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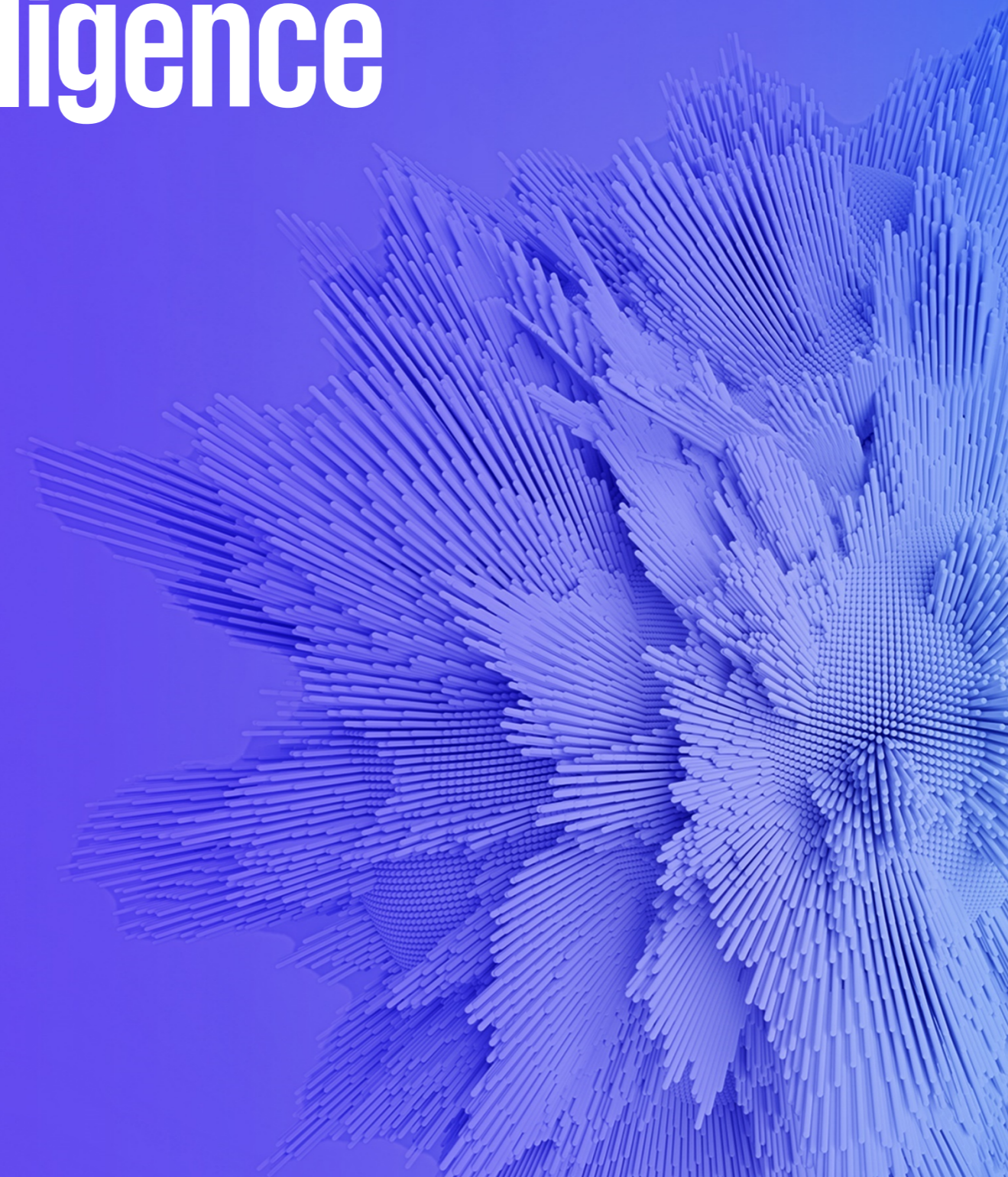
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Lender Due Diligence



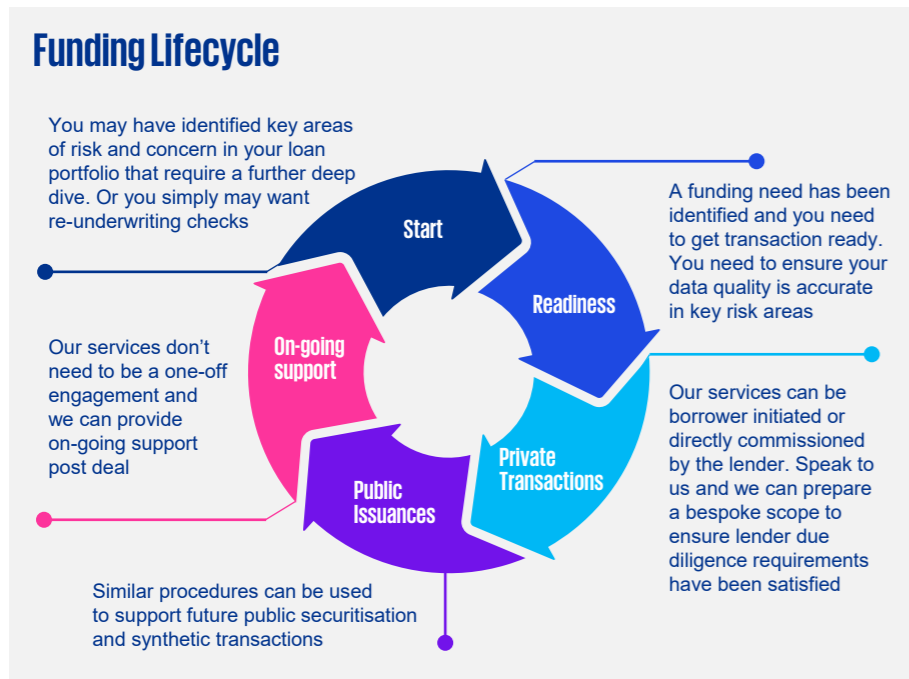
Lender Due Diligence

Regardless of how advanced you may be in your funding plans, partnering with KPMG gives you access to a vast, multi-disciplinary network of professionals to guide you in achieving them. As your business grows and your funding needs increase in complexity, you will be able to draw on the experience of teams offering an array of different specialisms to ensure your requirements will be met. We can offer bespoke, in-depth scopes that are tailored to your exact needs.

Whether you are a financial institution looking to raise external funding for the first time, a veteran issuer looking for a different solution or a funding provider let's work together to find an outcome to suit you.

Our bespoke Lender Due Diligence services can be tailored to reflect buy-side or sell-side requirements and we can work with both potential lenders and originators, respectively, to determine an appropriate scope, depending on your exact needs. See below for examples of the services we offer:

<h3>Data quality</h3> <p>Data quality is a key facet of any funding transaction so it is important to know that data is accurate and can be relied upon. We can support this either directly in relation to a funding transaction or as a standalone service. We typically:</p> <ul style="list-style-type: none"> • Check asset pool data tape to supporting source documentation and the originator's systems • Use proactive progress tracking and reporting tools to summarise and identify issues • Provide findings and error analysis which enables data quality to be enhanced 	<h3>Re-underwriting</h3> <p>For many financial institutions it is useful to have an independent review of a sample of loan files regarding underwriting. We can:</p> <ul style="list-style-type: none"> • Check files for compliance with lending and product policies and origination criteria • Check processes have been followed in specific scenarios such as auto-approvals or non-standard underwriting situations • Check completeness of documentation and underwriting evidence is held on file • Provide summaries and commentary on underwriting policies and procedures 	<h3>Cash/ Collections</h3> <p>Cash is king! As a result, many of our clients request we perform checks over the cash cycle. Examples include:</p> <ul style="list-style-type: none"> • Document and test the overall collection procedures including process for managing arrears/ageing receivables • Trace collections recorded in systems back to bank and third party reports • Review servicer reports for accuracy • Check bank reconciliations and the process to prepare them • Check payment processes and approvals 	<h3>Governance</h3> <p>Governance is an overarching principle where we can:</p> <ul style="list-style-type: none"> • Inspect operational procedures and policies and methods to update these regularly • Comment on identified weaknesses in systems and controls • Summarise Internal Audit findings and discuss with management the status of improvements borne by previous recommendations • Summarise IT policies 	<h3>Compliance</h3> <p>Compliance with regulations is fundamental for financial institutions. We have regulatory specialists that can support with:</p> <ul style="list-style-type: none"> • The FCA's new Consumer Duty requirements • Inspect complaints register and test complaints procedures • Review GDPR legislation and policies • Inspect KYC and AML/CTF procedures • ESG requirements/reporting 	<h3>Ad hoc</h3> <p>You may wish to perform targeted reviews or obtain support in respect of ancillary services. Examples of where we can support you may include:</p> <ul style="list-style-type: none"> • Recalculate interest, early repayment and other fees and charges for arithmetical accuracy • Review servicing agreements in relation to KPIs • Recalculate covenant calculations • System readiness and ring-fencing • Data remediation • Valuation services
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- ### Linked services
- To know more about our core services please see our detailed service sheets found [here](#)
 - We can also connect you with our other service areas such as Balance Sheet Optimisation, FS Debt Advisory, Credit Pricing, FS Risk Consulting (covering regulatory matters) and the European Portfolio Solutions Group
 - Please contact us for any other enquiries you may have

Our credentials

KPMG

Relationships with asset originators, portfolio vendors and acquirers, rating agencies and funding providers

Understanding of many lender systems and origination processes including third party service platforms

Diversity of experience

Testing locations including UK, Ireland, France, Germany, Italy, The Netherlands, Norway, Finland, Sweden, Denmark, and Poland

Sector experience in Residential Mortgages, BTL, Equity Release, Consumer Lending, Credit Cards, Asset Finance, SME, Social Housing, Commercial and Corporate

20+ years of experience