

## CLAYTON'S MAJOR COMPLIANCE TOOLS ARE READY FOR NEW RESPA 2010 REGULATIONS

*- Tests for compliance with new GFE, HUD-1/HUD-1A Rules -*

SHELTON, CT, January 6, 2010 - Clayton Holdings LLC, a leader in providing customized risk analysis, loss mitigation, operational solutions and staffing services to the mortgage industry, announced today that it has enhanced its major compliance tool - Clayton Loan Analysis System (ECLAS)- and that it is ready for Regulation X that implemented RESPA 2010 rules effective January 1, 2010.

The adjustments to Clayton's testing relates to the Good Faith Estimate (GFE) and HUD-1/HUD-1A. These documents are reviewed as part of the due diligence process and Clayton will now test for compliance with the new requirements of Regulation X in terms of proper completion of the updated forms. "The regulatory environment continues to change, as regulators and elected officials react to the turmoil in the industry," explained Vicki Beal, senior vice president at Clayton. "Maintaining compliance - even for the most diligent - is becoming increasingly difficult due to the changing environment. Our clients, aggregate and whole loan buyers, have expressed great concern about the RESPA 2010 rule changes and we have worked with them to make sure our programming meets all their major concerns."

For the 2010 GFE form, Clayton will test for five key elements. These elements include:

- The correct version of the forms
- Whether the GFE is re-disclosed
- Whether settlement charges are available within the required 10 business days
- The accuracy of the summary of loan terms
- Whether the escrow account information is accurately completed and if not, what parts are inaccurate

Clayton's RESPA 2010 testing also includes seven key aspects of the 2010 HUD-1 and HUD-1A settlement statements, including:

- New fee designations
- Correct version
- Adjusted Origination Charge
- Fees subject to zero tolerance
- Fees subject to a 10 percent tolerance
- Tradeoff table
- Summary of loan terms

Vicki added, “We continue to monitor updates from HUD, the GSE’s as well as state and federal regulators to make sure we can take some of the uncertainty out of the compliance equation for our clients.”

## **About Clayton Holdings LLC**

Clayton Holdings LLC headquartered in Shelton, Connecticut, is a leading provider of customized risk analysis, loss mitigation and operational solutions that support the mortgage industry. Clayton’s services encompass analytics, residential and commercial loan due diligence, consulting, credit risk management and surveillance, independent pricing, specialized loan servicing, and staffing solutions. Clayton provides transparency, independence, expertise and quality resources to leading investment & commercial banks, institutional investors, government agencies and service providers internationally. Additional information is available at [www.clayton.com](http://www.clayton.com).