

# DOCUMENT REQUEST - COMPLIANCE REVIEWS - LENDING

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		
PE	A	General
X		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). <ol style="list-style-type: none"> <li>Consumer real estate loans</li> <li>Home equity loans</li> <li>Consumer construction loans</li> <li>Consumer installment loans</li> <li>Credit cards</li> <li>Overdraft protection</li> <li>Auto loans (direct and indirect)</li> <li>Government guaranteed loan programs</li> <li>Nontraditional mortgage products</li> <li>Subprime loans</li> <li>Reverse mortgages</li> <li>Student loans</li> <li>Any other loan product</li> </ol>
	X	Provide a list that describes all new lending products added since the previous safety and soundness exam. If no new lending products have been added, enter “NA.”
<b>Document Requests – General Information and Oversight</b>		
	X	Provide sample cosigner notices for consumer credit.
X		Provide a description of acquired loan portfolios, including types of loans and sources.
X		Describe any loan referral programs with third parties in which the credit union is involved. Include the types of loans involved, programs that involve both the making and/or receiving of referrals to or from a third party, and programs that involve both affiliated and unaffiliated third parties.
	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, commission, bonus or any other forms of compensation.
	X	Describe incentive compensation programs, including the types of loans covered by the 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 program(s).
<b>Nontraditional Mortgages</b>		
X		<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, note “NA.”  <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</i>

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		<i>“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>
X		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 cutoff).
	X	<p><u>Hybrid ARM:</u> List hybrid ARM products originated during the last two years and through the most recent quarter end. Order the 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 at origination of hybrid ARM products originated during the prior calendar year and through the most recent quarter end, separated by year. In addition, provide the number of these loans and the dollar volume “on book” separately for both the prior year-end and through the most recent quarter end.</p> <p><i>Note: Hybrid Arms have similar features of NTMs, 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.), and may or may not make the credit decision.</i></p>
	X	<p><u>Subprime loans:</u> List subprime mortgage loans <u>and/or</u> any other subprime loans that were offered during the prior two calendar years and through the most recent quarter end. Order the products by the year originated and note whether the product was made directly by the credit union or through a third party.</p> <p>Provide the number and dollar amount at origination of subprime loans originated during the prior calendar year and through the most recent quarter end, separated by year. In addition, provide the number of these loans and the dollar volume “on book” separately for both the prior year-end and through the most recent quarter end.</p> <p><i>Generally, subprime loans are loans to borrowers with an average FICO score of 660 or below. Subprime mortgage loans may include “2/28” and “3/27” hybrid adjustable rate mortgages (ARM), but could include more traditional products such as 30 year fixed rate loans and 3- to 5-year balloon notes.</i></p>
	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 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>
	X	If the credit union has a <u>non-mortgage</u> related “subprime lending program,” provide the number and dollar volume of loans made in the program(s) during the prior calendar year and through the most recent quarter end, separated by year.
	X	Provide copies of marketing materials in all available languages used within the last six months, for NTMs, hybrid ARMS, and/or subprime mortgages.

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PE	A	Truth in Lending Act(TILA) and implementing Regulation Z
Closed-end credit—General		
X		Provide sample application forms, disclosures, and notes for all closed-end credit.
X		Describe the credit union’s procedures for providing initial and subsequent disclosures for closed end credit. Describe the credit union’s internal controls to ensure compliance with the timing and accuracy of disclosure requirements.
X		Provide records of any testing performed by the credit union to verify the accuracy of initial and subsequent disclosures for closed-end credit.
	X	Provide sample right of rescission notices for all closed end credit offered by the credit union.
	X	Provide access to records of requests to rescind waivers of rescission periods.
	X	Provide written policies, telemarketing agreements, scripts, and disclosures in all available languages given to consumers regarding the sale of credit insurance, credit protection (e.g., debt cancellation agreements) and other auxiliary products and services for closed- end credit.
	X	Provide the credit union’s record retention policy.
Closed-end—HOEPA		
X		Indicate whether the credit union offers or plans to offer loans that are subject to the HOEPA, as implemented by Regulation Z. If it does, describe the credit union’s means of verifying income and the consumer’s ability to repay the debt.
X		Describe the credit union’s process for identifying HOEPA loans.
	X	Describe the credit union’s procedures for: a) issuing pre-closing disclosures for high cost mortgage transactions; b) handling requests to cancel the transaction prior to origination; C) handling requests for waivers of the waiting period for high cost mortgages.
	X	Describe the circumstances under which the credit union charges prepayment penalties for high cost mortgages.
	X	Provide access to records of requests to cancel or to waive the waiting period for high cost mortgages.
	X	Explain the credit union’s cut-off time for crediting loan payments relative to when they are received. Include the cut-off times for both mortgage loan products and other installment loan products.
	X	Indicate whether the credit union offers or plans to offer higher-priced mortgages. If it does, describe the credit union’s means of verifying income and the consumer’s ability to repay the debt
	X	Describe the institution’s policies for requiring escrows for higher-priced mortgages.
Closed-end—Private education loans		
X		<p>Indicate whether the credit union offers or finances the extension of private education loans.</p> <p><i>NOTE: Section 226.46(b)(5) of Regulation Z defines “private education loans” as an extension of credit that:</i></p> <ul style="list-style-type: none"> <li><i>a. Is not made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.);</i></li> <li><i>b. Is extended to a consumer expressly, in whole or in part, for postsecondary educational expenses, regardless of whether the loan is provided by the educational institution that the student attends;</i></li> <li><i>c. Does not include open-end credit that is secured by real property or a dwelling; and</i></li> <li><i>d. Does not include an extension of credit in which the covered educational institution is the creditor if:</i></li> </ul>

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		<p><i>i. The term of the extension of credit is 90 days or less; or an interest rate will not be applied to the credit balance and the term of the extension of credit is one year or less, even if the credit is payable in more than four installments.</i></p> <p>If it does, provide: a) written policies, including but not limited to underwriting and pricing; b) sample of marketing documents in all available languages, c) sample of consumer self-certification forms used; and d) any self-analysis of the institution's student lending.</p>
<b>Open-end—General</b>		
	X	Provide sample application forms, disclosures, and notes for all open-end credit plans offered by the credit union.
	X	Describe the credit union's procedures for providing initial and subsequent disclosures for all open end credit. Describe the credit union's internal controls to ensure compliance with the timing and accuracy of disclosure requirements.
	X	Provide records of any testing performed by the credit union to verify the accuracy of initial and subsequent disclosures for open-end credit.
	X	Provide sample right of rescission notices for account opening, credit line increases and additional security.
	X	For each open-end credit plan, provide copies of three (consecutive) actual periodic billing statement sent to a customer where a finance charge was imposed for <b>two consecutive billing</b> periods (copy both sides of the statements).
	X	If the billing error notice is not included with the periodic billing statement, provide copies of the annual billing error notice sent to open-end customers.
	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.
<b>Open-end credit (home secured)</b>		
	X	During the prior two calendar years and through the most recent quarter end, indicate 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 notifying consumers when their mortgage loan has been sold or transferred as required by the Helping Families Save Their Homes Act of 2009 and the implementing Regulation Z.
	X	Describe the credit union's policy for reducing or suspending the credit limit of HELOCs during the prior two calendar years and through the most recent quarter end. Describe any changes made to the policy and reasons for the changes.
	X	Describe the procedures for handling requests to cancel HELOC transactions prior to loan closing.
	X	Provide a copy of the HELOC Brochure.
<b>Open-end —Not home- secured</b>		
	X	Indicate whether the credit union offers credit cards, either directly or through a third party. If so, indicate whether: <ul style="list-style-type: none"> <li>a. The cards are through "Take One" applications available at the credit union, and not on the credit union's books (credit union is not the creditor).</li> <li>b. The cards are through "Take One" applications or other means, and on the credit union's books (credit union is creditor)</li> <li>c. The credit union is the card issuer.</li> </ul>
	X	Indicate whether the credit union offers Multi-Feature Open End Lending (example: <i>LoanLiner</i> )

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TILA—Other		
	X	Describe the circumstances (and indicate when) the credit union provides revised TILA disclosures.
	X	Explain the credit union’s cut-off time for crediting loan payments relative to when they are received. Include the cut-off times for both mortgage loan products and other installment loan products.
	X	Describe the credit union’s policy for assessing late fees on mortgage loans, including upon those loans that were partially paid. Explain the credit union’s policies and procedures related to partial payments.
	X	Provide documentation on any TILA reimbursement made in response to your policies and procedures or in response to a court or agency request or order pursuant to the Truth in Lending Act since the previous safety and soundness exam
	X	Provide a copy of the Consumer Handbook on Adjustable rate Mortgages or a suitable substitute used for variable rate loans secured by a consumer’s principal dwelling.
	X	Provide a list of all indices used by the credit union for Adjustable Rate Mortgage loans, HELOCS, or for other types of variable rate loans since the previous safety and soundness exam

PE	A	Real Estate Settlement Procedures Act (RESPA) and implementing Regulation X
	X	Provide details about any fees charged for taking a loan application, 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.
	X	Provide the following information if the institution 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: <ul style="list-style-type: none"> <li>a. Provider(s) names</li> <li>b. Types of services rendered</li> <li>c. Amount of customary charges imposed</li> </ul>
	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 real estate mortgage lending.
	X	Provide details about any affiliated business arrangement the credit union has, as defined in Section 3(7) of the Real Estate Settlement Procedures Act. Provide same disclosures given to borrowers regarding any such arrangements.
	X	Describe the specific items included in the institution's escrow accounts for <i>federally related mortgage loans</i> as defined in 24 CFR 3500.2(b).
	X	Indicate whether the institution provides a disclosure pertaining to the assignment, sale, or transfer of loan servicing to each person who applies for a <i>mortgage-servicing loan</i> as defined in 24 CFR 3500.21(a).
	X	Describe the institution's application, disclosure, and closing processes (disclosure types provided and timing) for all types of consumer real estate loans offered.
	X	Describe the circumstances (and time period) under which revised GFEs are provided.
	X	Describe the controls and review processes the credit union has implemented to ensure compliance with required tolerances between fees disclosed on the GFE and the HUD-1 or HUD-1/A.
	X	Provide a sample of the disclosure pertaining to the assignment, sale, or transfer of loan servicing provided to persons who apply for <i>mortgage-servicing loans</i> as defined by 24 C.F.R. Section 3500.21(a).
	X	Provide a copy of the Special Information Booklet given to residential mortgage loan applicants.

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	X	Provide samples of initial and annual escrow account disclosures. Provide policies and procedures relating to qualified written requests, and describe the number of requests the credit union declined to treat as qualified written requests.
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PE	A	Homeowners Protection Act
	X	Describe the credit union's policy and procedures to provide notices under the Homeowners Protection Act to allow consumers to terminate private mortgage insurance.
	X	Provide copies of initial disclosures required by Section 4(a) of the Act (at consummation) for fixed-rate, adjustable-rate, and high risk residential mortgages.
	X	Provide copies of initial disclosures required by Section 6(c) of the Act (at commitment) for residential mortgage loans with lender paid private mortgage insurance (PMI).
	X	Provide sample amortization schedules (showing actual transactions) for each type of loan.
	X	Provide copies of annual disclosures for fixed-rate, adjustable-rate, and high risk residential mortgages; loans with lender paid PMI; and annual disclosures for existing loans that consummated prior to 7/29/1999.
	X	Provide access to records of requests for cancellation since previous safety and soundness exam.
	X	Provide a report of loans for which PMI was terminated since previous safety and soundness exam.
	X	Provide access to records of reviews and system testing (including computer program documentation) to confirm that calculations of amortization and loan to value ratios are accurate since previous safety and soundness exam.

PE	A	Consumer Leasing Act
	X	Indicate whether the credit union (or its subsidiaries or affiliates such as vehicle finance companies, or other finance companies) offer consumer leases.
	X	Provide the most recent trial balance for consumer leases.
	X	Provide sample disclosure statements used or distributed to dealers since previous safety and soundness exam.
	X	Provide sample advertising materials used in the last six months in connection with the credit union's leasing program
	X	Provide the credit union's internal procedures and controls to assure compliance with the Consumer Leasing Act.

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PE	A	<b>SAFE Act</b>
X		Provide the names, titles, e-mail addresses and phone numbers (or extensions) of the officers and/or credit union personnel who are acting as the SAFE Act System Administrator
X		Provide the most recent listing of registration numbers of its Mortgage Loan Originators
	X	Describe the credit union's method of making the registration list available to any loan applicant
	X	Provide the credit union's internal procedures and controls to assure compliance with the SAFE Act.
X		Provide a copy of the report of the last annual independent testing for compliance with the SAFE Act.

PE	A	<b>Home Mortgage Disclosure Act</b>
X		Provide the names, titles, e-mail addresses and phone numbers (or extensions) of the officers and/or credit union personnel who are responsible for the Loan Application Register and HMDA
X		Provide copies of the last two annual HMDA reports