**MULTI-STATE MORTGAGE COMMITTEE**

**Officially on Behalf of the Participating States**

**Mortgage Originator Information Request**

As indicated in the Joint Examination Announcement Letter, the participating states are conducting a Joint Examination of (**INSTITUTION**) with an on-site review date scheduled for (**INSERT DATE**). This information request is intended to provide the participating states with necessary information prior to the commencement of the on-site portion of the examination. Due dates for required information are listed in the table below; however, you can provide the information as early as desired.

Participating states’ loan file selections will be provided to the institution two weeks prior to the due date so the institution can prepare[[1]](#footnote-2) electronic copies of the requested loan files. Our review of the loan files will be conducted, in large part, prior to the on-site start date. Additional information requests may be made for state-specific items.

As Examiner-in-Charge I am assigned as your primary contact for all Joint Examination issues. If you have any questions regarding the attached information request or regarding the Joint Examination review process, contact me at [regulator@state.gov](mailto:regulator@state.gov) or 888-777-XXXX. Thank you for your cooperation.

Sincerely,

John Doe, Financial Institutions Examiner

Multi-State Examiner-In-Charge

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| **Information Request Number(s)** | **Due Date** |
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**AUTHORIZING STATE SIGNATURES**

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| --- | --- |
| **Name**  **Title**  **Agency Name** | **Name**  **Title**  **Agency Name** |
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**Date Due: [insert date]**

The Joint Examination States have entered a contractual agreement with LogicEase Solutions, Inc. A SitusAMC Company to provide examination data upload capability for electronic analysis of the loan portfolio. Prior to beginning the on-site portion of the examination, the Joint Examination States will conduct an off-site review of your loan portfolio through ComplianceEase examination software. Use of ComplianceEase software is intended to make our review more efficient and decrease regulatory burden and overall cost. Please provide the electronic transaction data as instructed below for all loans requested by the Joint Examination States for the period beginning [**start date**] through [**end date**].

Directions:

1. Launch [www.RegulatorConnect.org](http://www.RegulatorConnect.org).
2. Click on Register at the top right-hand corner and enter all required information. If you have already registered click Sign In and log into your account.
3. Once you have logged in, go to the “Get Started” tab and select *User Guide.*
4. From Section 1 Get Instructions, you will be able to download documentation necessary to create or generate the LEF file for submission of the loan files to the regulator. The instructions on screen will guide you down the appropriate path.
5. The RegulatorConnect site is structured to give you step by step instructions on how to complete the process and deliver the loan files to the appropriate regulator but if you need assistance there is a Help option at the top right corner.
   1. If you need assistance using the RegulatorConnect portal or need technical support, you may submit a Support Ticket and the support team will reach out to you within 24 hours. You may also call the ComplianceEase support team at 650-373-1111 ext. 7, their hours are Monday – Friday from 7:00 am – 6:00 pm PT.

Note: The RegulatorConnect site has a 30-minute timeout security setting. It is suggested to split the loans into separate files of no more than 1000 loans per LEF as it may take more than the allotted time to validate an LEF with more than 1000 loans.

**MMC MORTGAGE ORIGINATION EXAMINATION**

**INFORMATION REQUEST & INSTITUTION QUESTIONNAIRE**

* Complete this request list/questionnaire in its entirety.
* Provide responses electronically to the extent possible.
* Provide attachments when necessary.
* Respond to all requests and answer all questions; if any request is not applicable, please indicate N/A.
* Information requested that is available via the entity’s record in the NMLS is not required to be provided. However, please indicate that and note where it is found in the NMLS entity record.

**MANAGEMENT & OPERATIONS**

**Institution Profile**

1. The principal name under which the licensed entity is organized.
2. All “doing business as” or “trade names” under which residential mortgage business is conducted.
3. A copy of the current business plan. Identify any new or proposed material changes in business strategy. Include the mission statement, budget projections, and assumptions.
4. Copies of minutes of all board of director and shareholder meetings held during the examination period. Include a list of board subcommittees, their members and meeting minutes.
5. An organizational chart listing all officers, departments, and department managers.
6. A list of all corporate locations, including branches and net branches doing business in the participating states.
7. A list of any affiliated settlement service providers, including ownership details. Include all companies that any owner, partner, director or employee owns more than 1% of and any company who owns more than 1% of the licensee.
8. A list of offshore operations. Provide company name, location, and a list of activities being conducted at each location.
9. The name, title, and contact information for the designated contact person(s) for this examination.
10. The name, title, and contact information for the designated individual authorized to receive the Report of Examination.

**Internal Controls**

1. The name and contact information for the institution’s Internal Compliance Officer.
2. Copies of any internal compliance risk assessments completed during the examination period.
3. Description of any specialized risk management practices used to monitor the risks associated with reverse mortgages
4. Description of systems used to monitor compliance with specialized requirements, regulations or laws related to reverse mortgages.
5. Copies of any third-party compliance related audits completed during the examination period.
6. Copies of all policies, procedures, and standards in place during the examination period. If significant changes have been made during the review period, please describe. Policies should include, but are not limited to:
   * Third-party due diligence;
   * Vendor management;
   * Direct and indirect origination activities;
   * Marketing, advertising, and solicitation;
   * Underwriting;
   * Appraisal independence;
   * Interim loan servicing;
   * Quality control, monitoring and management review;
   * Employee compliance training;
   * Fraud prevention
   * Secondary market activities;
   * Gramm-Leach-Bliley policies and procedures;
   * Policies and procedures for required HECM counseling.

**Personnel Administration**

1. Pre-employment screening policies and procedures for all employees.
2. A copy of the employee handbook.
3. Employee performance evaluation policies and procedures.
4. A detailed description of the institution’s employee compensation plan including any bonus/incentive programs.
5. Third-party compensation and incentives that are established for reverse mortgages.
6. The institution’s loan originator compensation plan and third-party compensation plan.
7. A list of all employees indicating the name, hire date, job title, and branch location.
8. A list of any employees terminated within the last 6 months (if applicable).
9. How are employees trained so that they are able to convey information to consumers about product terms and risks?
10. As products evolve and new products are introduced, does staff receive additional training, as necessary?
11. Do any mortgage loan originators (MLO) work remotely from home or other location that is not a registered branch? If yes, provide a spreadsheet with MLO name, NMLS#, location address, the date MLO began working at location and percentage of time worked there.

**Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Program**

*Includes BSA/AML, Office of Foreign Assets Control (OFAC), Customer Identification Program (CIP) and Identity Theft Prevention*

1. Documentation of Board or senior management approval of the BSA/AML Program and Compliance Officer.
2. Copy of the most recent written BSA/AML Program approved by the Board or senior management, including CIP, with date of approval noted in any meeting minutes.
3. How often are BSA/AML reports presented to the Board?
4. Copies of the last two BSA/AML Program risk assessments.
5. Associated policies, procedures, and controls applicable to BSA/AML, USA PATRIOT Act, OFAC, and Identity Theft Prevention.
6. Copies of all policies and procedures relating to reporting and recordkeeping requirements, including suspicious activity reporting.
7. Name, title, resume and qualifications of the designated BSA compliance officer and any other staff responsible for monitoring BSA/AML compliance.

*Resume should include start date as BSA Compliance Officer and list BSA/AML specific training completed during the exam period.*

1. Name, title, resume and qualifications of the designated OFAC compliance officer and any other staff responsible for monitoring OFAC compliance (if different from #5);
2. Copies of the last two BSA/AML Program independent tests/audits, including the scope of the testing and the qualifications of the auditors (external or internal) who performed the independent test/audit.
3. Management response to the last two independent tests/audits, including any document tracking, assigned personnel, required actions, recommendations, corrective actions, due dates, and status tracking.
4. BSA/AML training documentation, including training materials, schedule, attendees, and topics covered.
5. An excel spreadsheet of all employees (including senior management and the board) that includes: Name; Title; Hire Date; Dates of previous two BSA/AML trainings.
6. Report/Log of Suspicious Activity Reports (SAR) filed during the examination period (*can be provided on-site*).
7. Report/log of unusual activity that was reviewed but deemed not suspicious (*can be provided on-site*).
8. Selection of SARs filed with FinCEN, including any supporting documentation and copies of any filed SARs that were related to section 314(a) requests for information or to section 314(b) information sharing requests (*can be provided on-site*).
9. Any information sharing correspondence between the RMLO and state or federal agencies or other financial institutions (if applicable).
10. Does the RMLO uses a manual or automated suspicious activity monitoring system, or a combination of the two?
11. If an automated system is used, indicate whether the system is proprietary, or vendor supplied and whether the system is incorporated within the Loan Origination System (LOS) and whether the LOS is proprietary, or vendor supplied.
12. If the system is vendor supplied, provide the name of the vendor and system, and installation/plug-in dates.
13. Has the RMLO filed any Report of Foreign Bank and Financial Accounts (FBAR)?
14. Has the RMLO filed any Form 8300s?
15. Does the RMLO have a list of blocked or rejected transactions with individuals or entities on the OFAC list and reported to OFAC?

*If maintained, make available logs or other documentation related to reviewing potential OFAC matches, including the method for reviewing and clearing those determined not to be matches.*

**Information Technology**

1. Name and title of individual(s) responsible for managing IT functions in the organization.
2. Any cybersecurity/information security policies and procedures that demonstrate how the institution complies with all aspects of the federal Safeguards Rule, including but not limited to:
   * Financial privacy;
   * Identity theft prevention;
   * Disaster recovery/business continuity;
   * Data backup;
   * Information security breaches;
   * Mobile devices;
   * Mail policies;
   * Wire transfers;
   * Data and electronic equipment disposal;
   * Hiring and departure policies;
   * Employee awareness/prevention training;
   * User access;
   * Employee password(s);
   * Building security;
   * Clean desk policy;
   * Employee telework policies;
   * Use of wireless networks;
   * Antivirus protection.
3. A list of any technology security breaches or documented violations of the institution’s information security policies and procedures that occurred during the examination period.
4. A list of any information security risk assessments conducted during the examination period, including any reports that were provided to management.
5. A list of any compliance software program(s) utilized by the institution.
6. The type(s) of loan origination software used in the origination of residential mortgage loans.
7. Explain the type of software system used for imaging of loan files for electronic storage.
8. Provide location where data backups are kept.

**REGULATORY COMPLIANCE**

1. A list of any examination(s) conducted by other state or federal mortgage regulatory agencies during the examination period, including the date of the examination, name of the regulatory agency, scope of the examination, and the contact information for the respective agency.
2. Copies of any additional disclosures (those not required by federal or state law) and indicate when they are provided to the customer.
3. A copy of the most recent Home Mortgage Disclosure Act (HMDA) filing confirmation receipt.
4. A list of any director, officer, employee, or stockholder that has ever been convicted of, or is under indictment for any criminal offense involving dishonesty or breach of trust.
5. A list of any director, officer, or employee of the licensee, that has criminally misused, embezzled, abstracted, or willfully misapplied any funds or valuables of the licensee for which the licensee is responsible.
6. Describe any corrective action taken against the licensee, its officers, directors, employees, or stockholders by any state or governmental agency, private mortgage insurer, or investor.
7. Indicate if the licensee or any of its loan originators have ever been restricted from originating loans by any investor, warehouse lender, or any secondary market participant.
8. Has the licensee had any claims filed against a surety bond, letter of credit or other similar instrument, during the examination period?
9. Are all HECM third-party originators FHA approved?

**Mortgage Loan Origination and Underwriting Practices**

1. Indicate how the licensee originates mortgage loans (retail offices, by telephone, direct mail, internet, wholesale through mortgage brokers, correspondent lending, etc.).
2. Indicate if the licensee originated or funded nontraditional, alternative, or exotic mortgage loan products during the examination period (i.e. “interest only”, “payment option ARM”, “stated income”, “no-doc”, etc.).
3. If the licensee originates or funds nontraditional loan products, indicate how it complies with the *AARMR/CSBS Guidance on Nontraditional Mortgage Product Risks,* including copies of any disclosures, product descriptions, or other information provided to borrowers.
4. Indicate whether the institution originates or funds loans with prepayment penalties.
5. Indicate if the licensee originates or funds reverse mortgage loans.
6. Indicate if the licensee originates or funds any non-Qualified Mortgage (QM) loans.
7. Descriptions and underwriting parameters for each type of mortgage loan originated or funded during the examination period (QM, Non-QM, Non-traditional, HECM, Proprietary Reverse, etc.). Provide underwriting overlays if applicable.
8. Description of how the institution’s reverse mortgage underwriting standards meet the financial assessment requirements for FHA HECMs (i.e. how is income documented and calculated, how are property related expenses verified, how is residual income calculated, how are Life Expectancy Set Asides calculated, etc.)?
9. Descriptions of insurance or ancillary products offered in connection with real estate secured loans.
10. A list of retail and wholesale loans closed in the participating states for all licensed locations, in Excel spreadsheet format, for the specified examination period. The spreadsheet should include:
    * Borrower name
    * Loan number
    * Application date
    * Loan amount
    * Property address
    * Property city
    * Property state
    * Interest rate
    * Whether fixed or adjustable
    * APR
    * Type of loan (purchase or re-fi)
    * Loan product (conventional, FHA, VA, reverse, etc...)
    * Loan term
    * Credit score
    * Loan to value (LTV)
    * Combined loan to value (CLTV)
    * Debt to income ratio (DTI)
    * Lender (if brokered)
    * Originating mortgage broker (if wholesale loan)
    * Loan originator
    * Loan originator’s unique identifier (MLO-123456)
    * Borrower paid compensation
    * Lender paid compensation
    * Prepaid finance charges
    * All closing costs
    * Branch location
    * Date HECM counseling certificate was issued
    * Closing date
    * Lien position
    * Occupancy status (owner occupied/non-owner occupied)
11. A list of all denied, canceled, or withdrawn applications in the participating states for all locations during the examination period. The spreadsheet should include:
    * Applicant name
    * Address
    * Application date
    * Branch location
    * Loan originator
    * Loan originator’s unique identifier
    * Credit score
    * Date of denied, cancellation, or withdrawal
    * Reason for denial
12. A list of any applicants in the participating states who have rescinded a closing during the examination period.
13. A list of loans that were repurchased during the examination period, with explanation.
14. A list of all borrowers who were allowed to waive the three-day review period after receiving the Closing Disclosure (CD) during the examination period in the participating states. Please include the borrower name, loan number, and reason for the waiver request. A copy of each borrower’s request should also be provided.
15. A list of all mortgage loans in the participating states where the institution was required to return compensation to a lender or investor during the examination period, with explanation.
16. A list of any correspondent lending arrangements that existed during the examination period.
17. A list of all loans purchased through correspondent lending arrangements and indicate how these loans are categorized in Mortgage Call Report (MCR) filings.
18. A list of all approved mortgage brokers from whom the licensee accepts loans and all lenders to whom the licensee is approved to broker loans, including their complete name, address, license number, and contact information.
19. A list of all investors to whom you sold loans during the examination period.
20. A list of approved appraisers and Appraisal Management Companies (AMCs) used during the examination period.
21. Procedures for providing notice of the right of rescission and disbursement of proceeds in rescindable transactions.
22. A description of the firm’s method(s) used to calculate the annual percentage rate (APR) and total annual loan cost rate (TALC) for the various types of mortgage products offered or funded.
23. Policies and procedures for calculating escrow amounts for settlement.
24. Policies and procedures for calculating escrow related set asides from the principle limit of reverse mortgages.
25. A blank application package including any state-specific disclosures for the participating states.
26. List any fees the company collects in connection with a retail mortgage loan or mortgage loan application.
27. List any fees the company collects on wholesale loans.
28. Does the institution collect funds/fees of any kind from consumers prior to loan closings? If yes, explain fully when fees are collected and how funds are handled, including details on the accounts where funds are maintained.
29. Does the institution have a quality control/internal audit function for the periodic review of a sample of loans originated by sales staff and a representative sample of processors and underwriters to confirm that policies are being followed? What percentage of loans are reviewed pre-close and/or post-closing and when does this review occur? Provide a pre-close and/or post-closing report.
30. How does the institution track and monitor loans originated as an exception to policies and procedures? Provide exception report for last two quarters and include compensating factors for the exceptions.
31. Does the institution access exceptions to determine if there are fair lending concerns geographically, related to a certain minority group or income level? If yes, please explain the process.
32. Does the institution have portfolio loans? If yes, what percentage of originated and closed loans are portfolio loans? What percentage had defaults within the first 12 months for loans closed in the past calendar year?
33. Are sales and processing personnel monitored to determine whether they are following policies and procedures?
34. What steps does your company take to determine each consumer’s ability to repay?
35. Does the institution use HUD’s model HECM Financial Analysis worksheet (found as an attachment to Mortgagee Letter 2014-22)?
36. If the borrower’s monthly payments will not include escrowed reserves for taxes, insurance and other items, are they fully informed of this fact?
37. Are borrowers informed of the requirement to make payments for real estate taxes and insurance in addition to their loan payments, if not escrowed, and the fact that taxes and insurance costs can be substantial?
38. Are borrowers informed that failure to make real estate tax payments may result in the loss of their home? How and when are they informed?
39. Are borrowers informed that failure to maintain hazard insurance on their property will likely result in “force-placed” hazard insurance, with the payments billed to the borrower?
40. If appraisal, loan documentation, credit problems or consumer complaints are discovered in third-party originations, how does the institution take action? What remedial actions are taken?
41. Were any loans closed in less than three days from initial Closing Disclosure (CD) to actual closing date?
42. Were any CDs re-issued after 60 days from consummation with a refund to the borrower?

**Marketing and Promotional Material**

1. All marketing materials used for soliciting residential mortgage loans during the examination period. Samples should include, but are not necessarily limited to, printed materials (print ads, brochures, direct mailings, flyers, etc.), radio or television transcripts, telemarketing scripts, websites, social media pages for company and origination staff, email solicitations, and any instructions/scripts on oral solicitations by sales staff.
2. Copies of any Marketing Service Agreements (MSAs) the institution has participated in during the examination period.
3. Copies of any “preferred lender” and “private label” agreements the institution has participated in during the examination period.
4. Does the institution utilize the services of third-party lead generators? If yes, provide a list of the lead generators and a copy of the institution’s contract for these services.

**Consumer Contact and Complaints**

1. Consumer complaint resolution policies and procedures.
2. A list of mortgage borrower complaints received during the examination period; include the borrower's name, address, loan number, and a summary of the complaint, including the response and resolution. Also, provide copies of reports used in reviewing or tracking the handling of consumer complaints processed during the review period.
3. List any pending litigation or litigation settled during the examination period; include an explanation of the outcome or current status and an estimate of the amount of any potential loss.

**FINANCIAL CONDITION**

1. Audited financial statements for the most recent three years.
2. The most recent balance sheet and income statement.
3. Written valuation methodology of any mortgage servicing rights owned by the institution.
4. A copy of the latest independent valuation of the institution’s mortgage servicing rights.
5. A list of all bank accounts maintained by the licensee, including the name of the bank, account number, account description, and purpose.
6. A list of all lines of credit, warehousing agreements, or other sources of funding available to the licensee, including the name of the lender (or source), amount, rate, collateral, terms, current balance, and expiration date.
7. The most recent 6 months of warehouse facility analysis showing total credit limits, funds available, and average age of outstanding funds.
8. List all companies for which the licensee provides warehouse lines of funding, including the name of the borrower, amount, rate, collateral, terms, current balance, and expiration date; provide copies of any such warehouse agreements.
9. List any past due obligations (more than 60 days past due) owed to any third-party service provider, creditor, vendor, or any state or federal taxing authority; include the name of the entity, the amount of the delinquency, and the reason for the delinquency.
10. How does the institution manage or hedge interest rate risk?
11. Does the institution sell any reverse mortgages into the secondary market?
12. Describe the institution’s formal strategies for managing secondary market risks
13. Has the institution considered how it will respond to any potential reduced demand for reverse mortgages in the secondary market?

**Attestation of Corporate Officer**

1. The Attestation of Corporate Officer below must be completed by a duly authorized corporate officer.
2. The Attestation covers this entire request and any subsequent written requests made under this joint examination.
3. The Attestation is to be signed in ink and the original returned to the EIC no later than the start of the on-site examination.

ATTESTATION OF CORPORATE OFFICER

The undersigned representative hereby attests to the best of his/her knowledge, any and all information or data, including electronic loan data, provided in response to this or subsequent requests is complete and correct unless noted otherwise.  He/She understands that any intentional or negligent misrepresentation of information contained in response to this request or subsequent requests, either affirmatively or by omission, may result in administrative or civil liability and/or criminal penalties, including but not limited to fines, imprisonment, or both.

I certify, under the pains and penalties of perjury, that all statements above or attached hereto are true to the best of my knowledge and belief.

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| --- | --- | --- |
| **Officer's Name and Title** | **Company Name and NMLS ID** | **Location: City and State** |
| **Officer's Signature** | | **Date** |
| **This is an official document.** | | |

1. Instructions for submission of loan file data to ComplianceEase’s examination software begin on page XX of this document. [↑](#footnote-ref-2)