

MQMR Aids LendUS in Maintaining Compliance with Mortgage Regulatory Requirements, Including Internal Audit

COMPANY PROFILE



Based in Alamo, California, LendUS[®], LLC is one of the country's top family-owned and operated private mortgage lenders.

LendUS[®] is the culmination of the uniting of American Eagle Mortgage and RPM Mortgage, two well-established companies with like-minded industry veterans. This unification allows LendUS[®] to combine the ultra-attentive service of a small firm with the competitive rates and broad product selection of a nationwide lender.

With a focus on providing customers with smart advice and an easy process with super speed, LendUS[®] currently serves 41 states with an eye on growth.

For more information, please visit <https://www.lend.us>, call 925-295-9300, follow [@LendUSLLC](#) on Facebook or follow [@lend.us](#) on Instagram.

PROBLEM

Facing a lack of resources in its internal compliance and audit department, LendUS sought an external partner to provide internal audit support and ensure compliance with CFPB requirements. In its search, LendUS placed significant value on finding a partner with a solid track record in the mortgage industry and that possessed a team of highly experienced auditors and compliance professionals.

SOLUTION

Early on in the search process, LendUS found a familiar face in MQMR, having previously worked with its servicing-focused sister firm on servicing QC. In addition, the executive in charge of the search, Chief Compliance Officer Mitchell Nomura, was a former MQMR employee. The past relationship, coupled with MQMR's stellar reputation in audit, risk and compliance and its depth of talent, made the decision an easy one.

"Knowing that MQMR had a great history and even better talent in the internal audit department definitely drove the decision to work with MQMR," Nomura said. "In addition, having worked with MQMR's Executive Director of Compliance Michael Barone on an on-site audit while I was employed there, I came to

highly respect him, his services and his knowledge and recommended to the LendUS Board of Directors that we add the monthly compliance service to our engagement with MQMR."

RESULTS

LendUS began to immediately reap the benefits of a relationship with MQMR by ensuring the continued operation of its internal audit function to comply with CFPB, GSE and other regulatory agencies' requirements. Coupled with its expertise, MQMR's flexibility has proven to be an invaluable to LendUS.

"I enjoy working with MQMR and the flexibility that they always have in terms of scheduling audits and in terms of understanding the turn times," Nomura said. "It's always challenging because you want to keep the schedule going and turn the audits quickly so you can move on. But still, we've had to delay certain audits and they've been very accommodating and responsive to that.

"One recent example is when COVID-19 hit. We decided it did not make sense for us to conduct all of our scheduled Q2 audits so we asked to push several of those to Q3, and MQMR was able to accommodate that request with no issue," he explained. *(cont.)*

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Mitchell Nomura
Chief Compliance Officer
LendUS

RESULTS (cont.)

“That flexibility is really important because when you set the internal audit schedule in December for the next year, you still don’t know what’s going to happen that might derail or sidetrack your timeframes.”

MQMR has also identified both potential issues and best practices. For example, as a result of its LO Comp audit, MQMR suggested LendUS reconsider its internal employee referral program in certain states. Similarly, a QC audit, uncovered that the origination team was not being notified when loans were selected for a QA review and recommended LendUS create a process to do so within its LOS to improve communication with sales and ensure everyone is aware when normal turn-time expectations may be exceeded.

MQMR’s compliance support not only makes financial sense for LendUS by helping the organization manage overhead in its compliance department, but also provides on-demand support to address compliance needs and concerns as they arise.

“The compliance support is just what we need. When compliance questions come to me and it would take time I don’t have to conduct the research, I can go to MQMR and get an answer very quickly,” Nomura explained. “It’s also helpful to have MQMR’s guidance because compliance is not always black and white. MQMR provides us a balanced perspective on compliance, what the law says and, when the regulation is unclear, what kind of risk we are taking if we go in a certain direction versus another, and that’s exactly what we need.”

Beyond the more concrete benefits, LendUS views the mere existence of the partnership as an advantage in its efforts to meet regulators’ expectations.

“I think it shows very well during compliance exams and interviews when I can say we use MQMR’s compliance services to ensure that we’re compliant with the federal and state laws and regulations,” said Nomura. “It shows a seriousness that is so much more compelling than simply saying that we have a team of experienced people, which we do.”

ABOUT MORTGAGE QUALITY MANAGEMENT AND RESEARCH, LLC (MQMR)

MQMR helps its clients climb higher by bridging the gap between risk and compliance through its suite of risk-related services. MQMR provides mortgage compliance consulting throughout the origination process, conducting internal audit risk

assessments and ongoing internal audit support, servicing QC and subservicing oversight to master servicers, and filling the void of meeting vendor management oversight requirements. With 2,000+ operational reviews of mortgage companies, subservicers,

document custodians, and vendors annually, MQMR prides itself on being the mortgage industry partner of choice for audit, risk and compliance. To learn more, visit mqmresearch.com, subsequentqc.com, and hqvendormangement.com.