

Member Profile

CrossCheck Compliance



Each month, we'll bring you a closer look at one of our member companies, and ask them three questions about the state of the industry - "TheBig 3"

If your company would like to know how you can be featured, please contact [Carol Danaher, California MBA Membership Development Director.](#)



Jim Jorgensen,
President & CEO,
CrossCheck Compliance

This week, we spoke with **Jim Jorgensen, President & CEO of CrossCheck Compliance**, one of the California MBA's associate member companies. We talked to Jim about the state of the market and what to look forward to in the future.

About

[CrossCheck Compliance LLC](#) is a nationwide consulting firm providing regulatory compliance, internal audit, fair lending, loan review, and litigation support services exclusively to the financial services industry. Our experts adeptly identify the needs and challenges of our clients, having held similar positions as compliance officers, internal auditors, general counsel, outside counsel, regulators, underwriters, and consultants. Through a combination of deep experience and financial services expertise we are able to tailor solutions that fit each client's size, complexity, and business needs.

The Big 3

California MBA: What is the biggest compliance challenge lenders face today?

Jorgensen: The massive amount of new regulations from multiple regulatory agencies can be overwhelming to any mortgage lender. Obtaining clarity on how to address these new regulations is challenging. Mortgage lenders do not want to wait for enforcement actions to understand how to comply. Rather, lenders are looking for detailed guidance on compliance. Of course, all of this is very costly and lenders certainly want to know that their investment is providing the expected results. These new and revised regulations require systems enhancements, new forms, training, and perhaps deeper compliance expertise.

There is a growing feeling among lenders that the consumer protection oversight and enforcement has gone too far and, as such, there will be a loosening of the regulations and less regulatory actions taken. We believe the focus on consumer financial protection will continue despite any changes that may take effect. Even if enforcement is lesser at the federal level because of possible structural changes to the CFPB, the state regulatory agencies have picked up the ball by becoming more active with enforcement actions. But at the end of the day, having an effective compliance program is just good business. Every lender should continue to understand its risks across all aspects of its business and continue to invest in compliance at the business line level, within the compliance function, and in an independent audit of the compliance program.

California MBA: How prepared are lenders for implementation of the new HMDA fields and what additional risks, besides implementation, do you foresee?

Jorgensen: HMDA compliance continues to be challenging for mortgage lenders. As the implementation date for the 2018 changes approaches, we are working with lenders to address not only the technical changes that must take place, but the additional fair lending scrutiny resulting from the availability of more information, as well as the regulatory agencies' continued focus on redlining. While we don't yet know how much HMDA data will be publicly available, with new information new risks will emerge, and data integrity will be increasingly important. It will be imperative that lenders understand what their HMDA information is telling them about their fair lending performance and risk.

California MBA: How does CrossCheck Compliance customize solutions for clients, avoiding an "off-the-shelf" solution that doesn't quite fit?

Jorgensen: An off-the-shelf solution can appear to be the easy choice. Many times this is coupled with a "check-the-box" solution. The risk in this type of approach is that, while it may appear to be the least costly solution, many times it doesn't provide what the mortgage lender really needs, resulting in wasted time and expense.

To provide a solution that will address the client's risk, we make sure we understand our client's needs. This includes effectively documenting the scope and objectives for each engagement, clarifying the parameters the client must work within, and knowing the key stakeholders, as well as working with management to structure the format of the final report. We understand that while mortgage products and services may not differ much from client to client, the business strategies, systems, processes, people, and culture can be very different. As such, it is important we spend time with clients to understand their needs and the interdependencies that will impact an engagement. We believe that a successful outcome involves good upfront planning, clarity of expectations, regular communication, and of course, excellent execution.

***For more information about
CrossCheck Compliance LLC,
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