



Default-Related Law Firms Management and Oversight

Conducting Default-Related Law Firm Compliance Reviews

Frequently Asked Questions

Q1. Can servicers use standardized data and criteria to collect information from law firms handling default-related legal matters in order to assist with the compliance review requirements set forth in *Servicing Guide A4-2.2-02*?

Yes. Servicers may use industry tools designed to simplify and standardize law firm compliance questionnaires, criteria, and document collection. Servicers may also utilize standard approaches to summarize compliance information. We encourage servicers to participate in the development of industry tools to simplify and standardize law firm compliance. Servicers will need to determine whether a standardized approach addresses all or only part of the compliance requirements set forth in the servicing guide and add additional compliance and oversight activity as appropriate. Servicers must consider the overall risk posed by the mortgage default law firm and adjust accordingly to ensure the level of oversight and review is reasonably related to the risk posed by the firm.

Q2. Can servicers participate in joint or shared compliance reviews of law firms handling default-related legal matters in order to satisfy the law firm compliance review requirements set forth in *Servicing Guide A4-2.2-02*?

Yes. Servicers may share resources to participate in joint or shared mortgage default law firm compliance reviews. Third-party vendors retained by servicers may conduct compliance reviews on mortgage default law firms for multiple servicers at the same time. For example, servicers may use standard questionnaires or the same third-party vendor to collect standardized information from law firms that may be distributed to multiple servicers for review and analysis. This standardization may reduce servicer and law firm costs associated with compliance and result in efficiencies when servicers perform compliance reviews on the same mortgage default law firm. Servicers will need to determine whether a standardized approach addresses all or only part of the compliance requirements set forth in the servicing guide and add additional compliance and oversight activity as appropriate. Servicers must also consider the overall risk posed by the law firm and adjust accordingly to ensure the level of oversight and review is reasonably related to the risk posed by the firm.