



MORTGAGE LOAN COMPLIANCE

RAPID REPORT™

Prepared for:

Borrower

123 Main Street

Any Town, USA 97005

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Document Review

1. Deed of Trust - MIN 0000000000-0, un-signed and dated 09/07/2007
2. InterestFirst Adjustable Rate Note, un-signed and dated 09/07/2007
3. Uniform Residential Loan Application un-signed and dated 8/27/2007
4. Note – Oregon Second Mortgage un-signed and dated 09/07/2007
5. Document Correction and Fees Due Agreement
6. Deed of Trust and Request For Notice of Default Doc ID# 0000000000
7. Federal Truth-In-Lending Disclosure Statement un-signed and dated 09/07/2007
8. U.S. HUD Settlement Statement (Final) dated 09/12/2007

SAMPLE

Summary of Findings

This loan failed the Good Faith Estimate disclosure date test. (24 CFR §3500.7)

The loan has a Good Faith Estimate disclosure date that is not within three business days after the application date, or is after the closing date.

The lender shall provide all applicants for a federally related mortgage loan with a good faith estimate of the amount of or range of charges for the specific settlement services the borrower is likely to incur in connection with the settlement. The lender shall provide the good faith estimate required under this section either by delivering the good faith estimate or by placing it in the mail to the loan applicant, not later than three business days after the application is received or prepared. Calculations take into account a submitted preference that this test treat the creditor's office as being open to the public on Saturdays for carrying on substantially all of its business functions, as described in 24 CFR §3500.2.

This loan failed the TILA APR test. (12 CFR § 226.22(a)(2),(4))

The annual percentage rate (APR) is 9.355%. The disclosed APR of 8.28% is not considered accurate because it is more than 1/8 of 1 percentage point above or below the APR as determined in accordance with the actuarial method.

This loan failed the TILA foreclosure rescission finance charge test. (12 CFR §226.23(h))

The finance charge is \$551,823.26. The disclosed finance charge of \$377,240.10 is not considered accurate for purposes of rescission because it is understated by more than \$35.

This loan failed the TILA finance charge test. (12 CFR § 226.18(d)(1))

The finance charge is \$551,823.26. The disclosed finance charge of \$377,240.10 is not considered accurate because it is understated by more than \$100.

SAMPLE

Compliance Review

Federal HOEPA (Section 32)

	Result	Loan Data	Comparison Data	Variance
HOEPA Higher-Priced Mortgage Loan:	N/A			
HOEPA Higher-Priced Mortgage Loan Prepayment Term Test:	N/A			
HOEPA High Cost Mortgage APR Threshold Test:	PASS	9.355%	13.190%	-3.835%
HOEPA Points and Fees High Cost Mortgage Threshold Test:	PASS	\$5,807.13	\$17,746.57	- \$11,939.44
HOEPA High Cost Mortgage:	NO			
HOEPA High Cost Mortgage Timing of Disclosure Test:	N/A			
HOEPA High Cost Mortgage Balloon Payment Test:	N/A			
HOEPA High Cost Mortgage Negative Amortization Test:	N/A			
HOEPA High Cost Mortgage Prepayment Term Test:	N/A			

Federal TILA

	Result	Loan Data	Comparison Data	Variance
TILA Finance Charge Test:	FAIL	\$377,240.10	\$551,823.26	- \$174,583.16
TILA Foreclosure Rescission Finance Charge Test:	FAIL	\$377,240.10	\$551,823.26	- \$174,583.16
TILA APR Test:	FAIL	7.328%	9.355%	-2.027%
TILA Right of Rescission Test:	PASS			
Initial TIL Disclosure Date Test:	N/A			

Federal RESPA

	Result	Loan Data	Comparison Data	Variance
RESPA GFE Disclosure Date Test:	FAIL			

Standard & Poor's

	Result	Loan Data	Comparison Data	Variance
S&P High Cost Loan:	NO			
S&P Covered Loan:	NO			
S&P Home Loan:	NO			
S&P Requires Exclusion From Rated Transactions:	NO			
S&P Requires Additional Credit Enhancement:	NO			

GSE Guidance

	Result	Loan	Comparison	Variance
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Compliance Details

Federal HOEPA (Section 32)

<p>The HOEPA higher-priced mortgage loan threshold is not applicable to this loan for one of the following reasons: (12 CFR §226.35(a)(3) as enacted in 2008)</p> <p>The loan has an application date before the effective date of October 1, 2009; or</p> <p>The loan is a transaction to finance the initial construction of a dwelling; or</p> <p>The loan is a temporary or "bridge" loan with a term of 12 months or less, such as a loan to purchase a new dwelling where the consumer plans to sell a current dwelling within 12 months.</p>	<p>N/A</p>
<p>The HOEPA higher-priced mortgage loan prepayment term test is not applicable to this loan. (12 CFR §226.35(a)(3), (b)(2) as enacted in 2008)</p> <p>The loan is not a higher-priced mortgage loan.</p>	<p>N/A</p>
<p>This loan passed the HOEPA high cost mortgage APR threshold test. (12 CFR §226.32(a)(1)(i) as enacted in 1995, and amended in 2001)</p> <p>The annual percentage rate (APR) at consummation is 9.355%, which does not exceed the yield of 5.190%, as of July 13, 2007 on 30 year Treasury securities (the Treasury securities having comparable periods of maturity), plus 8.000 percentage points. The yield is as of the fifteenth day of the month immediately preceding the month of the application for extension of credit, which was received by the creditor on August 27, 2007.</p>	<p>PASS</p>
<p>This loan passed the HOEPA high cost mortgage points and fees threshold test. (12 CFR §226.32(a)(1)(ii) as enacted in 1995, and amended in 2001)</p> <p>The total points and fees payable by the consumer at or before loan closing is \$5,807.13, which does not exceed the greater of 8 percent of the "total loan amount" (as defined in the official commentary to paragraph 32(a)(1)(ii)), or \$547.00.</p>	<p>PASS</p>
<p>High Cost Mortgage (12 CFR §226.32(a)(1)(i), (ii) as enacted in 1995, and amended in 2001) (12 CFR §226.2 as enacted in 1995)</p> <p>The loan is not a high cost mortgage due to one of the following findings:</p> <p>The loan passed both the high cost mortgage APR threshold test and the high cost mortgage points and fees threshold test; or</p> <p>The loan is a residential mortgage transaction.</p>	<p>NO</p>
<p>The timing of disclosure test is not applicable to this loan due to one or more of the following findings: (12 CFR §226.31(c) as enacted in 1995) (12 CFR §226.32(a) as enacted in 1995)</p> <p>Pre-close audits do not pertain to the consummation of a loan.</p> <p>The loan is not a high cost mortgage.</p>	<p>N/A</p>
<p>The balloon payment test is not applicable to this loan. (12 CFR §226.32(a) as enacted in 1995)</p> <p>The loan is not a high cost mortgage.</p>	<p>N/A</p>
<p>The negative amortization test is not applicable to this loan. (12 CFR §226.32(a) as enacted in 1995)</p> <p>The loan is not a high cost mortgage.</p>	<p>N/A</p>

Loan Details

Client

MLC ID:	0000000	User Name:	492	Client Name:	Borrower
Report Type:	Rapid Report				

Lender

Lender Name:	Countrywide	:		
Lender Loan Number:	00000000	:		
Originator Name:	Countrywide Bank, FSB.	:		
MIN:	000000000000	:		
License Type:	Oregon Mortgage Lender License			
DIDMCA Exempt:	No			
HUD Approved Lender:	Yes			

Investor

Default:	<input type="checkbox"/>
Investor Criteria:	Standard & Poor's
Investor Criteria:	GSE
Investor Criteria:	FHA
Investor Criteria:	HOEPA Higher-Priced Mortgage Loan

Borrower

First Name:	Borrower	Last Name:	Borrower
Total Income:	\$3,691.00 / month	DTI Ratio:	41.000 %

Property

Address:				
Number	Street Name	Type (St, Ave, etc.)	Direction	Unit #
123	MAIN	STREET		
City	County	State	Zip	
Any-town	MAIN	USA	97005	
Type:	Detached SFD		Number of Units:	1
Occupancy:	Primary Residence			

Loan Information

Loan Amount: (exclude PMI, MIP, Funding Fee)	\$228,000.00	Loan Amount: (with Finance Charge)	\$228,000.00
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Glossary

Acceleration Clause A provision that allows the lender to demand the entire balance of the mortgage loan when the borrower fails to make some installment payments.

Affidavit A written statement, usually given while under oath or in the presence of a notary.

Annual Percentage Rate (APR) The annual interest rate covering the interest and other costs. The Truth in Lending Act requires announcement of APR by lender.

Appraisal The process by which a licensed person gives an estimate of property value.

Appreciation The difference between the increased value of the property and the original value.

Assignment The transfer of property to be held in trust or to be used for the benefit of the creditors (lenders).

Balloon Payment Large installment payment required at the end of the term of the mortgage note to pay off the entire mortgage balance.

Bid The amount for a foreclosed property for sale at auction.

Certificate of Sale A document issued to the winning bidder at a foreclosure sale stating their rights to the property once the borrower's redemption period has expired.

Clear Title A title not burdened with debt.

Credit Bid A bid on behalf of the lender at a foreclosure sale. The bid amount must be less than or equal to the balance of the loan in default.

Decree A judicial decision.

Deed A signed document that shows ownership in property and allows the transfer ownership of property from one party to another.

Deed-in-lieu of Foreclosure A voluntary transfer of title by the borrower to the mortgage company to avoid foreclosure action.

Deed of Trust An instrument signed by a borrower, lender and trustee that conveys the legal title to real property as security for the repayment of a loan. The written instrument in place of mortgage in some states.

Default A mortgage is in default when the borrower fails to make the payments as agreed to in the original promissory note.

Truth In Lending Act

CONSUMER PROTECTION

CONSUMER CREDIT PROTECTION ACT

§ 1. Short title of entire Act

[Codified to 15 U.S.C. 1601 note]

[Source: Section 1 of title I of the Act of May 29, 1968 (Pub. L. No. 90-321, 82 Stat. 146), effective May 29, 1968]

TITLE I—CONSUMER CREDIT COST DISCLOSURE

Chapter	Section
1.	GENERAL PROVISIONS 101
2.	CREDIT TRANSACTIONS 121
3.	CREDIT ADVERTISING 141
4.	CREDIT BILLING 161
5.	CONSUMER LEASES 181

CHAPTER 1—GENERAL PROVISIONS

- Sec.
101. Short title.
 102. Findings and declaration of purpose.
 103. Definitions and rules of construction.
 104. Exempted transactions.
 105. Regulations.
 106. Termination of financial institution.
 107. Determination of annual percentage rate.
 108. Administrative enforcement.
 109. Governmental agencies.
 110. [Repealed.]
 111. Effect on other laws.
 112. Criminal liability for willful and knowing violation.
 113. Effect on governmental agencies.
 114. Reports by Board and Attorney General.
 115. [Repealed.]

§ 101. Short title

This title may be cited as the Truth in Lending Act.

[Codified to 15 U.S.C. 1601 note]

RESPA – Real Estate Settlement Procedures Act

Introduction

The **Real Estate Settlement Procedures Act (RESPA)** is a consumer protection statute, first passed in 1974. The purposes of RESPA are

1. to help consumers become better shoppers for settlement services and
2. to eliminate kickbacks and referral fees that unnecessarily increase the costs of certain settlement services.

Details about RESPA

Corresponding with the above purposes:

1. RESPA requires that borrowers receive disclosures at various times. Some disclosures spell out the costs associated with the settlement, outline lender servicing and escrow account practices and describe business relationships between settlement service providers.
2. RESPA also prohibits certain practices that increase the cost of settlement services. **Section 8** of RESPA prohibits a person from giving or accepting any thing of value or referrals of settlement service business related to a federally related mortgage loan. It also prohibits a person from giving or accepting any part of a charge for services that are not performed. **Section 9** of RESPA prohibits home sellers from requiring home buyers to purchase title insurance from a particular company.

RESPA in general

RESPA covers loans secured with a mortgage placed on a one- or four-family residential property. These include most purchase loans, refinements, reverse mortgages, property improvement loans, and equity lines of credit. HUD's Office of RESPA and Real Estate Lender Sales is responsible for enforcing RESPA.

RESPA required disclosures:

At the time of loan application

When borrowers apply for a mortgage loan, mortgage brokers and/or lenders must give the borrowers:

- a Special Information Booklet, which contains consumer information regarding various real estate settlement services (required for purchase transactions only) and
- a Good Faith Estimate (GFE) of settlement costs, which lists the charges the buyer is likely to pay at settlement. This is only an estimate and the actual charges may differ. If a lender requires the borrower to use a particular settlement provider, then the lender must disclose this requirement on the GFE.
- a Mortgage Servicing Disclosure Statement, which discloses to the borrower whether the lender intends to service the loan or transfer it to another lender. It also provides information about complaint resolution.

If the borrowers don't get these documents at the time of application, the lender must mail them within three business days of receiving the loan application.

If the lender turns down the loan within three days, however, then RESPA does not require the lender to provide these documents.

The RESPA statute does **not** provide an explicit penalty for the failure to provide the Special Information Booklet, Good Faith Estimate or Mortgage Servicing Statement. However, bank regulators may choose to