

S.C. DEPARTMENT OF CONSUMER AFFAIRS
MORTGAGE BROKER (MB) COMPLIANCE REVIEW
ANALYSIS FOR CLOSED LOANS

Name of Mortgage Broker _____

Name of Lender _____

Address of Lender _____

Credit Report Date ____/____/____ Amount Charged \$ _____

1. Originally signed and date loan application Application ____/____/____

Type of Mortgage: VA FHA FMHA Conventional

Loan Purpose: Purchase Refinance Construction Other

Consumer(s) _____

Address: _____

Subject Property Address: _____

Residence Phone No.: _____ Business Phone No.: _____

Application Taken By: Phone Face-to-Face Mail Other

Yes No

a. Is the mortgage loan application properly signed and date by each consumer(s)?

b. Is the mortgage loan application properly signed and dated by the interviewer?

Date: ____/____/____ Name: _____ Registration No. _____

c. Is the section on page 3 of the application regarding interviewer's employer's name and address properly completed?

2. **Mortgage Broker Fee Agreement** MB Agreement Date ____/____/____

a. If applicable, does the file contain a photocopy of the written cover letter that was mailed or delivered by the MB within three business days of receipt of the application for credit or pulling credit, whichever is earliest, that disclosed the MB fee agreement? Date of Notice: ____/____/____

b. Did the broker mail or deliver to the consumer(s) the broker fee agreement

within three (3) business days of the receipt of the application for credit or credit being pulled, whichever is earliest?

- c. For loans in which the application process was begun as of January 1, 2004, is the broker fee agreement in compliance with S.C. High Cost and Consumer Home Loan Act?
- d. Does the file contain an original MB agreement with an initial specified time of ninety (90) days or less?
- e. Under the disclosure “Who Do I Represent...”, is the agreement properly completed with either the broker company name or originator’s name or a general statement to this effect?
- f. If applicable, does the agreement contain a disclosure with required wording regarding whether the broker is an agent and/or has an agency relationship with any other person?
- g. Under the disclosure “We will provide the following services...”, does the agreement properly disclose the broker services and fees or state “See attached Good Faith Estimate”, as required?
- h. Under the Lender Payments to Broker (Yield Spread Premium) disclosure, does the agreement contain all the required disclosures?
- I. Does the MB agreement contain the typed or printed name(s) of the consumer?
- j. Is the MB agreement signed and dated in the consumer(s) own handwriting?
- k. Is the MB agreement signed and dated by the mortgage broker?

FEE WORKSHEET FOR DETERMINING HIGH COST LOAN(S)

Borrower's Name: _____

MB Fee Agreement Date: _____

Yield Spread Premium: \$ _____

(or other Lender payment)

Loan Amount \$ _____

____% Of lender payment to broker in relation to
Loan Amount
(Add. Comp. divided by loan amount)

Itemization of Points, Fees and Commissions:

Broker Fees Only

Loan Origination Fee/ Broker Fee \$ _____
Processing Fee \$ _____

Total Point Fee Comm \$ _____

To further complete the calculations for the test for a high cost loan at this point you must go to the Good Faith Estimate and calculate the the following fees

Loan Origination Fee	\$ _____
Loan Discount Fee	\$ _____
Mortgage Broker Fee	\$ _____
Processing Fee	\$ _____
(Both Broker and Lender)	
Tax Related Service Fee	\$ _____
Doc Prep Fee	\$ _____
Underwriting Fee	\$ _____
Administrative Fee	\$ _____
Commitment Fee	\$ _____
Application Fee	\$ _____
(Lender Only)	\$ _____
Other	\$ _____
Total	\$ _____

____% of Points, Fees & Comm in relation to Loan Amount

(Total Points, Fees & Commissions divided by Loan Amount)* **Prepayment Penalties:**

If this percentage is 5% or more, then counseling would automatically be required at this point.

Total Broker Compensation \$ _____

(Lender Pmts plus total points, fees & commission)

If applicable, for loans in excess of \$150,000,

the amount of the penalty in excess of 2%

\$ _____

Of total Broker Comp. in relation to total loan amount

____% (Total compensation divided by loan amount)

\$ _____

NOTE: The High Cost Home Loan fees text applies to a primary residence only; the 5% fee test applies when the total loan amount is \$20,000 or more.

____% of Total Broker, Lender fees and any excess prepayment penalty fee over 2% (Total fees divided by Loan Amount)

NOTE: The Yield Spread Premium is NOT included in the Fees test.

Designated Seller paid fees on Good Faith Estimate are not included in the fee test.

**If the amount is 5% or more, the counseling requirement would be triggered.

3. Good Faith Estimate

Date Signed: ____/____/____

Date Prepared: _____/_____/_____

Yes No

- a. If applicable, does the file contain a photocopy of the written cover letter that was mailed or delivered by the MB within three (3) business days of receipt of the application for credit or pulling credit, whichever is earliest, that disclosed the Good Faith Estimate?
- b. Did the broker mail or deliver to the consumer(s) the Good Faith Estimate within three (3) business days of receipt of the application for credit or credit being pulled, whichever is earliest?
- c. Does the file contain an original Good Faith Estimate that was delivered or mailed by the MB that is signed and dated by each consumer?
- d. Does the Good Faith Estimate contain a disclosure for any additional compensation; i.e. yield spread or service release premium, par pricing, etc.?
- e. If yes, is the anticipated additional compensation properly disclosed?

Type:: Yes No Dollar Amt. or Dollar Range Yes No
 Amount: \$ _____ Comments: _____

f. Calculation of Prepaid Finance Charges

\$ _____	Loan Origination Fee	\$ _____	Loan Amount
_____	Loan Discount Fee	_____	Total Prep. Finance
	Minus		Charges
_____	Broker Fee	_____	Amount Financed
_____	Processing Fee		
_____	Tax Related Service Fee	_____	Total Estimated
_____	Wire Transfer Fee		Settlement Charges
_____	Document Prep Fee		
_____	Underwriting Fee		
_____	Administrative Fee		
_____	Flood Certificate Fee		
_____	Courier Fees		
_____	Interim Interest		
_____	Mortgage Insurance Premium		
_____	Mortgage Insurance Reserves		
_____	Other		

\$ _____ TOTAL PREPAID FINANCE CHARGES

4. **Estimated Truth-in-Lending Statement** Date Signed: _____/_____/_____
 Date Prepared: _____/_____/_____

Yes No

- a. If applicable, does the file contain a photocopy of the written cover letter that was mailed or delivered by the MB within three (3) business days of receipt of the application for credit or pulling of credit, whichever is earliest, that disclosed the Estimated Truth-in-Lending Statement?

Date of Notice: _____/_____/_____

- b. Did the Broker mail or deliver to the consumer(s) the Estimated Truth-in-Lending Statement within three (3) days of receipt of the application for credit or credit being pulled, whichever is earliest?

- c. Does the file contain an original Estimated Truth-in-Lending Statement that was delivered or mailed by the MB that is signed and dated by each consumer?

- d. Is the following financial information properly disclosed: The Annual Percentage Rate (APR); the Finance Charge. the Amount Financed; the Total of Payments; and the Payment Schedule?

- e. Is the disclosed APR accurate? Record the APR _____
 Payments: _____ @ \$ _____
 _____ @ _____
 _____ @ _____

Amount Financed: \$ _____

- f. Is the section regarding late charges, prepayment penalties, etc. properly completed?

- g. Does the Estimated Truth-in-Lending Statement contain a designation that the figures disclosed are estimated? For example, "e means an estimate."

5. **Attorney/Insurance Agent Preference Form** Date Signed: _____/_____/_____

- a. If applicable, does the file contain a photocopy of the written cover letter that was mailed or delivered by the MB within three (3) business days of receipt of the application for credit or pulling credit, whichever is earliest, that disclosed the Attorney/Insurance Agent Preference form?

Date of Notice: _____/_____/_____

- b. Did the broker mail or deliver to the consumer(s) the Attorney/Insurance Agent Preference form within three (3) business days of the receipt of the application for credit or credit being pulled, whichever is earliest?

Yes No

- c. Does the file contain an original attorney/insurance agent preference form that is substantially similar to the form distributed by the SCDCA?

- d. Are the preference sections of the attorney/insurance agent preference form properly executed in the consumer's own handwriting?

Name of selected closing agent:

Name of selected insurance provider:_____

- e. Is the attorney/insurance agent preference form signed and dated in the consumer(s) own handwriting?

6. **Privacy Notice**

Date Signed ____/____/____

- a. If applicable, does the file contain a photocopy of the written cover letter that was mailed or delivered by the MB within three (3) business days of receipt of the application for credit or pulling credit, whichever is earliest, that disclosed the Privacy Notice Form:

Date of Notice: ____/____/____

- b. Did the broker mail or deliver to the consumer(s) the privacy notice within three (3) business days of receipt of the application for credit or credit being pulled, whichever is earliest?

- c. Does the file contain a copy of the Privacy Notice delivered to the consumer(s)?

- d. Does the Privacy Notice contain the required working as set forth by the Gramm-Leach-Bliley Act?

- e. Did the consumer(s) sign and date the Privacy Notice?

7. **Acceptance of Advance Third -Party Fees**

- a. If applicable, did the MB accept advanced third party fees?

- b. If yes to question "a", did the MB collect the actual cost of the third party services?

- c. Does the file contain a photocopy of the consumer's method of payment for third-party services?

- d. Date and amount of advance third-party fees accepted by MB:

Date Paid: _____/_____/_____
Dollar Amount \$ _____

8. **Receipts and/or Invoices from Third-Party Providers**

Yes No

a. If applicable, does the file contain original receipts and/or invoices from service providers?

Indicate the types of receipts and/or invoices: _____

b. If yes to question "a", do the amounts of the receipts and/or invoices match the charges for the services listed on the Final Itemization of Amount Financed and/or Final HUD Settlement Statement?

9. **Final Truth-in-Lending Statement** Amount Financed: \$ _____

a. Does the file contain a photocopy of the TIL disclosure that the consumer(s) received at the mortgage loan closing?

b. Is the Final TIL disclosure statement signed and date by the consumer(s)?

Date Signed: _____/_____/_____

c. If yes to question "a", are the financial disclosure sections of the TIL disclosure statement accurate?

Record the APR _____

Payments: _____ @ \$ _____

d. Is the APR on the Final TIL within .125% of the APR disclosed on the Estimated TIL Statement in a regular transaction of .25% in an irregular transaction?

e. Are the terms that same on the Final TIL as disclosed on the Estimated TIL Statement?

f. If no to either "d" or "e" above, did the broker re-disclose another Estimated TIL to the consumer(s) prior to the loan closing which was signed and dated by the consumer prior to the loan closing with the increase in APR or change in terms?

Payments: _____ @ \$ _____

g. If applicable, is there a prepayment penalty disclosed?
NOTE: Loans of \$150,000 or less are not allowed in South Carolina.

Yes No

- h. If yes, is the amount of the penalty in excess of 2% of the loan amount?
Refer to mortgage/note for amounts.
- I. If yes, did the initial Estimated Truth-in-Lending Statement or re-disclosure properly disclose a prepayment penalty?
- j. If yes, to "h", was the dollar amount in excess of 2% calculated into the fees test for determining a high cost loan?

10. Final Itemization of Amount Financed and/or HUD Settlement Statement

- a. Does the file contain a photocopy of the Itemization of Amount Financed and/or HUD Settlement Statement that the consumer(s) received at the mortgage loan closing?
- b. If "yes" to question "a", is the HUD Settlement Statement properly signed by each consumer?

11. Analysis of Settlement Statement

Loan Closing date: _____/_____/_____ Closing agent: _____
 Within 90 days MB agreement
 Matches A/I form

Loan Amount \$ _____

Loan origination fee	\$ _____	Credit report fee:	\$ _____	Need billing statement
Loan Discount Fee:	\$ _____			
Broker Fee:	\$ _____			
Processing Fee:	\$ _____	Appraisal Fee:	\$ _____	Need Invoice
Other fees:	\$ _____	Courier Fees:	\$ _____	Need billing statement

Comments: _____

Amt. of additional compensation (premium) \$	Properly disclosed
Estimated settlement charges \$ _____	Total settlement charges \$ _____
Quick test SCHC & CHLA	Total settlement charges minus payoffs: \$ _____
	Divided by loan amount: \$ _____
	If 5% or higher, further calculations required.

12. Mortgage broker fee check

- a. Does the file contain photocopies of all check for MB fees, premiums, rebates and other fees whether received from the loan proceeds or directly from the lender or investor?
 Check amount \$ _____ Date of Check: _____/_____/_____
 Check amount \$ _____ Date of Check: _____/_____/_____

Comments: _____

Yes No

b. If yes to questions "a", is the amount of the MB's fee check equal to or less that the MB fee amount disclosed on the broker fee agreement?

13. **Notice of Right to Rescind or Cancel** Date Signed: ____/____/____

Yes No

a. If applicable, does the file contain a photocopy of the Notice of Right to Rescind or Cancel that the consumer(s) received at the mortgage loan closing?

b. If yes to question "a", is the rescind or cancel notice properly signed and dated by each consumer?

Comments:

Date Prepared: ____/____/____ Prepared by: _____