
CLAYTON ANNOUNCES NEW PROGRAMS TO HELP LENDERS COMPLY WITH NEW FANNIE MAE QUALITY CONTROL STANDARDS

- SOLUTIONS AVAILABLE VIA OUTSOURCING OR CONSULTING -

SHELTON, CT, May 11, 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 incorporated Fannie Mae's newly announced Quality Control Standards into its underwriting and quality control offerings and that it is also able to help lenders integrate these changes.

Fannie Mae's new Quality Control Standards issued in Lender Letter LL-2010-03, "An Introduction to Fannie Mae's Loan Quality Initiative," specifies the policies and process and technology enhancements that it will require from sellers in order to mitigate loan repurchase risk. Many of the new requirements will require lenders to create new written operational work flow procedures and add activities that will be required pre- as well as post-closing. For example, Lenders will now be required to confirm ten basic data elements for every new loan prior to loan closing as well as perform an audit of all high risk loans, as defined by Fannie Mae, prior to and after loan funding.

Clayton is well positioned to help its clients meet the new standards through both its consulting and outsourcing businesses. On an outsourcing basis, Clayton currently offers a wide range of underwriting, due diligence, compliance assurance and quality control services that help clients, such as major lenders and aggregators, meet these new quality control targets.

Clayton has already made the adjustments within its systems and procedures to meet the new quality control standards. Clayton's consulting services unit helps lenders build their own solutions to meet Fannie Mae's new quality control standards, these solutions are benchmarked against industry best practices.

"Meeting industry standards is always an essential part of operating in the mortgage industry, but in today's environment having the ability to quickly react to changing regulatory demands is vital," said Tom Donatacci, executive vice president at Clayton. Whether building or outsourcing, we provide our customers with the ability to meet today's quality control demands and the flexibility to meet tomorrow's regulatory and industry demands."

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.