

Real Estate Mortgage Lending Questionnaire

		Yes	No			Yes	No
General Questionnaire							
<i>Real Estate Loan Policies</i>							
1. Has the board of directors adopted written real estate loan policies that define:				2. Are loan underwriting standards reviewed at least annually to determine if they are compatible with changing market conditions?			
a. Geographic lending areas?				3. Does the institution have written collection policies and procedures that are approved by the board of directors?			
b. Acceptable types of properties?				4. Does the institution have a written schedule of fees, rates, terms, and collateral requirements for all new loans?			
c. Lending authority of committees and individual officers?				<i>Appraisal Practices</i>			
d. Minimum financial information required for borrowers of specific types of mortgage loans?				5. Has the board of directors:			
e. Minimum appraisal standards for real estate mortgage loans?				a. Adopted an appraisal policy?			
f. Maximum advance as a percentage of appraised value or purchase price?				b. Developed written hiring policies for appraisers?.....			
g. Limits on the amount of negative amortization allowed on a mortgage compared with its current market value?				c. Developed a review system for appraisers?.....			
h. Maximum loan maturities?				6. Has the board of directors adopted a current approved appraiser list and are appraisers approved before they are used?			
i. Sound review standards for real estate loan applications that require the underwriting analysis/decision be documented?				7. Are current agreements of sale, option, or listing information made available to appraisers?			
j. Minimum standards for loan documentation?				8. Are appraiser's fees based upon a set fee and not the granting of the loan or the appraised value of the property?.....			
k. Limitations on the number or amount of loans involving any individual borrower or contractor?.....				9. If staff appraisers are used, does the institution periodically have test appraisals made by independent appraisers in order to check the accuracy of appraisal reports?....			
l. Limitations on the number, type, or amount of loans purchased or sold by the institution?				10. If appraisers who are not employees of the institution are used, does the institution adequately investigate their report quality, reputation, and qualifications?			
m. Minimum standards for qualification of borrowers for various loan products (ARMs, Teaser Rate, etc.)?				11. Do loan approval and appraisal functions maintain adequate independence internally?			
				12. Does the institution not use borrower-supplied appraisal reports?			

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13. Are appraisal review personnel identified and given specific guidelines to determine the adequacy of the appraisal?			<i>Loan Interest and Commitment Fees</i>		
14. Are appraisers paid the same amount whether or not the loan is granted?				24. Is the preparation of interest earned or loan fees subsidiary journals reviewed by personnel who do not issue checks or handle cash?	
<i>Collateral</i>					
15. Does the institution have a sound policy of cross-collateralizing security properties for major borrowers?			25. Are interest and fee computations made and tested by persons who do not also issue checks/drafts or handle cash?		
16. Are loan advances supported by written evidence or reinspection of property?			26. Does the institution properly account for deferred and earned loan fees?		
17. If supplemental collateral is held on loans, is it secured and a record of its status maintained?			<i>Recordkeeping</i>		
18. Is written acknowledgment obtained from the borrower for the pledging of savings accounts or the assignment of life insurance policies?			27. Is the preparation and posting of subsidiary loan records performed or reviewed by persons who do not also issue official checks/drafts or handle cash?		
<i>Loan Documentation</i>			28. Are the subsidiary loan records reconciled daily with the appropriate general ledger accounts and are reconciling items investigated by persons who do not also issue official checks/drafts or handle cash?		
19. Are procedures in effect to ensure compliance with the requirements of government agencies insuring or guaranteeing the loans?			29. Are delinquent account collection requests and past-due notices checked to the trial balances used in reconciling loan subsidiary records to general ledger accounts and are they handled by persons who do not also issue official checks/drafts or handle cash?		
20. Has a system for maintaining adequate loan document files been established including:			30. Are detailed statements of account balances and activity mailed to mortgagors at least annually?		
a. A check sheet to assure that required documents are received and on file?			31. Are inquiries about loan balances received and investigated by persons who do not also handle cash?		
b. Inspection performed by internal loan review personnel?			32. Are documents supporting recorded credit adjustments checked or tested by persons who do not also handle cash?		
21. Are procedures in effect to protect notes and other documents from theft or damage?			33. Is a daily record maintained summarizing loans made, payments received, and interest collected to support applicable general ledger accounts?		
22. Are all real estate loan commitments issued in written form?					
23. Are approvals of real estate advances reviewed, before disbursement, to determine that such advances do not increase the borrower's total liability to an amount in excess of the institution's legal lending limit?					

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