

## Quality Control Plan

### 1. Objective

The purpose of this plan is monitor all aspects of the mortgage loan process from application to funding as it applies to Fannie Mae, FHLMC, VA and FHA loans and their required compliance. This will in turn protect the mortgagee and FHA from unnecessary risk. Mortgage Signature Services Inc. is dedicated to staying compliant in Indiana and Federally.

#### A. Loan Initiation (the application/processing)

- \*Completion of a loan application in its entirety
- \*Guard against errors and fraud and omissions
- \*verification of accuracy of all documents collected during the loan process
- \*Make sure all documents are provided within 3 Days of application to the applicants
- \*Assure all corrections are done swiftly and properly
- \* Maintaining accuracy with VOE, VOD and credit reports
- \*This is done by verifying all discrepancies found in the above reports compared to the information submitted by the borrowers/purchasers.
- \*Reissuance of new GFE is the variance is more than the allowable \$250.00 change limit
- \*Reviewing all title work to make sure there is a clear chain of title.
- \*This is also pertinent to Appraisals. Double checking title against appraisal before proceeding to closing the loan
- \*FHA Loans will be handled by an FHA approved loan processor through the lenders which sponsor us for FHA.
- \*Ensuring all initial disclosures are correct (RESPA, ECOA, Truth in lending, Itemization, flood disaster notice HUMDA, Servicing Disclosure , Patriot Act compliance and Signed and dated 4506T)

#### B. Investigating discrepancies

- \*Verify purchase money funds
- \*Verifying source of large cash deposits into accounts
- \*Verifying all parties who have ownership or interest in the property
- \*Verifying all additions properties that might be owner by the applicants
- \*Verifying rental units are reflected on tax returns before using income received
- \*Purchase loans requiring gift letters and seller concessions are verified with the persons gifting the monies or credits to the borrowers. (ID's and Bank Statements verifying funds from the third party are collected.
- \*Purchase contracts signed with all addendums are also collected to make sure of accuracy of loan submission

### C. The Loan Closing

\*All documents are reviewed prior to the loan closing (Settlement Statement, note and mortgage)

\*This is done prior to drawing docs to make sure the of the accuracy of interest rate , term, payment, vesting in title and to catch any typos that might arise.

\*The actual loan is closed in Indiana by a title company representative.

\*Loan officers are required to attend all closings.

### D. Post Closing

\* MSS Inc. Requires a copy of the signed mortgage/deed of trust, note, truth in Lending, itemization for every loan that closes to remain in compliance with the state of Indiana and the Feds

\*The Files are then Scanned in to server and stored electronically and in a hard copy on location for a period of 5 years.

### D. Appraisals

\*All are ordered thru a vendor management company (usually thru the lender of choice for the loan)

\*Copies are delivered to the borrowers upon receipt of the appraisal. (via email, hand delivered or mailed)

### E. Reports

\*The QC Report is being done every 90 days to maintain a timely manner in which compliance issues can be addressed so they don't continue to happen.

\*100% of all loans done thru MSS Inc. are checked for accuracy

\*All files, withdrawn applications, turndowns and closed loans are included in the QC Audit

\*Audits are also done by the State of Indiana on an average of every two years

\*Compliance with the NMLS is handled by our Principle Manger

### F. Education and Updates in the industry

\*All loan officers are required to have yearly continuing education in the state of Indiana

\*All updates received from Secretary of States' office and lenders are forwarded to Quality control officer to be dispersed to all originators and processors.

### G. Licenses and Permits/Disclosures and Manuals

\*Equal housing lender, minimum wage notice, equal employment opportunity, worker's compensation and OSHA are all displayed at main office location (212 W 10<sup>th</sup> st Ste A325 Indianapolis IN 46212).

\*All manuals and brochures are kept in hard copy in the office for all employees to access at all times.

In conclusion MSS Inc. has a quarterly report which shows which areas need special attention to address deficiencies in the loan process. This report is delivered to the V.P. and Principle Manager so that these issues can be addressed quickly and efficiently.