



## HMDA Policy - Origination

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### SECTION 1 – INTRODUCTION

#### A. Purpose

It is the Policy of Citadel Servicing Corporation (“CSC”), to implement reasonable procedures to comply with all applicable rules, regulations and laws with respect to the Home Mortgage Disclosure Act (“HMDA”) and its implementing regulation, Regulation C.

#### B. Origins

The Home Mortgage Disclosure Act (“HMDA”) was enacted by Congress in 1975 and was implemented by the Federal Reserve Board's Regulation C. On July 21, 2011, the rule-writing authority of Regulation C was transferred to the Consumer Financial Protection Bureau (“CFPB”). Regulation C requires lending institutions to report public loan data.

#### C. Applicability

This policy applies to all covered mortgage products and loan transactions.

#### D. Board Oversight

The Board of Director's will be responsible for the approval and general control of this policy. The policy will be reviewed and approved on an annual basis.

#### E. Assigned Officer Reasonability

The Board of Directors has appointed the Compliance Officer as administrator to maintain compliance over the day-to-day implementation of this policy.

#### F. Definitions

- Application – an oral or written request for a home purchase loan, home improvement loan, or a refinancing that is made in accordance with the procedures established by CSC for the type of credit requested.
- Dwelling – a residential structure (whether or not attached to real property) located in a state of the United State of America, the District of Columbia, or the Commonwealth of Puerto Rico.
  - The term includes an individual condominium unit, cooperative unit, mobile home or manufactured home and multi-family units.
- Home purchase loan – a loan secured by and made for the purpose of purchasing a dwelling.
  - A home purchase loan includes investment and rental purposes as well as combined construction to permanent loans, and the permanent financing that replaces a construction-only loan.
- Refinancing – means a new obligation that satisfies and replaces an existing obligation, involving either a home purchase or home improvement loan, by the same borrower. Both the existing loan and the new loan must be secured by a dwelling but it need not be the same dwelling. CSC must report the loan as a refinance even if the original purpose of the dwelling secured loan was not a consumer purpose loan.



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### SECTION 2 – COLLECTION OF DATA

All reportable data will be recorded within thirty (30) calendar days after the end of each calendar quarter end. CSC employees will collect the following required data for each reportable loan:

- An identifying number for the loan or loan application;
- The date the application was received;
- The type of loan or application;
- The property type to which the loan or application relates;
- The purpose of the loan or application;
- The owner-occupancy status of the property based on the loan or application;
- The amount of the loan or the amount applied for;
  - Whether the application is for a preapproval and whether it resulted in a denial or in an origination; (Note: CSC does not currently have a preapproval program.)
- The type of action taken;
- The date action was taken;
- The location of the property that relates to the application;
- The ethnicity, race, and sex of the applicant and each co-applicant;
- The gross annual income relied on in making the credit decision for transactions involving a 1-4 family dwelling;
- The type of entity purchasing a loan the institution originates or purchases and then sells within the same calendar year;
- Loan pricing rate spread information;
- HOEPA status; and,
- Lien status.

### SECTION 3 – REPORTING REQUIREMENTS

CSC will submit its HMDA LAR, accompanied by its Transmittal Sheet, to its supervisory agency by March 1 following the calendar year covered by the data. The Compliance Officer will ensure that all documentation has met the appropriate signatory requirements.

### SECTION 4 – TRAINING AND RECORDKEEPING

All applicable CSC personnel shall be trained on the functions and processes of the HMDA / Regulation C policy and procedures. Training will be provided to new hires during orientation, if applicable, based on assigned duties and to all applicable personnel at least on an annual basis. This training will be supplemented by any changes, or additions to any regulation or company policy.

Training may consist of a combination of classroom instruction, reference guidance, and/or memorandum.

### SECTION 5 - AUDIT

CSC, through Compliance, will facilitate the audit of HMDA data as necessary and provide documentation as to when and how the audit was performed, any findings, and a plan of action



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for correction. This audit will be conducted on at least an annual basis. The audit findings will be provided to The Board of Directors within a reasonable time-period after completion.

### SECTION 6 – RECORD KEEPING REQUIREMENTS

- CSC shall retain its full TILA Higher-Priced Mortgage Loans Appraisal Rule and ECOA Valuations Rule electronic data and documents for at least three (3) years for potential examination purposes.

### SECTION 7 – RECORD KEEPING REQUIREMENTS

- Company shall retain its full (unmodified) HMDA Loan Application Register ("LAR") for at least three (3) years for potential examination purposes.
- A modified copy of the HMDA LAR will also be available for three (3) years.
- Federal Financial Institution Examination Council ("FFIEC") disclosure statement will be available for five (5) years as required for public inspection (When issued).
- These documents will be retained by Compliance in a retrievable, electronic format.



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Revision Date	Details	Compliance Approved
October 20, 2015	Reformatted entire document with approved template	March 3, 2016 – Rule Five Approved