



**MORTGAGE LENDER REPORT OF 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:

**Licensing and locations**

- 1. Is the current Oregon mortgage lender license displayed?.....  Yes  No
- 2. Does the licensee have branch-office locations? .....  Yes  No
- 3. Are all branch offices properly licensed? .....  Yes  No
- 4. Are addresses current with the Division of Finance and Corporate Securities? .....  Yes  No
- 5. Has there been any change in ownership or control? .....  Yes  No

**Personnel ledgers**

- 6. Does the licensee maintain personnel ledgers? See OAR 441-865-0050 .....  Yes  No
- 7. Does the ledger contain:
  - 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
- 8. Does the licensee's list of all loan originators include the following:
  - 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
  - h. Copies of completion certificates for education courses and testing?.....  Yes  No
  - i. Criminal records check completed and on file?.....  Yes  No

**Advertising files**

- 9. Does the licensee maintain copies of all print ads? (OAR 441-865-0030) .....  Yes  No
- 10. Does the licensee maintain copies of scripts or audio/video tapes of broadcast advertising? .....  Yes  No
- 11. Does the licensee maintain copies of recorded telephone messages or voice-mail messages that contain rate information? .....  Yes  No
- 12. Does the advertising use:
  - a. Emblems or logos that resemble those of any government agency? .....  Yes  No
  - b. Envelopes that resemble official government mailings? .....  Yes  No
  - c. 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
  - d. The phrase “wholesale rates”? .....  Yes  No
- 13. Does the advertising identify the mortgage lender by any name other than the firm name or DBAs listed on the license? .....  Yes  No

**Private investor files**

- 14. Does the licensee use private investor funds? .....  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 (See OAR 441-865-0080):
  - 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
  - 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**, establishment and administration (OAR 441-875-0030 through 441-875-0040)

- 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. Are the notice of clients' trust account and authorization to examine clients' trust account on file correct?.....  Yes  No
- 21. Are checks and deposit slips imprinted with the words "Clients' Trust Account"?.....  Yes  No
- 22. Is the clients' trust account reconciled on a monthly basis? .....  Yes  No
- 23. Is the reconciliation signed and dated by an officer, director, or control person?.....  Yes  No
- 24. Has the licensee deposited all the trust funds within three banking days?.....  Yes  No
- 25. Has the licensee commingled trust funds with other funds?.....  Yes  No
- 26. Has the mortgage lender held the funds until the required service has been provided?.....  Yes  No
- 27. Were all funds paid from the clients' trust account paid by pre-numbered check?.....  Yes  No
- 28. Does the licensee maintain a subsidiary ledger that shows the following:
  - a. All receipts and disbursements?.....  Yes  No
  - b. The name of the payee?.....  Yes  No
  - c. The date of payment? .....  Yes  No
  - d. The amount of payment?.....  Yes  No
  - e. The purpose of the payment, including identification of the loan to which it relates, if any?.....  Yes  No
- 29. Does the subsidiary ledger maintain a running total of every transaction pertaining to the clients' trust account? .....  Yes  No
- 30. Does the subsidiary ledger balance to the amount in the clients' trust account?.....  Yes  No
- 31. Does the licensee identify the file or borrower on every deposit by a written notation or a photocopy of the check or funds? .....  Yes  No
- 32. Are all checks used for trust-fund purposes only?.....  Yes  No
- 33. Do the branch offices maintain separate clients' trust accounts? .....  Yes  No
- 34. Does the licensee maintain a record of all persons who have signatory authority on the clients' trust account(s)?.....  Yes  No
- 35. Are all checks, including voided checks, accounted for?.....  Yes  No

**Loan file review**

- 36. Is there an executed loan application? (OAR 441-865-0060).....  Yes  No
- 37. Is a loan originator named on licensee’s application filed with DFCS? .....  Yes  No
- 38. Is there a copy of the fee agreement, if used? .....  Yes  No
- 39. Concerning lock agreements:
  - a. Borrower-acknowledged statement that loan interest rate will float or a copy of the executed lock agreement? (OAR 441-865-0060) .....  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
- 40. Copy of the Good Faith Estimate? (OAR 441-865-0060).....  Yes  No
- 41. Copy of an executed release of credit information form? (OAR 441-865-0060) .....  Yes  No
- 42. Copy of a credit report? (OAR 441-865-0060).....  Yes  No
- 43. Copy of Truth in Lending disclosure form? (OAR 441-865-0060).....  Yes  No
- 44. Copy of Privacy Policy Notice for applications taken after July 1, 2001?.....  Yes  No
- 45. Does the file contain any blank documents signed by the borrower? .....  Yes  No
- 46. For closed loans, a copy of the HUD, HUD 1A Settlement Statement? (OAR 441-865-0060).....  Yes  No
- 47. For loans funded in the licensee’s name, a copy of the Right of Rescission, if it is a refinance? .....  Yes  No
- 48. For home equity and refinance loans, a copy of Section 32 disclosures for high-cost/high-rate loans? (OAR 441-865-0060).....  Yes  No
- 49. For loans closed in the licensee’s name, a copy of the notice to borrower of penalty for repayment prior to date for repayment in the loan agreement? (ORS 82.160).....  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: \_\_\_\_\_