

THE HIGH-TECH, LOW-EFFORT ROUTE TO COMPLIANCE: MANAGING THIRD-PARTY OVERSIGHT & THE BACKGROUND CHECK ISSUE

The mortgage field services industry faces increasingly stringent regulations regarding the oversight of third-party service providers, one of which is the obligation for property inspectors to have valid background checks. The real threat of fraud posed by non-compliant vendors compounds this pressure. However, the technology is in place to screen out individuals convicted of serious crimes and satisfy regulatory requirements in a way that minimizes costs and boosts compliant companies' reputations. Through the efforts of the Industry Standard Background Check Working Group, established in 2013, there is now a solution that, along with an on-site sign-in, gives proof of compliance as well as proof of service information via tamper-proof data. This solution makes business sense regarding increased efficiencies and reduced exposure to fraud and also ensures that companies remain compliant in a demanding regulatory environment.

BACKGROUND CHECK CHAOS Industry pioneers, including the National Association of Mortgage Field Services, Wells Fargo, First Advantage, and several other independent vendors, launched a collaborative effort in 2013 to devise an approach that prioritized consistency, compliance, and efficiencies and minimized fraud exposure in the completion of field services work. In partnership with Aspen Grove Solutions, a 20-year veteran technology partner to the industry, this group agreed on the scope of the background check and developed a mechanism called the ABC# for researching an individual without sharing personally identifiable information (PII). Backed by innovative technology, the result was an applicable, comprehensive, data-rich, auditable industry-standard background check program that can accommodate differing client tolerance levels and meets CFPB requirements. Relevant stakeholders across the industry could now have input and replicate this process.

RISKS FACING THE PROPERTY PRESERVATION INDUSTRY Standardizing the background check is not just about promoting industry accountability and ensuring compliance: If you incorporate the standardized industry-standard background check into your workflow, customers will respond favorably, encouraging increased consumer confidence and ultimately improving the baseline right across the industry. An industry standard gives lenders and vendors a common goal that will promote positive relationships by taking the needs of all parties into account.

THE SOLUTION: THE TECHNOLOGY TO HELP LENDERS STAY COMPLIANT WITH REGULATIONS The Industry Standard Background Check Working Group worked with Aspen Grove Solutions to put the technology in place to meet regulatory requirements, while mitigating the risks confronting the mortgage field services industry, maintaining reputational integrity, and reducing costs. "This unique background check solution is helping to raise the bar of professionalism by providing the ability to manage background checks and, more importantly, to prove compliance with industry standards," said Edmond Buckley, President of Aspen Grove Solutions.

Aspen's solution meets the needs of the field services professional and fulfills the Equal Employment Opportunities Commission anti-discrimination requirements, as well as Fair Credit Reporting Act obligations.

Most importantly, the industry-standard background check resolves the compliance issues affecting the industry in several fundamental ways:

- » It introduces a comprehensive, data-driven, auditable compliance approach that employs a unique vendor ABC# to enable confidential field services professional-

DID YOU KNOW?

Aspen iRecord® is the only compliance tool that delivers the industry-standard background check. Here's what it uncovered in 2017:

- » 5.3 percent of background checks came back with a level of IC04, which includes some of the most serious crimes.
- » An astonishing 24 percent of the crimes considered when determining the compliance levels of vendors with convictions included the felony offenses murder, kidnapping, sex offenses, burglary, fraud, theft, manslaughter, and criminal weapons charges.

identification and provision of Individual Compliance Statuses. One universally adopted standard accommodates each of those compliance levels (IC01 through IC04).

- » By promoting accountability, it strengthens consumer confidence and encourages due diligence in the selection of field service personnel. Combined with the new level of

network visibility, this leads to the creation of a safe, secure vendor network.

- » The adoption of an industry-standard background check ensures consistent, fair vetting and hiring decisions, as well as unambiguous adjudication of background checks.
- » It enables field service vendors to appeal anonymously to the Industry Standard Background Check Appeals Committee if they receive any result other than IC01.
- » The automated notification of any flagged reports makes reviewing and scoring background check reports less time-consuming.
- » The acceptance of one check eliminates the cost of running multiple checks to accommodate different institutions' risk tolerance levels.

The industry-standard background check solution incorporates the technology to accommodate the regulatory agencies' compliance requirements and address the real risks facing the mortgage field services industry in a way that eliminates the cost and gives compliant lenders a reputational advantage. This solution uses the Aspen iRecord® private, cloud-based platform to run a definitive background check that is fit for purpose for the mortgage field service industry. The Aspen iRecord® system delivers a standardized, relevant criminal background check and auditable process, ensuring that one check is all you need.

Combined with either the in-house mobile platform or one of a range of third-party mobile solutions, it is the only way to demonstrate background check compliance at the point of service.

Adopting the industry-standard background check benefits both the industry and the regulators, ensuring that lenders and their service providers control the financial and other costs of remaining compliant in a challenging regulatory environment.

Aspen Grove Solutions has been providing technology solutions to the mortgage default services industry since 1997. Founded in Boston, MA, and now based in Frederick, MD, Aspen is a globally trusted partner for companies seeking to simplify their business processes. Leading U.S. institutions have used the Aspen property servicing platform to transition \$100+ billion worth of assets.

The Aspen property servicing platform gives servicers and field service providers the tools to manage their default operations while addressing industry-wide problems such as cost control and recovery, investor allowable management, elimination of bill-backs, vendor oversight, compliance & reputational risk, quality control, and community safety.