

BROKER/LENDER 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 licensee's examination/investigation, conducted under the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 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, brokered, or serviced any reverse mortgages secured by Michigan property? (If yes, check all that apply.) ☐ Yes ☐ No
☐ HECM ☐ Proprietary
 - a. If made or brokered HECM reverse mortgages, provide a current copy of the list of counseling agencies given to applicants before application.
- 5) In the last two years, has licensee/registrant made or brokered any Michigan mortgage loans that are considered high cost or higher priced mortgage loans, pursuant to Regulation Z? If yes, provide a list. ☐ Yes ☐ No
- 6) In the last two years, has licensee/registrant brokered, made, or serviced any first-lien mortgages secured by Michigan property? If yes, indicate the type of activity. ☐ Yes ☐ No
☐ broker ☐ lender ☐ servicer
- 7) In the last two years, has licensee/registrant brokered, made, or serviced any junior-lien mortgages secured by Michigan property? If yes, indicate the type of activity. ☐ Yes ☐ No
☐ broker ☐ lender ☐ servicer
- 8) Do other companies or independent contractors broker Michigan mortgage loans to licensee/registrant? If yes, attach a list of these companies/individuals. ☐ Yes ☐ No

- 9) Does licensee/registrant charge a fee for locking an interest rate on Michigan mortgage loans? ☐ Yes ☐ No
If yes, does licensee/registrant have a written rate lock agreement? ☐ Yes ☐ No
Provide a blank copy.
- 10) Does licensee/registrant have a warehousing line(s) of credit or other forms of credit for funding Michigan mortgage loans? If yes, attach a copy of the agreement(s) and a report of all mortgage loans funded on the warehouse line, including the length of time each loan was pledged as security on the line, for the past 12 months. ☐ Yes ☐ No
- 11) In the last two years, has licensee/registrant serviced any Michigan mortgage loans? If yes, provide a list of the loan(s) serviced. ☐ Yes ☐ No
- 12) Does licensee/registrant impose a minimum mortgage loan amount greater than \$10,000? If yes, explain. ☐ Yes ☐ No
- 13) Does licensee/registrant maintain policies concerning its criteria for approval or denial of a Michigan mortgage loan? If yes, provide a copy. ☐ Yes ☐ No
- 14) 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? If yes, explain. ☐ Yes ☐ No
- 15) In the last two years, has licensee/registrant assigned any first-lien Michigan mortgage loans to individual investors, as that term is defined under the MBLSLA? If yes, provide documentation that verifies the investor met the requirements described in Section 29(1)(c) of the MBLSLA. ☐ Yes ☐ No
- 16) In the last two years, has licensee/registrant had any branch offices? If yes, attach a list identifying the location, dates opened or closed, and whether the branch originates Michigan mortgage loans. ☐ Yes ☐ No
- 17) Does licensee/registrant operate any other businesses at the business location(s) other than mortgage activity? If yes, explain. ☐ Yes ☐ No
- 18) Do title agencies conduct all Michigan mortgage loan closings? If no, explain. ☐ Yes ☐ No
- 19) In the last two years, has any investor terminated any business agreement with licensee/registrant for reasons other than insufficient volume? If yes, explain. ☐ Yes ☐ No
- 20) In the last two years, has licensee/registrant made or brokered any Michigan mortgage loans, which defaulted in the first year? If yes, ☐ Yes ☐ No

explain.

- 21) 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
- 22) 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
- 23) 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 action taken as a result of the findings. ☐ Yes ☐ No
- 24) Does the licensee/registrant have a written information security program to protect customer information? If yes, provide a copy. ☐ Yes ☐ No
- 25) 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
- 26) 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 consumer 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
- 27) 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

- 28) 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
- 29) 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 employees? ☐ Yes ☐ No
- c. Provide on-going training of appropriate persons concerning responsibilities under the program? If so, please provide evidence of training. ☐ 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? If yes, please provide a copy of the last independent test results. ☐ Yes ☐ No
- 30) Does the licensee/registrant have a written Identity Theft Prevention Program? If yes, 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
- 31) Does licensee/registrant maintain copies of all creditor/broker compensation agreements? Provide copies of all agreements relevant to Michigan mortgage loans for the last 12 months. ☐ Yes ☐ No
- 32) Does licensee/registrant have written compensation agreements with its loan originators that are employees/agents? Provide copies of all agreements relevant to Michigan mortgage loans for the last 12 months. ☐ Yes ☐ No
- 33) Does licensee/registrant have any contracts with outside vendors for services such as processing, underwriting, closing, quality control, or disposal services? If yes, provide copies of the contract(s) covering the last 12 months. ☐ Yes ☐ No
- 34) State licensee's/registrant's fiscal year-end:

Provide the following:

- 35) 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.
- 36) Bank account statements for the last 6 months and corresponding reconciliation for each current bank account.
- 37) The check registers or ledgers for 12 months on all bank accounts.
- 38) The most recent general ledger, balance sheet and income statement for licensee/registrant.
- 39) Payroll records, including transaction-specific compensation detail, for the last 12 months.
- 40) A list, preferably in Excel, of all Michigan mortgage loan applications received in the last 24 months. Include the following fields:
 - a. Loan originator
 - b. Applicant name
 - c. Loan Number
 - d. Application date
 - e. Date closed, if applicable
 - f. Status of application (closed, withdrawn, denied, in process, or rescinded)
 - g. Property address (including street address and city)
 - h. Property type (primary residence, secondary residence, investment)
 - i. Loan amount
 - j. Rate type (fixed, adjustable)
 - k. Lien position (first, second)
 - l. Loan purpose (purchase, refinance, traditional [for reverse mortgage only])
 - m. Loan program (conventional, FHA, VA, HELOC, etc.)
 - n. Branch office, if applicable
 - o. Lender of record, the entity to whom the note was initially payable
 - p. Funder (if different than lender of record)
 - q. Correspondent broker (if applicable)
 - r. For Reverse Mortgage origination, also include the following:
 - Principal Limit
 - FHA Case # Assigned Date
 - Product Type (HECM Saver, HECM Standard, Proprietary)
 - Repairs after closing (Y/N)
- 41) A list of all Michigan mortgage loans, which have been rescinded, pursuant to Regulation Z within the last 24 months.
- 42) A list of all lenders or investors to which Michigan mortgage loans were brokered or sold in the last 24 months. Identify which companies close the loans under their name.

- 43) Provide a list of all Reverse Mortgage counselors you conduct business with.
- 44) Provide details of all payments made to any Reverse Mortgage counselors during the examination period.
- 45) A copy of the correspondent agreement(s) with the top five investors and brokers used.
- 46) 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.
- 47) A job description for each job classification.
- 48) Copies of all W-2 or 1099 statements issued during the last two years.
- 49) 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. Post-closing
 - h. Fees charged
 - i. Approval or denial of a mortgage loan
 - j. Hiring and termination of employees/agents
 - k. Document retention
 - l. Quality control
 - m. Ability to Repay
 - n. Marketing/Advertising
 - o. The practice for complying with the Financial Assessment requirement on Reverse Mortgage origination
- 50) 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.
- 51) Copies of corporate records – board minutes, corporate resolutions, etc. (or equivalent if other form of entity)
- 52) Name, address and phone number of licensee/registrant's legal counsel.
- 53) Copies of all advertising licensee/registrant has done in Michigan within the last 24 months. If applicable, provide copies of all marketing materials for reverse and forward mortgage loans, 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 loan origination services related to Michigan mortgage loans, provide copies, as well.

- 54) What social media sites does Licensee participate with, including those operated by employees/agents? Include specific social media sites as well as the names the advertising is done under.
- 55) All licensee/registrant's website addresses.
- 56) Organizational chart(s)
- 57) Indicate Office Hours. If branch offices have different hours please list those, as well.
- 58) Does Licensee participate in any interstate mortgage loan origination, lending or servicing? If so, please provide any policies and procedures in accordance with The Electronic Signatures in Global and National Commerce Act (E-Sign Act). Also provide blank versions of any documentation provided to applicants.

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
