



# WATKINS CONSULTING

## COMPANY OVERVIEW

Watkins Consulting, Inc. (“WATKINS”) is a financial management consulting firm specializing in all aspects of the Financial Services industry. WATKINS represents a synthesis of multidisciplinary professionals in finance, accounting, regulatory compliance, capital markets, and information technology. Our focus is on providing results-driven services; on-time and within budget. Organized in 1990, WATKINS delivers high-quality results for clients by providing established professionals, well-respected in their industries, equipped with the ability to quickly assess client needs and implement effective solutions.

WATKINS has over two decades of experience working with governmental as well as private sector clients. We have advised clients through the development and execution of pricing and valuation models, implementation of effective accounting solutions; operational process improvement; risk evaluation and mitigation; regulatory compliance; litigation support; and technology solutions. WATKINS brings breadth and depth to each project through our network of industry contacts, developed through various projects, work assignments and personal contacts generated over the years.

## HELOC-BASED RISK MANAGEMENT SERVICES

### **Product-Line Management**

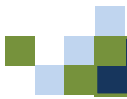
Watkins product-line analysis combines technology, processes and data analysis in a reliable and repeatable routine to evaluate each HELOC. Advanced analytics identify red flags related to title and property liens, estimation of current LTV metrics, and historical performance trends. Watkins can provide the bank with a detailed reporting to help ensure appropriate actions are taken for each HELOC.

### **Compliance Management**

Watkins can help your firm maintain on-going and look-back compliance with government regulations in the areas of Fair Lending, closing and settlement requirements (RESPA), and other mortgage-related laws and regulations that are imperative in managing regulatory demands and litigation risks. Watkins can evaluate policies and procedures to determine compliance with current accounting regulations. These services include developing, testing and revising compliance programs to ensure adequacy and effectiveness as well as assessing deficiencies in processes or documentation. Watkins can train staff to help ensure proper implementation.

### **Asset Management**

Asset Management Services provided by WATKINS begins with the overall evaluation and assessment of lending policies, credit administration, and asset composition. Subsidiary aspects of evaluation include the effectiveness of the loan review system and credit grading system; quality and quantity of personnel; and the process for reasonably estimating performance metrics, including for regulated institutions, the allowance for loan and lease losses, and loss mitigation strategies.



## EXPERT, COMPLIANCE FOCUSED GUIDANCE FOR HELOC PORTFOLIOS

Regardless of the size of the HELOC portfolio, Institutions must be satisfied that their process and procedures meet the standards specified by the regulatory agencies, including those of their primary regulator and those directives issued by the CFPB and the FHFA. While each institution's situation is different, full compliance may require a complex assessment of multiple issues, particularly for those firms where multiple portfolio acquisitions have taken place. Financial institutions must prepare now for increased Regulatory focus on the risk of HELOC portfolios.

### **Product-Line Management**

- Capital Adequacy
- Stress Testing
- Trend Line Analysis
- Historical Performance
- Demographic Analysis
- Migration Analysis
- Data Adequacy and Accuracy

### **Compliance Management**

- Development & Evaluation of policies and procedures
- Development and testing of compliance programs
- Assess deficiencies in processes, procedures and documentation
- Implementation of policies and procedures

### **Asset Management**

- Audit Support
- Litigation Support
- Acquisition Due Diligence
- Loan Review
- Loss Mitigation
- Forensic Repurchase Reviews
- ALLL

## ADVISORS YOU CAN TRUST

Now is the time for financial institutions with HELOC portfolios to prepare for risk management challenges. To properly manage risks associated with a HELOC portfolio, financial institutions must have the ability: to measure and report on their HELOC exposure; ensure that their customers adequately understand their obligations and options; train customer service personnel to work with HELOC customers; and establish clear internal policies and reporting procedures. Key to success will be timely retention of qualified, technical expertise in the fields of financial, accounting, regulatory, and technology to determine the appropriate approach and ensure the best outcome.

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