

Tuesday, July 23

Roundtable Session 4

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4:15 - 5:15 p.m.

Broadmoor Hall C

Third Party Vendor Management

How to audit, certify, hire and maintain vendors that have infrastructure in place to assure quality and minimize risk. Our panel will discuss the expectations of various regulatory parties for third party engagements including performance management and metric reporting as it relates to performance.

Moderator: Susan Rusek, Vice President, ProVest

Speakers: Rhonda Nitsche, Vice President, HSBC; Susan Reid, Esq., General Counsel, McCalla Raymer, LLC; Tom Force, Legal Services Manager, Wingspan; Kathleen Guerrette-Mitchell, Founding Member and Managing Partner, Springboard, LLC; Dean Meyer, Director of Nonperforming Loan Management and Single Family Portfolio Management, Freddie Mac

Susan Rusek

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Susan Rusek has over 20 years in auditing experience across various industries. She joined ProVest LLC in Tampa, Florida in 2012 as the vice president of internal audit. She is responsible for the planning, executing and reporting of all internal audit activities, including operational and financial reviews. Her role also includes conducting an enterprise risk assessment and assisting the business in process improvements.

Prior to joining ProVest, Susan spent eight years with Bank of America as a senior vice president and audit director. She developed, executed and managed operational audits for consumer real estate, finance and staff support functions and capital markets. Based on her level of expertise, Susan later was selected to lead a two-year project in London to employ Six Sigma methodologies and to improve quality and consistency of audit practices for global markets. Susan obtained her greenbelt six sigma certification for completion of a project within the closing mortgage process.

Susan began her career working for two public accounting firms in New York where she obtained her CPA license. She received a bachelor's degree from The State University of New York at Fredonia and a MBA from The State University of New York at Buffalo.

Rhonda Nitsche

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Rhonda Nitsche has 25 years of extensive expertise in directing all aspects of mortgage risk assessment, asset management and mortgage default servicing. Rhonda is presently Vice President of Third Party Operational Risk Management at HSBC Mortgage Services located in Tampa, Florida. Rhonda has direct oversight of the HSBC Attorney Network and, along with her team, handles contract management and performance/compliance monitoring for third party vendors supporting default servicing.

Rhonda has worked at HSBC in her current position for 2 years. Prior to her Vendor Management role, Rhonda was Vice President of Default Support, Loan Servicing for HSBC for over six years. Rhonda has also worked at Freddie Mac as Group Director in Default Asset Management for Single Family; Fidelity National Default Solutions in Minnesota where she was Vice President of Foreclosure; and held the role of Manager for Foreclosure and Bankruptcy at Ocwen Federal Bank.

Susan Reid

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Ms. Reid joined the Firm as General Counsel with over twenty five years of experience in commercial and residential real estate and mortgage banking. Immediately prior to joining the Firm, Ms. Reid was Associate General Counsel for Fannie Mae for fifteen years. During her tenure at Fannie Mae, Ms. Reid focused on origination and default related issues for the multi-family and single family businesses including underwriting, foreclosure, bankruptcy, loss mitigation, mediation, title litigation and REO sales. Most recently, Ms. Reid concentrated on foreclosure related issues in the State of Florida including mandatory mediation and other legal strategies for managing the residential defaulted loan portfolio in various states.

Prior to joining Fannie Mae, Ms. Reid was East Coast Counsel for HomeFed Bank, San Diego, California. In this capacity she provided legal services for a significant commercial real estate portfolio from loan origination through default and the sale of REO properties. Ms. Reid was also associated with Lawyer's Title Insurance Corporation in the National Division as Counsel providing expertise in multi-state and multi-property commercial real estate transactions.

Ms. Reid has been a frequent speaker at various conferences and seminars on loss mitigation and foreclosure issues. Ms. Reid was selected by Housing Wire Magazine as one of the 2012 Women of Influence the Housing Industry. She graduated with a B.A. degree from Colorado Womens College with a double major in music and biology and a Juris Doctorate degree from Cumberland School of Law, Samford University in Birmingham, Alabama.

Ms. Reid is a member of the Georgia and Missouri Bar Associations, the American Bar Association and a Board Member of Chrysalis Center Inc., a non-profit retreat center.

Tom Force

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Tom Force is the Legal Services Manager for Wingspan Portfolio Advisors, LLC. Wingspan was recently named Source Media's Mortgage Technology Servicer of the Year and is based in Carrollton, TX in suburban Dallas. Tom began working in the mortgage loan servicing business in April, 1998 and has been with Wingspan since January, 2009. His career has largely been spent supporting the resolution of seriously defaulted loans.

As Legal Services Manager for Wingspan, Tom directly supervises both the foreclosure and bankruptcy departments, as well as all litigation matters. His duties also include resolving title issues and claims, performing due diligence work on loan portfolios and document preparation work such as lien releases, assignments and allonges. Tom is responsible for building and maintaining the Wingspan Preferred Attorney Network which is comprised of nearly 100 of the finest law firms throughout the United States.

Before joining Wingspan, Tom spent over six years at Resurgent Capital Services as Foreclosure Manager and eventually Legal Services Manager. Resurgent was one of the largest buyers of distressed debt in the country at that time. Previously, he was the Bankruptcy Manager for Emergent Mortgage Corporation. It was here that Tom first entered the mortgage business.

After graduating from the Georgia Institute of Technology with a Bachelor of Science in Management and Certificate of Economics, Tom spent the first six years of his career in the automobile finance industry.

Kathleen Guerrette-Mitchell

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A founding member and Managing Partner with Springboard, LLC, a consulting firm that specializes in meeting the needs of financial institutions in the default industry, Kathleen brings over 30 years of experience in the field of mortgage banking. Prior to launching her own consulting firm in December 2005, kgm consultants llc a firm specializing in organizational effectiveness for small to medium sized companies, Kathleen was with Freddie Mac for 10 years where she was responsible for the development, implementation, and management of their Designated Counsel program which set the industry standard for third party provider risk management. She has an extensive background in process and operations management, training and executive mentoring.

Dean Meyer

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Dean Meyer has over 25 years' experience in the Mortgage business and has been with Freddie Mac for 14 years. He is currently a director in Nonperforming Loans Management. In this position he is responsible for managing the foreclosure and bankruptcy departments. This includes Freddie Mac's Compensatory Fee Management and Attorney Network Oversight. Prior to joining the Nonperforming Loan Management team he served as the director for Servicing Policy and was responsible for developing and publishing all servicing policies in Freddie Mac's Single Family Seller/ Servicer Guide.

Prior to Freddie Mac, Dean worked in various management positions in nonperforming loans for several mortgages companies and worked on contracts with HUD to manage servicing and claim reviews.

Dean earned a Bachelor's degree in Business Administration from Canisius College in Buffalo, NY.

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Roundtable Session 4
Tuesday, July 23, 2013
Third Party Vendor Management**

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Date: Tuesday, July 23, 2013
Time: 4:15 – 5:15 p.m.

Panelist and Contact Information:

Moderator
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Session Description: The discussion in this session will include an in-depth focus on certain third party vendor management practices including audits, quality of services and performance metrics. The discussion will take a view from the GSE, lender/servicer, law firm and auditor perspective. The session will highlight the changes over managing third party vendors and expectations lenders/servicers in this changing regulated environment.

Session Outline:

1. Audits
 - a. What firms are audited?
 - b. How is the audit cycle determined?
 - c. What types of reviews are conducted? On-site review vs. questionnaire vs. loan file review with sampling
 - d. What are the critical components?
 - e. Certifications/Licensing
 - i. Objective
 - ii. State Bar, Code of Ethics, Client Agreements - Is this duplication?
 - iii. Who does this protect and how?
 - iv. Is there an alternative option to meet the objective?
 - f. Are law firms now required to develop a compliance department to ensure compliance with all regulatory requirements that are constantly changing?
 - g. Are expectations different when reviewing a small size firm vs. a large size firm vs. other vendors?
 - h. How are the regulators reviewing/validating the audits conducted and results of monitoring performed by lenders/servicers?
 - i. What is the process for ensuring remediation of issues are appropriately addressed and implemented?
 - j. What happens when remediation plans are not addressed?
2. Quality of Services
 - a. How to assess and manage law firm quality?
 - b. Factors to consider quality
 - i. Management of difficult complex cases
 - ii. Finding opportunities to reduce fees and costs
 - iii. Risk exposure and risk management practices
 - iv. Billing practices
 - c. Are traditional scorecards a true indicator of quality?
3. Performance Metrics
 - a. How are metrics determined for law firms?
 - b. Traditional performance indicators used in the past for various vendors may not be applicable to law firms.
 - c. Who determines satisfactory performance levels?
 - d. What about specific indicators that are critical today such as SCRA and PACER checks?
 - e. How to provide staffing and workload capacity questions to be comparable for assessment considering state and allocation processes may be different. Different models may be used and cannot be compared to other firms.
 - f. How to define firm file inventory reports for active, holds, new referrals? Definitions may be different for these categories.
 - g. Are specific scorecards being developed for managing law firms vs. other vendors?