

OVERVIEW

Guidance and review in forming RESPA-compatible affiliates relationships with Settlement Service Providers.

Nationwide experts in navigating the complex world of RESPA and helping our clients make decisions that accomplish business and risk management objectives.

LENDERS COMPLIANCE GROUP is the first full-service, mortgage risk management firm in the country, specializing exclusively in outsourced mortgage compliance and offering a full suite of services in mortgage banking.



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AFFILIATES COMPLIANCE

Strategic Relationships – RESPA Compatible

Settlement Service Providers - Affiliations

Our team consists of seasoned industry professionals, regulatory compliance experts, RESPA attorneys, and a former investigator with the Department of Housing and Urban Development (HUD). We provide current insight and analysis into “hot button issues” and assist in evaluating the corporate structure legally required to enjoy the “safe-harbor” provisions under the Real Estate Settlement Procedures Act (RESPA).

We review a mortgage originator’s relationships with settlement service providers. These relationships may take the form of affiliated businesses, joint ventures, desk rental leases, marketing service agreements, mortgage origination programs, branch management arrangements, lead fee commitments, employment contracts or other business structures.

Extensive reviews are conducted to implement a RESPA-compatible affiliate relationship, pursuant to Regulation X (RESPA) and to satisfy the safe harbor test.

Our review covers the following areas:

- Evaluating the relevant documents, disclosures, agreements, policies and procedures, to assure that:
 - The affiliates relationship satisfies the ten factors set forth by HUD in its Statement of Policy to determine a bona fide provider,
 - Customers are informed of your interest in the affiliated company at or before the time of referral, making clear that you may receive a financial benefit,
 - Customers are supplied with information concerning the services provided and an estimate of what those services will cost them,
 - Customers are informed that they aren’t required to use your affiliated company in connection with the transaction, and
 - Your share of the profits corresponds to your ownership interest.
- Identifying the opportunities to mitigate risk and increase productivity by improving business models and practices.
- Presenting all recommendations to your management and attorney. The contents of our written review and your decisions regarding the implementation of our recommendations remain confidential and privileged.
- Training of personnel and strategic partners to comply with affiliates guidelines.