


Confidential

Presented by Cheryl Howe, SVP Quality Control
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Mortgage Broker Due Diligence
Mortgage Banker's Association
Quality Assurance Conference
Coronado, California

AURORA LOAN SERVICES

Why Do It?

- Risk Management – It Just Makes Sense!
- Bank Secrecy Act – Know Your Customer!
- Anti – Money Laundering
- State Requirements
- Federal Oversight – OTS – OCC
- Fraud Prevention
- SEC – no business with individuals with felony conviction
- Reputation Risk

Tools

- MARI
- Interthinx
- LexisNexis – Accurint
- RegsData
- State Licensing Sites
- Base Point Analytics
- Core Logic
- Digital Risk
- Credit Repositories

How to Start

- ◆ Baseline Client Due Diligence to Corporate Risk Assessment
 - Expectations
 - Operational Risks
 - Corporate Policy
 - Volume Requirements
 - System Impacts
- ◆ Clearly Communicate the Requirement and WHY
 - Staff Performing Due Diligence
 - Sales
 - Operations
 - Legal
 - Executive Management
- ◆ Data Storage
 - Where will data be held
 - System Impacts

Potential Requirements

- Industry Experience
- Company Experience
- Credit Reports | Credit Score
- Licensing – Initial / On-going
- State Licensing – Derogatory Information
- State Audits
- Industry and Internal Watch Lists
- OFAC
- Criminal and Civil Background Checks
- Department of Justice Filing
- Social Security Number Verifications
- Location Visits
- Net Worth
- References

Approval Process

- Application available via website
- Site visit by Account Executive
- Complete package submitted
- Run automated validation
- Criminal / Civil background check
- Order back-up documentation from courthouse

Recertification Process

- Annual – Same Month as Approval
- Active Clients Only
- Automated System Review
- Licensing Validation
- Criminal / Civil Background Check
- Inactive / Dormant Clients are monitored for loan activity