

HOW THE CALDWELL QC PLAN MEETS HUD REQUIREMENTS

Every FHA-approved mortgage lender, including loan correspondents, must implement a written quality control plan and maintain it throughout the period of FHA approval. The plan must cover loan origination, if the lender originates FHA-insured mortgages, and servicing if it services them.

The most comprehensive statement of HUD's quality control program requirements is found in HUD Handbook 4060.1 REV-1, *Mortgagee Approval Handbook*, Chapter 6, which contains over 135 QC steps and requirements. This checklist addresses point-by-point how the *Caldwell Quality Control Plan* meets those requirements, citing the section or component of the QC Plan that meets the HUD requirement.

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	<i>Caldwell QC Plan</i> sections meeting HUD requirement
1	Quality control is a prescribed and routine function of the mortgagee's operations. [Paragraph 6-1 General]	<p>The quality control plan is a prescribed function of the lender's operations and assures that the lender maintains compliance with HUD-FHA requirements and the lender's own procedures. <i>Part Q: Quality Control Organization, Chapter 3, Operating Guidelines,</i></p> <p><i>Part Q: Quality Control Organization, Chapter 1, Quality Control Rule Sources, Section 1, Rules of FHA, VA, Freddie Mac and Fannie Mae,</i></p> <p><i>Part Q: Quality Control Organization, Chapter 1, Quality Control Rule Sources, Section 3, Monitoring Governmental and Investor Requirements,</i></p> <p>Also the <i>Quality Control Plan</i> generally.</p>
2	The QC program assures compliance with HUD's and the mortgagee's own origination and servicing requirements, protects the mortgagee and HUD from unacceptable risk, guards against errors, omissions and fraud and assures swift and appropriate corrective action. [Paragraph 6-2 Goals of Quality Control]	<p>Assuring compliance with origination requirements is accomplished by <i>Part O: Loan Origination and Procedures</i> and the accompanying appendices.</p> <p>Assuring compliance with servicing requirements is accomplished by <i>Part S: Loan Servicing Standards and Procedures</i> and the accompanying appendices.</p> <p>Protecting HUD and the mortgagee from unacceptable risk, errors, omissions and fraud and assuring swift and appropriate corrective action is accomplished by <i>Part C: Compliance Review and Management Response</i> and the accompanying appendices.</p> <p>These requirements are laid out in <i>Part Q: Quality Control Organization, Chapter 1, Quality Control Rule Sources, Section 1, Rules of FHA, VA, Freddie Mac and Fannie Mae.</i></p>
3	The QC program is in writing and is fully functioning from the date of FHA approval until final surrender or termination of approval. [Paragraph 6-3A Plan Form and Execution]	<p>See the <i>Quality Control Plan</i> generally.</p> <p>This requirement is explained in detail in <i>Part Q: Quality Control Organization, Chapter 1, Quality Control Rule Sources, Section 1, Rules of FHA, VA, Freddie Mac and Fannie Mae.</i></p>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
4	The quality control function is independent of the origination and servicing functions. [Paragraph 6-3B Independence]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 2: Quality Control Reviewer.</i> This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i>
5	In-house quality control review staff are properly trained in quality control and have access to current the current guidelines relating to the operations that they review. [Paragraph 6-3C Qualified Staff]	<i>Part Q: Quality Control Organization, Chapter 2: Quality Control Guidelines, Section 4: Quality Control Coordinator and Section 5: Keeping Staff Up-to-Date on Quality Control.</i> This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i>
6	Quality control reviews are performed on a regular and timely basis. [Paragraph 6-3D Timeliness]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 4: Loan Selection Techniques, Frequency and Section 5: Selecting Loans for Review, Selection of Servicing for Review.</i> This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i>
7	The QC program provides for the review of a representative sample of the mortgagee's loans and must evaluate the accuracy and adequacy of the information and documentation used in reaching decisions in either the origination or servicing processes. [Paragraph 6-3E System of Loan File Review]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 4: Loan Selection Techniques and Section 5: Selecting Loans for Review, Selection of Servicing for Review.</i> This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i>
8	The QC program must evaluate the accuracy and adequacy of the information and documentation used in reaching decisions in either the origination or servicing processes. [Paragraph 6-3E]	Evaluating the adequacy and accuracy of the information and documentation used in reaching decisions in origination and servicing is accomplished by <i>Part C: Compliance Review and Management Response</i> and the accompanying appendices.
9	When fraud or patterns of deficiencies are uncovered, the mortgagee expands the scope of the QC review. [Paragraph 6-3F]	<i>Part C: Compliance Review and Management Response, Chapter 2: Compliance Report, Scope of the Audit and Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review, Adding Cases to Expand the Scope of Review.</i> This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
10	QC plan requires the review all offices, including traditional and nontraditional branch offices engaged in origination or servicing of FHA-insured loans, to determine that they are in compliance with HUD requirements. [Paragraph 6-3G Site Review]	<p><i>Part Q: Quality Control Organization, Chapter 3: Operating Guidelines, Section 1: Lending Entities and Offices; and</i></p> <p><i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 8: Review of Operations.</i></p> <p>This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i></p>
11	All required items are included in the review. [Paragraph 6-3G1 Review Items]	<p><i>Part Q: Quality Control Organization, Chapter 1, Quality Control Rule Sources, Section 3, Monitoring Governmental and Investor Requirements, Chapter 2: Quality Control Employee Guidelines, Section 4: Quality Control Coordinator; Section 5: Keeping Staff Up-to-Date on Quality Control; Section 6: Employee Qualifications; Chapter 3: Operating Guidelines, Section 1: Lending Entities and Offices; and</i></p> <p><i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 8: Review of Operations.</i></p>
12	Annual QC review visits are conducted for offices meeting higher risk criteria. The criteria used to determine frequency of on-site reviews is in writing and available for review by HUD at the corporate office and any branch not being reviewed annually. [Paragraph 6-3G2 Frequency]	<p><i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 8: Review of Operations and Appendix C-Q-OFF, Compliance Review Worksheet—Review of Offices.</i></p> <p>This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i></p>
13	QC plan ensures all contractors, agents and loan correspondents are acceptable to FHA and comply with FHA requirements. [Paragraph 6-3H Affiliate Review]	<p><i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review, Stratifying the Random Sample.</i></p> <p>This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i></p>
14	For acquired loans, QC plan requires mortgagees to confirm that mortgage insurance premiums have been paid, insurance is in force, security instruments have been recorded and files and records are complete and as expected. [Paragraph 6-3H3 Whole Loan and Servicing Purchasers]	<p><i>Part S: Loan Servicing Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 2: Borrower Accounts and Section 6: Transfer of Servicing.</i></p> <p>This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i></p>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
15	Review findings are reported to senior management within one month of completion of the initial report. [Paragraph 6-3I Reporting]	<i>Part C: Compliance Review and Management Response, Chapter 2, Compliance Report, Timing of Issuance of the Report.</i> <i>This requirement is set forth in Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i>
16	Prompt, effective corrective measures are taken by senior management and documented when deficiencies are identified. [Paragraph 6-3I Corrective Action]	<i>Part C: Compliance Review and Management Response, Chapter 3, Management Response to Compliance Review Findings.</i> <i>This requirement is set forth in Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i>
17	Findings of fraud or other serious violations are referred, in writing, to HUD. [Paragraph 6-3J Notification of HUD]	<i>Part Q: Quality Control Organization, Chapter 2: Quality Control Employee Guidelines, Section 1: Policy Statement and</i> <i>Part C: Compliance Review and Management Response, Chapter 3: Management Response to Compliance Review Findings, Notification of Government Agencies, Insurers or Investors.</i>
18	QC review reports are retained for two years from the date of insurance endorsement. [Paragraph 6-K File Retention]	<i>Part Q: Quality Control Organization, Chapter 3: Operating Guidelines, Section 5: Retention of Records</i>
19	Optional assessment of risks are included in the QC report to management. [Paragraph 6-4 Quality Control as a Risk Assessment Tool]	<i>Information on this optional provision is at Part C: Compliance Review and Management Response, Chapter 2: Compliance Report, Assessment of Risks and appendices C-REPT and C-REPT-IL.</i>
20	If conducting quality control from beginning to end of the origination process, the application process is monitored, prefunding reviews are conducted and HUD's neighborhood watch early warning system is used to identify patterns of early defaults. [Paragraph 6-5 Quality Control from Beginning to End]	<i>Although quality control is required to be conducted only at the end of the origination process, HUD recommends implementing quality control throughout the process. The recommendations are set forth in Part O: Loan Origination Standards and Procedures, Chapter 2: Initiating the Mortgage Transaction, Part 1: First Contacts and</i> <i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review.</i>
21	Loans are reviewed within 90 days of closing the loan. [Paragraph 6-6A Timeliness]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 4: Loan Selection Techniques, Frequency.</i>
22	If the mortgagee closes more than 15 loans per month, quality control reviews are conducted at least monthly. [Paragraph 6-6B Frequency]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 4: Loan Selection Techniques, Frequency.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
23	If mortgagee closes 15 loans or less per month, quality control reviews are conducted at least quarterly. [Paragraph 6-6B Frequency]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 4: Loan Selection Techniques, Frequency.</i>
24	The sample size for review of loans is in accordance with FHA requirements. [Paragraph 6-6C Sample Size and Loan Selection]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 4: Loan Selection Techniques, Section 5 Selecting Loans for Review.</i>
25	The loans reviewed are targeted appropriately, including a review of loans from all branch offices and all sources, including authorized agents and loan correspondents. Mortgagees review the work of each of the loan processors, loan officers and underwriters based on the sample selected and review the work of roster appraisers, real estate companies and builders with whom they do a significant amount of business. The sample includes loans in all FHA programs in which the mortgagee participates. [Paragraph 6-6C1 Targeting Loan for Review]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review.</i> This requirement is set forth in <i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i>
26	HUD recommended characteristics to consider are taken into account in identifying loans to be reviewed. [Paragraph 6-6C2 Recommendations for Selecting Individual Loans]	This is a recommendation, not a requirement. A list of the characteristics HUD has found useful is in <i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review, Adding Discretionary Cases.</i>
27	All early payment default loans are included in the quality control review. [Paragraph 6-6D Early Payment Defaults]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review, Adding Targeted Cases.</i>
28	New credit reports are obtained for each borrower whose loan is reviewed unless the loan was a streamline refinance or was processed using an FHA approved automated underwriting system. [Paragraph 6-6E1 Credit Report]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i>
29	Full residential mortgage credit reports are obtained from a different credit source if in-file report reveals discrepancies with original report. [Paragraph 6-6E1 Credit Report]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i>
30	All documents required in the quality control review are reverified. [Paragraph 6-6E2 Credit Document Reverification]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
31	A desk review of the property appraisal is conducted for loans chosen for quality control review unless it is a streamline refinance or a HUD REO sale. [Paragraph 6-6E3 Appraisals]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i>
32	Field reviews by licensed appraisers on FHA's appraiser roster are conducted on 10 percent of the loans selected for quality control review. [Paragraph 6-6E3 Appraisals]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i>
33	Loans selected for field reviews are chosen based on the enumerated factors. [Paragraph 6-6E3 Appraisals]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i>
34	All loans audited due to early payment default receive a field review conducted by a licensed appraiser on FHA's appraiser roster. [Paragraph 6-6E3 Appraisals]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i>
35	Where occupancy reverification revealed that the borrower is not occupying the subject property, the Quality Assurance Division of the appropriate HUD Homeownership Center is notified. [Paragraph 6-6E4 Occupancy Reverification]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i>
36	Each direct endorsement loan selected for review is reviewed for compliance with HUD underwriting requirements, sufficiency of documentation and soundness of underwriting judgments. [Paragraph 6-6F Underwriting Decisions]	<i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae; Section 6; Use of Worksheets in Compliance Review; Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
37	The quality control review for each loan selected determined whether any pre-closing conditions were satisfied prior to closing, the seller was the owner of record or was exempt from the owner of record requirement, the loan was closed and funds disbursed in accordance with the underwriting and closing instructions and the closing and legal documents are accurate and complete. [Paragraph 6-6G Condition Clearance and Closing]	<i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae; Section 6; Use of Worksheets in Compliance Review; Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
38	The QC plan requires the mortgagee to determine whether the information in the preliminary loan application, final application and all credit documents is consistent or reconciled. [Paragraph 6-7A]	<i>Part O: Loan Origination Standards and Procedures, Chapter 1: Special Origination Considerations, Section 2: Information Integrity and Chapter 7: File Review.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
39	The QC plan requires the mortgagee to determine whether the appraised value was established using reasonable comparables, reasonable adjustments and in expectation of repairs required to meet minimum safety and soundness requirements. [Paragraph 6-7B]	<i>Part O: Loan Origination Standards and Procedures, Chapter 6: Security and Property Valuation, Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
40	The QC plan requires the mortgagee to determine whether a field review was performed if the value of the property increased 20 percent or more within 12 months of a previous sale. [Paragraph 6-7B]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i>
41	The QC plan requires the mortgagee to determine whether all loan documents requiring signatures were signed by the borrower or mortgagee's employee only after completion unless the document was a blanket verification release. [Paragraph 6-7C]	<i>Part O: Loan Origination Standards and Procedures, Chapter 1: Special Origination Considerations, Section 2: Information Integrity.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
42	The QC plan requires the mortgagee to determine whether verifications of employment or deposits or credit reports are suspect due to handling by an interested third party or the borrower. [Paragraph 6-7D]	<i>Part O: Loan Origination Standards and Procedures, Chapter 1: Special Origination Considerations, Section 2: Information Integrity; Chapter 3: Borrower's Credit History; Chapter 4: Borrower's Assets, Section 1: Liquid Assets and Chapter 5: Borrower's Income, Section 1: Salaried Applicants.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
43	The QC plan requires the mortgagee to determine whether the loan file contains a financial statement, tax returns and appropriate type of credit report for self-employed applicants. [Paragraph 6-7E]	<i>Part O: Loan Origination Standards and Procedures, Chapter 5: Borrower's Income, Section 2: Self-Employed Applicants.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
44	The QC plan requires the mortgagee to determine whether more than one credit report was ordered and whether all credit reports were submitted to HUD or the direct endorsement lender. [Paragraph 6-7F]	<i>Part O: Loan Origination Standards and Procedures, Chapter 3: Borrower's Credit History.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
45	QC plan requires mortgagee to determine whether any outstanding judgments shown on the credit reports were included on the mortgage credit analysis worksheet and acceptably explained. [Paragraph 6-7G]	<i>Part O: Loan Origination Standards and Procedures, Chapter 3: Borrower's Credit History.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
46	The QC plan requires the mortgagee to determine whether the loan file contains documentation of the borrower's source of funds, the source is acceptable and any obligation to repay the funds is included on the mortgage credit analysis worksheet. [Paragraph 6-7H]	<i>Part O: Loan Origination Standards and Procedures, Chapter 4: Borrower's Assets, Section 1: Liquid Assets, Section 2: Assets from Third Parties, Section 3: Non-Liquid Assets; Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
47	The QC plan requires the mortgagee to determine whether all discrepancies in the application file were resolved and documented prior to submitting the loan for underwriting. [Paragraph 6-7I]	<i>Part O: Loan Origination Standards and Procedures, Chapter 1: Special Origination Considerations, Section 2: Information Integrity and Chapter 7: File Review.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
48	The QC plan requires the mortgagee to determine whether there are sufficient and documented compensating factors if debt ratios exceed FHA limits. [Paragraph 6-7J]	<i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
49	The QC plan requires the mortgagee to determine the accuracy and completeness of the underwriting conclusions and mortgagee documentation. [Paragraph 6-7K]	<i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
50	The QC plan requires the mortgagee to determine whether all conditions were cleared prior to closing. [Paragraph 6-7L]	<i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i> <i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting, Section 9: Loan Closing.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
51	The QC plan requires the mortgagee to determine whether HUD-1 was actually prepared and properly certified and that only FHA allowable fees and charges were paid by the borrower. [Paragraph 6-7M]	<i>Part O: Loan Origination Standards and Procedures, Chapter 9, Loan Closing.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
52	The QC plan requires the mortgagee to determine whether the HUD-1 was compared with other relevant loan documents to ensure the borrower made the required minimum investment and whether any credits resulted in an over-insured mortgage. [Paragraph 6-7M]	<i>Part O: Loan Origination Standards and Procedures: Chapter 9: Loan Closing.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
53	The QC plan requires the mortgagee to determine whether the loan file contains all required loan processing, underwriting and legal documents. [Paragraph 6-7N]	<i>Part O: Loan Origination Standards and Procedures, Chapter 7: File Review.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
54	The QC plan requires the mortgagee to determine whether the loan was submitted for insurance within 60 days of closing or had a payment history indicating that the loan was current when it was submitted for mortgage insurance. [Paragraph 6-7O]	<i>Part O: Loan Origination Standards and Procedures, Chapter 10: Certification, Endorsement and Delivery.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
55	The QC plan requires the mortgagee to determine whether the seller acquired the property in close proximity to closing, indicating possible “flipping.” [Paragraph 6-7P]	<i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
56	The QC plan requires the mortgagee to determine, if possible, whether the borrower transferred the property in close proximity to closing, possibly indicating the use of a “strawbuyer.” [Paragraph 6-7Q]	<i>Part O: Loan Origination Standards and Procedures, Chapter 1: Special Origination Considerations, Section 3: Fraud in Origination.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
57	The QC plan requires the mortgagee to determine whether all items requiring documentation have been properly evidenced and retained in the file. [Paragraph 6-7R]	<i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Section 1: Rules of FHA, VA, Freddie Mac and Fannie Mae.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
58	The QC plan requires the mortgagee to determine that no employee involved in HUD origination, processing, underwriting or servicing is debarred, suspended, subject to a limited denial of participation or otherwise restricted from participation in HUD/FHA programs. [Paragraph 6-7S]	<i>Part Q: Quality Control Organization, Chapter 2: Quality Control Employee Guidelines, Section 6: Employee Qualifications.</i> <i>Appendix C-Q-OFF, Compliance Review Worksheet-Review of Offices.</i>
59	The QC plan requires verification that operations are in compliance with fair lending laws, including the Fair Housing Act, Equal Credit Opportunity Act and Federal Truth in Lending Act. [Paragraph 6-8A Fair Lending]	<i>Part Q: Quality Control Organization, Chapter 6: Fair Lending Policy and Chapter 4: Preparing Disclosures.</i>
60	The QC plan requires possible fair lending violations or instances of discrimination to be timely reported to HUD’s Office of Fair Housing and Equal Opportunity. [Paragraph 6-8A Fair Lending]	<i>Part C: Compliance Review and Management Response, Chapter 3: Management Response to Compliance Findings, Notification of Government Agencies, Insurers or Investors.</i>
61	The QC plan requires that the appropriate percentage or statistical random sampling of all rejected loan applications be reviewed. [Paragraph 6-8A1 Rejected Applicants]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review, Stratifying the Random Sample.</i>
62	The QC plan requires the review of rejected applications to concentrate on ensuring the reasons for rejection were valid, ensuring that each rejection has the concurrence of a senior staff person or a committee chaired by a senior staff person or officer of the company and ensuring that ECOA requirements are met and documented in each file. [Paragraph 6-8A1 Rejected Applicants]	<i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA-REJ, Compliance Review Worksheet-Loan Origination-Rejected FHA Loans.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
63	Where possible discrimination is noted, the QC plan requires the mortgagee to take immediate corrective action. [Paragraph 6-8A1 Rejected Applications]	<i>Part C: Compliance Review and Management Response, Chapter 3: Management Response to Compliance Findings, Evidence of Lending Discrimination.</i>
64	The QC plan ensures the mortgagee is in compliance with HUD's requirements on tiered pricing, overages and premium pricing. [Paragraph 6-8A2 Mortgagee Practices]	<i>Part Q: Quality Control Organization, Chapter 3: Operating Guidelines, Section 5: Retention of Records; Chapter 6: Fair Lending Policy and Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting.</i>
65	The QC plan prohibits the mortgagee from setting minimum loan amount. [Paragraph 6-8A3 Minimum Loan Amount]	<i>Part Q: Quality Control Organization, Chapter 6: Fair Lending Policy.</i>
66	The QC plan requires determination of whether referral to credit counseling agency is appropriate for rejected minority applications. [Paragraph 6-8A4 Credit Counseling]	<i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting.</i>
67	The QC plan provides for review of lending programs to determine if outreach to particular geographic areas is appropriate. [Paragraph 6-8A5 Underserved Geographic Areas]	<i>Part Q: Quality Control Organization, Chapter 3: Operating Guidelines, Section 3: Advertising.</i>
68	The QC plan requires fair housing and equal opportunity signs and logos be displayed in offices and on stationary and documents. [Paragraph 6-8A6 Fair Housing Logo]	<i>Part Q: Quality Control Organization, Chapter 3: Operating Guidelines, Section 3: Advertising and Chapter 6: Fair Lending Policy.</i>
69	The QC plan ensures that branch offices and employees are not engaging in false or misleading advertising practices. [Paragraph 6-8A7 Advertising]	<i>Part Q: Quality Control Organization, Chapter 4: Preparing Disclosures, Section 5: Predatory Lending Issues.</i>
70	The QC plan provides for review of the type of training given regarding fair housing practices. [Paragraph 6-8A8 Training]	<i>Part Q: Quality Control Organization, Chapter 6: Fair Lending Policy.</i>
71	The QC plan provides for consideration of establishing a marketing plan to serve underserved and minority populations. [Paragraph 6-8A9 Outreach]	<i>Part Q: Quality Control Organization, Chapter 6: Fair Lending Policy.</i>
72	The QC plan verifies that the mortgagee is in compliance with reporting requirements for the Home Mortgage Disclosure Act and for FHA-insured mortgages, including that the report is made timely, information reported is accurate and information is reported correctly. [Paragraph 6-8B Home Mortgage Disclosure Act]	<i>Part Q: Quality Control Organization, Chapter 7: Community Lending, Section 1: Home Mortgage Disclosure.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
73	The QC plan verifies that none of the participants in a mortgage transaction is debarred, suspended or under an LDP for the program and jurisdiction by requiring a semi-annual check of the employee list. [Paragraph 6-8C Ineligible Participants]	<i>Part Q: Quality Control Organization, Chapter 2: Quality Control Employee Guidelines, Section 6: Employee Qualifications.</i> <i>Appendix C-Q-OFF, Compliance Review Worksheet-Review of Offices.</i>
74	The QC plan has procedures to verify that applicant is not ineligible due to a delinquent federal debt. [Paragraph 6-8C Ineligible Participants]	<i>Part O: Loan Origination Standards and Procedures, Chapter 3: Borrower's Credit History and Chapter 7: File Review.</i>
75	The QC plan verifies that the mortgagee is in compliance with RESPA including provisions for distributing the special information booklet, providing the applicant with a good faith estimate within three days of receiving the application, providing the applicant with the HUD-1, disclosing transfer of servicing and disclosing business relationships with affiliated entities. [Paragraph 6-8D RESPA]	<i>Part O: Loan Origination Standards and Procedures, Chapter 2: Initiating the Mortgage Transaction, Section 2: Initial Disclosures and Chapter 9: Loan Closing.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
76	The QC plan verifies that escrow funds are used only for the purpose for which they were received and that the funds are maintained in an account separate from the mortgagee's general operating account. [Paragraph 6-8E Escrow Funds]	<i>Part O: Loan Origination Standards and Procedures, Chapter 9: Loan Closing.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
77	The QC plan verifies that HUD/FHA mortgage insurance premiums that are due upfront are paid within the time frame established by FHA or, if not, that remittance includes late charges and interest penalties. [Paragraph 6-8F Mortgage Insurance Premiums]	<i>Part O: Loan Origination Standards and Procedures, Chapter 10: Certification, Endorsement and Delivery.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
78	The QC plan ensures that the mortgagee addresses any pattern of late MIP submissions and promptly takes corrective measures. [Paragraph 6-8G Timely and Accurate Insurance]	<i>Part C: Compliance Review and Management Response, Chapter 3: Management Response to Compliance Review Findings, Pattern of Errors or Omissions.</i>
79	The QC plan verifies that mortgages are submitted to HUD for insurance within 60 days of closing, or if submitted beyond the 60 days, that the mortgage was current when submitted and met HUD's payment requirements. [Paragraph 6-8G Timely and Accurate Insurance]	<i>Part O: Loan Origination Standards and Procedures, Chapter 10: Certification, Endorsement and Delivery.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
80	The QC plan ensures mortgagees address any pattern of late submissions and promptly take corrective measures. [Paragraph 6-8G Timely and Accurate Insurance]	<i>Part C: Compliance Review and Management Response, Chapter 3: Management Response to Compliance Review Findings, Pattern of Errors or Omissions.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
81	The QC plan includes a review of the mortgage insurance certificate for accuracy. [Paragraph 6-8G Timely and Accurate Insurance]	<i>Part O: Loan Origination Standards and Procedures, Chapter 10: Certification, Endorsement and Delivery.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
82	The QC plan includes a review of reports sent to the mortgagee by HUD, including underwriting reports and notices of return regarding cases rejected for insurance due to errors or omissions. [Paragraph 6-8H Underwriting Reports]	<i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting and Chapter 10: Certification, Endorsement and Delivery.</i> <i>Appendix C-LO-FHA, Compliance Review Worksheet-Loan Origination-FHA Loans.</i>
83	If automated underwriting systems are used only on certain loans, the QC sample includes loans underwritten in that manner. [Paragraph 6-9A Automated Underwriting]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review.</i>
84	The QC plan verifies that correct information has been provided to the automated underwriting system. [Paragraph 6-9A2 Special Requirements]	<i>Part O: Loan Origination Standards and Procedures, Chapter 7: File Review and Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA-DU, Compliance Review Worksheet-Loan Origination-FHA Loans-Desktop Underwriter,</i> <i>Appendix C-LO-FHA-LP, Compliance Review Worksheet-Loan Origination-FHA Loans-Loan Prospector.</i>
85	The QC plan requires copies of the automated underwriting assessment be included in the loan file. [Paragraph 6-9A2 Special Requirements]	<i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA-DU, Compliance Review Worksheet-Loan Origination-FHA Loans-Desktop Underwriter;</i> <i>Appendix C-LO-FHA-LP, Compliance Review Worksheet-Loan Origination-FHA Loans-Loan Prospector.</i>
86	The QC plan provides that when automated underwriting system cannot “approve” an application, the basis of the underwriter’s decision on the loan is documented. [Paragraph 6-9A2 Special Requirements]	<i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA-DU, Compliance Review Worksheet-Loan Origination-FHA Loans-Desktop Underwriter;</i> <i>Appendix C-LO-FHA-LP, Compliance Review Worksheet-Loan Origination-FHA Loans-Loan Prospector.</i>
87	The QC plan verifies that applications receiving a “refer” recommendation are reviewed by an underwriter before the final decision is made on the application. [Paragraph 6-9A2 Special Requirements]	<i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA-DU, Compliance Review Worksheet-Loan Origination-FHA Loans-Desktop Underwriter;</i> <i>Appendix C-LO-FHA-LP, Compliance Review Worksheet-Loan Origination-FHA Loans-Loan Prospector.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
88	The QC plan provides exemption from obtaining a new credit report when reviewing a loan underwritten with an automated underwriting system. [Paragraph 6-9A2 Special Requirements]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 7: Reverifications.</i> <i>Appendix C-LO-FHA-DU, Compliance Review Worksheet-Loan Origination-FHA Loans-Desktop Underwriter;</i> <i>Appendix C-LO-FHA-LP, Compliance Review Worksheet-Loan Origination-FHA Loans-Loan Prospector.</i>
89	The QC plan verifies that if manual overrides or downgrades are applied, no patterns of illegal discrimination against the applicant exists and the downgrade or override was proper. [Paragraph 6-9A2 Special Requirements]	<i>Part O: Loan Origination Standards and Procedures, Chapter 8: Underwriting.</i> <i>Appendix C-LO-FHA-DU, Compliance Review Worksheet-Loan Origination-FHA Loans-Desktop Underwriter;</i> <i>Appendix C-LO-FHA-LP, Compliance Review Worksheet-Loan Origination-FHA Loans-Loan Prospector.</i>
90	The QC sample includes streamline refinances but they comprise a very small proportion of the sample unless they are a significant portion of the mortgagee's production. [Paragraph 6-9B Streamline Refinances]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review, Stratifying the Random Sample.</i>
91	The QC plan requires servicers to review all aspects of their servicing operations as they relate to FHA-insured mortgages. [Paragraph 6-10 Areas To Be Reviewed]	A list of required areas to review is in <i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 4: Loan Selection Techniques, Frequency of FHA Loan Servicing Reviews</i> and <i>Section 5: Selecting Loans for Review, Random Sampling for FHA Loan Servicing Reviews.</i>
92	The QC plan requires monthly reviews of delinquent loan servicing, claims and foreclosures and at least quarterly reviews of other areas of servicing that have occurred within the prior three months. [Paragraph 6-10B Timeliness and Frequency]	<i>Part Q: Quality Control Organization, Chapter 1: Quality Control Rule Sources, Part 1: Rules of FHA, VA, Freddie Mac and Fannie Mae</i> and <i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 4: Loan Selection Techniques, Frequency of FHA Loan Servicing Reviews.</i>
93	The QC plan requires that for each area of servicing reviewed, mortgagees review 10 percent of the FHA loans affected by that area of servicing or an appropriately sized statistical random sampling if the lender services more than 7,000 FHA mortgages per year. [Paragraph 6-10C Sample Size]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review, Random Sampling for FHA Loan Servicing Reviews.</i>
94	The QC servicing review documents how the sample size and selections were determined. [Paragraph 6-10C Sample Size]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review, Random Sampling for FHA Loan Servicing Reviews.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
95	The QC plan requires review of servicing loans with early payment defaults. [Paragraph 6-10D Early Payment Defaults]	<i>Part C: Compliance Review and Management Response, Chapter 1: Compliance Review Program, Section 5: Selecting Loans for Review, Adding Targeted Cases.</i>
96	The QC plan determines whether the mortgagee's escrow account administration is in compliance with RESPA. [Paragraph 6-11A RESPA]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 2: Borrower Accounts.</i>
97	The QC plan determines whether the mortgagee is ensuring that no participants in an assumption of the loan have been debarred or suspended or are under an LDP for the program and jurisdiction. [Paragraph 6-11B Ineligible Participants]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 5: Assumptions.</i>
98	The QC plan determines whether the mortgagee is ensuring that no participants in an assumption of the loan are ineligible due to a delinquent federal debt. [Paragraph 6-11B Ineligible Participants]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 5: Assumptions.</i>
99	The QC plan includes a review of the mortgagee's operations, including assumption of processing, to assure compliance with fair lending laws. [Paragraph 6-11C Fair Lending]	<i>Part Q: Quality Control Organization, Chapter 6: Fair Lending Policy.</i>
100	The QC plan requires possible instances of discrimination to be reported, in writing with supporting documentation, to HUD's Office of Fair Housing and Equal Opportunity. [Paragraph 6-11C Fair Lending]	<i>Part C: Compliance Review and Management Response, Chapter 3: Management Response to Compliance Review Findings, Notification of Government Agencies, Insurers or Investors.</i>
101	The QC plan includes a review of the transfer of servicing provisions in Section 6 of RESPA. [Paragraph 6-11D Transfer of Servicing]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 6: Transfer of Servicing. Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
102	The QC plan provides for determination of whether loan servicing records are promptly established after loan closing and if servicing records contain all necessary documentation. [Paragraph 6-12A]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 2: Borrower Accounts. Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
103	The QC plan provides for determination of whether borrowers are promptly notified when the mortgagee acquires servicing and whether loan servicing records are established immediately upon transfer of the loan. [Paragraph 6-12B]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 6: Transfer of Servicing. Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
104	The QC plan provides for determination of whether loans purchased contain all necessary documents, including the mortgage insurance certificate (MIC). [Paragraph 6-12C]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 6: Transfer of Servicing.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
105	The QC plan provides for determination of whether all mortgage insurance premiums are paid on time and in the correct amounts. [Paragraph 6-12D]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 2: Borrower Accounts.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
106	The QC review includes review of the MIC to determine whether a monthly or risk-based premium is due and review includes sampling of recently purchased loans. [Paragraph 6-12E]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 2: Borrower Accounts.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
107	The QC plan provides for determination of whether the mortgage record changes was reported to HUD on loans sold to another servicer. [Paragraph 6-12F]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 6: Transfer of Servicing.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
108	The QC plan provides for determination of whether the selling servicer reported the transfer of recently purchased loans. [Paragraph 6-12E]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 6: Transfer of Servicing.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
109	The QC plan requires the mortgagee to determine whether requests from borrowers concerning their individual mortgage accounts are responded to promptly. [Paragraph 6-12F]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 1: Providing Information.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
110	The QC plan requires the mortgagee to determine whether complaints are promptly and effectively handled. [Paragraph 6-12F]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 1: Providing Information.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
111	The QC plan requires the mortgagee to determine whether escrow account functions are being performed properly, including whether funds are kept in an account separate from the mortgagee's general operating account, whether borrowers are billed the proper amounts, whether disbursements are made promptly, whether bills are requested and obtained when not automatically received, whether excessive balances are refunded or applied to the unpaid principal upon the borrower's request and whether shortages are promptly reported to the borrower and the borrower is informed of all remedy options. [Paragraph 6-12G]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 2: Borrower Accounts.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
112	The QC plan requires the mortgagee to determine whether fees and charges imposed on the borrower are permitted and do exceed the amount allowed by HUD and the provisions of the mortgage. [Paragraph 6-12H]	<i>Part S: Loan Servicing and Administration Standards and Procedures, generally.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
113	The QC plan requires the mortgagee to determine whether ARM adjustments are correctly calculated and timely implemented once the borrower has been notified. [Paragraph 6-12I]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 8: ARM Adjustments.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
114	The QC plan requires the mortgagee to determine whether Section 235 recertifications are performed annually, assistance payments are accurately computed and billed, income used in computing payments is compared to income included in the borrower's income verification and borrowers are properly notified of any changes to their payment. [Paragraph 6-12J]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 9: HUD Section 235 Loans.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
115	The QC plan requires the mortgagee to determine, in a Section 235 loan, if the prior year's income increased and/or a job change occurred necessitating computation and collection of any overpaid assistance. [Paragraph 6-12J]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 9: HUD Section 235 Loans.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
116	The QC plan requires the mortgagee to determine whether qualifying assumptions were properly underwritten. [Paragraph 6-12K]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 5: Assumptions.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
117	The QC plan requires the mortgagee to determine whether a mortgage record change is promptly reported to HUD when mortgage is assumed. [Paragraph 6-12K]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 5: Assumptions.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
118	The QC plan requires the mortgagee to determine whether effective collection activities are pursued in a timely fashion on delinquent accounts. [Paragraph 6-12L]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 2: Delinquent Accounts, Section 1: Collection Techniques.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
119	The QC plan requires the mortgagee to determine whether contact is attempted with all co-borrowers, co-signors and former borrowers, as appropriate, for delinquent accounts. [Paragraph 6-12L]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 2: Delinquent Accounts, Section 1: Collection Techniques.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
120	The QC plan requires the mortgagee to determine whether accurate documentation of collection efforts is maintained for delinquent accounts, including referral of the borrower to a HUD-approved counseling agency and mailing of HUD pamphlet HUD-426 to borrowers no later than the second month of delinquency. [Paragraph 6-12M]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 2: Delinquent Accounts, Section 1: Collection Techniques.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
121	The QC plan requires the mortgagee to determine whether a personalized interview with the borrower is attempted before three full mortgage installments become delinquent and if the interview is not conducted, whether documentation was provided of an exception allowed by HUD. [Paragraph 6-12N]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 2: Delinquent Accounts, Section 1: Collection Techniques.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
122	The QC plan requires the mortgagee to determine whether accurate and timely submission of required reports is being made to the single family default monitoring system. [Paragraph 6-12O]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 2: Delinquent Accounts, Section 3: Default Reporting.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
123	The QC plan requires the mortgagee to determine whether borrower information is reported to credit bureaus where appropriate. [Paragraph 6-12P]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 2: Delinquent Accounts, Section 3: Default Reporting.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
124	The QC plan requires the mortgagee to determine whether property inspections to protect and preserve the property are performed in accordance with HUD requirements. [Paragraph 6-12Q]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 2: Delinquent Accounts, Section 4: Physical Inspections and Property Preservation.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
125	The QC plan requires the mortgagee to determine whether all loss mitigation tools have been considered and documented and that borrowers are provided every reasonable opportunity to remedy a delinquency or default prior to foreclosure. [Paragraph 6-12R]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 4: Preforeclosure Review.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
126	The QC plan requires the mortgagee to determine whether additional assistance to remedy the delinquency is reasonable given the financial data submitted by the borrower. [Paragraph 6-12S]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 3: Relief and Forbearance, Section 1: Short Term Forbearance, Section 2: Long Term Forbearance and Section 3: Mortgage Modification.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
127	The QC plan requires the mortgagee to determine whether reasonable partial payments are accepted in accordance with requirements. [Paragraph 6-12S]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 2: Delinquent Accounts, Section 2: Partial Payments.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
128	The QC plan requires the mortgagee to determine whether foreclosure proceedings are initiated and completed in a timely manner and in compliance with HUD requirements. [Paragraph 6-12T]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 4: Preforeclosure Review and Chapter 9: Foreclosures.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
129	The QC plan requires the mortgagee to determine whether disaster moratorium requirements are met. [Paragraph 6-12U]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 3: Relief and Forbearance, Section 4: National Disasters and Military Base Closings.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
130	The QC plan requires the mortgagee to determine whether deficiency judgments were taken where required. [Paragraph 6-12V]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 9: Foreclosures.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
131	The QC plan requires the mortgagee to determine whether there are sufficient controls to ensure that insurance benefit claims are accurately prepared, properly calculated, fully supported and submitted in a timely manner. [Paragraph 6-12W]	A list of the items the review must include is in <i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 11: Claims and Conveyances.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>

	HUD Handbook 4060.1 requirements [Paragraph in brackets]	Caldwell QC Plan sections meeting HUD requirement
132	The QC plan requires the mortgagee to determine whether interest charges in prepayments are accurate. [Paragraph 6-12X]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 4: Payoffs and Prepayments.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
133	The QC plan requires the mortgagee to determine whether the note and security instrument are promptly satisfied, the termination of HUD/FHA mortgage insurance is properly reported to HUD on paid-in-full mortgages and escrow balances are promptly refunded. [Paragraph 6-12X]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 4: Payoffs and Prepayments.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
134	The QC plan requires the mortgagee to determine whether security instruments are properly released. [Paragraph 6-12X]	<i>Part S: Loan Servicing and Administration Standards and Procedures, Chapter 1: Routine Servicing Responsibilities, Section 4: Payoffs and Prepayments.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
135	The QC plan requires the mortgagee to determine whether documents required to be retained as originals and remaining paper documents or acceptable imaged or microfilmed versions are retained for at least three years beyond the life of the loan and for any additional time needed due to payment of a claim or Section 235 subsidy. [Paragraph 6-12Y]	<i>Part Q: Quality Control Organization, Chapter 3: Operating Guidelines, Section 5: Retention of Records.</i> <i>Appendix C-LS-FHA, Compliance Review Worksheet-Loan Servicing-FHA Loans.</i>
136	The QC plan requires the mortgagee to check employee list at least semi-annually to determine that no employee originating, processing, underwriting or servicing is debarred, suspended, subject to an LDP or otherwise restricted. [Paragraph 6-12AA]	<i>Part Q: Quality Control Organization, Chapter 2: Quality Control Employee Guidelines, Section 6: Employee Qualifications.</i> <i>Appendix C-Q-OFF, Compliance Review Worksheet-Review of Offices.</i>

