

MPF[®] Participating Financial Institution – Application
In-House Quality Control Questionnaire



Member Name: _____ Member #: _____

Please complete this In-House QC Questionnaire as part of the application process for the MPF Program. The purpose of completing this questionnaire is twofold: 1) it provides a current status as to the In-House QC program that you may have operating, and 2) it should help you to determine whether you have the necessary features required for the MPF Program's In-House QC requirements. **MPF Program In-House QC requirements are detailed in Chapter 28 of the MPF Origination Guide (OG).** For a detailed view of the MPF Program's QC requirements please refer to the Origination Guide Chapter 28 available at www.allregs.com/fhlbmpf/. Please answer the questions based on your current In-House QC program. If you have any questions, please feel free to call your MPF Bank representative.

1. Does your institution maintain a written quality control program for home mortgages it originates and services? (Origination Guide 28.1) Yes No N/A

If no, please skip remaining questions and go to last page.

To view the guide go to: www.allregs.com/fhlbmpf/

2. a. Does your institution utilize a third-party quality control agent for all or a portion of your institution's quality control program? (OG 28.2) Yes No

If yes, Please list _____ and answer 2b & 2c.

- b. Has your institution determined that the services performed by the third-party quality control agent comply with the MPF Program's requirements? (OG 28.2) Yes No

- c. Does your institution oversee and evaluate the performance of the third-party quality control agent on a regular basis and take the same corrective actions that would be taken if the findings were made by your own staff? (OG 28.2) Yes No

3. a. Does your institution's quality control program include provisions addressing transfers of servicing? (OG 28.3) Yes No N/A

- b. When the servicing is transferred, does your institution complete the quality control reviews of the transferred mortgages? (OG 28.3) Yes No N/A

4. a. Is a statistical sampling method used to determine QC Sample Size? (OG 28.4) Yes No

If "No" then.

- b. Is the sample at least 10% of your institution's total annual home mortgage production **and/or** the total annual secondary market home mortgage production? (OG 28.4) Yes No

5. Does the sample selection process allow every mortgage a chance of being selected within 90 days of its closing date? (OG 28.4) Yes No

MPF® Participating Financial Institution – Application
In-House Quality Control Questionnaire



- | | | | | | |
|-----|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----|
| 6. | a. | Does the QC sample selection include at least 10% of the combined 3 – 4 unit production for review? (OG 28.5) | Yes | No | NA |
| | b. | Was an appraisal review performed on all the 3 – 4 units in the sampling? (OG 28.5.1) | Yes | No | NA |
| | c. | For all 3 – 4 units sampled, has your institution verified that the Borrower is occupying at least one of the units of the property as a primary residence? (OG 28.5.2) | Yes | No | NA |
| 7. | a. | Were the income and employment documentation used in the original underwriting process reverified? (OG 28.6.1) | Yes | No | |
| | b. | Was the source of funds used in the original underwriting process reverified? (OG 28.6.2) | Yes | No | |
| | c. | Were all oral reverifications documented in writing? (OG 28.6.1 & 28.6.2) | Yes | No | |
| 8. | | Was a new credit report obtained for each loan as follows? | | | |
| | a. | For 1 of every 10 loans reviewed, a new residential mortgage credit report (RMCR) or a two or three-repository merged in-file credit report? | Yes | No | |
| | b. | For the remaining loans, was a new in-file credit report obtained? (OG 28.6.3) | Yes | No | |
| 9. | a. | Was a review appraisal (from either a new appraisal firm or an appraiser independent of the original appraiser) obtained for every 1 of 10 loans reviewed? | Yes | No | |
| | | And | | | |
| | b. | Was a desk review completed for all remaining loans selected for review completed? (OG 28.6.4) | Yes | No | |
| 10. | a. | Was a review of the completeness and freedom from errors of the information obtained in the mortgage origination process performed? (OG 28.7) | Yes | No | |
| | b. | Was a review of the closing documents performed? (OG 28.7) | Yes | No | |
| | c. | Was a verification of the existence and accuracy of documentation required by applicable law performed? (OG 28.7) | Yes | No | |
| 11. | | Were origination documents compared to reverifications and closing documents reviewed for accuracy and consistency? (OG 28.8 and 28.9) | Yes | No | |
| 12. | | Were complete records of the quality control review findings for each mortgage file selected for review maintained? (OG 28.10) | Yes | No | |

MPF[®] Participating Financial Institution – Application
In-House Quality Control Questionnaire



13. Were all disparities or inconsistencies in the mortgage files documented and explained? **(OG 28.10)** Yes No
14. Were the quality control review findings reported directly to your institution's Senior Management within 90 days of the sample selection? **(OG 28.11)** Yes No
15. Was the investor informed in writing within 30 days of the institution's determination that a quality control finding adversely affects the investment quality or eligibility of a Mortgage sold to the MPF Bank? **(OG 28.11)** Yes No NA
16. Is your institution retaining all records of its quality control findings, together with substantiation of any remedial action taken, for a minimum of 3 years from the date of the completion of the quality control review? **(OG 28.12)** Yes No

If you answered any question **NO**, other than **2a, 4a or 4b**, please forward your QC plan that will allow you to become compliant with the MPF In-House requirements once you are approved as a PFI.

Completed By: _____

Date: _____

Comments: