

## **How to Use This Book**

### **WHY THIS BOOK?**

As counsel for Citicorp Mortgage, the author spent many hours traveling and working outside an office. After a laptop computer became an essential part of his luggage, he began to dream of a portable law library containing statutes, regulations, agency issuances and legal commentary. This book on CD is one of the resources he wished he had.

### **CONTENT AND CD USER GUIDE**

*Mortgage Lending Compliance with Federal and State Guidance* provides clear and useful explanations of the federal laws and regulations regarding mortgage lending and summaries of essential state laws. Federal statutes, regulations, and key agency guidance accompany the manual on the CD. These are cited and referenced in the text of the manual, but appear only on the accompanying CD. The manual also includes many federal and state model forms, compliance checklists, and examination procedures, which appear in the manual and on the CD.

### **SCOPE**

*Mortgage Lending Compliance with Federal and State Guidance* focuses on first and secondary one-to four-family residential mortgage lending activities. The manual does not address commercial loans or loans secured by other than one- to four-family dwellings.

### **COMPLIANCE CHECKLISTS AND EXAMINATION PROCEDURES**

The compliance checklists that appear as exhibits to the chapters will assist mortgage lenders and brokers in confirming that they have properly implemented each law and regulation. The compliance checklists, compiled from a section-by-section analysis of each law and regulation and from information distributed by the various regulators, provide a systematic way of setting up a firm's compliance efforts and reviewing its performance.

The examination procedures that appear as exhibits to the chapters illustrate what the various regulators look for when they audit an institution for legal and regulatory compliance. The

examination procedures have been compiled from the examination handbooks and guidance materials issued by the regulators.

An excellent idea is to periodically go through the compliance checklists and apply the examination procedures. Many institutions have instituted a standard policy of conducting the examination procedures when they know examiners from a regulatory agency will be coming for a visit. In this way, the organization obtains some confidence that there will be no surprises when the real examination occurs. Many larger institutions maintain compliance staff who apply the examination procedures on a regular, rotating basis throughout each year.

### **APPLICABILITY CHECKLISTS**

At the front of the manual are two checklists to help you determine which regulations your institution must comply with. The Regulatory Applicability Checklist indicates which regulations apply to different entities. The Business Process Checklist indicates which regulations apply to the different stages of mortgage lending.

The Regulatory Applicability and Business Process Checklists are included to help the reader target the most important information for his or her functional needs. Limiting one's perspective can be risky, however. The business of mortgage lending has become more and more integrated and unified, particularly with the widespread use of computer technology and the introduction of E-business (Internet or on-line lending). True professionals cannot afford to be familiar only with one small aspect of the business. More and more traditional lenders are integrating tasks that used to be performed by different functional areas. Using the checklists will help emphasize the necessary interrelationships of the material in this book, because the reader often will find that to understand the targeted information, it is essential to follow some of the links and cross-references to information found in other sections of the book.