

BUSINESS OPERATIONS TRACK: Servicing Models Unpacked What Works, What Pays, What Scales

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Moderator:

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Panelists:

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Agenda

- Panelist Introductions
- Servicing Models Defined
- Cost Structure
- Regulatory Risk and Execution
- Where Technology Fits In
- Questions



36 Awards

received since 2015

20⁺ Years

of Quality, Progress & Partnership

#1 Leader

of quality control software in the industry

ACES Mission

Improving quality, confidence, transparency, and compliance in financial services by leveraging advanced technology platforms created with a customer-centric approach.

Quality People behind **Quality Products** achieving **Quality Results**®

LoanCare[®] is one of the largest and most well-respected subservicers in the U.S.

We deliver a servicing experience that feels like your own, with proprietary consumer digital experiences, support from servicing experts who make clients' priorities their priorities, and access to every detail of portfolio performance through the industry's most advanced servicing oversight platform—LoanCare Analytics[™] (LCA).

43

Years in Business

25

Avg. Years of Leadership
Experience

3rd

Largest
Subservicer¹

1.42M

Loans Serviced²

300

Regulatory Exams
and Audits
Managed Annually

7

Years of HousingWire
Tech100 Awards for LCA and
other Propriety Consumer
and Client Technology

\$373B

Assets Managed³

32,000+

Homes Saved by Loss
Mitigation Strategies in 2025

¹ Data as of 06/30/2025

² Data as of 12/08/2025

³ Data as of 12/08/2025

Richey May Company Overview

For over 40 years, [Richey May](#) has been focused on serving the mortgage banking industry, delivering specialized expertise that helps lenders thrive in a rapidly changing marketplace.

Richey May has built an ecosystem of services designed to improve profitability, mitigate risk, and drive sustainable growth. The comprehensive offering includes audit, assurance, tax, advisory, and cybersecurity services, complemented by advanced technology solutions and business intelligence offerings.

From servicing strategy and MSR consulting to capital markets reviews, and enterprise risk assessments, Richey May provides the clarity and insight needed to navigate complex economic, regulatory, and operational challenges.

Servicing Models Defined

- In House
 - Retain servicing and service loans in-house
 - Greater sense of ownership of the customer relationship
 - Need expertise and adequate staffing
 - Need robust vendor management capabilities
- Sub-Service
 - Retain servicing but partner with a Sub-servicer to handle servicing functions
 - Offer flexibility, speed, expertise
 - Ability to leverage the sub-servicer's technology
 - Allow you to focus on your core competency -- originations
- Hybrid/Component
 - Service some loans in-house and some with a Subservicer

Cost Structure

- In-house Servicing
 - Servicing platform set-up
 - Maintenance and upgrade costs
 - Monthly, per loan expense
 - Staff to manage the platform
 - Experienced staff to service the loans
- Subservicing
 - Fixed cost per loan, per month
 - Volume discounts
 - Predictable expense
 - Controllable, variable cost
 - Access to technology without the upfront capital investment or long-term licensing headaches

Regulatory Risk and Execution

Considerations:

- In-house Servicing
 - Portfolio complexity
 - Products
 - Delinquency rates
 - Property States
 - Investors/Agencies
- Subservicer
 - Shares the risk –does not own the risk
 - Deeply entrenched compliance infrastructure
 - Dedicated regulatory teams

Where Technology Fits In

Leveraging Technology to Support Your Servicing Model

- AI
 - Platform set-up
 - Customer retention
 - Cross selling opportunities
- Commit to Data Integrity
 - Data analytics to drive strategic decisions about your portfolio
 - Compliance dashboards
 - Data privacy framework
- Cybersecurity
 - Firewalls, penetration testing, cloud compliance, business continuity planning etc.

QUESTIONS



APPENDIX-PANEL QUESTIONS

Decision framing and model choice

- What is the real decision you're making: cost, control, growth or risk capacity, and which one wins when they conflict?
- Everyone asks “how many loans to justify in-house.” What are the better questions leaders should ask instead.

Economics, scale and hidden costs

- What's your “all-in” cost-per-loan view for in-house servicing, including allocations, vendor ecosystem and oversight headcount, and how do you keep it honest?
- Hybrid sounds like a middle ground. When does it become a duplicated, higher-cost model, and what has to be true for it to work?
- If servicing is a growth engine, what KPIs prove it: recapture, retention, cross-sell, complaint rate, time-to-resolution?

Governance, compliance and accountability

- Who owns the exam and litigation risk when you subservice, and what do regulators expect the master servicer to prove?
- Multi-sub-servicer strategy can reduce concentration risk, but oversight complexity rises. Where is the point of diminishing returns?

Stress tests and operational resilience

- Stress test: A material FHA or investor loss-mitigation or claims update lands fast. Who implements fastest, and how do you validate compliance?

Technology, Digital CX and Platform Investment

- How much does a modern servicing experience matter to your brand, and how much are you willing to spend to build it and keep it current?
- Some MSR owners think in-house means better data access. In practice, how can a sub-servicer give the MSR owner more data access and transparency, and what key loan-level views do you gain?

Technology, Digital CX and Platform Investment

- AI is moving fast, and many small-to-mid MSR owners running in-house won't keep pace on their own. Where does partnering with a large sub-servicer actually close that AI gap in measurable ways?