

Higher Priced Mortgage Loan Checklist

Completed by: _____ Date: _____ Applicant(s): _____ Appl. Date: _____

Once a Higher Priced Mortgage Loan (HPML) has been identified, this checklist should be used to document compliance.

Is the loan to be secured by the consumers' principal dwelling? Yes / No

If NO, the transaction is not covered by the HPML rules and you do not need to complete this checklist. **If YES**, proceed.

Repayment Ability

1. What consumer specific documentation was used to verify the consumers' income & employment ? (select all that apply)	<input type="checkbox"/> W-2 <input type="checkbox"/> VOE (Written or Verbal)* <input type="checkbox"/> Employment Contract <input type="checkbox"/> Other _____	<input type="checkbox"/> Paystubs <input type="checkbox"/> Tax Returns
2. What consumer specific documentation was used to verify the consumer's assets ? (select all that apply)	<input type="checkbox"/> Institutional account statements (i.e. bank, brokerage, retirement account statements) <input type="checkbox"/> VOD*	<input type="checkbox"/> Other _____
3. Have all current debt obligations, including those listed on the application, been verified?	Yes / No	
4. Have all known credit obligations secured by the borrower's principal dwelling (including proposed concurrent transactions) been considered in the underwriting review?	Yes / No	
5. How have the consumers' current debt obligations been verified? (select all that apply)	<input type="checkbox"/> Credit Report <input type="checkbox"/> Written Verification - VOM* VOR* VOL* <input type="checkbox"/> Other _____	<input type="checkbox"/> Current account stmts.
6. Have all mortgage-related obligations, such as real estate taxes, hazard premiums, mortgage insurance, and association dues been considered in the underwriting review?	Yes / No	
7. What is the borrower's highest scheduled payment for the first 7 years?	\$ _____	
8. Was this highest scheduled payment used in calculating the consumers' repayment ability?	Yes / No	

Prepayment Penalties

1. Does the loan contain a prepayment penalty? (If Yes, answer the following questions. If any of the following questions are answered "Yes", the loan is in violation.)	Yes / No
• Does the penalty term exceed 2 years from consummation?	Yes / No
• Does the penalty apply if the source of prepayment funds is a refinancing by us or one of our affiliates?	Yes / No
• Can the periodic payment of principal and interest change during the first 4 years?	Yes / No

Escrows

1. Will the loan be secured by a 1 st lien? (If Yes, answer the following questions. If any of the following questions are answered "No", the loan is in violation.)	Yes / No
• For site-built homes, beginning with applications made on or after April 1, 2010, does the loan contain the mandatory escrow acct.?	Yes / No
• For manufactured homes, beginning with applications made on or after October 1, 2010, does the loan contain the mandatory escrow account?	Yes / No

*VOE-Verification of Employment; VOD—Verification of Deposit; VOM-Verification of Mortgage; VOR-Verification of Rent; VOL-Verification of Loan