



**MORTGAGE LENDER REPORT OF LIMITED EXAMINATION**

I examined the licensee at the following location: Exam date: \_\_\_\_\_  
 Licensee name: \_\_\_\_\_ ML: \_\_\_\_\_  
 Street address: \_\_\_\_\_  
 City, state, ZIP: \_\_\_\_\_

I reviewed my examination findings and recommendations with the licensee. Corrections made during the examination are noted. Following are my findings on the documents examined:

**Supervision**

- 1. Does the licensee have a written supervision plan? .....  Yes  No
- 2. Does the licensee appropriately secure private information? .....  Yes  No

**Loan originators and personnel ledgers**

- 3. Does the licensee maintain personnel ledgers containing:
  - a. The name? .....  Yes  No
  - b. Date of birth?.....  Yes  No
  - c. Position or title? .....  Yes  No
  - d. Responsibilities? .....  Yes  No
  - e. Starting date?.....  Yes  No
  - f. Ending date?.....  Yes  No
  - g. Reason for termination? .....  Yes  No
- 4. Does the licensee have a list of all loan originators containing:
  - a. Names? .....  Yes  No
  - b. Start date?.....  Yes  No
  - c. Current business address? .....  Yes  No
  - d. Current home address? .....  Yes  No
  - e. Telephone number? .....  Yes  No
  - f. Social Security number or detailed description? .....  Yes  No
  - g. Date of birth?.....  Yes  No
- 5. Are all loan originators listed with the Division?.....  Yes  No
- 6. Does the licensee have criminal records checks:
  - a. Run using the name, date of birth, Social Security number and place of birth?.....  Yes  No
  - b. Run by law enforcement or a FCRA-compliant company?.....  Yes  No
  - c. Including federal and state records for all states where loan originator lived in the past 10 years? ....  Yes  No
  - d. Covering at least the past 10 years?.....  Yes  No
- 7. Has the licensee required a “no action” letter for any loan originator with a disqualifying conviction? ...  Yes  No

*Mortgage Lender Report of Examination — Continued*

- 8. Are the criminal records checks stored in a separate, secure location away from the personnel files?.....  Yes  No
- 9. Have the loan originators completed required education?.....  Yes  No

**Advertising files**

- 10. Does the licensee maintain copies of all advertising? .....  N/A  Yes  No
- 11. For a licensee that uses advertising, does the advertising:
  - a. Advertise a payment amount with a specific payment amount without also including the principal amount, APR, whether the interest is fixed or variable (plus the loan terms for variable), the number amount and period of payments schedule to the date of maturity and the balloon payment, if any? .....  Yes  No
  - b. Advertise stated income or low doc programs without at least as prominent disclosing that the products may have a higher interest rate, more point or more fees than other products that require income documentation?.....  Yes  No
  - c. Express an interest or APR in less than three decimal places except for ending zeros?.....  Yes  No
  - d. Advertise a kickback or unearned fee?.....  Yes  No
  - e. Comply with Regulation Z (Truth in Lending) advertising requirements? .....  Yes  No
  - f. Use the phrase “wholesale rates”? .....  Yes  No
  - g. Advertise a loan with potential for negative amortization without also disclosing the market or fully-indexed rate, the term of the reduced payments, the term of the entire loan, and the APR? ....  Yes  No
  - h. Use emblems or logos that resemble those of any government agency? .....  Yes  No
  - i. Use envelopes that resemble official government mailings?.....  Yes  No
  - j. Use slogans such as “Buy U.S. Savings Bonds” without a clear statement in a typeface of equal size and style indicating that mailing is not from a government agency? .....  Yes  No
  - k. Use the name or logo of a financial institution or holder or an existing loan when no association, affiliation, or cooperative agreement exists without at least as prominently disclosing that “this is an advertisement,” “this is an offer for a new loan,” and “this offer is not related to your existing mortgage lender or holder of your loan”? .....  Yes  No
  - l. Use terms such as “verified as eligible,” “preapproved,” or “prequalified” without disclosing the prerequisites to qualify for the loan? .....  Yes  No
  - m. Identify the licensee by any name other than a licensed name or dba?.....  Yes  No
  - n. Contain the license number? .....  Yes  No

**Private investor files**

- 14. Does the licensee use private investor funds?.....  N/A  Yes  No
- 15. Has the licensee registered the sale of real-estate paper?.....  Yes  No
- 16. Do all transactions involve the sale of 100 percent interest in the real-estate paper to a single investor in a single transaction? .....  Yes  No
- 17. Do the files contain the following disclosures and documents:
  - a. Appraisal or tax-assessed value at 100 percent of true cash value? .....  Yes  No
  - b. Priority of the lien created and the total of all senior liens?.....  Yes  No
  - c. A statement on the priority of any future advances? .....  Yes  No
  - d. A copy of the most recent complete property-tax statement?.....  Yes  No
  - e. The debtor’s payment record for two preceding years, or both of the following:
    - 1. Payment record to date or statement that it is not available?
    - 2. Current credit report prepared by a credit-reporting agency?.....  Yes  No
  - f. The terms of any senior lien or a copy of the instrument creating the lien and any assignments? .....  Yes  No

*Mortgage Lender Report of Examination — Continued*

- g. If the seller or agent is the debtor, a statement disclosing that fact and the amount of cash paid to the debtor in consideration for issuing the paper? .....  Yes  No
- h. Statement of any commission or fee chargeable to the purchaser of paper? .....  Yes  No
- i. A prominent statement of any balloon payments? .....  Yes  No
- j. For inferior real-estate paper, a statement on the risk of loss on foreclosure? .....  Yes  No
- k. A statement on whether the purchaser will be insured against casualty loss? .....  Yes  No
- l. Legal description of the property if an appraisal was not provided? .....  Yes  No
- m. A signed, written acknowledgement that the investor received the disclosure? .....  Yes  No
- n. A copy of the documents evidencing the creation of the lien? .....  Yes  No
- o. A copy of the documents evidencing that the instrument creating the lien or assignment has been recorded pursuant to OAR 441-870-0060? .....  Yes  No
- p. Copies of other guarantees, surety agreements, or correspondence relating to the sale of the real-estate paper? .....  Yes  No

**Clients' trust account**

- 18. Does the licensee accept any funds from borrowers other than at time of closing? .....  Yes  No
- 19. Has the licensee established one or more open clients' trust accounts? .....  Yes  No
- 20. Is the clients' trust account information on file with the Division correct? .....  Yes  No
- 21. Are checks and deposit slips imprinted with the words "Clients' Trust Account"? .....  N/A  Yes  No
- 22. Does the licensee reconcile the clients' trust account monthly? .....  N/A  Yes  No

**Loan file review**

- 23. Is there an executed loan application? .....  Yes  No
- 24. Concerning lock agreements:
  - a. Borrower-acknowledged statement that loan interest rate will float or a copy of the executed lock agreement? .....  Yes  No
  - b. Is the lock agreement dated? .....  Yes  No
  - c. Does the lock agreement have the file identification and property address? .....  Yes  No
  - d. Does the lock agreement have the lock-in rate? .....  Yes  No
  - e. Does the lock agreement have a lock expiration date? .....  Yes  No
  - f. Is there a disclosure that the rate may change if any of the loan factors change? .....  Yes  No
  - g. Does the lock agreement have the loan type (Fixed, ARM, GPM)? .....  Yes  No
  - h. Is there a disclosure that if the lock expires the rate and points are subject to change? .....  Yes  No
  - i. Does the lock agreement contain the term of the loan? .....  Yes  No
  - j. Does the lock agreement have the loan fee and discount, if any? .....  Yes  No
  - k. If locked, does the file contain confirmation from the lender of the locked rate? .....  Yes  No
- 25. Concerning the Good Faith Estimate:
  - a. Was the GFE prepared timely? .....  Yes  No
  - b. Are the prepaid finance charges correctly identified on the GFE? .....  Yes  No
- 26. Concerning the Truth in Lending disclosure:
  - a. Was the TIL prepared timely? .....  Yes  No
  - b. Was the TIL fully and accurately completed? .....  Yes  No

**Comments and recommendations**

**Limited service examination**

We have determined that the lending activities in your office fall under our limited-service examination. We are using this rating system: 1. Outstanding 2. Good 3. Satisfactory 4. Marginal 5. Poor

The composite value rating for this examination is \_\_\_\_\_, which is considered to be a(n) \_\_\_\_\_ rating.

This completes my examination report.

Respectfully,

Examiner's signature: \_\_\_\_\_

Examiner's name: \_\_\_\_\_ Date: \_\_\_\_\_