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| STATE OF WASHINGTON  DEPARTMENT OF FINANCIAL INSTITUTIONS  DIVISION OF CONSUMER SERVICES  P.O. BOX 41200 Olympia, Washington 98504-1200  150 Israel Rd., SW, Tumwater, WA 98501 |

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| ***MANAGER'S SERVICING QUESTIONNAIRE*** |

Please provide all electronic copies of the data requested. The Department uses Microsoft Excel to analyze your financial statements and loan level data. For this reason, we request that all financial statements and loan lists be in Microsoft Excel format.

In an effort to protect the books and records of licensees and their customers, please submit all electronic information using Box (a secured cloud service) which the Department will provide for you.

All responses to request items must reconcile to the appropriate date, be signed (where applicable), accurate, complete, and uploaded into Box by the date indicated in the entry letter.

All licensees must complete the attached Manager's Questionnaire and all questions must have an answer. If not applicable, insert N/A. If there is inadequate space, please create electronic attachments or additional sheets to this questionnaire and reference the section to which it refers.

Our department will be happy to assist anyone needing clarification or advice in completing the requirements of the pre-examination packet. Your advance planning will ensure a timely and cost-effective process. If you have any other questions, please call our office at 360-902-8703. Thank you for your cooperation.

**The following questions and attachments apply to the exam period stated in the entry letter for Washington state properties unless otherwise noted.**

**GENERAL INFORMATION**

1. State the principal name under which the licensed entity is organized:

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1. License Number

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1. List all “doing business as” or “trade names” under which residential mortgage business is conducted:

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1. List of all affiliates/subsidiaries of the Company

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1. Provide Licensee’s parent company

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1. Provide the following information for the contact person for this examination:

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| Name and title: |
| Address: |
| Telephone number: |
| Facsimile number: |
| E-mail address: |

1. (a) Provide the principal office physical address:

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| Street: |
| City & State: |
| Zip Code: |

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| Facsimile number: |
| E-mail address: |
| Website Address: |

1. Provide the mailing address if different than (a) above:

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1. Provide the address where the mortgage servicing records are maintained if different than (a) above:

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1. Provide the address where the accounting records are maintained if different than (a) above:

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1. Please describe your servicing platform and how you maintain records. Include the type(s) and manufacturer(s) of all your software system(s) used in your servicing operations, and describe how you access these system(s) at your licensed location or from the offices of the State. Additionally, if you use multiple systems for different areas of servicing such as but not limited to, loss mitigation, payment processing, vendor management, or foreclosures, identify and describe all the uses for each separate system.

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| Sole Proprietorship |
| Partnership |
| Corporation |
| Limited Liability Company |
| Other (specify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

1. How is the licensee organized:
2. List the name, title and responsibilities of all officers, principals, partners, owners, directors and 10% or greater stockholders of the licensee on attached **Schedule A**.

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1. Does the licensee or any officer, principal, partner, owner, director or employee own more than 1% of the following settlement service providers, or do any of these settlement service providers own 1% or more of the licensee?

|  |  |  |
| --- | --- | --- |
| Type of Company | YES | NO |
| Loan Origination Company |  |  |
| Title Company |  |  |
| Appraisal Company |  |  |
| Real Estate Company |  |  |
| Credit Reporting Company |  |  |
| Credit Counseling Company |  |  |
| Credit Service Company |  |  |
| Insurance Company |  |  |
| Securities Company |  |  |
| Builder |  |  |
| Home Improvement Contractor |  |  |
| Real Estate Developer |  |  |
| Escrow Company |  |  |
| Any other settlement service provider |  |  |

If YES to any of the companies on the previous page, complete attached **Schedule B**.

**TYPE OF BUSINESS**

1. (a) Indicate the type(s) of loan servicing business in which the licensee is engaged in Washington State only:

|  |  |
| --- | --- |
| First Mortgage Servicing | Reverse Mortgage Servicing |
| Second Mortgage Servicing | Chattel Loan Servicing |
| Other – explain: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |

1. TOTAL WASHINGTON LOANS SERVICED BY TYPE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | YEAR TO DATE | | PREVIOUS CALENDAR YEAR | |
| NUMBER | CURRENT PRINCPAL BALANCE | NUMBER | CURRENT PRINCIPAL BALANCE |
| First Lien Mortgages |  |  |  |  |
| Second Lien Mortgages |  |  |  |  |
| Reverse Mortgages |  |  |  |  |
| Chattel Loans |  |  |  |  |
| TOTALS |  |  |  |  |

1. TOTAL WASHINGTON LOANS MODIFIED (All modification types)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | YEAR TO DATE | | PREVIOUS CALENDAR YEAR | |
| NUMBER | OUTSTANDING PRINCIPAL BALANCE | NUMBER | OUTSTANDING PRINCIPAL BALANCE |
| First Lien Mortgages |  |  |  |  |
| Second Lien Mortgages |  |  |  |  |
| Reverse Mortgages |  |  |  |  |
| Chattel Loans |  |  |  |  |
| TOTALS |  |  |  |  |

1. TOTAL WASHINGTON LOANS IN LOSS MITIGATION

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| --- | --- | --- | --- | --- |
|  | YEAR TO DATE | | PREVIOUS CALENDAR YEAR | |
| NUMBER | OUTSTANDING PRINCIPAL BALANCE | NUMBER | OUTSTANDING PRINCIPAL BALANCE |
| First Lien Mortgages |  |  |  |  |
| Second Lien Mortgages |  |  |  |  |
| Reverse Mortgages |  |  |  |  |
| Chattel Loans |  |  |  |  |
| TOTALS |  |  |  |  |

1. TOTAL WASHINGTON LOANS FORECLOSED/REPOSSESSED (SOLD)

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| --- | --- | --- | --- | --- |
|  | YEAR TO DATE | | PREVIOUS CALENDAR YEAR | |
| NUMBER | FINAL SALE AMOUNT | NUMBER | FINALE SALE AMOUNT |
| First Lien Mortgages |  |  |  |  |
| Second Lien Mortgages |  |  |  |  |
| Reverse Mortgages |  |  |  |  |
| Chattel Loans |  |  |  |  |
| TOTALS |  |  |  |  |

1. Is any business other than loan servicing conducted at

the licensee’s office locations?  Yes  No

If YES, provide the nature of the business(es) and the location(s).

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1. Has licensee been approved with any of the following?

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| --- | --- |
| FNMA | FHA |
| GNMA | VA |
| FHLMA |  |

a) If any boxes were checked, state the date of approval, and the date the approval was surrendered, restricted, or removed (if applicable).

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b) Please complete the following spreadsheet to identify types of loans in your entire portfolio:



**CIVIL, CRIMINAL, AND ADMINISTRATIVE ACTIONS**

1. Has the licensee or any officer, principal, partner, owner,

director or employee been denied a license/registration or

approval by any state or federal governmental agency to

engage in any regulated activity?  Yes  No

If YES, provide details and copies of applicable documentation.

1. Has the licensee been the subject of material litigation

or any litigation related to consumer protection issues?  Yes  No

If YES, provide details.

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1. Has the licensee or any officer, principal, partner, owner,

director or employee had a license/registration, to engage

in any regulated activity, suspended or revoked or otherwise

restricted by any state or federal governmental agency?  Yes  No

If YES, provide details and copies of applicable documentation.

1. (a) Has the licensee or any officer, principal, partner, owner,

director or employee been the subject of any administrative

action by any state or federal governmental or regulatory

agency?  Yes  No

1. Has any such administrative action resulted in the payment

of fines or penalties?  Yes  No

1. Has any such administrative action resulted in required

consumer refunds?  Yes  No

If YES to any of the above, provide details and copies of applicable documentation.

1. Is the licensee currently under investigation or litigating with

either another state or the federal government?  Yes  No

If YES, by whom?

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1. (a) Has the licensee or any officer, principal, partner, owner,

director or employee been a defendant or been indicted in

any criminal or civil litigation?  Yes  No

1. Has there been a conviction or judgment that has resulted

from the litigation referenced in paragraph 17(a)?  Yes  No

If YES to any of the above, provide details and copies of applicable documentation.

1. Has any officer, principal, partner, owner, director or employee

criminally misused, embezzled, absconded with or willfully

misapplied any funds or valuables for which the licensee was responsible?  Yes  No

If YES, provide details and copies of applicable documentation.

1. Has the licensee had a claim filed against its surety bond, letter of

credit or other similar instrument?  Yes  No

If YES, provide details and copies of applicable documentation.

**FINANCIAL INFORMATION**

1. When does the licensee’s fiscal year end?

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1. Has the licensee’s fiscal year end changed since the last state examination?  Yes  No

If YES, provide details.

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1. How frequently are unaudited financial statements prepared?

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1. Is an internal auditor employed by the licensee?  Yes  No

If YES, describe the reporting procedure and the audit program used.

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1. Is the licensee currently delinquent (more than 60 days past due)

on any account owed to any creditor or vendor?  Yes  No

If YES, provide a list of the creditors and vendors, the amount of the delinquency, and the reason for the delinquency.

1. Has any corporate stock or asset of the licensee been pledged to

secure the indebtedness of any other entity?  Yes  No

If YES, provide details.

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1. Is the licensee, on its own behalf, or any officer, principal, partner, owner, director or employee, on the licensee’s behalf, contingently liable to a bank, finance company, factor or other as endorser, guarantor, or otherwise?

Yes  No

If YES, provide details.

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**THIS IS NOT THE LAST PAGE OF THE QUESTIONNAIRE**

**ADDITIONAL RESPONSES ARE REQUIRED IN THE SCHEDULES THAT FOLLOW**

**See the entry letter for directions on submitting documents and spreadsheets via Box.com.**

**SCHEDULE A**

List the name, title and responsibilities of all officers, principals, partners, owners, directors and 10% or greater stockholders of the licensee.

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| --- | --- | --- | --- |
| **Name** | **Title** | **Percent of Ownership** | **Area of Responsibility** |
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**SCHEDULE B**

Complete this schedule if any officer, principal, partner, owner, director, or employee owns more than 1% of a title company, appraisal company, real estate company, credit reporting company, credit counseling company, credit service company, insurance company, securities company, builder, home improvement contractor, real estate developer, escrow company, or any other settlement service provider.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of Affiliated Entity** | **Type of Business** | **Address** | **Relationship** | **Amount of Ownership** |
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**ADDITIONAL INFORMATION**

**FINANCIAL**

1. The licensee's latest two (2) years audited financial statements if not already uploaded to NMLS.
2. A copy of the licensee’s most current surety bond.
3. A copy of the last management letter, single audit letter, and letter of regulatory compliance if such reports were prepared by a Certified Public Accountant.
4. The licensee’s most recent un-audited financial statement, including balance sheet and income/expense statement.
5. A listing of all bank accounts utilized by the licensee during the past twelve (12) months. Include:

* Name and address of the depository institution;
* Account number;
* Type of account; and
* Purpose of each account.

1. If licensee purchases and owns mortgage servicing rights (MSRs), please describe the valuation model used, the inputs to the model, and whether a third party produces the inputs or management.
2. Briefly describe any MSR hedging operations, including the instrument(s) used and protections the instrument(s) provide..

**DELIQUINCY AND FORECLOSURE INFORMATION**

1. Please provide:
   * 1. A copy of the most recent delinquency reports prepared for both owned residential mortgage loans and serviced residential mortgage loans (include chattel dwellings) which details the following (in an excel spreadsheet):

* Loan Number
* Last Name
* First Name
* Original Loan Balance
* Current Loan Balance
* Note Date
* Boarding Date
* Current days delinquent
* Number of Times 30 days Delinquent
* Number of Times 60 days Delinquent
* Number of Times 90 days Delinquent
* Date referred to Loss Mitigation
* Current sale date (if applicable)
* + 1. A copy of all Loans Modified during the examination period:
* Loan Number
* Last Name
* First Name
* Date of note
* Original note term
* Note interest rate
* Modification Type (HAMP, in-house, etc.)
* Modified interest rate
* Modification Term (number of months)
* Trial modification Yes or No
* Date modification offered or requested
* Date modified

1. Please complete the following table regarding loss mitigation staffing levels. **In this table please put the total number of loss mitigation loans for all states, not just Washington.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | CURRENTLY | | PREVIOUS CALENDAR YEAR | |
| NUMBER OF LOSS MIT EMPLOYEES | TOTAL LOANS IN LOSS MIT DEPARTMENT | AVERAGE NUMBER OF LOSS MIT EMPLOYEES | TOTAL LOANS TRANSFERRED IN TO LOSS MIT DEPARTMENT |
| First Lien Mortgages |  |  |  |  |
| Second Lien Mortgages |  |  |  |  |
| Reverse Mortgages |  |  |  |  |
| Chattel Loans |  |  |  |  |
| TOTALS |  |  |  |  |

1. Please provide the name address and phone number of the third party Loss Mitigation companies used.

1. Please provide a flow chart and sample package of all notices/communications for each type of delinquency/foreclosure process.
2. Please provide any loss mitigation manuals used by loss mitigation staff (including loan modification manuals).
3. Please provide quarterly reports submitted to the Department of Commerce for Notice of Defaults issued the previous two years in compliance with RCW 61.24.174.

**COMPLAINT HISTORY**

1. Provide a list of complaints filed since the prior examination or during the exam period detailed in the cover letter. Include (in excel spreadsheet format):

* Name (Last, First)
* Loan number
* Complaint number
* Address
* Telephone number
* Type of loan
* Summary of Complaint and Response
* Complaint Resolution
* Branch number

**SERVICING ACCOUNTS**

1. A listing of all residential loans serviced during the examination period (Use the exam period in the cover letter.)

* Loan Number
* Name (last, First)
* Property Street Address
* City
* State
* Mortgagor Billing Address
* Billing City
* Billing State
* Occupancy Description
* Chattel Dwelling (Yes/No)
* Current Investor Name
* Is Licensee Master or Sub-Servicer (Input “Master” or “Sub”)?
* Note Date
* Boarding Date
* Was loan in default when acquired (Yes/No)
* Original Boarding Amount
* Current Principal Balance
* PMI Cutoff Date
* Lien Position
* Original Loan Term
* Loan Program (FHA, VA, Conv.)
* Rate Type (Arm/Fixed)
* Initial Interest Rate on Note
* Current Interest Rate
* Current Principal and Interest Payment
* Escrowed (Yes/No)
* Corporate Advances for Escrow outstanding (Yes/No)
* Taxes and Insurance Amount
* PMI Amount
* Ancillary Products
* Force Placed Insurance (Yes/No)
* Date Last Payment Made
* Payment Status
* Number of Payments Made 30 or More Days Late
* Have the Loan Terms been Modified (Yes/No)
* Referred to Loss Mitigation (Yes/No)
* Referred to Foreclosure Attorney (Yes/No)
* Foreclosure Sale Date



**REGULATORY/COMPLIANCE**

1. Provide a list of the states in which residential property serviced by the licensee is located. Identify if the licensee is licensed, registered, exempted by statute, or otherwise not required to be licensed or registered in each of those states.
2. Provide examination reports from any state or federal governmental agency(ies) or entity(ies) for which the licensee originates or services loans.

**MISCELLANEOUS**

1. Provide quality control report prepared either internally or externally (internal audit of your servicing operations or external audit contracted for by company).
2. A listing, including addresses, of all other locations where the licensee conducts servicing business. (i.e. back office services, and call centers)
3. A statement describing pending litigation which, in the aggregate, amounts to 5% or more of the licensee’s net worth. The statement should include:

* Whether the licensee is the plaintiff or defendant;
* The dollar amount involved;
* A brief description of the suit;
* The status of the suit; and
* An opinion on the probable outcome.

1. An organizational chart detailing ownership and affiliate relationships.
2. An organizational chart detailing key personnel and departmental structure
3. Licensee’s disaster recovery plan and information security plan.
4. Please provide the company’s Identity Theft Prevention Program
5. Please provide electronic copies of the following manuals, instructions, or procedures utilized by the company:

* Boarding procedures
* Servicing System User Manuals
* System Checks (spot check its loan servicing system to ensure adjustable rate mortgage interest rate adjustments are accurate based off the index and other provisions of the borrower’s Note)
* Qualified written request
* Collection Procedures
* Loss Mitigation referrals or transfers
* Loan Modification Procedures

1. Please provide electronic copies of the following agreements if applicable:

* Current Servicing agreements
* Sub-Servicing agreements (if applicable)
* Pooling Agreements
* Third-party Service Agreements (if applicable)

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| --- | --- | --- |
| # | Question | Response |
| 1 | If Wi-Fi is used, what form of encryption is configured? |  |
| 2 | What password rules do you and your employees follow? |  |
| 3 | Has data been classified based on the criticality/sensitivity of the information? Have you determined and documented what information needs to be protected/secured? |  |
| 4 | When you send sensitive information, like loan files or social security numbers, electronically what do you use to send it? Is it sent securely? |  |
| 5 | How are sensitive paper documents disposed of? |  |
| 6 | How is electronic data (such as hard drives, usb drives, cds, etc.) disposed of? |  |
| 7 | Are hardware and software firewalls installed and activated? |  |
| 8 | Are all computer systems patched and updated regularly? |  |
| 9 | What type of anti-virus/anti-malware software is used by your company? Is this software installed on all computer devices used by the company, including employees personal computers, if used for business purposes? |  |
| 10 | How do you back-up important information? If your main copy was destroyed (either due to a physical disaster or a computer incident) would you be able to recover your important documents? |  |
| 11 | Does everyone who has access to sensitive information, such as loan files and social security numbers, need that access to perform their job?  Is user access limited to business need? |  |
| 12 | Is a Clean Desk policy\* implemented?  \* The purpose of a clean desk policy is to ensure sensitive information is not left unattended. |  |

**CERTIFICATION**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, certifies that he/she is

(Name of Authorized Representative)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and that

(Title of Authorized Representative) (Name of Licensee)

the foregoing answers, all information contained in attached supplemental schedules, and all other

documentation submitted in response to this questionnaire are true and correct in all respects to the best

of his/her knowledge and belief.

Certified this \_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(**Signature of Authorized Representative**)