

DOCUMENT REQUEST - COMPLIANCE REVIEWS – LENDING

REVISED JANUARY 2017

Please prepare the Summary of Information items. Electronic format is preferred.

(PE) – to be provided Pre-Exam

(A) - to be available upon Arrival

			COMPLIANCE REVIEWS – LENDING
	P	A	General
1	X		<p>Provide the names, titles, e-mail addresses and phone numbers (or extensions) of the officers and/or credit union personnel who are appropriate contacts for specific information about the following products and related compliance matters. Please advise these individuals that examiners may be contacting them before or during the examination seeking general information regarding the credit union’s processes (enter NA if not applicable).</p> <ul style="list-style-type: none"> a. Consumer real estate loans b. Home equity loans c. Consumer construction loans d. Consumer installment loans e. Credit cards f. Overdraft protection g. Auto loans (direct and indirect) h. Government guaranteed loan programs i. Nontraditional mortgage products j. Subprime loans (real estate secured) k. Reverse mortgages l. Student loans m. Any other loan product
2	X		Provide a list that describes all new lending products added during the previous 12 months. If no new lending products have been added, enter “NA.”
			Document Requests – General Information and Oversight
3		X	Provide sample cosigner notices for consumer credit.
4	X		Provide a description of acquired loan portfolios, including types of loans and the sources (names of businesses) that the acquired loans originated from.
5	X		Describe any third party loan referral programs in which the credit union is involved with. List the types of loans that are involved, the programs that involve both the making and/or receiving of referrals to or from a third party, and the programs that involve both affiliated and unaffiliated third parties.
6	X		Describe how different loan originators (e.g. loan officers, mortgage brokers, and other third parties) are compensated and the factors that influence their salary, such as commissions, bonuses or any other forms of compensation.
7	X		Describe incentive compensation based programs, including the types of loans covered by these programs (i.e., secondary market loans, internally retained mortgage loans, consumer loans, governmental loan programs, referred loans, and home equity loans), and any other key elements or conditions of such compensation based program(s).

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Nontraditional Mortgages		
8	X	<p><u>Nontraditional Mortgage (NTM)</u>: Has the credit union originated NTM products during the prior two calendar years and through the most recent quarter end? If not, state “NA.”.</p> <p><i>NOTE: Examples of NTMs include, but are not limited to, such products as “interest-only” (IO) mortgages where a borrower pays no loan principal for the first few years of the loan and “payment option” (PO) adjustable-rate mortgages (ARMs) where a borrower has flexible payment options with the potential for negative amortization. The credit union could be involved in these products directly or through a third party (i.e. brokers, mortgage companies, etc.), and may or may not make the credit decision.</i></p>
9	X	<p>Indicate whether the credit union has a subprime lending program(s) (i.e. loans made to borrowers with credit scores (FICO) below 660 or another credit score cutoff).</p>
10	X	<p><u>Hybrid ARM</u>: List hybrid ARM products originated during the last two years. Order the hybrid ARM products by the year offered and note whether the product was offered directly by the credit union or through a third party.</p> <p>Provide the number and dollar amount of hybrid ARM products originated during the prior calendar year and through the most recent quarter end, separated by year. <i>Note: Hybrid ARMs have similar features that NTMs have, and could include fully amortizing loans which offer a fixed interest rate for a specified period and then adjust to a variable rate. Examples of these products are 2/28’s (i.e. the interest rate is fixed for two years, normally with a “discounted” rate, and then adjusts to variable rate for the remaining 28 years) and 3/27’s. The credit union could be involved in these products directly or through a third party (i.e. brokers, mortgage companies, etc.).</i></p>
11	X	<p><u>Subprime loans (real estate secured)</u>: List the types of subprime real estate loans that were offered during the prior two calendar years. Order the subprime real estate loan products by the year originated and state whether the loan products were made directly by the credit union or through a third party.</p> <p>Provide the number and dollar amount of subprime real estate loans originated during the prior calendar year and through the most recent quarter end, separated by the year.</p> <p><i>Subprime real estate loans may include “2/28” and “3/27” hybrid adjustable rate mortgages (ARMs), but could also include more traditional loans such as 30 year fixed rate loans and 3- to 5-year real estate balloon notes.</i></p>
12	X	<p>Provide the average FICO score (or other credit scoring system, if applicable) of the credit union’s subprime residential mortgage loans originated during the prior calendar year and through the most recent quarter end, separated by the year.</p> <p><i>NOTE: If the credit union does not maintain records of borrower credit scores, contact the Examiner in Charge for further guidance.</i></p>
13	X	<p>Provide copies of marketing materials in all available languages used within the last six months, for NTMs, hybrid ARMs, and subprime mortgages.</p>

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	P	A	Truth in Lending Act(TILA) and implementing Regulation Z
Closed-end credit—General (Real Estate Secured)			
14	X		Describe the credit union’s procedures for providing initial and subsequent disclosures for closed end real estate credit. Describe the credit union’s internal controls to ensure compliance with the timing and accuracy of the disclosure requirements.
15	X		Provide records of any testing performed by the credit union to verify the accuracy of initial and subsequent disclosures for closed-end real estate credit.
16	X		Provide the credit union’s record retention policy for real estate loans.
17		X	Provide sample right of rescission for all closed end real estate loans offered by the credit union.
Closed-end—HOEPA (Home Owners Equity Protection Act) and TILA			
18	X		Indicate whether the credit union offers or plans to offer high-cost mortgages (HOEPA loans), as defined in 12 CFR 1026.36. If it does, describe the credit union’s means of verifying income and the consumer's ability to repay the debt.
19	X		Describe the credit union’s process for identifying high-cost mortgages (HOEPA loans). Provide a list of high-priced mortgages that were originated in the past 12 months. Provide the following information: member account number, loan type, loan amount and date of origination
20	X		Describe the institution’s policies for requiring escrows and appraisals for high-priced mortgages.
Open-end—General (Real Estate Secured)			
21	X		Describe the credit union’s procedures for providing initial and subsequent disclosures for all open end real estate loans. Describe the credit union’s internal controls to ensure compliance with the timing and accuracy of the disclosure requirements.
22		X	Provide records of any testing performed by the credit union to verify the accuracy of initial and subsequent disclosures for open-end credit.
23		X	When requested by the examiner, provide copies of three (consecutive) actual periodic billing statements sent to a customer where a finance charge was imposed for two consecutive billing periods (copy both sides of the statements). The examiner will provide the specific open-end real estate loan number.
24		X	If the billing error notice is not included with the periodic billing statement, provide copies of the annual billing error notice that is sent to open-end real estate loan customers.
25		X	Provide copies of policies, telemarketing agreements, scripts, and disclosures given to consumers in all available languages regarding the sale of credit insurance, credit protection (e.g., debt cancellation agreements) and other auxiliary products and services for all open-end credit plans.
Closed-end -- Private education loans - separate document request			
Open-end –General - separate document request			
Open-end credit (home secured)			
26	X		During the prior two calendar years state whether the credit union purchased any consumer purpose mortgage loans which are secured by the consumer’s principal residence (including Home Equity Lines of Credit (HELOCs))? If yes, describe the policies and procedures for

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			notifying consumers when their mortgage loan has been sold or transferred as required by the Helping Families Save Their Homes Act of 2009 and Reg Z.
27	X		Describe the credit union’s policy for reducing or suspending the credit limit of HELOCs. Describe any changes made to the policy during the last two years and the reasons for the changes.
28	X		Describe the credit union’s procedures for handling requests to cancel HELOC transactions prior to loan closing.
29	X		Provide a copy of the HELOC Brochure, “What You Should Know About Home Equity Lines of Credit.”
Open-end –not home secured			
30	X		Indicate whether the credit union offers credit cards, either directly or through a third party. If so, indicate whether: a. The credit card applications are available at the credit union, but the credit union is not the creditor; b. The credit card accounts are originated at the credit union and the credit union is the creditor.
31	X		Indicate whether the credit union offers Multi-Feature Open End Lending (MOEFL) - example is <i>LoanLiner</i> .

	P	A	Real Estate Settlement Procedures Act (RESPA) and implementing Regulation X
32	X		Provide details about any fees charged for taking a loan applications, checking credit history, appraising or inspecting collateral, or for any other type of real estate settlement service, including loan commitment fees, in connection with the granting of mortgage credit. Include information on when the fees are collected from the applicant.
33	X		Provide the following information, if the credit union requires the use of a particular settlement service provider (e.g., law firm, title company, real estate broker, or real estate appraiser) and requires the borrower to pay any portion of the cost of such service: a. Provider(s) names; b. Types of services rendered; and c. The amount of customary charges that are imposed.
34	X		Provide details about any fee, payment, advance, loan, service, discount, free website advertising, rebate or other thing of value to or from any settlement service provider with whom the credit union does business in connection with mortgage lending. <i>Provide the date of the most recent due diligence review of these arrangements for compliance with RESPA, and 12 CFR 1024.14.</i>
35			Provide details about any affiliated business relationships the credit union has, as defined by RESPA 12 USC Sec 2602(7). <i>Provide the date of the most recent due diligence review of these relationships for compliance with 12 CFR 1-24.15.</i>
36			Provide samples of initial and annual escrow account disclosures. Provide the credit union’s policies and procedures relating to escrow refunds, error resolution procedures and requests for information. See: 12 CFR 1024.34 – 1024.36.
37	X		Provide the following information on compliance with the TILA-RESPA Integrated Disclosure rule, effective October 3, 2015:

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			<ul style="list-style-type: none"> a. Personnel and officers responsible for implementing the credit union’s policies and procedures pertaining to TILA-RESPA; b. Personnel and officers responsible for testing of the required software; c. Third party service provider due diligence that was performed; and d. Training provided to staff and management on Know Before You Owe.
38		X	Provide documentation on any TILA-RESPA reimbursements made in response to your credit union’s policies and procedures or in response to a court or agency request or an order pursuant to the Truth in Lending Act during the last 12 months.
	P	A	Home Mortgage Disclosure Act
39	X		Provide the names and contact information for credit union personnel who are responsible for the Loan Application Register and HMDA reporting.
40		X	Provide copies of the last two HMDA LAR reports that were filed by the credit union.

Additional information may be requested throughout the compliance examination