

# MReport

SPECIAL ADVERTORIAL SECTION

## RISK & DUE DILIGENCE GUIDE

The following companies are innovators in residential loan due diligence—using new tools and technology to help their clients, who range from loan buyers, sellers, and investors, fully understand the risk associated in a loan file.

Ensuring that portfolios are strong, on a growth trajectory, and performing better than market expectations is the mark of a solid due diligence firm, and these companies have honed these skills over years of experience in fluctuating markets.

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.



# ADFITECH



### KEY PERSONNEL

**Dru Jacobs**  
President

**Chase Hagan**  
SVP-Legal Counsel

**Steve Rosenhamer**  
SVP-Technology

**Fred Weber**  
SVP-Operations

### STAFFING

360 employees

### CONTACT INFORMATION

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### COMPANY DESCRIPTION

ADFITECH has been providing quality control and outsourcing solutions to the residential mortgage industry for over 30 years. They have been reviewed by all five rating agencies, and are publically traded. They utilize highly refined proprietary technology, real-time interactive reporting and responses that provide customizable trending information with breakout capabilities.

### CURRENT EMPLOYEE AND CLIENT BASE

ADFITECH employs a full-time onsite staff with a wide variety of experience in the mortgage industry. All work is completed at their Edmond, Oklahoma campus, and they do not use offsite temp contractors. Their management team has average company tenure of 15 years and senior management has average company tenure of 20 years. Experience counts! Their current client base is a mix of 600 banks, mortgage companies, litigation support, servicers, GSEs, sub-servicers, housing authorities, investors, and credit unions.

### BUSINESS LINES, SERVICES, AND PRODUCTS

They cover every stage in the life of a loan with a multitude of products including, but not limited to:

- Due diligence
- Pre- and post-closing QC
- Servicing QC
- Fulfillment services
- MERS audits
- Document stacking and imaging
- Document hosting

### COMPETITIVE ADVANTAGE

Client relationships are their top priority, and they believe communication and transparency are the most helpful tools in their arsenal. They have strived to ensure that their website and interactive reporting give real time information and status, while providing the trending information needed to enable their clients' internal risk assessment and analysis. They continually evolve their reviews and reporting based off of the industry, regulators, investors, and their clients' needs.

### KEYS TO SUCCESS

**Their highly trained and experienced staff:** By cross training their staff they are able to stay flexible to meet demands as they continually change.

**On-site IT staff:** To keep up to date with changes to both the marketplace and to technology as a whole they have to be able to consistently update and evolve their software and tools used by their staff.

**Wide diversity and flexibility of products and services:** They pride themselves on not only being able to offer their clients a multitude of products but to be able to customize both their reviews and results based off of individual needs.

**Dedication to their clients needs:** You never have to sign a lengthy contract with ADFITECH. Billing is month to month, and you will never be charged a start up or set up fee. Their goal is to always under sell and over deliver.

**Constant monitoring of regulation, investor, state and federal updates:** They have staff in place to keep track of all the changes and to adapt staff training, tools, and review scope as needed.

### STRATEGIES AND GOALS FOR 2016

While they rely on their own technology for their reviews and products, they understand that to be successful their results and data need to be usable in or with their clients' software. In 2016 they are focused on integration projects with a multitude of servicing platforms, origination software, optical character recognition, and enhanced data extraction. They want their results to continue to be beneficial, ingestible, and readily available.

### PARTNERSHIPS

- Mortgage Bankers Association
- American Bankers Association
- National Council of State Housing Agencies
- Oklahoma Mortgage Bankers Association
- Lenders One
- Mortgage Collaborative



# Clayton Holdings LLC



KEY PERSONNEL

**Jeff Tennyson**  
President

**Mark Hughes**  
EVP of Business Development and Industry Affairs

**Patrick Cosgriff**  
SVP of Transaction Management

**Scott Mowry**  
SVP of Key Client Initiatives

**John Levonick**  
Director of Regulatory Compliance

STAFFING

1,000 employees

CONTACT INFORMATION

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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 its 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 and has performed surveillance/oversight on more than \$2 trillion in original balance.

BUSINESS LINES, SERVICES, AND 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 (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), and 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.

The company is confident that its clients will realize great benefits from Clayton's experience, advice, customized services, and objectivity.

Clayton's differentiators include:

- Clayton received the industry's first rankings from Morningstar Credit Ratings, LLC as both a Residential Mortgage Securities Deal Agent and as a Residential Representation and Warranty Reviewer.

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.
- Clayton is the industry's first firm to be ranked as an RMBS Deal Agent and Residential Representation and Warranty Reviewer.

Pioneering credit risk management/loan surveillance

- Possesses 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 over 150,000 such reviews per year.
- 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 offers expertise in major regulatory compliance guidelines including ATR/QM, FACTA, HMDA, NRSRO, and TRID 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 offers an experienced team of motivated, hard-working industry experts. Clayton's employees are outstanding at what they do, and their knowledge and professionalism are consistently recognized and acknowledged by our clients.

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. They perform in-depth analyses of both the quantitative and qualitative aspects of all forms of residential real estate management, loan file reviews, and servicing.



# DocMagic



KEY PERSONNEL

**Dominic Iannitti**  
CEO

**Tim Anderson**  
Director of eServices

**Susan Iannitti**  
Director of Advertising

**Michael Morford**  
Director of Product Development

**Steve Ribultan**  
Director of Business Development

STAFFING

More than 79 employees

CONTACT INFORMATION

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COMPANY DESCRIPTION

DocMagic is the leading provider of fully compliant loan document preparation, compliance, and eDelivery solutions for the mortgage industry.

COMPANY HISTORY

Founded in 1988 by current CEO Dominic Iannitti, DocMagic Inc. is the largest loan document production company in the U.S. Since its introduction, DocMagic has revolutionized the mortgage document industry by consistently developing award-winning solutions and technology to make clients more productive, promote operational efficiency, and mitigate compliance risk.

BUSINESS LINES, SERVICES, AND PRODUCTS

DocMagic has continually expanded its offerings over the 28 years it has been in business and today, the company offers document management, compliance, eSign, and many other cutting-edge eMortgage products and services.

In this last year, DocMagic has introduced SmartCLOSE, a collaborative closing portal for TRID that was awarded the MISMO Software Certification for TRID compliance.

In May, the company announced the formal launch of its fully integrated 'eQC' solution that automates due diligence for investors and correspondent lenders—providing a record of compliance that eliminates concerns over TRID audits and violations. The eQC solution provides a complete closed loan MISMO 3.3/UCD XML data file, an automated compliance report, and a detailed audit trail.

PRODUCT SOLUTIONS

The company's flagship product is DocMagic, an offering that consists of the people, the systems, and the technology to answer all the lender's mortgage document needs. It offers:

- Seamless integration with leading LOSs
- Free predatory lending and compliance auditing
- In-house legal and compliance experts
- Fully compliant eDisclosure delivery
- Free setup and integration services
- Integrated flood zone determinations
- DocMagic's revolutionary eSign technology

DELIVERY PLATFORM

DocMagic can deliver its service in any way the lender requires, though most users use either DocMagic Online or DocMagic Direct through their loan origination system of choice.

KEY FEATURES/BENEFITS

DocMagic is specifically designed to keep lenders in full compliance with all state and federal regulations. Along with access to in-house legal and compliance specialists, lenders have access to DocMagic's compliance website, Compliance-Edge, which contains a wealth of information from legal analysis to news and resources.

DocMagic's sophisticated technology delivers a unique combination of speed, ease, and accuracy that saves the lender time and money, keeping originators well ahead of their competition.

COMPETITIVE ADVANTAGE

DocMagic's team sets it apart. Everything the company has accomplished has been the product of a dedicated group of mortgage professionals, technology experts, and compliance experts. A culture of fantastic customer service ties them all together. Many of its employees have been with the company for more than 20 years. Few firms can claim that.

Any lender who has worked with a member of DocMagic's staff knows the value the company brings. It's a source of great pride within the company and a high barrier to entry for any challenger.

ADDED VALUE TO CLIENTS

DocMagic's guaranteed compliance solutions are likely what clients value most. Regulations at multiple levels have proven too difficult for lenders to track. The company's compliance solutions are a lifesaver for lenders. The fact that they are bundled so tightly with its document solutions makes DocMagic a one-stop shop for top originators.

DocMagic maintains the SSAE-16 Certification. The highest level of certification available, this validates that its software and systems meet the rigorous operational controls associated with Sarbanes Oxley compliance.

KEYS TO SUCCESS

The foundation of the company is a fanatical focus on customer service. At DocMagic, employees take pride in their ability to answer "yes" to every customer request.



# First American Mortgage Solutions



### KEY PERSONNEL

**Kevin Wall**  
President

**Brett Waterman**  
SVP, Division Operations

**Todd McGowan**  
SVP, Director of Origination Operations

### STAFFING

Over 1,750 employees

### CONTACT INFORMATION

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### COMPANY DESCRIPTION

Long established as a premier provider of title insurance and settlement services, First American Mortgage Solutions has evolved with the times to deliver solutions for the entire life cycle of a residential loan. Its unique position in the marketplace is backed by First American's legacy of innovation, leadership, and stability that has endured since 1889.

In addition to delivering quality loans and a superior consumer experience, today's lenders and servicers must also provide greater oversight and responsibility for their third-party vendor relationships. The selection of qualified providers that can deliver proven solutions for addressing clients' specific needs and business issues is essential.

### BUSINESS LINES, SERVICES, AND PRODUCTS

First American Mortgage Solutions' continuum of full-service solutions includes an array of options that can be tailored to fit the needs of various business channels within an organization. Its team of experienced and highly-skilled underwriters, loan auditors, and servicing experts enables First American to offer a single-source solution for virtually every lending need:

- Loan sale/MSR purchase due diligence
- Contract: processing, underwriting, closing
- Correspondent fulfillment
- Post-close quality control
- Pre-funding quality control
- Servicing quality control
- MERS audits
- Special projects

### KEY FEATURES/BENEFITS

First American Mortgage Solutions provides a vast array of products and solutions to the mortgage origination marketplace, all of them focused on helping clients maintain compliance, turn fixed costs into variable costs, and eliminate risk. The company covers the entire loan origination process, including title and settlement services, world-class data and property research tools, risk and fraud management, property valuations, and fulfillment solutions.

### Dedicated

The company prefers a "dedicated team" approach to underwriting and fulfillment. The cornerstone of this model is a dedicated lead who becomes intimately familiar with each engagement's nuances and each client's loan products, credit guidelines and expectations. The dedicated team provides a single point of contact who is empowered to resolve issues that arise during the engagement and offer the best level of support possible.

### Worldwide

First American Mortgage Solutions has offices around the world, enabling them to leverage their global workforce and assign work based on the specific skill set needed. With four primary operations centers, they have the planned redundancy, time zone coverage, and ability to scale to any client's needs.

### Quality-Minded

First American Mortgage Solutions is committed to the Pursuit of Certainty in Lending™, which means it adopts the highest quality standards and takes measurement and change management to the next level. A business-wide Lean Six Sigma initiative has benefited clients in the form of improved internal and external relationships, as well as greater efficiency and effectiveness.

### Full-Service

First American Mortgage Solutions leverages its entire suite of products and services as part of its loan-review engagements. Client requests for property valuation, title insurance, fraud screening, property data or other services can be seamlessly incorporated into loan reviews, saving the client time and money, while adding convenience.

### KEYS TO SUCCESS

Throughout its history, First American Mortgage Solutions has remained dedicated to the values and standards by which it conducts business. These values, along with the outstanding individuals who embody them, are what keep the company growing, thriving, and continually providing the products and services one would expect from an industry leader.

### INDUSTRY AWARDS, ACCOLADES, AND MILESTONES

#### Fortune® 100 best companies to work for in America (2016):

First American's people-first focus and shared values have established a workplace experience that encourages exceptional service, innovation, and happy and engaged employees.

#### ISO 9001:2008 Quality Management Certified (2015):

Awarded to First American Mortgage Solutions' origination and servicing businesses, this industry-agnostic standard sets criteria for quality management systems (QMS) and gives independent, third-party validation to their continual improvement efforts.

#### SOC1 Report (2016):

First American's SOC1 report demonstrates their dedication to delivering a secure technology infrastructure and commitment to adhering to industry best practices to manage their world-class data center.



# Mortgage Quality Management & Research, LLC



KEY PERSONNEL

**Michael Steer**  
President, Co-Founder

**Dayna Silver**  
Director of Operations

**Tim E. Cox**  
Chief Strategy Officer

**Benjamin Madick**  
Chairman, Co-Founder

**Michael Barone**  
Executive Director of Compliance

CONTACT INFORMATION

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hqvendorManagement.com



COMPANY DESCRIPTION

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/BENEFITS

- **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.
- **Correspondent and Broker Approval:** Counterparty review and approval.
- **Internal Audit:** An independent, objective assurance and consulting program designed to improve an organization's operations and ensure adherence
- **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.
- **Vendor Management (For Vendors):** Evaluate the effectiveness of the operating controls and generate a uniform vendor management package for the vendor's clients.
- **Warehouse Due Diligence:** Counterparty risk and operational reviews.

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 CLIENTS

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.

INDUSTRY AWARDS, ACCOLADES, AND MILESTONES

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.



# Oversite Data Services



#### KEY PERSONNEL

**Jim Albertelli, Esq.**  
Founder and CEO

**Stacy Mestayer, Esq.**  
Chief Operating Officer

**Adam Fitch**  
Chief Marketing Officer

#### CONTACT INFORMATION

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#### COMPANY DESCRIPTION

Oversite Data Services is the premier provider of innovative legal decisioning solutions for the financial services industry. Oversite's platform of patent-pending solutions based on legal and business insight empowers investors, loan servicers, and legal service providers with the data and analytical tools necessary for unparalleled transparency and oversight.

Oversite's award-winning BestX® Diligence platform is the only solution that combines objective data—sourced directly from the courts—with a legal and business rules-based decisioning engine for better valuation and more effective trading.

#### COMPANY HISTORY

Oversite Data Services was founded in 2012 by a leading creditors' rights law firm. BestX was developed thereafter as a targeted solution to reduce risk and improve litigation performance. BestX was the first solution to normalize state court data in order to provide auditability of self-reported servicing data and generate actionable next-step guidance.

In its first major initiative, Oversite collaborated with a top mortgage servicer to audit a large loan portfolio covering seven states. BestX revealed a 26 percent error rate in foreclosure milestone data as reported by law firms to mortgage servicers. Oversite has continued working with servicers to monitor foreclosure portfolios and, as a result, has reduced timelines and mitigated risk.

Oversite has since expanded its suite of solutions to include non-performing loan due diligence, civil litigation monitoring, lien monitoring, deed search and retrieval, bankruptcy event notification, and law firm performance monitoring.

#### BUSINESS LINES, SERVICES, AND PRODUCTS

- Foreclosure monitoring
- Civil litigation monitoring
- Non-performing loan due diligence
- Senior and junior lien monitoring
- Deed search and retrieval
- Bankruptcy event notification
- HOA lien monitoring
- Transfer onboarding and monitoring
- Law firm performance monitoring

#### ADDED VALUE TO CLIENTS

Oversite delivers information in a digestible, mobile-optimized format that allows users to improve oversight, mitigate risk, and increase return on investment. By way of example, Oversite's BestX

platform provides auditability of loan servicing information to facilitate judicial route optimization and improve valuation modeling and forecasting.

#### KEY FEATURES/BENEFITS

Oversite's patent-pending BestX platform has been proven to increase transparency, mitigate risk, and improve overall execution and ROI.

#### Non-Performing Loan Due Diligence

- Provides detailed foreclosure case status information based on official court data
- Assesses associated risk and exposure to liability (e.g. statute of limitations, contested litigation, case dismissals and lack of prosecution threats)
- Generates actionable analytics based on customized business rules

#### Asset Onboarding and Management

- Facilitates reconciliation of servicing data with official court records
- Expedites the transfer of cases to preferred servicers and foreclosure counsel
- Identifies critical upcoming events (e.g. sales, hearings)

#### Mortgage Servicing and Law Firm Oversight

- Accelerates milestone progression to improve timelines and minimize curtailments
- Prevents sanctions and unnecessary delays
- Improves performance and disposition oversight

#### Senior Lien Monitoring

- Identifies senior lien foreclosure filings to report new actions and critical upcoming events
- Protects the interests of the junior lienholder by providing notification of senior lien foreclosure actions and potential availability of surplus funds

#### Bankruptcy Event Notification

- Monitors the bankruptcy for actionable filings that affect the subject lien
- Tracks the status of important creditor filings, such as MFRs and POCs
- Supports compliance with statutes, regulations and consent orders

#### COMPETITIVE ADVANTAGE

Oversite is uniquely situated as the only provider of court record-based data and analytics supported by a solid foundation of legal knowledge. Through its affiliation with ALAW, a top-tier, multi-state creditors' rights law firm, Oversite has access to a rich attorney network that supports the robust legal and business rules-based decisioning engine that drives BestX. Further, Oversite is operated by a team of acclaimed technologists, experienced attorneys, and industry veterans who are striving to bring more transparency, efficiency, and predictability to both the legal and financial industries.