

MORTGAGE BANKING

We are a leader in the mortgage banking area and represent many companies in the financial services industry in their ongoing business and legal needs. We are known for drawing on our industry experience, reputation, contacts and understanding to assist buyers and sellers, and the parties who finance buyers, in developing innovative strategies for achieving their business goals in merger and acquisition transactions. We also have a strong track record in handling litigation matters for financial institution clients.

Sheppard Mullin has been involved in numerous matters in the mortgage banking industry and, as a result, has been called on to assist clients in the following:

- Defended a variety of financial services companies in class action litigation
- Served as outside counsel to a number of financial institutions in connection with their M&A strategies and activities, including developing M&A models and identifying targets that meet their business needs
- Assessed the benefits of acquiring or joint venturing with insured depositories
- Managed the chartering and de-chartering process for numerous thrifts and savings & loan associations
- Advised companies in the buying, financing and selling of asset classes (both performing and non-performing assets), and worked with those companies in the due diligence, negotiation and documentation process.
- Advised clients on the advantages of acquiring depositories and non-depositories and their usefulness to strategic players in the financial services industry
- Represented mortgage companies in various regulatory proceedings, and conducted investigations arising out of threatened or actual “cease and desist” letters and “MOUs”

Consumer Class Action Litigation

Sheppard Mullin is one of the few firms willing to try class actions rather than automatically recommending settlement. We recently won a defense decision in a seven-year long class case against State Compensation Insurance Fund alleging: breach of the implied covenant of good faith and fair dealing; breach of contract; fraud and deceit; and unfair business practices under Business and Professions Code 17200. We have successfully defended financial institutions against class actions and 17200 representative claims, involving:

- Privacy rights
- Truth in lending claims
- Interest computation
- Alleged discriminatory lending practices
- Alleged late reconveyances of deeds of trust
- Securities trading fraud claims
- International currency conversion claims
- Prepayment charges
- Overdraft fees
- Debit cards
- Private mortgage insurance
- Commercial payroll accounts

Mergers and Acquisitions; Strategic Transactions

We regularly work with large and small institutions to review the implications, advantages and disadvantages of their M&A and other business strategies. We help develop M&A, joint ventures and other transactional strategies that support our clients needs and strategies.

New Business Models and Products and Services

Sheppard Mullin’s experience with so many loan products and business models gives us perspective and experience to evaluate proposed new products and services, address legal issues, tax planning, and regulatory concerns, as well as

identify potential partners and service providers for our clients.

Consumer Regulatory

One critical element of any transaction involving a specialty finance company is a deep understanding of the regulatory environment within which it operates. We have represented banks, thrifts, mortgage companies, and companies with which they do business, in a wide variety of transactions. We advise clients on issues arising under federal and state laws, regulations and rules, such as the Real Estate Settlement Procedures Act, the Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Housing Act, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the California Finance Lenders, the California Residential Mortgage Lenders Act, the Industrial Loan Company Law, state licensing laws, consumer credit laws, usury laws, unfair and deceptive trade laws, and real property laws. We have also defended companies in connection with governmental audits, investigations and enforcement proceedings, before, among others, the Department of Housing and Urban Development, the Veteran's Administration, the Department of Justice and the Federal Trade Commission. We also handle litigation involving consumer class action lawsuits and commercial claims.

Correspondent Lending

Sheppard Mullin has helped clients build correspondent lending operations from the ground up, including developing policies and procedures, lending guides, loan agreements and compensation plans and identifying potential managers of the business. We have also assisted with the buying and selling of pools of loans, and of correspondent businesses generally, for some of the largest correspondent lenders in the country. We have built warehouse lending units to support correspondent entities and developed structures to motivate correspondent and warehouse lending units to drive business and profitability to each other.

Loan Portfolio

We also advise clients in connection with non-performing and performing loan portfolio acquisition and disposition transactions. Our representation includes both buyers and sellers, and we have guided our clients through the host of challenges associated with these transactions, including:

- Due diligence, purchase agreements and offering materials
- Title reports and reviews
- Bid analysis and preparation
- Warranties and remedies
- Pro-ration procedures and post-closing claims
- Disputes resolution