

SECONDARY MORTGAGE BROKER/LENDER/SERVICER OFFICER/MANAGER QUESTIONNAIRE

This questionnaire is to be completed by either an officer or a manager of the licensee/registrant. The information provided in this report is considered confidential as it is intended for use during the examination/investigation of licensee's/registrant's secondary mortgage activity, conducted under the Secondary Mortgage Loan Act (SMLA), and/or the Consumer Financial Services Act (CFSA). Please attach additional pages as necessary.

1. Has licensee/registrant been involved in any litigation or judgments in the last two years? If yes, attach a description of each case. Yes No

2. Does licensee/registrant have any affiliated companies? If yes, attach a list and describe the affiliation. Yes No

3. Is licensee/registrant approved with any of the following: (If yes, check all that apply.) Yes No
 FHA VA FNMA FHLMC GNMA

4. In the last two years, has licensee/registrant made or brokered any secondary lien Michigan mortgage loans that are considered high cost or higher priced mortgage loans, pursuant to Regulation Z? If yes, provide a list. Yes No

5. In the last two years, has licensee/registrant brokered, made, or serviced any secondary lien mortgages secured by Michigan property? If yes, indicate the type of activity. Yes No
 broker lender servicer

6. Do other companies or independent contractors broker or provide sub-servicing on secondary lien Michigan mortgage loans for licensee/registrant? If yes, attach a list of these companies/individuals and describe the services provided. Also, please attach a copy of any contract or agreement. Yes No

7. Does licensee/registrant have a warehousing line(s) of credit or other form of credit for funding secondary lien Michigan mortgage loans or used in connection with the servicing of secondary lien mortgage loans? If yes, attach a copy of the agreement(s) and a list of the loans currently outstanding on the line(s) of credit, as well as a recent report of the outstanding balance. Yes No

8. Does licensee/registrant impose a minimum mortgage loan amount greater than \$10,000 or a minimum home improvement loan amount greater than \$1,000 for secondary mortgage loans secured by Michigan property? If yes, explain and identify any minimum imposed: _____ Yes No
9. Does licensee/registrant maintain policies concerning its criteria for approval or denial of a secondary lien Michigan mortgage loan? If yes, provide a copy. Yes No
10. Is licensee/registrant currently delinquent (more than 60 days past due) on any account owed to a vendor, such as an appraiser or credit reporting agency, tax service provider, or a foreclosure attorney? If yes, explain. Yes No
11. Does licensee/registrant conduct any activities at the business location(s) other than mortgage activity? If yes, explain. Yes No
12. In the last two years, has licensee/registrant had any branch or satellite offices? If yes, attach a list identifying the location, dates opened or closed, whether the branch originates Michigan mortgage loans, as well as a description of any servicing functions performed at each location. Yes No
13. Do title agencies conduct all secondary lien Michigan mortgage loan closings? If no, explain. Yes No
14. In the last two years, has any business agreement between licensee/registrant and a lender, an investor, or a sub-servicer been terminated by either party, for reasons other than insufficient volume? If yes, explain. Yes No
15. In the last two years, has licensee/registrant made or brokered any secondary lien Michigan mortgage loans, which defaulted in the first year? If yes, explain. Yes No
16. In the last two years, has any regulatory action been taken against any license/registration held by the licensee/registrant or its principals? If yes, explain. Yes No
17. In the last two years, has licensee/registrant had an audit of its books and records, either financial or regulatory in nature, which includes any examinations by other state or federal regulators? If yes, provide copies of the reports. Yes No
18. Has licensee/registrant performed any quality control reviews, either internally or externally? If yes, for the last two reviews provide the date the review was conducted, a copy of the report, and a description of any Yes No

action taken as a result of the findings.

19. Does the licensee/registrant have a written information security program to protect customer information? If yes, provide a copy. Yes No
20. Does the licensee/registrant believe that its disposal practices will reasonably protect against unauthorized access to or use of the information? Provide a description of current disposal practices or procedures. Yes No
21. Does the licensee/registrant, as part of its information security program, do the following:
- a. Designate one or more employees to coordinate the safeguarding of information? Yes No
 - b. Identify and assess the risk to customer information in each relevant area of the licensee/registrant's operation and evaluate the effectiveness of the current safeguards for controlling these risks? Yes No
 - c. Implement safeguards to control the risks identified and regularly monitor or test their effectiveness? Yes No
 - d. Select service providers that maintain appropriate safeguards for customer information? Yes No
 - e. Evaluate and adjust the program in light of relevant circumstances, including changes in the licensee/registrant's business arrangements or operations, or the results of testing or monitoring safeguards? Yes No
22. Does the risk assessment in the information security program include consideration of risks in the following areas:
- a. Employee training and management? Yes No
 - b. Storage, disposal, and transmission of electronic information? Yes No
 - c. Storage and disposal of hard-copy documents and information? Yes No
 - d. Managing system failures? Yes No
23. Does the licensee/registrant have a policy or procedure to determine that a consumer report relates to the consumer for which it was requested when a notification of address discrepancy is provided by the credit reporting agency? If yes, provide a copy. Yes No
24. Does the licensee/registrant have a written Anti-Money Laundering program? If yes, please provide a copy. Yes No
- a. Does the program incorporate policies, procedures, and internal controls based upon the company's assessment of the money laundering and terrorist financing risks including provisions for complying with subchapter II of chapter 53 of title 31? Yes No
 - b. Designate a compliance officer who is responsible for implementation, monitoring, updating, and education of appropriate Yes No

- employees?
- c. Provide on-going training of appropriate persons concerning responsibilities under the program? Yes No
- d. Provide for independent testing to monitor and maintain an adequate program including testing to determine compliance of the company's agents and brokers with their obligations under the program? Yes No
25. Does the licensee/registrant have a written Identity Theft Prevention Program? If yes, please provide a copy. Yes No
- a. Is there a periodic risk assessment? Yes No
- b. Does the program identify, detect, and respond to red flags? Yes No
- c. Is the program updated periodically? Yes No
- d. Does the program include management oversight, staff training, and appropriate oversight of service providers? Yes No
26. Does licensee/registrant maintain copies of all creditor/broker compensation agreements? Provide copies of all agreements relevant to secondary lien Michigan mortgage loans for the last 12 months. Yes No
27. Does licensee/registrant have written compensation agreements with its loan originators that are employees/agents? Provide copies of all agreements relevant to secondary lien Michigan mortgage loans for the last 12 months. Yes No
28. Does licensee/registrant have any contracts with outside vendors for services such as processing, underwriting, closing, quality control, tax services, or disposal services? If yes, provide copies of the contract(s) covering the last 12 months. Yes No
29. State licensee's/registrant's fiscal year-end:

Provide the following:

30. A list of all licensee/registrant's bank accounts for the last 12 months. Include account numbers and describe what each account is used for.
31. For each bank account in which escrow funds are maintained, provide the most recent bank statement, the escrow liability at the end of the period for each individual related servicing account, and the corresponding reconciliation. For all additional bank accounts, provide statements for the last 6 months and corresponding reconciliation for each current bank account.
32. Three months of clearing account statements.

33. The check registers or ledgers for 12 months on all bank accounts.
34. The most recent general ledger trial balance, balance sheet and income statement for licensee/registrant.
35. Payroll records, including transaction-specific compensation detail, for loans identified by the Examiner for review.
36. A list, preferably in Excel, of all secondary lien Michigan mortgage loan applications received in the last 24 months. Include the following fields:
 - a. Loan originator name
 - b. Loan originator NMLSR ID#
 - c. Processor name
 - d. Processing entity (if applicable)
 - e. Applicant name
 - f. Loan number
 - g. Application date
 - h. Date closed, if applicable
 - i. Status of application (closed, withdrawn, denied, in process, or rescinded)
 - j. Property address (including street address and city)
 - k. Property type (primary residence, secondary residence, investment)
 - l. Loan amount
 - m. Rate type (fixed, adjustable)
 - n. Loan purpose (purchase, refinance, traditional [for reverse mortgage only])
 - o. Loan program (conventional, FHA, VA, HELOC, etc.)
 - p. Branch office, if applicable
 - q. Lender of record, the entity to whom the note was initially payable
 - r. Funder (if different than lender of record)
 - s. Broker of record (if loan was brokered to lender)
 - t. Compensation source for fixed rate second mortgages (lender paid/borrower paid)
37. A list of all secondary lien Michigan mortgage loans, which have been rescinded, pursuant to Regulation Z within the last 24 months.
38. A list of all lenders or investors to which secondary Michigan mortgage loans were brokered or sold in the last 24 months. Identify which companies close the loans under their name.
39. A copy of the correspondent agreement(s) with the top five investors and brokers used in connection with secondary lien mortgage loans.
40. A list of all current and past employees/agents (including branch office employees/agents) for the last 24 months, including job titles, date hired, date terminated, and the reason for leaving if they are no longer employees/agents.
41. A job description for each job classification.

42. Copies of all W-2 or 1099 statements issued during the last two years.
43. Copies of all policies and procedures established, including but not limited to:
 - a. The practice for reimbursing the borrower for any tolerance violations
 - b. The practice for complying with the anti-steering provision of Regulation Z
 - c. Mortgage loan origination
 - d. Mortgage loan processing
 - e. Mortgage loan underwriting
 - f. Mortgage loan closing
 - g. Marketing/Advertising of secondary lien mortgage loans
 - h. Post-closing
 - i. Fees charged in connection with secondary lien mortgage loans
 - j. Approval or denial of a secondary lien mortgage loan
 - k. Document retention for secondary lien mortgage loans
 - l. Loan boarding
 - m. Transferring of accounts to other servicers
 - n. Payment processing
 - o. Loss mitigation for secondary lien mortgage loans
 - p. Force placed insurance
 - q. Corporate advances
 - r. Reporting to the credit reporting agencies
 - s. Escrow administration
 - t. Customer service
 - u. Error resolution/Information requests received
 - v. Payoff process and discharge of mortgage
 - w. E-Sign Act
44. A list of licensee/registrant's officers, directors, and shareholders, if a corporation; members, if a limited liability company; or partners, if a partnership. Include percentage of ownership.
45. Copies of corporate records – board minutes, corporate resolutions, etc. (or equivalent if other form of entity)
46. Name, address and phone number of licensee/registrant's legal counsel.
47. Copies of all secondary lien advertising licensee/registrant has done in Michigan within the last 24 months. If applicable, provide copies of all marketing materials, including but not limited to, print materials (print ads, brochures, direct mailings, flyers, etc.), radio or television transcripts, telemarketing scripts, internet screen shots, email solicitations, social media cite ads and any instructions on oral solicitations by sales staff. Include the date and venue for publication or use of each item. If employees/agents advertised secondary lien loan origination services related to Michigan mortgage loans, provide copies, as well.

- 48. All licensee/registrant's website addresses.
- 49. Flow charts of all processes related to servicing, if available.
- 50. A list of all investors for which licensee/registrant has serviced Michigan mortgage loans during the last two years. Also provide copies of the servicing agreements.
- 51. A list of screens and codes utilized in the servicing platform along with the corresponding descriptions.
- 52. A list of fees assessed in connection with the servicing of secondary lien Michigan mortgage loans, such as insufficient funds, attorney fees, delinquency charges, or other corporate advances.
- 53. Organizational chart(s)
- 54. Indicate office hours and days office is open, including Saturdays, if applicable. If branch offices have different hours please list those, as well.

I certify that all information, provided in response to this questionnaire, is true and correct to the best of my knowledge.

Signature Title Date

Printed Name Printed Title

Name of Licensee/Registrant