

Declined Application Checklist

Applicant Name(s): _____ Reviewer: _____ Today's Date: _____
Application Date: _____ Loan Number: _____
Type Application: ☐ Pre-Approval ☐ Full Application (post-accepted offer)

MLO:

- ☐ MLO has updated the conversation log to reflect key information on application status:
 - ☐ Date of Denial
 - ☐ Reason for Denial
- ☐ MLO has updated e folder to include all documents obtained during process
- ☐ If appraisal report obtained, copy mailed or provided to applicant (as per ECOA-REG B)
- ☐ Moved Encompass file to the Decline Review Folder
- ☐ Checked Application Date for accuracy based on date of Pre-Qual or Pre-Approval (note MLO Section of 1003 Page 3 also reflects same date).

Processor/UW/Assistant:

- ☐ Updates Transmittal with Underwriting Comments, saves to efolder and hard copy printed for file.
- ☐ Transmittal, Denial Notice provided to 2nd Authority (Underwriter or General Manager for review and signature on Transmittal (2nd Tier Review).
- ☐ Completes *Statement of Denial Notice* complete and accurate with all denial reasons, description of requested credit (e.g. *Mortgage Loan Application Secured by 500 Main Street, Roxbury, MA*), Adverse Action. **NOTE:** *Statement of Denial Notice* Credit Agency block checked only if credit report was used in the loan decision (for example if the DTI was due to high based on info on the credit report); Credit Score block not checked unless the score was a basis for the decision.
- ☐ Original hard copy *Statement of Denial Notice* signed by 2nd authority (Underwriter or General Manager)
- ☐ *Mortgage Review Board (MRB)* cover Letter and Notice generated via Encompass (customized with applicant's name and address)
- ☐ Statement of Denial mailed to Applicant(s) along with *Mortgage Review Board (MRB)* cover letter and *Mortgage Review Board Notice* and pre-addressed envelope with MRB address
- ☐ Date mailed to Applicants is within 30 days of Application date.
- ☐ Updates Encompass Status (Borrower Summary – Origination screen) to Denied
- ☐ Encompass file moved to correct folder (Adverse folder)
- ☐ **Borrower has been called to explain reason for decline.**
 - efolder updated with:
 - ☐ Copy of Original, Signed Statement of Denial notice (scanned and uploaded)
 - ☐ MRB Cover Letter and Notice (saved via Encompass)
 - ☐ Transmittal (signed by JP) (saved via Encompass)
 - ☐ Pre-Qualification or Pre-Approval Application documents
 - Pre-Qual Docs**-Conv Log, Transmittal, Application, Statement of Denial, MRB Notice and Cover Letter, Warren Data.
 - Pre-Appr Docs** (Pre-Approval Application Package and Disclosure Acknowledgement, Credit Report, Income Docs, Bank Statements, Other Info as per situation, Transmittal, Statement of Denial, MRB Notice.
- Hard Copy File has:
 - ☐ All of docs in e folder list above
 - ☐ All income, credit, asset, appraisal info (as applicable)
 - ☐ Printed copy of Conversation Log