

Bankers Advisory, Inc.

Helping Mortgage Lenders Meet Today's Tough New Quality Standards

- Pre- and post-funding mortgage quality control
- State and federal compliance monitoring
- Fair lending and loan officer compensation monitoring
- Official author of AllRegs Policy Guides and State Compliance Rules
- Resource provider to Massachusetts Mortgage Bankers Association

Bankers Advisory has grown and thrived over the years, DeSimone says, by hiring only the very best people and training them well, with built-in checkpoints for supervisory review and oversight.

Anna DeSimone has encouraging news about the mortgage banking industry.

In the wake of the mortgage crisis, she says, “the industry has gotten serious about producing loans that can withstand new market demands and greater regulatory scrutiny. And enforcement of laws and regulations governing lenders has become much stricter.”

DeSimone, a nationally recognized authority on residential mortgage lending, is president and founder of Bankers Advisory, Inc. The Belmont, Mass.-based company monitors quality control, credit risk and regulatory compliance for mortgage lenders and currently provides recurring audit services and compliance monitoring to over 100 clients nationally.

Since 1986, DeSimone and her staff of attorneys, mortgage underwriters and other mortgage industry experts have helped hundreds of mortgage lenders achieve high standards of credit quality and employee proficiency. Clients rely on Bankers Advisory for mortgage quality control, fraud detection, predatory lending prevention, state and federal compliance. The firm has audited more than 150,000 mortgage files over the past decade and educated thousands of employees, earning a reputation for unparalleled excellence among industry agencies and investors.

Unparalleled Excellence

“Today, more than ever,” DeSimone says, “mortgage bankers must implement the highest possible standards to manage risk, regulatory compliance, credit quality and customer satisfaction.”

A year ago, Fannie Mae launched its Loan Quality Initiative (LQI), which strengthened quality control requirements for mortgage bankers.



Anna DeSimone, President

Freddie Mac has also published stricter rules, and both agencies require additional steps to be completed prior to loan closing. This year, Fannie Mae launched its “Early Check” program, an end-to-end data integrity check of the loan characteristics. In analyzing error trends of millions of loan transactions, the agencies uncovered discrepancies in the information submitted by borrowers regarding their income, liabilities and intent to occupy their properties.

“We as a nation have access to an enormous body of data regarding collateral values, employment and fraud,”

DeSimone says. “Within minutes, a lender can complete a full range of verification steps electronically and also validate the borrower identity and other parties to a real estate transaction.

“Information becomes aged. The sooner deficiencies can be uncovered, the sooner process improvement can be put into place.”

It’s a philosophy she applies to her own business as well. Bankers Advisory has grown and thrived over the years, DeSimone says, by hiring only the very best people and training them well, with built-in checkpoints for supervisory review and oversight. In addition, the firm has invested in the latest technology to safeguard consumer information, and it recently implemented a unique management response system, using Microsoft SharePoint as the platform, that allows clients to manage their quality control program from any location.



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Photo by Adam Chinitz



As Seen In... Forbes, September 15, 2008

Bankers Advisory, Inc.

Veteran Banking Educators and Consultants Share Insiders' Perspective on Mortgage Crisis

Anna DeSimone and the staff of Bankers Advisory, Inc. have seen a lot of mortgages in their more than two decades as banking educators and consultants. While some lenders are undeniably culpable for the current mortgage crisis, DeSimone says, borrowers must also bear part of the responsibility.

"We have audited thousands of mortgages over the years. And unfortunately, borrowers do not always put completely accurate, thorough information on their applications," she says. "The mortgage crisis is a wake-up call, not only for banks and mortgage companies, but for their customers as well. For their part, lenders and Wall Street dealers stopped performing due diligence because of the competitive rush to sell mortgages. And many of them relied on the Internet too much instead of actually doing the legwork and visiting the properties they were financing. Questionable or sloppy business practices are inexcusable on either side of the transaction, whether you're a lender or a borrower."

A significant problem, DeSimone notes, is a lack of financial literacy and attention to detail among consumers. Bankers Advisory is playing a key role in trying to remedy this situation by helping lenders better educate their clientele. And with its recognized expertise in banking policy, the company is helping lenders implement Massachusetts's statewide borrower suitability standards.

"Massachusetts Attorney General Martha Coakley is cleaning up the mortgage

industry in the state. And this creates more opportunity for community-based thrifts and credit unions to diversify their consumer products," DeSimone says.



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Anna DeSimone, President

In-Demand Services for a Complex Industry

DeSimone founded Bankers Advisory, Inc. in 1986 and began offering financial software and consulting services to banks throughout New England that same year. "Bankers Advisory began as a software company, selling products such as Desktop Underwriter, whose trademark we later sold to Fannie Mae," she says. "We also taught bankers about

the fine details of mortgages. We're still educators to this day, and we help banks create their own training and policy manuals. Our staff is made up of former bank underwriters who know the ins and outs of good mortgages and good banking practices in general."

While Bankers Advisory no longer develops software, banks still rely on the company for mortgage quality control, fraud detection, predatory lending prevention, state and federal compliance, and for recognizing suspicious transactions. In addition, Bankers Advisory is well known for expertise in customer service, which can be pivotal in such a competitive industry. Recently, the company conducted seminars at the Federal Reserve Bank of Boston to teach smaller banks how to become FHA lenders.

A large part of Bankers Advisory's workload, however, involves auditing mortgage files for about 100 lenders around the country. Federal regulations mandate that a 10 percent sampling of an institution's mortgages must be independently audited.

"Most of our clients come from referrals," DeSimone notes. "We're known for delivering flawless work very quickly. We don't take on work unless we're sure we can do it perfectly and that outsourcing is a cost-effective solution. And we are strictly confidential; our client list is never published. All of these factors give our clients great confidence in us. So they recommend Bankers Advisory to their colleagues in the industry."



Pictured are Anna DeSimone and best selling author, Stephen M. Pollan, who jointly produced two educational videos for seniors, *Staying Home, Retiring on a Reverse Mortgage* and *Staying Secure, Safeguarding Your Retirement Assets*



For more information, visit www.bankersadvisory.com or call 617-489-2008.