

Setting the Standard

Anna DeSimone has been at the forefront of the mortgage industry for years, and she's on a mission to make this complex field accessible to all.



IN TIMES OF TUMULT, some people react to change as it comes. But true leaders take initiative, always staying one step ahead in pursuit of the ultimate goal.

Anna DeSimone is a leader. As president of Bankers Advisory, she has become the nation's leading mortgage expert and has set the standard for loan quality control and compliance, auditing, and predatory lending prevention.

DeSimone used her solid foundation in residential mortgage lending to help teach others. During her years teaching classes at a banking college, she heard the needs of thousands of bank employees. This inspired her to create a computer program that would help loan officers handle mortgage prequalification inquiries.

"In 1987 I developed and sold a mortgage prequalification software program that was installed in retail banks around the country," DeSimone said. The registered trademark—The Desktop Underwriter—was acquired by Fannie Mae in 1994, and DeSimone began to design systems that were used exclusively by her staff in auditing services.

Between developing industry-changing software and conducting training sessions throughout the country, DeSimone also put together a dozen books—published by the MBA of America—on topics that included fair lending, reverse mortgages and international mortgage banking, as well as numerous resource guides for processors and underwriters.

"I had written so many educational resources for the MBA of America and other industry trade groups, and I was still teaching," DeSimone recalled. "After delivering seminars to an estimated 10,000 bank employees in nearly every region

of the country, I discovered that 'location, location, location' truly applies to real estate financing. Customs and practices vary throughout the United States, and consumer financial literacy education ideally needs to be tailored to those regionalized practices."

By the millennium's end, DeSimone had begun to steer Bankers Advisory toward a new course of audit services. "That's when I really started to deal with clients on a recurring basis, and I slowly got out of the lecturing and consulting world," she said. "We do quality control audits, pre-funding and post-funding quality control, and regulatory compliance audits for state and federal compliance. We also do a lot of fair lending analysis."

Bankers Advisory currently has over 30 employees serving clients throughout the country. "I have four staff attorneys who do all of the fair lending and compliance auditing. My former bank underwriters do all of the quality control work, which includes fraud detection and reverification," DeSimone explained.

DeSimone expressed concerns about the current lending climate. "I think mortgage lenders need to take the power back," she said. "We've given a message to consumers that they don't need to read the fine print and do their homework. But they can go back to the lender and say, 'Oh, you never should have given me this adjustable rate mortgage in the first place.' I do a lot expert witness work and I've been working on a lot of predatory cases, so I see both sides. My staff has audited 150,000 mortgages in the past 10 years. An auditor can tell when looking

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through the mortgage loan that borrowers are not as financially knowledgeable or sophisticated as they should be for their jobs or their education,” she said.

DeSimone has made it her mission to spread as much knowledge as she can, with an understanding of the difficulties involved in these complex processes. “The consumers are inundated with a lot of disclosures that are very confusing. However, at the same time, they are not being held accountable for the decisions that they’re making. Now we have a delinquency problem. We have a foreclosure problem. The government has desperately sought solutions for distressed borrowers. What I do not see is a differentiation between borrowers who were victims of predatory ‘new home-purchase’ activities versus borrowers who have stripped all of the equity of their homes through repeat refinances. Consumers who have consolidated debt or received large amounts of cash, in my opinion, should not be entitled to the same government-sponsored assistance. I see the need to address this in the form of financial literacy education.” DeSimone advocates teaching borrowers how to understand the myriad of forms and disclosures that have, ironically, flooded the industry to protect home-buyers.

But there are some promising trends. DeSimone noted that the lending industry has done a remarkable job at keeping up with increasing and rapidly changing regulatory requirements. “Twenty years ago, the gurus talked about managing change in the workplace,” she said. “I have to tell you that the nation’s mortgage bankers deserve a gold star for managing change. With regulatory compliance, they had all new forms and disclosures, with strict requirements regarding the timing of those forms and how the forms were completed. Then they were all changed, and they are going to be changed again.”

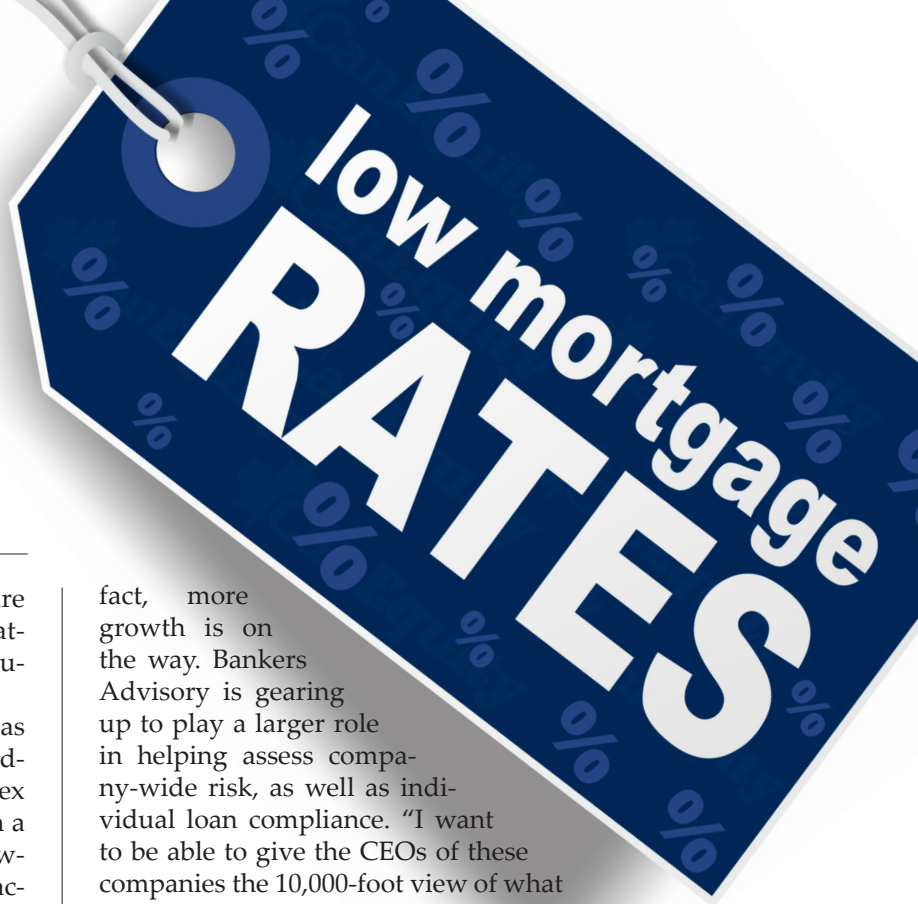
Despite the fluctuation in volume of loan files that needed to be audited, DeSimone said her business has remained steady because clients are requesting several types of audits for each file. In

fact, more growth is on the way. Bankers Advisory is gearing up to play a larger role in helping assess company-wide risk, as well as individual loan compliance. “I want to be able to give the CEOs of these companies the 10,000-foot view of what their organizations are doing, and it all stems from the review of files,” DeSimone said.

According to DeSimone, credibility has been the key to their success. “When you walk the walk, you have to talk the talk. While someone is employed for me, they do a full range of different tasks. If you want to communicate with our clients, do any teaching, or provide any consulting services or policy writing, you really have to know the nuts and bolts of a mortgage file.”

Hands-on experience is more than just the key to credibility; it’s the foundation of the company. “I’m not delegating any tasks that I didn’t do myself. The best banking presidents have often started decades earlier as a teller,” DeSimone explained.

“In the strongest companies, with the most inspiring leaders, the leader is the visionary. My job is to see what’s needed out there.” And in times of crisis, forward-thinking visionaries like DeSimone are invaluable to the industry’s recovery. ■



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