

Flood Tune-up!™

OVERVIEW

Our exclusive focus is on the regulatory compliance issues affecting residential mortgage loan originations. We are actively engaged in monitoring the mortgage industry's ever-changing laws and regulations.

Through our guidance, both management and compliance personnel can be assured that they comply with the regulations, rules, and laws governing the origination of mortgage loan products.

- Retail
- Wholesale
- Correspondent
- Mini-Correspondent
- Investor
- Mortgage Servicer
- Mortgage Subservicer
- Bank
- Nonbank
- Credit Unions
- REIT

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

Call for Compliance: 866-602-6660!

AFFILIATES

[Lenders Compliance Group](#)

[Brokers Compliance Group](#)

[Servicers Compliance Group](#)

[Vendors Compliance Group](#)

[LCG Quality Control](#)



Lenders Compliance Group®
Creating a Culture of Compliance®

www.lenderscompliancegroup.com

Flood Tune-up!™
866-602-6660 x 450

compliance@lenderscompliancegroup.com

LENDERS COMPLIANCE GROUP®

FLOOD TUNE-UP!™

The Pioneer in Compliance Tune-ups!

Flood Tune-up!™

Objectives of the National Flood Insurance Program (NFIP):

- Provide flood insurance to owners of improved real estate located in Special Flood Hazard Areas (SFHAs) of communities participating in the NFIP.
- Require communities to enact measures designed to reduce or avoid future flood losses as a condition for making federally subsidized flood insurance available.
- Require federal financial regulatory agencies to adopt regulations prohibiting their regulated lending institutions from making, increasing, extending, or renewing a loan secured by improved real estate or a mobile home located or to be located in an SFHA of a community participating in the NFIP, unless the property securing the loan is covered by flood insurance.
- Require federal agencies, such as the FHA, SBA and the VA not to subsidize, insure, or guarantee any loan if the property securing the loan is in an SFHA of a community not participating in the NFIP.

Our Flood Tune-up!™ includes a review of the following dynamics:

- Determine if a company performs required flood determinations for loans secured by improved real estate or a mobile home affixed to a permanent foundation in accordance with the final rule.
- Determine if a company requires flood insurance in the correct amount when it makes, increases, extends, or renews a loan secured by improved real estate or a mobile home located, or to be located, in a SFHA of a community participating in the NFIP.
- Determine if the company provides the required notices to the borrower, servicer, and to the Director of the Federal Emergency Management Agency (FEMA) whenever it requires flood insurance as a condition of the loan
- Determine if the company requires escrow accounts for flood insurance premiums when requiring flood insurance on a residential building and when other items required escrowing
- Determine if the company complies with the forced placement provisions if at any time during the term of a loan it determines that flood insurance on the loan does not sufficiently meet the requirements of the regulation

Process Structure

- ✓ Entrance and Exit Interviews
- ✓ Assess presence of policies, procedures, and internal controls
- ✓ Review policies for relevant laws and regulations
- ✓ Review sample flood determinations
- ✓ Review relevant system solutions
- ✓ Preliminary Report – Evaluations and Recommendations
- ✓ Review Preliminary Report with Company
- ✓ Review Company's rebuttals and new information
- ✓ Final Report – Executive Summary with Risk Rating

Compliance Elements

- Policy and Procedures – Gaps
- Purchase Requirements
- Sample Loan Packages
- Force Placements
- Escrow Requirements
- Coverage
- Internal Control
- Property Determination
- Determination Fees
- Notification Requirements
- Insurance Requirements
- FEMA Notices
- Evaluate Employee Training
- Evaluate Audit History
- Record Retention
- Monitoring Systems
- Review Self-Tests

Engagement Details

- ❖ Engagement Team: 1-2 Reviewers – Director Level
- ❖ Timeframe: 60 days
- ❖ Encrypted Extranet Repository