
Clayton Holdings and Maddin Hauser Partner for CFPB Readiness Assessment Program

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Strategic Partnership Will Help Prepare Servicers for Upcoming Examinations

SHELTON, Conn., February 14, 2013 – Clayton Holdings LLC, a leading provider of loan due diligence, surveillance and consulting services to the mortgage industry, and metropolitan Detroit-based Maddin, Hauser, Wartell, Roth & Heller, P.C., a leading real estate and mortgage/banking law firm serving as a key resource to the mortgage industry, announced today a strategic partnership to offer readiness assessments for mortgage servicers to prepare for upcoming Consumer Financial Protection Bureau (CFPB) examinations.

Due to the rapidly changing mortgage servicing environment, including the CFPB's release of its final rules for mortgage servicers in mid-January, mortgage servicers are confronting, and will continue to face, growing legal and operational challenges. The CFPB is aggressively enforcing existing law, and by 2014 the agency will seek to enforce new and more stringent rules through examinations that will evaluate both compliance with the letter of the law as well as the quality of the servicer's operational systems, internal processes and procedures. Given the dual focus of the exams Clayton and Maddin Hauser have created a group that combines regulatory and operational expertise to help servicers prepare for them.

Specifically, the group will:

- Assess a servicer's compliance with federal consumer protection laws through loan-level file reviews, management interviews, work observations, and policy, procedure and documentation reviews.
- Use the assessment to help servicers prepare for CFPB examinations by evaluating and improving operational deficiencies that have been identified in their servicing platforms prior to the imposition of fines or other enforcement actions.

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- Identify systemic problems to improve servicer performance over and above CFPB minimum requirements.
 - Continually monitor changes in either the letter or interpretation of the law and advise clients to ensure compliance in a rapidly evolving environment.

“Clayton has a long history of providing insight to mortgage servicers through operational assessments and its RMBS surveillance,” said Bruce Legan, president of Clayton Consulting Services. “We’re excited to be able to combine Clayton’s deep operational knowledge of residential mortgage loan servicing with Maddin Hauser’s consumer law expertise to provide a top-tier offering to residential mortgage servicers in advance of a CFPB examination.”

As Maddin Hauser’s Martin Frenkel, co-chair of the firm’s mortgage litigation and compliance group echoed, “A Clayton/Maddin Hauser relationship provides a unique ‘value proposition’ for our servicer clients—combining extensive mortgage servicing expertise with a pragmatic and cost effective approach to assisting those clients in controlling their risk in an uncertain regulatory environment.”

About Maddin, Hauser, Wartell, Roth & Heller P.C.

Maddin Hauser, a law firm headquartered in metropolitan Detroit, provides real estate and banking related legal services to local and national lending institutions, residential mortgage servicers doing business throughout the United States, title insurers, private lenders, and investors in a wide variety of areas including regulatory compliance, licensing, joint ventures, affiliated business arrangements, warehouse lines of credit, acquisitions, commercial lending, mortgage and title litigation, loan workout, mezzanine financing, and private equity syndications.

Additional information is available at Maddinhauser.com.

About Clayton Holdings LLC

Clayton Holdings, headquartered in Shelton, Connecticut, provides information and services that financial institutions, investors and government entities use to evaluate, acquire, securitize, service and monitor loans and asset-backed securities. Clayton offerings include risk-based analytics, residential and commercial loan due diligence, consulting, surveillance and staffing solutions. The company provides customized commercial special servicing solutions through its Quantum Servicing subsidiary and REO management, BPOs and a short sale

program through its Green River Capital subsidiary. A global reach in the financial services industry is provided by the company's European subsidiary, Clayton EuroRisk.

Additional information is available at Clayton.com.

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