

## MQMR Trims Audit Time from Weeks to Days for First Community Mortgage

### COMPANY PROFILE



Founded in 2002, First Community Mortgage is a wholly owned subsidiary of First Community Bank of Tennessee headquartered in Shelbyville, TN., with operation centers in Murfreesboro, TN, Louisville, KY, and Kansas City, KS.

Support is given by retail branches alongside wholesale and correspondent relationships throughout the Midwest and eastern half of the United States.

First Community Mortgage is a Fannie Mae, Freddie Mac, and Ginnie Mae seller/servicer and offers mortgage solutions to consumers and financial institutions.

For more information, visit <http://human.firstcommunitymortgage.com>.

### PROBLEM

First Community Mortgage (FCM) and its parent company, First Community Bank of Tennessee, had been using the same audit firm for several years. While FCM is a subsidiary of the bank, the executive team runs the day-to-day mortgage operations similar to that of an independent lender.

Having grown substantially the past few years, FCM wanted a fresh perspective on their compliance program and sought a firm that possessed more knowledge and experience in the mortgage sector to make sure there wasn't anything it was missing.

"We wanted to make sure we knew everything going on in our loan files when it came to compliance with federal and state regulations," Chief Risk Officer Samantha Meyer explained. "We also wanted to make sure we were providing not only the best service for our customers, but also the best protection in return for our shareholders."

### SOLUTION

FCM first met with MQMR in August 2017 while evaluating options for a new audit firm. Having spent several years satisfied with the current audit firm, but looking for a wider breadth of knowledge, one of the biggest considerations for FCM was a company

highly experienced in mortgage originations and mortgage servicing.

After an extensive search, FCM ultimately partnered with MQMR due to its deep knowledge of mortgage origination and servicing, along with MQMR's understanding of issues specifically facing independent mortgage lenders.

"Andrew Fine, our In-House Counsel, handles the majority of our contracted internal audits, so it was important to get his buy-in," Meyer said. "He talked with Michael Barone, MQMR's Executive Director of Compliance, multiple times as we were vetting possible service providers to handle such a critical piece of our audit program. FCM's comfort level with Michael's deep knowledge, confidence, and practical application of mortgage compliance regulations sold Andrew and other compliance team members, which in turn sold the rest of the FCM executive team."

MQMR's Compliance Team is comprised of mortgage compliance attorneys that have served both as in-house compliance officers/counsel at mortgage banks and also externally representing mortgage banks in compliance support. Performing hundreds of originator reviews annually, MQMR is able to leverage its deep in-house knowledge of the entire loan life cycle to assist its clients in assessing their compliance with all state and federal regulations and guidelines.

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Samantha Meyer  
Chief Risk Officer  
First Community Mortgage

## RESULTS

Meyer said MQMR conducted one of the most streamlined, yet comprehensive audits FCM had ever undergone, leaving FCM's management team feeling confident in the report findings and pleased with the value MQMR delivered.

“It was by far the most insightful, thorough and helpful audit report I have ever received or ever seen,” she explained. “It only took MQMR two days in the office, and the condensed on-site audit process gave us peace of mind. MQMR saved us so much by limiting the amount of FCM resources dedicated to hosting an audit team for three weeks or be interrupted by multiple people throughout the day, which had been our experience with previous audit firms. Rather, they did a really impressive interview-style schedule with the various stakeholders within the company. I can only imagine how much work they put in upfront to prepare for the onsite interviews to make it a pleasant process and get the key things they needed.”

“Subsequent to the onsite portion of the audit, they made some major accommodations by performing follow-

up work at our leisure, on our schedule, when we could meet with them,” continued Meyer. “The case study work and file testing were done on their time, which allowed a lot of flexibility to us of not being anchored down for three weeks. Honestly, I was blown away and to say I was pleasantly surprised would be an understatement!”

In addition to reducing audit time and minimalizing FCM time and resources devoted to the audit, Meyer and her team also appreciate MQMR's constant communication and availability.

“The other thing that has been great is to be able to continue to communicate with them,” said Meyer. “For example, when MQMR was here, they may have brought up multiple questions or pointed out things we wanted to be on the lookout for in the future. Being able to have those follow up conversations on the issues raised has been great. We can run scenarios past them and use them as a resource that already knows our company and how we operate. Having MQMR available to us as an after-audit resource is awesome. Needless to say, I'm a raving fan and tell everyone I can about them.”

## ABOUT MORTGAGE QUALITY MANAGEMENT AND RESEARCH, LLC (MQMR)

MQMR bridges the gap between risk and compliance through its suite of risk-related services. Since its inception, MQMR has launched multiple products and services to assist lenders in navigating regulatory requirements, including providing 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 an industry leader in counterparty risk and compliance.

To learn more, visit [mqmresearch.com](http://mqmresearch.com), [subsequentqc.com](http://subsequentqc.com), and [hqvendormangement.com](http://hqvendormangement.com).