



Managing “The New Normal”

As the industry recognizes the need for fresh technology, Aspen iProperty® makes the grade. **By Ron Briggs**

The mortgage servicing industry has often used the phrase “the new normal” when referring to the development of internal risk management and compliance strategies. As mortgage servicing rules are examined, contested, amended, and enforced, determining what is “normal” has become an ever-increasing challenge for loan servicers, asset managers, appraisers, and property preservation providers—who are all subject to the audit provisions established by the Dodd-Frank Act.

While loan servicers work to implement internal programs that control risks associated with noncompliance of regulatory guidelines, they must also pay close attention to work performed by third-party vendors on their behalf. In fact, regulations necessitate that all parties associated with mortgage servicing maintain oversight of their role in fulfilling service requests; the difficulty has been in accessing visibility into third-party processes in real-time. To achieve compliance and protect the borrower, it is essential that the industry strengthens verifiable communication between loan servicers and third-party vendors including asset managers, field services providers, and local inspection and preservation contractors. The consequences of not having visibility and auditable processes in place increases the risk of non-compliance, as evidenced by the volume of complaint filings and enforcement actions taken by the Consumer Financial Protection Bureau (CFPB) since Dodd-Frank took effect. Simply put, violating mortgage servicing rules—even unintentionally—is not worth the risk.

Last year, the industry saw a focus on property inspection and preservation work performed by field services contractors when the Federal Housing Finance Agency’s



Office of Inspector General (FHFA OIG) released its Oversight of Enterprise Controls over Pre-Foreclosure Property Inspections audit. The report indicated deficiencies in the Enterprises’ quality control standards for accurate property services reporting from third-party vendors. While the FHFA OIG audit focused on the assessing of quality assurance measures by Fannie Mae and Freddie Mac, it provided a window into how the mortgage servicing industry should approach managing third-party vendors.

Now more than ever, the industry recognizes the need to leverage technology to effectively manage resources and information needed for regulatory compliance. Designing and implementing a compliance program to track all processes, documents, and activity history from a work order request to completion, involves connecting

all industry entities to provide a clear picture of default property management.

While consolidating work order and property information are essential to any property management technology solution, the costs of compliance must also be considered. Costs associated with IT development, training, and client integration negatively impact margins if not properly managed. The industry needs an efficient, effective, and compliant process for auditing, documenting, and assessing the performance of national, regional, and local vendors.

Assembling a project team that

fully understands how to match business and technical requirements is essential to developing powerful solutions. Having vast experience implementing enterprise solutions for the financial and mortgage servicing industry, Aspen Grove Solutions (AGS) is pleased to bring a continuous range of products through their suite of Aspen iFamily® software keeping them as a leading provider of property related technology for REO, short sale, asset management, property preservation, inspections, and vendor management. AGS has worked in partnership with loan servicers, field service providers, and background check companies to design a software solution with compliance functionality. Aspen iProperty® is a technology that seamlessly manages compliance requirements with all aspects of property servicing.

Aspen iProperty® provides financial institutions with proof of service (proof the vendor carried out the work) and proof of compliance (proof the person doing the work has a valid background check) at the time of work fulfillment. The system is designed to help the mortgage servicing industry manage compliance requirements via a simple to use, yet powerful and configurable property management system. By creating a centralized hub to update and retrieve critical property information at point of service, Aspen iProperty® directly addresses managing the compliance issues associated with servicing properties and working with third-party vendors.

Powerful solutions are needed to help the mortgage servicing industry manage the complexities of servicing properties in a regulated environment. Aspen iProperty® facilitates an auditable, configurable, secure, reliable process that efficiently meets today’s myriad of compliance requirements.



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