

## OVERVIEW

Comprehensive program to reduce high FHA Compare Ratios, which are reflective of excessive defaults and claims.

Our "task force" provides a complete review and action process, from the point of initiation of procedures to follow-up with servicers, to establish proper notification to HUD of loss mitigation and loan modification.

Subject matter experts, regulatory reviews to assure federal and state compliance, preferred attorneys specially chosen to implement our program.

The first and only full-service mortgage risk management firm in the country.



## Lenders Compliance Group

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# Defaults and Claims Reduction

## The Solution to High Compare Ratios

Our "task force" operational unit is designed to reduce high FHA Compare Ratios caused by excessive defaults and claims.

### OUR REMEDY

- Comprehensive review of existing defaults and claims for loss mitigation and loan modification eligibility
- HUD-FHA and regulatory compliance guidance for the mortgagee
- Notification to mortgagee of borrower's loss mitigation eligibility
- Notification of loss mitigation eligibility to the borrower
- Referrals to expert, nationwide legal counsel to handle loss mitigation and loan modification strategies
- Monitoring of loss mitigation applications in process
- Follow-up with servicers to assure proper and timely resolution and notification to HUD-FHA
- On-going review and loss mitigation of new defaults and claims

### TASK FORCE DESCRIPTION

- Staffed with subject matter experts and skilled auditors
- Specially designed checklists and automated file screening systems
- State-of-the-art quality control, compliance, forensics, and modern research facility
- Scalable up to virtually any size default and claims experience
- Upload/download large file formats for prompt reviews
- Located in a secured and safe audit location

An indicator of excessive defaults and claims is the FHA Compare Ratio statistic. When a Compare Ratio is above 150, HUD begins a due diligence process.

The Compare Ratio provides a value that reveals the largest discrepancies between the mortgagee's default and claim percentage and the default and claim percentage to which it is being compared.

Mortgagees with a Compare Ratio of greater than 200 are subject to disciplinary review, termination of underwriting authority, and possible loss of FHA mortgagee approval.