origination title, collateral valuation, default title, REO asset solutions, quality control, and due diligence for mortgage lenders, servicers, and capital markets. With more than a century of experience matched with the industry's leading technologies, Stewart helps lenders, servicers, investment banks and law firms meet the rapidly-changing demands of today's market. Stewart has the financial strength, industry knowledge, and proven flexibility to perform throughout the lifecycle of a loan. More information can be found at Stewart.com/lender-services.

Stewart Information Services Corporation (NYSE-STC) is a global real estate services company, offering products and services through its direct operations network of Stewart Trusted Providers™ and family of companies. From residential and commercial title insurance, and closing and settlement services to specialized offerings for the mortgage industry, Stewart offers the comprehensive service, deep expertise and solutions its customers need for any real estate transaction. At Stewart, they believe in building strong relationships—and these partnerships—are the cornerstone of every closing, every transaction and every deal.

### BUSINESS LINES, SERVICES, AND PRODUCTS

Stewart is a nationwide provider of mortgage loan advisory services, due diligence, quality control, servicing quality control, and risk assessments for mortgage lenders, servicers, and investors. They offer custom solutions that address specific needs that include credit and compliance review, collateral valuation, origination and servicing quality control, origination and servicing support solutions, and origination and default title solutions.

### KEY FEATURES/BENEFITS

#### Due Diligence

Stewart's powerful and agile Due Diligence System (DDS) supports the full spectrum of buyer, originator and seller due diligence for new originations and seasoned loan reviews, including regulatory compliance assessment, valuation review and reconciliation, servicing assessment, portfolio oversight and cash-flow reconciliation. Stewart has developed a robust infrastructure and quality assurance process that meets or exceeds every major rating agency's requirements and established underwriting guidelines. Stewart's DDS system in combination with their processes accurately guides analysts through all aspects of customer-tailored loan reviews.

### Loan File Review (LFR)

Loan File Review addresses the requirements of a variety of clients whose needs depend on detailed analytics regarding mortgage loan files to understand their underwriting, collateral, legal compliance and performance history. Clients enlist Stewart's support for quality control (QC), due diligence and transactional related work. They perform QC on large portfolios, both for servicing and for originations. They perform ongoing loan level QC in compliance with GSE standards as well as support loan file reviews for loan acquisitions, and conduct due diligence on loan pools when they are traded.

### Servicer Performance Management (SPM)

Stewart's SPM system provides servicer portfolio and data management. Data feeds from multiple servicers can be consumed, analyzed and standardized into a consistent format, including support for servicing transfers. The system identifies discrepancies when the data is loaded. Designed to mitigate risk on loan portfolios, SPM tracks servicer performance within all areas of servicing, identifies trends and targets high-risk populations.

### COMPETITIVE ADVANTAGE

No other company approaches business, the Stewart way. Stewart focuses on relationships, acting in the spirit of true partnership with all of its customers to build loyalty and trust. Stewart believes that honesty and integrity aren't empty words—they're the basis for the way the company has operated since its founding and the way it will always do business.

### ADDED VALUE TO BUSINESS PARTNERS

Stewart provides deep expertise and solutions to its customers need for any real estate transaction. Stewart believes in building strong relationships—and these partnerships are the cornerstone of every transaction and every deal.

### KEYS TO SUCCESS

Stewart knows that success in the real estate world begins with doing what you say you're going to do, every time. This integrity flows through all of the businesses and services Stewart offers and fuels the unique spirit of collaboration that drives all their interactions.

### AWARDS AND ACCOLADES

- 2012 & 2014 *Forbes* 50 Most Trustworthy Financial companies in America
- *Barron's* 400 Index for 2013
- Named No. 34 in Top 100 of 2010 *InformationWeek* 500