

## SMALL BANK COMPLIANCE CHECKLIST

The following compliance checklist used by Hickory Point Bank and Trust, Forsyth, Ill., is intended to assist its loan processors in their mortgage loan review. Banking consultant Jack Rogers, Professional Bank Services, Inc., Louisville, Ky., who is a former OCC examiner, gave this checklist high marks, but recommended the addition of several steps that are indicated by an \*:

Loan no. \_\_\_\_\_ Loan amount \_\_\_\_\_  
Loan type: \_\_\_\_\_ Fixed Rate \_\_\_\_\_ Balloon \_\_\_\_\_ Other \_\_\_\_\_  
Loan purpose: \_\_\_\_\_ Purchase \_\_\_\_\_ Refinance \_\_\_\_\_ Sales price \_\_\_\_\_  
Property type: \_\_\_\_\_ 1-4 Family \_\_\_\_\_ Multi-family \_\_\_\_\_ Other \_\_\_\_\_  
Occupancy: \_\_\_\_\_ Owner \_\_\_\_\_ Non-owner \_\_\_\_\_

### APPLICATION

\*\_\_ Form 1003 (fully completed for purchase, refinance or home improvement, including all monitoring information.) Dated and signed by all parties. If not for purchase or refinance of the purchase or home improvement, do not include race and sex on the application, or face fair-lending problems.

\_\_\_\_ Settlement costs booklet, given within 3 days of application.

\_\_\_\_ Initial Truth-in-Lending disclosure. Dated and given within 3 days of application.

\_\_\_\_ Servicing disclosure. Dated upon receipt of application.

\_\_\_\_ Good Faith Estimate. Dated and given within 3 days of application.

\_\_\_\_ Affiliated business arrangement notice (attached to Good Faith Estimate.)

\_\_\_\_ Copy of purchase contract with all addenda, if purchase.

\*\_\_ Required service providers (attached to Good Faith Estimate)

\*\_\_ Notice of right to receive a copy of the appraisal

\*\_\_ If ARM, then ARM program disclosures given.

### PROCESSING AND UNDERWRITING

\_\_\_\_ Verification of employment, including VOE form, pay stubs, W-2's and income tax returns with live signature, if applicable.

\_\_\_\_ Verification of deposits, including statements from investments and retirement funds.

Documentation for recent large deposits. Gift letter, if applicable.

\_\_\_\_ Verification of loans, mortgages, rents.

\_\_\_\_ Credit report, including explanation for any derogatory items.

\_\_\_\_ Appraisal, prepared for Hickory Point Bank or transferred to Hickory Point Bank

Date: \_\_\_\_\_ Appraisal amount \_\_\_\_\_ LTV \_\_\_\_\_

\_\_\_\_ Completed transmittal summary (Form 1008)

\_\_\_\_ PMI approval

\*\_\_ Special flood hazard determination form given prior to closing.

\*\_\_ Flood hazard notice (moved up from closing to processing step.)

Total monthly obligations:

Monthly income \_\_\_\_\_

Monthly housing payment \_\_\_\_\_

Housing ratio \_\_\_\_\_

Total debt ratio \_\_\_\_\_

### CLOSING/LOAN DOCUMENTATION

\_\_\_\_ Fully completed mortgage. Must be signed with full legal names, names typed as signed. Must be filed with county indicated.

\_\_\_\_ Fully completed note. If ARM, must be appropriate ARM note. All areas must be filled in with correct amounts, dates, etc. Must be signed and dated.

\_\_\_\_ Title policy (or commitment)

\_\_\_\_ HUD-1 completed and signed. All figures must correspond to bills, pay-offs, releases, etc.

#### Final disclosures:

\_\_\_\_ Final TIL

\_\_\_\_ Flood insurance, if applicable

\_\_\_\_ PMI disclosure

\_\_\_\_ Escrow (if escrowing for taxes and insurance)

\_\_\_\_ Right of rescission

\_\_\_\_ Hazard insurance

### POST CLOSING

\_\_\_\_ PMI certificate completed and mailed.

\_\_\_\_ Receipt of final title policy

\_\_\_\_ All bills paid.

\_\_\_\_ All documents recorded.

