

OVERVIEW

A review and quantitative evaluation of the regulatory risks associated with a financial institution's Compliance Program.

A CORE review of the Compliance Program, Organizational Structure, Regulatory Risk, and the Enforcement Strategies of a lending institution afford an analysis of and corrective actions to its regulatory, legal, and operational conditions.

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



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CORE Compliance Matrix®

CORE Compliance Rating®

Compliance Implementation

Our **Core Compliance Matrix® (CCM)**, a proprietary review procedure, provides an independent evaluation of the regulatory compliance areas relevant to mortgage banking. This review is conducted by a professional Compliance Manager in coordination with appropriate compliance personnel and management.

The CCM generates an **actual risk rating**, a quantitative result that is called the **Core Compliance Rating® (CCR)**. The CCR reflects the risk management performance of certain aspects of the loan origination platform.

Taken together, these valuable tools produce a detailed description of regulatory concerns, provided confidentially to management.

CORE COMPLIANCE RATING 1

Strong performance and risk management practices relative to institution's size, complexity, and risk profile. Substantial compliance with laws and regulations. No regulatory concerns. Any weaknesses are minor and can be handled in a routine manner by management. CCM components are rated either 1 or 2.

CORE COMPLIANCE RATING 3

Risk management practices are less than satisfactory relative to institution's size, complexity, and risk profile. Some degree of regulatory concern in one or more areas of the Core Compliance Matrix™. Significant noncompliance with laws and regulations. Failure appears unlikely, but institution exhibits weaknesses that may range from moderate to severe. No CCM component is rated more severely than 4.

CCRE COMPLIANCE RATING 2

Overall risk management practices are satisfactory relative to institution's size, complexity, and risk profile. No material regulatory concerns. Only moderate weaknesses are present and well within management's capabilities and willingness to correct. No CCM component is given a risk rating more severe than 3.

CORE COMPLIANCE RATING 4

Risk management practices are generally unacceptable relative to institution's size, complexity, and risk profile. Unsafe and unsound practices or conditions. Matrix deficiencies result in unsatisfactory performance and significant noncompliance with laws and regulations. Failure is a distinct possibility if problems and weaknesses are not satisfactorily resolved.

CORE COMPLIANCE RATING 5

Inadequate risk management practices relative to institution's size, complexity, and risk profile. Extremely unsafe and unsound practices or conditions. Matrix findings indicate critically deficient performance. Volume and severity of problems are beyond management's ability or willingness to correct. Immediate assistance is needed to avoid failure.