



## Entity Legal Review Screen

(Revised 12/26/19)

Effective Monday, 12/30/19, Underwriters will be required to complete the Entity Legal Review checklist prior to submitting a file to the Legal Department for Entity review.

A TM may set the “TM - Entity Documents submitted for UW review” task for the UW to identify that entity documents have been submitted. A TM may set this task independently to solely identify that the file needs to be submitted to Legal. If there are additional conditions, re-work, etc, then the TM would be required to set the other appropriate tasks as well.

### NEW SCREEN:

- Draft Appraisal Quality Control Screen
- ECOA Valuation Rule
- ▼ Entity Legal Review
- Escrow Cancellation
- Escrow Closing Instructions

### STEP 1.

UW to complete all questions on Entity Legal Review Screen.

#### Business Entity

	Yes	No	N/A	Notes
1. 1003 #1 should be LLC/business name only	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
2. 1003 includes Taxpayer Identification Number (TIN) or Employer Identification Number (EIN) for business entity	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
3. 1003 received for all other borrowers (if they are not married, should not be joint 1003's)	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
4. Is LLC set up as 1st borrower in BytePro?	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
5. Are borrowers set up in positions starting at Borrower #3 in Byte Pro?	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
6. Operating Agreement that includes authorization to borrow and designates signers	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
* Required for an LLC regardless of the number of members; CSC Legal requires an operating agreement to establish how the company exists.				
7. Certificate of Formation / Articles of Organization received?	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
8. Certificate of Good Standing or equivalent document received?	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
9. Certificate of Foreign Qualification or other qualification to operate in the state where business is being conducted (if entity is formed in a state other than where business is being performed)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Check box Yes/No
10. If there are multiple members with greater than 20% interest - do you have the name and principal residence/home address of those that will be signing the Personal Guaranty?	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
11. For multi member LLCs with varying membership interest whose operating agreement requires a vote or resolution in order to bind the company, fully executed Board Resolution authorizing the borrower to enter the loan contract has been received?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Check box Yes/No

#### Trust Vesting where there is also Business Entity

The following along with all documents required for Business Entity vesting are required:

	Yes	No	N/A	Notes
1. Copy of Trust (entire trust/all pages) has been received	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No
* A Trust Certification completed by the Title Company may be acceptable on a case by case basis.				
* We must be able to ascertain who the Trustees/Grantees/Beneficiaries are.				
2. Name(s) on loan application/Personal Guarantor should exactly match name(s) on trust documents?	<input type="checkbox"/>	<input type="checkbox"/>		Check box Yes/No

#### Trust Vesting (not associated with business entity):

Copy of Trust (entire trust/all pages) are in DV? ☐ Yes ☐ No

\* A Trust Certification completed by the Title Company may be acceptable on a case by case basis.

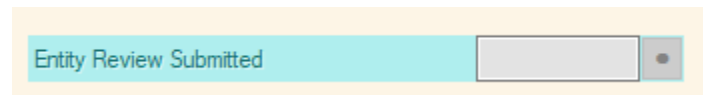
\* We must be able to ascertain who the Trustees/Grantees/Beneficiaries are and if trust is revocable/irrevocable.

#### CSC Management review and approval required.

\* Submit to Lisa Cury for review; Lisa will complete the Trust review and share out with Legal if needed.

## STEP 2.

UW to input date ENTITY REVIEW SUBMITTED to Legal department. UW should not submit the file for legal review until all “FAILS” identified in the “Notes” column have been corrected.



AUTO SET NEW TASK – LGL – Entity Review Request Submitted


***\*UW to email legal with the Entity details using the auto generated task email***

NOTE WILL AUTOMATICALLY BE ADDED TO THE CONVO LOG:

Entity Request Submitted by UW for Legal Review - due 3-5 days

## STEP 3.

Legal Assistant will complete his/her initial review of the items provided.



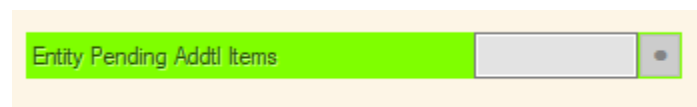
NOTE WILL AUTOMATICALLY BE ADDED TO THE CONVO LOG:

Entity Initial Review completed by Legal Assistant; Pending Final Legal Review

## STEP 4.

If it is determined that additional items are needed, the Legal Assistant will input a date to identify “Pending Addtl items”. A task email will be sent to the UW identifying the list of items required.

The Legal Assistant will close out the LGL – Entity Review Request Submitted task, as the file will then be assigned to back to the UW to update the approval for the additional items needed.



NOTE WILL AUTOMATICALLY BE ADDED TO THE CONVO LOG:

Entity Initial Review Completed; Addtl Items needed before Entity can be approved

AUTO SET NEW TASK – UW - Entity Additional Items Needed – due same day as task creation

## **\*\*ADDITIONAL REVIEWS\*\***



UW to use the Entity Additional Items Submitted field to task the file back for additional review.

**DO NOT** change the original “Entity Review Submitted” date when sending back “Entity Additional Items Submitted”.

AUTO SET NEW TASK – LGL - Entity Additional Items Submitted

***\*UW to email legal with the Entity details using the auto generated task email***

NOTE WILL AUTOMATICALLY BE ADDED TO CONVO LOG:

Entity Additional Items Submitted by UW for Legal Review - 3-5 day turn time

Entity Additional Items Reviewed

Legal Assistant to use the Entity Additional Items Reviewed field to identify that the items have been reviewed and are in line for final review.

**NOTE WILL AUTOMATICALLY BE ADDED TO CONVO LOG:**

Entity Additional Items reviewed by Legal Assistant; Pending Final Legal Review

#### STEP 5.

Legal Assistant will input the date that Legal has approved the Entity and the file will be tasked back to the UW. UW to update the approval if Legal has identified any specific instructions relative to execution/funding.

Entity Request Approved

AUTO SET NEW TASK – UW - Entity Approved – due same day as task creation

**NOTE WILL AUTOMATICALLY BE ADDED TO CONVO LOG:**

Entity Request Approved - email confirmation sent to UW to upload to DV

#### STEP 6.

UW to upload Entity approval email to DV, update the approval and release back to the TM.

**NOTE:** Legal Assistant must save the CSC prepared “Personal Guarantee” to the L: Drive for “2<sup>nd</sup> Home” transactions closing in an LLC or Entity Name. The funding department will need to incorporate this into the closing package generated from Doc Magic on “2<sup>nd</sup> Home” LLC/Entity transactions.

> This PC > Operations (L:) > Citadel Servicing Corp > Originations > 2 - Open Files > ODF Personal Guarantees

#### LEGAL ENTITY REVIEW DELIVERY

Include the following information in the task email:

- Name(s) exactly as they should appear on the Personal Guaranty (typically name that is on the 1003 but clarification of first/middle/middle initial/last name). Names must be consistent throughout the file and if they are not, obtain an LOE).
- Approved loan amount for transaction
- Estimated closing date

UW to attach the following or advise that the following is in DV and identify the condition number it is filed under:

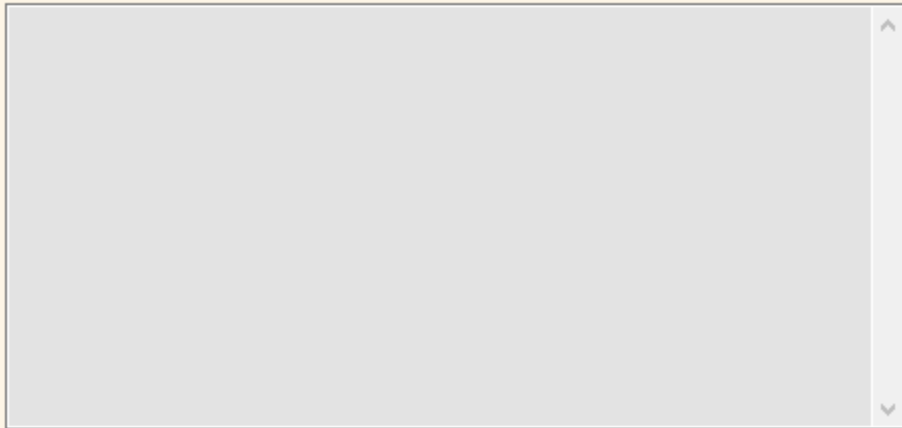
- Operating Agreement that includes authorization to borrow and designates signers
- Certificate of Formation / Articles of Organization
- Certificate of Good Standing or equivalent document
- Certificate of Foreign Qualification or other qualification to operate in the state where business is being conducted (if entity is formed in a state other than where business is being performed)
- Name and principal residence/home address that will be signing the Personal Guaranty if multiple members with greater than 20% interest
- For multi member LLCs with varying membership interest whose operating agreement requires a vote or resolution in order to bind the company, fully executed Board Resolution authorizing the borrower to enter the loan contract

**Entity Legal Review Screen comments to be completed by the Legal Assistant**

*\*\*Field cannot be changed or modified by any other role*

Info identified in this comment section will auto populate within the TASK email sent to the UW.

**Comments: (To be completed by Legal)**

A large, empty text area for comments, with a vertical scrollbar on the right side. The text area is light gray and is contained within a white box with a thin border. The scrollbar is on the right side of the text area, with an upward arrow at the top and a downward arrow at the bottom.