



February 24, 2010

To: Mortgage Lending Software Service Providers

From: CSBS/AARMR Multistate Mortgage Committee

Subject: Important Notice on Modernization of the Mortgage Examination Process

The Multistate Mortgage Committee (MMC) is a representative body of state mortgage regulators appointed by CSBS and AARMR to represent the examination interests of the combined states under the Nationwide Cooperative Protocol and Agreement for Mortgage Supervision. Under the Protocol and Agreement, the MMC has implemented processes of uniformity and modernization for the examination of state licensees, including the use of lender data uploads to conduct electronic loan portfolio reviews.

In November 2009, software providers were invited to attend an MMC briefing on modernization of the mortgage examination process. The purpose of the meeting was to provide advance information for assisting mortgage lending clients in complying with new requirements for state mortgage examinations. During that briefing we informed attendees that a new data file format would soon be available to allow providers to assist clients in preparing their loan portfolio data for submission for the electronic reviews.

On February 10<sup>th</sup>, the MMC announced the availability of the Licensee Examination File (LEF). The LEF is designed to provide mortgage loan originators, software providers and consultants with a standardized way to prepare loan portfolio data for submission to state regulators for electronic examination. Documentation on the new format is now available through the website [www.RCCertify.org](http://www.RCCertify.org), which launched on February 22, 2010.

The electronic transmission of data is an integral part of the MMC's enhanced supervision of mortgage entities under the CSBS/AARMR Nationwide Cooperative Protocol and Agreement for Mortgage Supervision. Beginning last year and continuing through 2010 the MMC is conducting pilot examinations using ComplianceAnalyzer<sup>®</sup> software provided by ComplianceEase<sup>®</sup>. ComplianceEase<sup>®</sup> has also developed the website [www.RegulatorConnect.org](http://www.RegulatorConnect.org) as the online portal for licensees to electronically submit loan data for examinations.

Although the electronic examinations are currently being conducted primarily as pilot exams, the MMC announced that all lenders will be expected to provide loan portfolio data uploads to state regulators by 2011. The LEF and accompanying instructions are now available through [www.RCCertify.org](http://www.RCCertify.org).

Beginning in April, the MMC will make direct contact with mortgage lenders informing them that the LEF has been made available to software providers for systems upgrades. The MMC strongly encourages loan origination system providers, document preparation providers,

compliance software providers, and others to visit the site and begin the processes necessary to help clients respond to their regulator's data requests as soon as possible.

For more information, please contact Chuck Cross, CSBS Vice President of Mortgage Regulatory Policy, [ccross@csbs.org](mailto:ccross@csbs.org) or 202-728-5745.