

**STATE OF WASHINGTON**  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES  
P.O. BOX 41200 Olympia, Washington 98504-1200  
150 Israel Rd., SW, Tumwater, WA 98501

**MANAGER'S QUESTIONNAIRE**

Please provide electronic copies of the data requested. If an electronic copy cannot be produced, a hard copy will be acceptable. We use Microsoft Excel to analyze your financial statements and loan level data. For this reason, we request that the financial statements and Loan list should be in Microsoft Excel format.

In an effort to protect the books and records of licensees and their customers, please send all electronic information to the Department using a secure method or media.

Please email, mail, or deliver all requested items to the State of Washington's Tumwater office address located on your entry letter. All responses to request items must reconcile to the appropriate date, signed where applicable, accurate, and complete, and received in our office by the date indicated in the entry letter.

Our department will be happy to assist anyone needing clarification or advice in completing the requirements of the pre-examination packet. Your advance planning will ensure a timely, cost-effective process. If any request items are too burdensome or excessively voluminous to copy and mail, or if you have any other questions, please call our office at 360-902-8819. Thank you in advance for your cooperation.

All licensees must complete the Manager's Questionnaire attached. All questions are to be answered. If not applicable, insert N/A. If there is inadequate space or attachments are required, please create electronic attachments or additional sheets to this questionnaire and reference the section to which it refers.

***Please name documents and CDs by document number or letter and submit on secure media. If you do not have the ability to provide electronic documents, please tab each hardcopy by document number or letter and submit in a three-ring binder.***

The following questions and attachments apply to the exam period stated in the entry letter.

**GENERAL INFORMATION**

1. State the principal name on the main office license as issued through NMLS:

\_\_\_\_\_

2. Main Office License #

\_\_\_\_\_

3. List all “doing business as” or “trade names” which business is conducted:  
If the company does not have any trade names or DBAs—check the box as not applicable

\_\_\_\_\_

4. List of all affiliates/subsidiaries of the Company  
If the company does not have any affiliates or subsidiaries—check the box as not applicable

\_\_\_\_\_

5. Provide Licensee’s parent company  
If the company does not have a parent company—check the box as not applicable

\_\_\_\_\_

6. Provide the following information for the contact person for this examination:

Name and title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Facsimile number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

7. (a) Provide the principal office physical address:

Street: \_\_\_\_\_

City & State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Facsimile number:

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E-mail address:

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Website Address:

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b) Provide the mailing address if different than (a) above:

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c) Provide the address where the residential mortgage books and records are maintained if different than (a) above:

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d) Provide the address where the accounting records are maintained if different than (a) above:

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e) Provide the address where mortgage servicing records are maintained if different than (a) above:  
If the company does not service mortgage loans—check the box as not applicable

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f) How are your records maintained? If your loan files are imaged explain the type software system used and how it can be accessed either at your licensed location or from the offices of the State.

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8. How is the licensee organized:

Sole Proprietorship

Partnership

Corporation

Limited Liability Company

Other (specify) \_\_\_\_\_

9. List the name, title and responsibilities of all officers, principals, partners, owners, directors and 10% or greater stockholders of the licensee on attached **Schedule A**.

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10. Does the licensee or any officer, principal, partner, owner, director or employee own more than 1% of the following settlement service providers, or do any of these settlement service providers own 1% or more of the licensee?

<u>Type of Company</u>	<u>YES</u>	<u>NO</u>
Title Company	<input type="checkbox"/>	<input type="checkbox"/>
Appraisal Company	<input type="checkbox"/>	<input type="checkbox"/>
Real Estate Company	<input type="checkbox"/>	<input type="checkbox"/>
Credit Reporting Company	<input type="checkbox"/>	<input type="checkbox"/>
Credit Counseling Company	<input type="checkbox"/>	<input type="checkbox"/>
Credit Service Company	<input type="checkbox"/>	<input type="checkbox"/>
Insurance Company	<input type="checkbox"/>	<input type="checkbox"/>
Securities Company	<input type="checkbox"/>	<input type="checkbox"/>
Builder	<input type="checkbox"/>	<input type="checkbox"/>
Home Improvement Contractor	<input type="checkbox"/>	<input type="checkbox"/>
Real Estate Developer	<input type="checkbox"/>	<input type="checkbox"/>
Escrow Company	<input type="checkbox"/>	<input type="checkbox"/>
Underwriting or Processing Company	<input type="checkbox"/>	<input type="checkbox"/>
Servicing or Sub-servicing Company	<input type="checkbox"/>	<input type="checkbox"/>
Telemarketing Company	<input type="checkbox"/>	<input type="checkbox"/>
Bi-Weekly or Amortization Reduction Company	<input type="checkbox"/>	<input type="checkbox"/>
Notary Service or Signing Service Company	<input type="checkbox"/>	<input type="checkbox"/>
Any other settlement service provider	<input type="checkbox"/>	<input type="checkbox"/>

If YES to any of the companies, complete attached **Schedule B**.

**TYPE OF BUSINESS**

11. (a) Indicate the type(s) of residential mortgage and personal loan business in which the licensee is engaged in Washington State only:

- |  |  |
|--|--|
| <input type="checkbox"/> First Mortgage Brokering  | <input type="checkbox"/> Secondary/Junior Mortgage Brokering |
| <input type="checkbox"/> First Mortgage Lending    | <input type="checkbox"/> Secondary/Junior Mortgage Lending   |
| <input type="checkbox"/> First Mortgage Servicing  | <input type="checkbox"/> Secondary/Junior Mortgage Servicing |
| <input type="checkbox"/> Short Sale Transactions   | <input type="checkbox"/> Other                               |
| <br>   |  |
| <input type="checkbox"/> Personal Loan Origination | <input type="checkbox"/> Personal Loan Servicing             |
| <input type="checkbox"/> Personal Loan Brokering   | <input type="checkbox"/> Sales Contract Financing            |
| <input type="checkbox"/> Other – explain:          |  |

b) TOTAL WASHINGTON LOANS MADE

	YEAR TO DATE		PREVIOUS CALENDAR YEAR	
	NUMBER	AMOUNT	NUMBER	AMOUNT
Loans made				
Brokered loans				
<b>TOTALS</b>				

c) TOTAL WASHINGTON LOANS MADE BY TYPE

	YEAR TO DATE		PREVIOUS CALENDAR YEAR	
	NUMBER	AMOUNT	NUMBER	AMOUNT
First Lien Mortgages				
Second Lien Mortgages				
Personal Loans				
Sales Finance Contracts				
TOTALS				

d) TOTAL WASHINGTON BROKERED LOANS BY TYPE

	YEAR TO DATE		PREVIOUS CALENDAR YEAR	
	NUMBER	AMOUNT	NUMBER	AMOUNT
First Lien Mortgages				
Second Lien Mortgages				
Personal Loans				
Sales Finance Contracts				
TOTALS				

e) SHORT SALE TRANSACTIONS NEGOTIATED

	YEAR TO DATE		PREVIOUS CALENDAR YEAR	
	NUMBER	AMOUNT	NUMBER	AMOUNT
Short Sale Transactions				

Licensee must provide supporting documentation for all loans included on questions 11(a) through 11(d), in Schedule M of the required additional responses.

12. Is any business other than residential mortgage business conducted at the licensee's office locations?  Yes  No

If YES, provide the nature of the business(es) and the location(s).

13. Has licensee been approved with any of the following?

- FNMA
- GNMA
- FHLMA
- FHA
- VA

If any boxes were checked, state the date of approval, and the date the approval was surrendered, restricted, or removed (if applicable).

14. Has the licensee had consumers sign a security agreement or a promissory note for residential mortgage loans, prior to all conditions being satisfied to fund the loan, a practice often referred to as conditional or accommodation closings?

Yes  No

If YES, explain.

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## ORIGINATION

15. Provide an outline of the lending policy used for making credit decisions, include the company's ability to repay policies.

16. What was licensee's main source of business?

- |  |   |
|--|---|
| <input type="checkbox"/> Internet                        | <input type="checkbox"/> Trade Publications       |
| <input type="checkbox"/> Referral                        | <input type="checkbox"/> Telephone Solicitation   |
| <input type="checkbox"/> Print Advertisement             | <input type="checkbox"/> Third party loan brokers |
| <input type="checkbox"/> Television/Radio Advertisements | <input type="checkbox"/> Other (specify): _____   |

17. Have any independent entities brokered residential mortgage loans to licensee?  Yes  No

If YES, provide the name(s) and address(es) and NMLS number of the mortgage brokers.

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18. Has licensee received monies, prior to loan closings, from consumers?  Yes  No

If YES, state the types of fees and how the fees are handled: include types of accounts funds are held in and where appropriate, include the details of the process used.

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19. Provide a list of all settlement service companies used for settlement services on properties located in the State of Washington. (Include the name and address)
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## SALE OF LOANS AND LOAN FUNDING

20. a) What percentage of loans originated in the past twelve (12) months have been sold into the secondary market? \_\_\_\_\_ %

b) What percentage of those loans was sold with recourse? \_\_\_\_\_ %

21. Are all warehouse lines of credit repaid directly by the investor?  Yes  No

If NO, provide details.

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22. Has licensee made or brokered any loans, which defaulted?  Yes  No

If YES, provide details. List the names and addresses of the originating entity.

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23. Has the licensee requested or required a broker to repurchase any mortgage loan, pay a settlement in lieu of repurchasing the mortgage loan, or return a yield spread premium to the licensee?

Yes  No

If YES, provide details.

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24. Has the licensee had any warehouse lines of credit or other borrowings terminated?  Yes  No

If YES, provide details.

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25. Has the licensee been requested or required to repurchase any mortgage loan, pay a settlement in lieu of repurchasing the mortgage loan, or return a yield spread premium to a lender/investor?

Yes  No

If YES, provide details.

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26. Has the licensee been required to execute an indemnity agreement on any mortgage loan?

Yes  No

If YES, provide details.

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## FINANCIAL INFORMATION

27. When does the licensee's fiscal year end?

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28. Has the licensee's fiscal year end changed since the last state examination?  Yes  No

If YES, provide details.

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29. How frequently are unaudited financial statements prepared?

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30. Is an internal auditor employed by the licensee?  Yes  No

If YES, describe the reporting procedure and the audit program used.

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31. Is the licensee currently delinquent (more than 60 days past due) on any account owed to any creditor or vendor?  Yes  No

If YES, provide a list of the creditors and vendors, the amount of the delinquency, and the reason for the delinquency.

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32. Has any corporate stock or asset of the licensee been pledged to secure the indebtedness of any other entity?  Yes  No

If YES, provide details.

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33. Is the licensee, on its own behalf, or any officer, principal, partner, owner, director or employee, on the licensee's behalf, contingently liable to a bank, finance company, factor or other as endorser, guarantor, or otherwise?  Yes  No

If YES, provide details.

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**THIS IS NOT THE LAST PAGE OF THE QUESTIONNAIRE**

**ADDITIONAL RESPONSES ARE REQUIRED IN THE SCHEDULES THAT FOLLOW**

**Please name documents by document letter and submit electronically. Please contact the Department on how to transmit your secure media.**





## ADDITIONAL INFORMATION

### LOAN ORIGINATORS AND 1099 PERSONNEL

- A. For each Mortgage Loan Originator (MLO) sponsored by the company during the examination period stated in the entry letter attach the following information (in excel spreadsheet format):
- MLO's name (Last, First)
  - MLO's unique identifier (i.e. MLO-123456)
  - Date MLO was sponsored by company
  - Date MLO left the company (if applicable)
  - MLO's assigned branch NMLS number
  - MLO's branch DBA
  - All websites associated with the MLO
  - Branch address
  - Payroll type (i.e. W-2 or 1099)
  - List all 1099 independent contractors employed as consultants, account executives, loan processors, underwriters, and closing coordinators

### FINANCIAL

- B. The licensee's latest two years audited financial statements if they have not been uploaded in NMLS.
- C. A copy of the last management letter, single audit letter, and letter of regulatory compliance if such reports were prepared by a Certified Public Accountant.
- D. The licensee's most recent un-audited financial statement, including balance sheet and income and expense statement.
- E. A listing of all off-balance sheet assets that the licensee owns (assets and liabilities).
- F. A listing of all bank accounts utilized by the licensee during the past twelve (12) months. Include:
- Name and address of the depository institution;
  - Account number;
  - Type of account; and
  - Purpose of each account.
- G. The most recent audit report from the internal auditor.
- H. Provide your loan pricing model policy, including information related to discount points and credits offered to consumers.

## **FUNDING**

- I. A listing of all warehousing and borrowing lines of credit available to the licensee at the end of the last calendar quarter (in excel spreadsheet format). Include funding from the licensee's parent company:
- Name and address of the creditor;
  - Total dollar amount of the line; and
  - Amount currently in use;
  - Report of all loans in pipeline as of last quarter
  - Expiration date or renewal date of each contract
- J. A listing of all loans outstanding on warehouse lines and in the company portfolio on December 31, of the prior calendar year and at the end of the last calendar quarter (in excel spreadsheet format). Include:
- Loan Number
  - Loan Amount
  - Property State
  - Funded Date
  - Loan Type (Conv, FHA, VA, Reverse)
  - Product Type (Fixed 30, FHA 30, Conf 5/1)
  - Lien Position
- K. A listing of all secondary market sources and commitments, as of the end of the last quarter (in an excel spreadsheet). Include:
- Name of the investor
  - Amount of the commitment;
  - Expiration date; and
  - Amount currently available under the commitment.

## **ORIGINATIONS**

- L. (i) A listing of all residential mortgage applications taken and short sale transactions negotiated for the exam period stated in the entry letter. Include (in excel spreadsheet format):
- Loan number
  - The borrower name; (Last, First)
  - Property address
  - Occupancy (First, second, Investment)
  - Loan program (conventional, FHA, VA, etc.)
  - Product Type (example; 15 fix, 30 Fix, 3/1 ARM, 7 yr Arm, Interest Only)
  - Position of Lien (First or Second)
  - Application date
  - Date initial good faith estimate (GFE) mailed, or hand delivered
  - Date initial truth in lending (TIL) statement mailed, or hand delivered
  - Rate Lock Date
  - Rate Lock Period (number of Days)
  - Note Rate
  - APR
  - Loan amount (Note amount)
  - Status of the loan (open, closed, withdrawn, denied, rescinded);
  - Date loan was closed, withdrawn, denied, or rescinded
  - Purpose of loan (refinance, purchase or other);

- LTV
- CLTV
- Fico scores (Borrower and Co-Borrower)
- Age (Borrower, Co-Borrower)
- All origination fees (line 801)
- Borrower-paid (BP) or Lender-paid (LP) compensation
- Discount points (line 802)
- Credits (line 802)
- Loan Originator Name Last, First
- Loan Originators Unique Identifier (NMLS-123456)
- Origination source (branch NMLS identifier number if licensee's employee);
- NMLS Unique Identifier (NMLS -123456) of Mortgage Broker if applicable
- Whether or not the loan included full documentation, reduced documentation or no documentation

(ii) Provide a list of all other consumer loans and applications taken in the last (24) months. Include (in excel spreadsheet format):

- Name (Last, First)
- Loan number
- Address
- Purpose
- Type of loan
- Loan amount
- Application date
- Funding date
- Status of loan
- Closed, withdrawn, denied
- Interest rate
- Origination source
- Branch number

M. A sample residential mortgage loan application package with all disclosures currently used.

N. Provide a list of loans paid-off in the last 24 months. Include (in excel spreadsheet format):

- Name (Last, First)
- Address
- Telephone number
- Date of origination
- Date of pay off request
- Date paid off
- Charges on pay offs
- Prepayment penalty charged

O. Real estate secured loans renewed/refinanced for same borrower in 12 months. Include (in excel spreadsheet format):

- Name (Last, First)
- Loan number
- Date of Origination
- Renewal date
- Number of renewals/refinances
- Total licensee and broker fees
- Contemporaneous second mortgage loan with first mortgage
- Contemporaneous unsecured loan with first mortgage

P. Provide a list of all loans renewed/refinanced within 120 days of origination. Include (in excel spreadsheet format):

- Name (Last, First)
- Loan number
- Date of Origination
- Renewal date
- Number of renewals/refinances

Q. Provide a list of all loans rescinded. Include (in excel spreadsheet format):

- Name (Last, First)
- Loan number
- Date of Origination
- Date Loan Rescinded
- Total Closing Cost Paid by borrower

## **COMPLAINT HISTORY**

R. Provide a list of complaints filed since the prior examination. Include (in excel spreadsheet format):

- Name (Last, First)
- Loan number
- Complaint number
- Address
- Telephone number
- Type of loan
- Summary of complaint and response
- Complaint resolution
- Branch number

## **REGULATORY/COMPLIANCE**

S. Provide examination reports issued by any state or federal governmental agency(ies) or entity(ies) in the last 12 months which the licensee originates or services loans. (See the [CSBS MOU](#) and map of States that have agreed to share information.)

T. Provide policy and procedures for loan modification services.

## **MISCELLANEOUS**

- A.A. Provide quality control report prepared either internally or externally.
- B.B. A listing, including addresses, of all other locations where the licensee conducts mortgage business. (i.e. back office services, and servicing)
- C.C. A letter from legal counsel describing pending litigation, or lack thereof, which in the aggregate amounts to 5% or more of the licensee's net worth. The letter should include:
- Whether the licensee is the plaintiff or defendant;
  - The dollar amount involved;
  - A brief description of the suit;
  - The status of the suit; and
  - An opinion on the probable outcome.
- D.D. Copies of all residential mortgage loan advertising marketed by licensee or personal loan advertising marketed by licensee.
- E.E. An organizational chart detailing ownership and affiliate relationships of the licensed entity.
- F.F. Provide your most recent Pipeline Report that includes all outstanding applications that have not been funded within the last 90 of the exam period.

## **SHORT SALES TRANSACTIONS**

- G.G. Provide your short sale negotiation fee schedule.
- H.H. List the total number of short sale transactions negotiated for the prior calendar year and YTD.
- I.I. List the total amount of short sale fees collected for the prior calendar year and YTD.
- J.J. What instruction do you provide to the settlement agent?
- a. How is the short sale fee disclosed on the HUD-1?
  - b. Which party pays the short sale fee?
- K.K. What type of documentation do you retain for short sale negotiation transactions?
- L.L. Do you contract with any third-parties for short sale negotiations (e.g. settlement agents, etc.)?

**CERTIFICATION**

\_\_\_\_\_, certifies that he/she is  
(Name of Authorized Representative)

\_\_\_\_\_, of \_\_\_\_\_ and that  
(Title of Authorized Representative) (Name of Licensee)

the foregoing answers, all information contained in attached supplemental schedules, and all other documentation submitted in response to this questionnaire are true and correct in all respects to the best of his/her knowledge and belief.

Certified this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
(Signature of Authorized Representative)