



FHA Lending by Community-Based Lenders Critically Important to Recovery from Credit Crisis, Says Veteran Mortgage Expert

Bankers Advisory President Anna DeSimone Launches [Program of FHA Licensing Assistance and Compliance Services](#) for Small Lenders

BELMONT, Massachusetts – December 9, 2008 - Community banks, thrift institutions, and credit unions seeking to serve mortgage customers with [loans insured by the Federal Housing Administration](#) (FHA) can qualify for FHA approval with minimal capital investment, according to author and mortgage expert Anna DeSimone.

Operating as Supervised Correspondents, local lenders can offer FHA-insured mortgages, including options such as [Reverse Mortgages](#), [FHA Secure](#), and [Hope for Homeowners](#). Supervised Correspondents maintain control of all aspects of the client relationship without the necessity of hiring FHA-certified personnel.

“FHA mortgage lending is no longer just a product option. For community-based institutions, it’s an imperative for helping to sustain our neighborhoods,” states DeSimone, founder of Bankers Advisory and author of 12 books and numerous articles on the mortgage business.

DeSimone, who also wrote the three-volume *Responsible Lending Series* on FHA mortgage lending, pointed out that banks seeking to become direct FHA lenders must invest in substantial training and have a Direct Endorsement underwriter on staff. But as she emphasized in a seminar attended by 80 community banks last March at the Boston Federal Reserve, the supervised correspondent option enables the banks to enter the market quickly and with minimal expense.

Lenders can look to specialists like Bankers Advisory for assistance with FHA licensing and initial steps which include structuring relationships for outsourced underwriting and private-label servicing.

“Community bankers have done well in expanding residential mortgage lending to include affordable housing, soft seconds and mortgages sold to secondary market investors. But recent legislation, including the Housing and Economic Recovery Act and portions of the so-called ‘bailout bill’ are tied to FHA-insured mortgages. Most small lenders are not familiar with the back-end obligations of FHA-insured lending, such as quality control compliance and reporting requirements,” explained DeSimone.

Bankers Advisory's *Audit and Assessment Guide* has 80 pages of step-by-step instructions on submitting reports through the FHA's mandatory online reporting system.

The company also helps lenders adhere to HUD's strict directives on quality control through QC plans and services that cover post-funding quality control, document re-verification, trend reports, risk monitoring and compliance.

About Bankers Advisory (www.bankersadvisory.com)

Founded in 1986, Bankers Advisory has helped mortgage lenders throughout the United States achieve high standards of credit quality and employee proficiency through a full range of audit and consulting services, customized policy manuals, training, and workflow development.

Bankers Advisory has an unparalleled reputation for excellence in the mortgage industry and among national and state banking agencies. The firm's underwriting experts have audited more than 50,000 FHA mortgage files. Thousands of employees have been trained on Banker's Advisory's educational materials.

Contacts:

Anna DeSimone
617-489-2005
anna@bankersadvisory.com

Tom Burke
Graber Associates LLC
617-323-5694
tom@graberassociates.net