

## Risk Appetite Statement

Comprehensive, on-going, hands-on, risk appetite review.

Review provides support through a professional team of experienced compliance professionals to evaluate variable and systemic risk.

Our professionals have an average of 25 years in mortgage banking, consisting of compliance professionals, attorneys, former regulators, and subject matter experts, who have created and implemented successful compliance programs. We are actively engaged in monitoring ever-changing laws and regulations that affect the industry.

Servicers Compliance Group is the first and only full-service mortgage risk management firm in the country devoted to servicing compliance.

Lenders Compliance Group is the first, full-service mortgage risk management firm in the country, offering hands-on compliance solutions in virtually all areas of mortgage banking.



### Lenders Compliance Group Servicers Compliance Group

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# Lenders Servicers Subservicers

## Risk Appetite Statements

What is the overall appetite for risk?

How much risk is allowed?

What is too much risk?

- Risk Appetite Statement is the amount and type of risk that an organization is willing to accept to meet its strategic objectives. This includes reference to both the organization's risk appetite as well as its risk tolerance.
- Risk Appetite is much more than a sophisticated Key Performance Indicator (KPI) System for risk management.
- Risk Appetite the core instrument for better aligning overall corporate strategy, capital allocation, and risk.
- Regulators, rating agencies, and professional investors request banks, non-banks and other financial institutions to advance their risk management practices to include risk appetite. A comprehensive Risk Appetite framework is the cornerstone of solid risk management architecture.

### COMPREHENSIVE RISK APPETITE STATEMENTS

- Risks may escalate from time to time and some are "inherent risks". Through our comprehensive review, management is able to ensure risk mitigation and Best Practices solutions!

### PROCESS FLOW

- After conducting a thorough risk examination, we provide a formal **Risk Appetite Statement** with identified risks that are ranked according to their severity, for the purpose of monitor by the top level of the financial institution.
- Adopting the same examination methodology that many regulators utilize, we perform specific procedural steps in accordance with the type of institutional structure.
- The result of the Risk Appetite Statement is to identify, measure, mitigate and/or accept certain risks.

**Contact us for a Free Consultation!**

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