

Correction of Errors Process – October 2019





Correction of Errors Process

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Purpose

The purpose of this process is to establish responsibilities and accountable parties to Citadel Servicing Corporation's ("CSC") correction of errors process. Throughout the origination of its loans, CSC strives to keep errors to a minimum. Often when an error does occur in origination, it can be attributed as a "correctable error", defined below.

This process is to be utilized to correct the errors discovered by CSC's third-party reviewers.

Timing

This process should be completed within 2-3 business days from the discovery of a correctable error.

This process is to be used regardless of whether the correctable error is discovered within 60 days from closing.

Definitions

Correctable Error – A "Correctable Error" is categorized as any error of the clerical or numerical nature that occurred throughout the origination of the loan, this could be, but is not limited to, an amount being improperly disclosed on a Closing Disclosure or the APR being improperly disclosed on a Closing Disclosure.

Accountable Parties

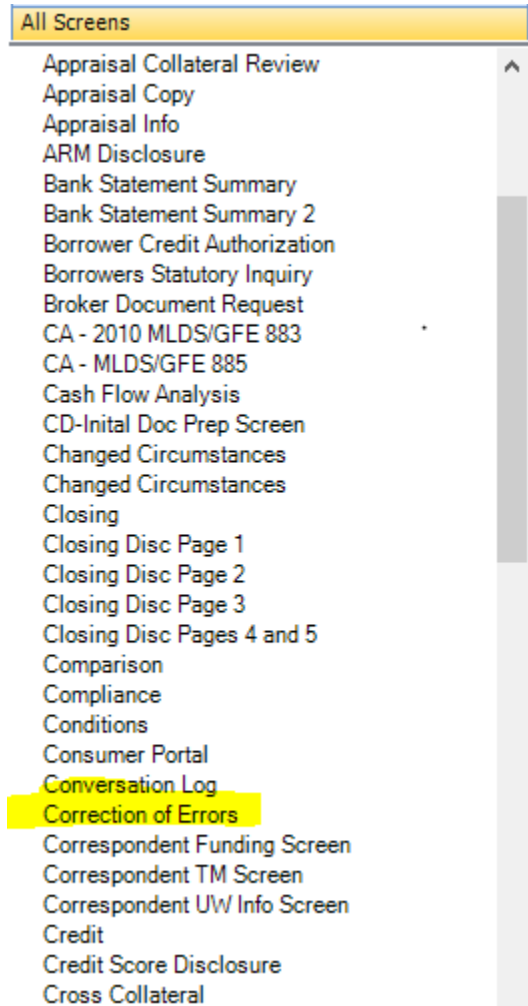
These correctable errors can be discovered and should be resolved by the following departments, **in this specific order:**

- 1) Secondary;
- 2) QC;
- 3) Funding;
- 4) Compliance and Legal (**only for escalated issues**)



Screen Location in Bytepro (Secondary, Funding, & QC Depts.)

Once there is confirmation that a correctable error occurred during the origination of the loan, the applicable department representative will access the “Correction of Errors” screen on Bytepro to perform their assigned task.





Initial Fields of Information (Secondary Dept.)

Once on the screen, the representative will complete all of the following preliminary fields:

- 1) Department (Select your department name)
- 2) Date Requested (Date request for correction was made)
- 3) Refund Included (**This box should only be checked if a refund is being issued, if not leave blank**)
 - a. Enter Refund Amount, if applicable.

1640(b) Disclosure	
Borrowers Last Name	Christensen Sample
Loan Number	SAMPLE - 7003792
Department	<input type="text"/>
Date Requested	<input type="text"/>
Date Sent	<input type="text"/>
Corrections Deadline:	
Documents Generated By:	<input type="text"/>
Tracking Number/Email	<input type="text"/>
Delivery Type	<input type="text"/> * FedEx for Right of Recission and/or Check Only
<input type="checkbox"/> Refund Included	
Refund Amount	<input type="text"/>
Check Number	<input type="text"/>

Following the input of the preliminary information, the representative will provide a brief description in the text box of the error which occurred requiring the issuance of the correction of error documents. **It should be factual, short and to the point.** This verbiage will be transcribed directly onto the letter issued to the borrower.

Summary of Errors/Omitted Information (Describe in detail the error which occurred)
<input type="text"/>



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After the description of errors has been completed, the representative will list out any documents that will be enclosed with the correction of error documents, in the white sections below.

Enclosures: (List the title of any documents/items to be issued with Correction of Error Documents)

Note: The dark grey area will be auto populated with the check information (if applicable) based on the information entered into the refund amount. Copy and paste the check information from the gray sections into the white sections, if applicable. Only the information in the white sections will appear on the Corrections of Errors letter.

Once the description and enclosures are complete, contact QC via email including Funding management (Veronica Tillis and Dale Hersh), Secondary management (Michael Walsh) and the Director of Operations (Trudy Barton). Additionally, complete the date that you issued the request for QC's review.

Sent for QC Review



QC Review (QC and Secondary Dept.)

QC will review all the input information and recommend corrections to the Secondary team member accordingly. The Secondary team member will make the necessary adjustments until no further revisions are required. Once there are no further revisions, QC will respond to the Secondary team member that no further adjustments are needed and will check the box that the summary and documents are approved.

Turnaround time for QC review is one full business day, this is subject to change at the end of the month.

☐ QC Approved

Once QC has completed their review, the Secondary team member will notify the Funding department that the request is ready to be finalized.



Right of Rescission Section (QC Dept.)

The Right of Rescission section provides a single check box, the representative should only check this box if the correction of the error triggers a reopening of the right of rescission. If not then the check box should be left blank.

A screenshot of a form section. At the top is a large, empty rectangular box. Below it is a checkbox labeled "Right of Rescission Re-Opened". Underneath the checkbox are two lines of text: "Scheduled Delivery Date" and "Expiration Date".

<input type="checkbox"/> Right of Rescission Re-Opened
Scheduled Delivery Date
Expiration Date



Final Fields of Information (Funding Dept.)

The final fields that should be completed before issuance of the letter are:

- 1) Date Sent
 - a. The date the letter(s) is/are being sent.
- 2) Documents Generated By:
 - a. Name of the Funder/Funding Assistant that is issuing out the documents
- 3) Tracking Number/Email:
 - a. If FedEx or Certified Mail is being used, please list the tracking number in this field.
 - b. If email is being used, please write the email that these documents are being sent to in this field.
- 4) Delivery Type (FedEx Overnight, Email, or Certified Mail):
 - a. FedEx Overnight, only select this delivery type when the Right of Rescission has been re-opened or if CSC is issuing a check to the borrower with the Correction of Errors letter.
 - b. Email, this option is to be selected if the borrower has a valid E-Consent on file and only a Correction of Errors letter is needed.
 - c. Certified Mail, this option is to be selected if the borrower does not have a valid E-Consent on file and only a Correction of Errors letter is needed.
- 5) Check Number Section
 - a. The Funder/Funding Assistant will request the check from Accounting in the amount stated in the Refund Amount Section
 - b. Once the Funder/Funding Assistant has the check, they will complete the Check Number Section

1640(b) Disclosure	
Borrowers Last Name	Christensen Sample
Loan Number	SAMPLE - 7003792
Department	<input type="text"/>
Date Requested	<input type="text"/>
Date Sent	<input type="text"/>
Corrections Deadline:	
Documents Generated By:	<input type="text"/>
Tracking Number/Email	<input type="text"/>
Delivery Type	<input type="text"/> * FedEx for Right of Recission and/or Check Only
<input type="checkbox"/> Refund Included	
Refund Amount	<input type="text"/>
Check Number	<input type="text"/>



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All fields should now be completed; accordingly, the representative will select the letters applicable to the correction required, see below for guidance.

For Correction of Error only, the following letter should be selected:

1) Correction of Errors

Document Name	Size	Form No
<input checked="" type="checkbox"/> Correction of Errors	Letter	
<input type="checkbox"/> Right of Rescission	Letter	
<input type="checkbox"/> Notice of Right to Cancel - Bor...	Letter	
<input type="checkbox"/> Notice of Right to Cancel - Bor...	Letter	
<input type="checkbox"/> Notice of Right to Cancel - Bor...	Letter	
<input type="checkbox"/> Notice of Right to Cancel - Bor...	Letter	
<input type="checkbox"/> Notice of Right to Cancel - No...	Letter	
<input type="checkbox"/> Notice of Right to Cancel - No...	Letter	

For Correction of Error and Right of Rescission, the following letters should be selected:

- 1) Correction of Errors
- 2) Right of Rescission
- 3) 1st Copy, Notice of Right to Cancel – Borrower 1
- 4) 2nd Copy, Notice of Right to Cancel – Borrower 1
- 5) 1st Copy, Notice of Right to Cancel – Borrower 2 (if applicable)
- 6) 2nd Copy, Notice of Right to Cancel – Borrower 2 (if applicable)
- 7) 1st Copy, Notice of Right to Cancel – Borrower 3 (if applicable)
- 8) 2nd Copy, Notice of Right to Cancel – Borrower 3 (if applicable)
- 9) 1st Copy, Notice of Right to Cancel – Non-Borrower Person (if applicable)
- 10) 2nd Copy, Notice of Right to Cancel – Non-Borrower Person (if applicable)

Document Name	Size	Form No
<input checked="" type="checkbox"/> Correction of Errors	Letter	
<input checked="" type="checkbox"/> Right of Rescission	Letter	
<input checked="" type="checkbox"/> Notice of Right to Cancel - Bor...	Letter	
<input checked="" type="checkbox"/> Notice of Right to Cancel - Bor...	Letter	
<input checked="" type="checkbox"/> Notice of Right to Cancel - Bor...	Letter	
<input checked="" type="checkbox"/> Notice of Right to Cancel - Bor...	Letter	
<input checked="" type="checkbox"/> Notice of Right to Cancel - No...	Letter	
<input checked="" type="checkbox"/> Notice of Right to Cancel - No...	Letter	

Important: If Right of Rescission was selected, two (2) copies **per borrower** of the Notice of Right to Cancel **MUST** be issued out with the Right of Rescission documents. This requirement is also applicable to non-borrowing person.

Once the appropriate letters and documents have been gathered, the representative will issue them out to the borrower(s) via the delivery method selected.



Document Storage (Funding Dept.)

Once the letter and/or documents have been printed, the printed letters/documents and any attachments must be uploaded into DocVelocity.

The image shows a portion of the DocVelocity web interface. At the top, there are four tabs: 'Filed Docs', 'Notes', 'Received Mail', and 'Sent Mail'. Below these tabs is a row of three buttons: 'Upload Files' (highlighted in yellow), 'Deliver To' (with a dropdown arrow), and 'Enter Sort Mode'.

The document must be labeled as “Correction of Errors” with the comment stating “1640(b) Disclosure” or “1640(b) disclosure and Right of Rescission”.

The image shows a 'Rename Document' dialog box. It has a title bar with a close button (X). Inside, there is a search icon and a text input field containing 'correc'. To the right of this field is another input field labeled 'Enter Comments Here'. Below the first input field is a hint that says 'Hint: Wiring Instructions'. At the bottom of the dialog, there is a table with two rows. The first row has a green header 'Correction of Errors' and a blue header '17. Post Closing'. The second row has the text 'Document Correction Compliance Agreement (will be named Do Not Use)' and 'Application'.

The process will be done once this final step has been completed.