



QuestSoft Case Study

Bay Equity LLC Tackles Multi-State Exams, Quickly Incorporates LEF Per Examiner Request with Compliance Partner QuestSoft

Who:

Heather Cowing, Quality Control Manager
San Francisco, Calif.-based Bay Equity LLC

When:

January, 2010 using HMDA RELIEF
March, 2011 using Compliance Eagle LEF Exam Services

What:

Impressed with QuestSoft's HMDA RELIEF compliance services, Bay Equity knew who to turn to when an examiner requested specific loan data for a multi-state exam. What the lender didn't realize was just how helpful their compliance partner would be when the requests changed midstream due to the requirements of the Licensee Examination File™ (LEF). With QuestSoft's support and guidance, Bay Equity was able to exceed examiner expectations, while preparing for future state audits.

About Bay Equity LLC

Bay Equity is a family-owned, full-service wholesale and retail mortgage lending institution. The company is headquartered in San Francisco with operations centers in San Francisco and Pleasanton, California and more than a dozen retail branch offices. Bay Equity is currently lending throughout the Western United States. To learn more about Bay Equity, please visit our Web site at www.bayeql.com.

Contact:

QuestSoft Sales
Phone: (800) 575-4632
E-mail: sales@questsoft.com

Challenge

In the midst of a state-mandated audit, San Francisco, Calif. based Bay Equity LLC, a mortgage lender serving 11 western states, was required to provide yearly mortgage data in accordance with the newly instituted multi-state examination process – the Licensee Examination File (LEF).

"While multi-state exams and examiner audits may require a bit more legwork, I personally – as a mortgage professional with a quality control background – believe all lenders and borrowers benefit from the collection and analysis of data that has been validated," said Heather Cowing, Quality Control Manager for Bay Equity LLC.

With a lean staff and just two weeks to present the entire set of data required by the examiner, Bay Equity wasted no time in contacting their compliance software provider QuestSoft for help gathering all the necessary data in a very timely manner.

"We are thriving, but could still be considered a new entrant into the mortgage lending arena," remarked Cowing. "Not only is it important for us to meet the needs of our borrowers and any and all regulatory requirements; it is also important that we complete this in a way that reiterates the refinement and sophistication of the business rules under which we operate."

Multi-State, LEF History

In 2008, AARMR and the Conference of State Bank Supervisors (CSBS) introduced the multi-state exam program to simplify the auditing of state regulated lenders that close loans in multiple states. As part of the planned initiative, AARMR and the CSBS contracted for the development of a standardized data format for the exam, which in February 2010 became the Licensee Examination File (LEF). Receiving certification from ComplianceEase® for RegulatorConnect® means QuestSoft meets the standards for facilitating the electronic uploads of loan files that are required of state-regulated lenders.

(<http://www.regulatorconnect.org/Overview/RCCertifiedSystems.aspx>)

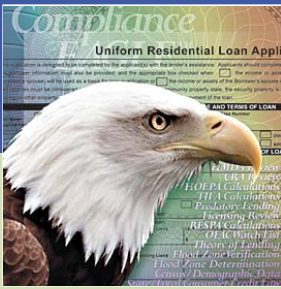
Solution

Having a previous relationship with the Bay Equity team, QuestSoft was able to step in, consult with Cowing and

Continued; over>

www.QuestSoft.com | 800-575-4632





QuestSoft Case Study

Bay Equity LLC Tackles Multi-State Exams, Quickly Incorporates LEF Per Examiner Request with Compliance Partner QuestSoft

Solution (continued)

suggest a solution that would meet both the examiner and LEF requirements.

"The QuestSoft team was, as always, incredible to work with," said Cowing. "They basically built components and added functionality to their program around our needs, keeping in mind that everything had to be compatible with the state's examination systems in order to accurately provide them with our LEF."

While RegulatorConnect certification is not required by the CSBS or AARMR, the designation offers assurance to lenders that QuestSoft's software will help them adapt to the new exam process. QuestSoft constantly monitors new regulations and updates the software in real time to ensure compliance with newly enacted rules and regulations.

As a fully collaborative team, QuestSoft and Bay Equity were able to quickly review all the data required for examination by the state and identify errors and fields to be updated before the file was sent out. QuestSoft's seamless integration with Bay Equity's LOS, DataTrac, was key in allowing QuestSoft to focus on completing the LEF without worrying about encountering integration issues between the two systems.

Result

As a result of much hard work and dedication from the QuestSoft team, Bay Equity was able to meet the examiner's request for specific multi-state loan data in two weeks! An additional request as well as the finalization and incorporation of the LEF process took just another four weeks to complete. All of the files created by QuestSoft were easily uploaded without incident into RegulatorConnect for thorough analysis by the state.

"We never encountered any problems or concerns with the data QuestSoft was providing for us," said Cowing. "We were always fully confident in the integrity of their systems and as a result, had no issue from the examiners."

For the Bay Equity team, all results from the audit and LEF presentation were error free, thanks to help from the QuestSoft team, who resolved all questions and issues that were brought up during the examination process.

"Since employing QuestSoft to help us with the state examination, we have successfully met the examiner's needs and are prepared for any additional state audits," said Cowing.

Cowing added her deep support and gratitude to the QuestSoft team for their above and beyond approach to helping Bay Equity.

"QuestSoft has been an absolute joy to work with . . . something you may not always say about your compliance or audit partners," Cowing said. "Regardless of the high pressure situation and fast turnarounds, including format changes, QuestSoft answered questions promptly and was always eager to find a simple solution to whatever concerns came about throughout the examination process." ■

About QuestSoft

Laguna Hills, Calif.-based QuestSoft is an established provider of comprehensive and automated compliance software and services to the mortgage, banking and credit union industries. The company's products enable more than 1,500 banks, credit unions and mortgage companies to simplify the collection, analysis, compilation and reporting of key lending regulatory report data. For more information about QuestSoft and its products, visit the company's Web site at www.questsoft.com.

ComplianceEase® and RegulatorConnect® is a registered trademark of LogicEase Solutions, Inc. Licensee Examination File™ is a trademark of LogicEase Solutions, Inc.

www.QuestSoft.com | 800-575-4632

