

Family First Credit Union Lending Policy S.A.F.E. Act Policy and Procedures

Introduction

It is the policy of Family First Credit Union to comply with the requirements of the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) and the statute's implementing regulations. The S.A.F.E. Act requires any credit union employee who acts as a residential "Mortgage Loan Originator" (as defined in this policy) to register with the Nationwide Mortgage Licensing System and Registry, to use the Registry's unique identifier as required, and maintain this registration. Family First Credit Union requires all Mortgage Loan Originators to follow its written policies and procedures to ensure compliance with these requirements.

Family First Credit Union's Vice President of Compliance will be designated as "Account Administrator" – the individual who will have full access to credit union and employee data. The Account Administrator will coordinate with appropriate staff to ensure the Credit Union establishes and maintains procedures to:

- Register the credit union, keep registration information updated, and renew the information on an annual basis.
- Identify new and existing employees who meet the definition of "Mortgage Loan Originator" and ensure they are registered before performing any Mortgage Loan Originator duties.
- Train new Mortgage Lending department staff on S.A.F.E. Act requirements prior to registration, and review requirements with existing staff prior to renewal.
- Confirm the adequacy of employee registrations, including updates and renewals, by comparisons with the credit union's own records.
- Develop systems for monitoring compliance with employees' registration and renewal requirements and procedures.
- Review employee criminal history background reports received through the Registry and maintain records of these reports and any actions taken with respect to applicable employees.
- Ensure that any third parties involved in Mortgage Loan Origination have policies and procedures to comply with the S.A.F.E. Act, including appropriate licensing and/or registration of individuals acting as Mortgage Loan Originators.
- Conduct an independent audit for compliance with the S.A.F.E. Act's requirements at least annually by credit union personnel outside of the mortgage department or by an outside party.

Mortgage Loan Originator

A Mortgage Loan Originator is an employee who takes a residential mortgage loan application; and offers or negotiates the terms of a residential mortgage loan for compensation or gain. This definition does not include employees who perform purely administrative or clerical tasks in behalf of a Mortgage Loan Originator.

Employees in the following positions are required to be registered Mortgage Loan Originators on the national Registry:

- Mortgage Loan Managers/Supervisors
- Mortgage Loan Officers
- One designated Credit Committee Member
- Any other employee who acts as a Mortgage Loan Originator for more than five (5) residential mortgage loans in the preceding twelve (12) month period.

Any Mortgage Loan Originator who fails to comply with the Credit Union's S.A.F.E. Act policies and procedures will be prohibited from originating residential mortgage loans, may be transferred to another department, or face disciplinary action (up to and including termination).

Registration

Any employee who has been identified as a Mortgage Loan Originator must register on the Nationwide Mortgage Licensing System and Registry, maintain and renew that registration and obtain a unique identifier (the number used by the Registry to identify the Mortgage Loan Originator, track mortgage loan origination, and provide public access to the employment history and any disciplinary or enforcement actions against the Mortgage Loan Originator). Following the initial registration, the Mortgage Loan Originator must renew his/her registration annually between November 1st and December 31st of each year.

A Mortgage Loan Originator must provide the following information to the Registry as well as any additional information required by the Registry:

- Identifying information, including: name and any other names used; home address and contact information; principal business location address and business contact information; Social Security number; gender; and date and place of birth.
- Financial services-related employment history for the ten (10) years prior to the date of registration or renewal, including the date the Mortgage Loan Originator became an employee of the credit union.
- Any criminal convictions involving dishonesty, breach of trust, or money laundering; Civil Judicial actions in connection with financial services-related activities; or disciplinary actions or orders by a state or federal regulatory agency.
- Any suspension or revocation of an individual's professional license (e.g.,

attorney, account, state or federal contractor).

- Fingerprints in digital form (if practicable) for submission to the Federal Bureau of Investigation. Fingerprints provided to the Registry that are less than three (3) years old may be used to satisfy this requirement.

Authorization and Attestation

Any employee registering, renewing or updating registration as a Mortgage Loan Originator must authorize the Registry to obtain information related to any administrative, civil, or criminal actions; attest to the correctness of the information whether submitted by the employee or by the Credit Union on the employee's behalf; and authorize the Registry to make available to the public information regarding employment history and any disciplinary or enforcement acts that have been initiated against the Mortgage Loan Originator.

Unique Identifier

The Mortgage Loan Originator must provide the unique identifier to a member upon request, before acting as a Mortgage Loan Originator, and through the Mortgage Loan Originator's initial written (or electronic) communication with a member.

Record Retention

Authorization form and other data, including background record, submitted to the Registry will be maintained in employee's personnel file. Authorization form and background information may be reviewed by the independent auditor. Personnel file is maintained for three (3) years after date of termination.

Vendor Due Diligence

Procedures designed to ensure that a third party with which it has arrangements related to Mortgage Loan Originations also has policies and procedures to comply with the S.A.F.E. Act. Family First Credit Union will verify third party policy and procedures under S.A.F.E. Act.

The Vice President of Lending will request a copy of the third party's policies and procedures pertaining to compliance with the S.A.F.E. Act annually between November 1st and December 31st.

In General, to assure the credit union's compliance with the S.A.F.E Act policy, the Board will review the procedures annually. All registered employees will be given a copy of this policy and asked to sign to acknowledge receipt and understanding of this policy annually prior to updating and reviewing Registry data. A copy of the signed document will be held in the employee personnel file.