



**Procedures for Denying Loans at the Branch Level  
(Updated 5/6/2016)**

Applies to Loans in the Active Pipeline as well as Loans in the Pre-Approval Pipeline

**Please follow the following steps when denying loans at the branch.**

- 1) The branch may issue denials under the following circumstances only. All other denials must come from Mortgage 1 Incorporated's Underwriting Department.**

Adverse Action	Reason
We do not grant credit to any applicant on the terms and conditions you have requested	****Credit Score Sub 580 for FHA Sub 640 for MSHDA or RD Sub 620 CONV or VA
Unable to verify income	Cannot verify borrower income or borrower loses job after application.
No Credit File	****Borrower has no traditional trade lines and/or does not generate a FICO score.
Inadequate collateral/unacceptable property	Condition Rating of C5 or C6 on an as-is appraisal (note: C5 or C6 subject to repairs is acceptable if rating after repairs will be C4 or higher).
Unacceptable payment history on previous mortgage.	Customer doesn't meet waiting periods on foreclosure, short sale, deed in lieu or modification and does not have allowable extenuating circumstances.

- 2) The statement of denials must be generated in Encompass and it must be approved and signed by the Branch Manager. A copy must also be saved in the EFolder.**



**3) Denials cannot be issued on a loan that is in the <PREQUALIFICATION> folder as prequalifications are not considered an application (prequals are TBD loans that do not have any AUS findings)**

**4) You will first go to the 1003**

A) You need to ensure that before you are withdrawing/denying loans in the system that you look at the 1003 and ensure the following are complete:

1. On page 3 of the 1003, you need to have the **INFORMATION PROVIDED BY** box completed. Choices are Face to Face, Internet, Mail or Telephone.

1. Face to face: You need to complete the Ethnicity, Race and Sex. IF they don't provide, you complete based on a visual inspection of them.
2. Telephone: If you ask them and they don't want to share, you can choose
  - a. Ethnicity: Information Not Provided
  - b. Race: Information Not Provided
  - c. Sex: Not provided/Unknown
3. Mail or Internet: If the customer did not complete and you ask but they don't want to share, follow B above

b) Please ensure that you complete the 1003 Signature Date on page 3 of the 1003. Must match the application date on the M1 Summary Screen

**\*\*\* A copy of the completed 1003 needs to be saved in the e-folder BUT ensure the above are complete before saving to e-folder\*\*\***



- 5) Under **FORMS**, go to the **STATEMENT OF DENIAL** screen. Please complete the following fields:
- Date Denied**- The current date you are denying the file
  - Denied By**- The name should be Mortgage 1 Inc
  - Mailed on Date** – Date you are putting the notice of cancellation in the mail

The screenshot displays the Encompass software interface for a loan. The top navigation bar includes "Home", "Pipeline", "Loan", "Trades", "Contacts", "Dashboard", and "Reports". The main header shows the borrower's name "Alice Firsimer" and the address "42817 N Hampton Drive, Sterling Heights, MI 48314". The loan details include "Loan #: 13068769", "Loan Amount: \$595,000.00", "LTV: 74.375/74.375", "DTI: 14.019/14.943", "Rate: 4.375%", and "Est Closing Date: 01/15/2014". The "Statement of Denial" form is the central focus, with the following fields and sections:

- Denial Information:** "Date Denied" (01/27/2016), "Denied By" (Mortgage 1 Inc), and "Mailed on" (01/27/2016).
- Borrower:** "First Name" (Alice), "Middle", "Last Name" (Firsimer), and "Suffix".
- Co-Borrower:** "First Name", "Middle", "Last Name", and "Suffix".
- Present Address:** "Copy From" dropdown, "Address", "City", "State", and "Zip" for both Borrower and Co-Borrower.
- Description of Account, Transaction or Request Credit:** "mortgage loan application".
- Description of Action Taken:** (Empty field).
- 1. Principal Reason(s) for Credit Denial, Termination or Other Action Taken:** A. CREDIT (No Credit File, Insufficient Number of Credit References Provided, Limited Credit Experience, Unable to Verify Credit References), C. INCOME (Income Insufficient for Amount of Credit Requested, Unable to Verify Income), D. RESIDENCY.

The left sidebar contains a "Forms" menu with options like "RESPA Servicing Disclosure", "Section 32 HCEPA", "Section 35 HPM", "Self-Employed Income 1084", "Settlement Service Provider List", "Statement of Denial", "State-Specific Disclosure Information", "Tax Information", "Transmittal Summary", "TV Broker Disclosure", "ULLO/FDD", "LSDA Management", "LW Asset Worksheet", "LW Comparison", "LW Income Worksheet", "Show in Alpha Order", and "Shgw All". The bottom right corner shows the date and time: "05/12 07:17\* | Wednesday, 1/27/2016".



- d. Ensure the **PRESENT ADDRESS** section is completed for ALL borrowers as that is the address that will print on the denial notice. If it is not there, just click on the drop down and choose present address (or mailing address if different) and then click the copy from.

The screenshot displays the Encompass software interface for a "Statement of Denial" form. The top navigation bar includes "Home", "Pipeline", "Loan", "Trades", "Contacts", "Dashboard", and "Reports". The main header shows the borrower's name "Alice Firstimer" and loan details: "42817 N Hampton Drive, Sterling Heights, MI 48314", "Loan #: 13068769", "Loan Amount: \$595,000.00", "LTV: 74.375/74.375", "Rate: 4.375%", "DTI: 14.019/14.943", and "Est Closing Date: 01/15/2014". The "Statement of Denial" form is the central focus, with sections for "Denial Information", "Borrower", "Co-Borrower", "Present Address", "Description of Account, Transaction or Request Credit", "Description of Action Taken", and "Principal Reason(s) for Credit Denial, Termination or Other Action Taken". The "Present Address" section has a dropdown menu with options: "Copy From", "Present Address", "Mailing Address", and "Subject Address". The "Principal Reason(s) for Credit Denial, Termination or Other Action Taken" section includes checkboxes for "A. CREDIT", "C. INCOME", and "D. RESIDENCY". The left sidebar contains a list of forms and services, including "RESPA Servicing Disclosure", "Section 32 HCEPA", "Section 35 HMDL", "Self-Employed Income 1084", "Settlement Service Provider List", "Statement of Denial", "State-Specific Disclosure Information", "Tax Information", "Transmittal Summary", "TV Broker Disclosure", "ULLO/FDD", "LSDA Management", "LW Asset Worksheet", "LW Comparison", "LW Income Worksheet", and "Show in Alpha Order". The bottom status bar shows "DENIAL.X81 05/12 07:17\* Wednesday, 1/27/2016".



- e. **DESCRIPTION OF ACCOUNT, TRANSACTION OR REQUEST CREDIT.** This should be auto-populated to read "mortgage loan application". If it is not, please complete

The screenshot shows the Encompass software interface for a "Statement of Denial" form. The top navigation bar includes "Home", "Pipeline", "Loan", "Trades", "Contacts", "Dashboard", and "Reports". The main header displays loan details: "43456 Mound Road, Sterling Heights, MI 48313", "Loan #: 13049974", "LTV: 74.07/74.074", "Rate: 4.800/4.800", and "Est Closing Date: //". The "Statement of Denial" form is the central focus, with a "Denial Information" section containing fields for "Date Denied", "Denied By", and "Mailed on". Below this are sections for "Borrower" and "Co-Borrower" with fields for "First Name", "Middle", and "Last Name". There are also "Present Address" sections for both. The "Description of Account, Transaction or Request Credit" section is currently empty, with a "Mortgage Loan Application" entry visible in the list. The "Description of Action Taken" section contains the text "Borrower Withdrew". At the bottom, there is a section for "Principal Reason(s) for Credit Denial, Termination or Other Action Taken" with checkboxes for "A. CREDIT", "B. RESIDENCY", "C. INCOME", and "D. RESIDENCY". The status bar at the bottom right shows "DENIAL.X71 | 01/15 10:27 | Tuesday, 1/12/2016".



**D. DESCRIPTION OF ACTION TAKEN.** You will need to type in the description of why you are denying the loan. The description should mirror one of the acceptable reasons listed above

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Home Pipeline Loan Trades Contacts Dashboard Reports

Encompass Service Status All Services Fully Operational

**Borrowers** Alice Fratimer

42817 N Hampton Drive  
Sterling Heights, MI 48314

Loan # 13058769  
Loan Amount \$595,000.00

LTV: 74.375/74.375  
DTI: 14.019/14.943

Rate: 4.375%  
Not Locked

Est Closing Date: 01/15/2014  
EM Derek Fasi

Alerts & Messages Log

- Compliance Report Mavent ex 02/11/14
- Compliance Report Mavent ex 02/11/14
- Compliance Report Mavent ex 02/11/14
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- Compliance Report Mavent ex 02/11/14
- Compliance Report Mavent ex 02/11/14
- Compliance Report Mavent ex 02/14/14
- Compliance Report Mavent ex 02/14/14
- Compliance Report Mavent ex 02/14/14
- Compliance Report Mavent ex 02/14/14
- Compliance Report Mavent ex 02/18/14
- Compliance Report Mavent ex 02/18/14
- Resubmittal expected 02/19/14
- Compliance Review - Did Not F 02/19/14
- Approval expected 02/21/14

Forms Tools Services

RESPA Servicing Disclosure  
Section 32 HOEPA  
Section 35 HPML  
Self-Employed Income 1084  
Settlement Service Provider List  
**Statement of Denial**  
State-Specific Disclosure Information  
Tax Information  
Transmittal Summary  
TX Broker Disclosure  
ULDD/PDO  
USDA Management  
UNI Asset Worksheet  
UNI Comparison  
LMI Income Worksheet

Show in Alpha Order Show All

**Statement of Denial**

Last Name First Name Suffix Last Name Suffix

Present Address Present Address

Copy From Copy From

Address Address

City City

State State Zip Zip

Description of Account, Transaction or Request Credit

mortgage loan application

Description of Action Taken

CREDIT SCORE SUB S80 FOR FHA OR CONDITION RATING OF CS OR CB ON AN AS-B APPRAISAL, ETC.

**1. Principal Reason(s) for Credit Denial, Termination or Other Action Taken:**

A. CREDIT

- No Credit File
- Insufficient Number of Credit References Provided
- Limited Credit Experience
- Unable to Verify Credit References
- Garnishment, Attachment, Foreclosure, Repossession or Collection Action or Judgment
- Excessive Obligations
- Insufficient Income for Total Obligations
- Unacceptable Payment Record on Previous Mortgage
- Delinquent Credit Obligations
- Bankruptcy
- Unacceptable Type of Credit References Provided
- Poor Credit Performance With Us
- Number of Recent Inquiries on Credit Bureau Report

C. INCOME

- Income Insufficient for Amount of Credit Requested
- Unable to Verify Income

D. RESIDENCY

- Temporary Residence
- Length of Residence
- Unable to Verify Residence

E. OTHER

- Credit Application Incomplete
- Inadequate Collateral
- Unacceptable Property
- Insufficient Data - Property
- Unacceptable Appraisal
- Unacceptable Leasehold Estate

Press F1 for Help

DENIALX74 05/12 07:17\* Wednesday, 1/27/2016



- E. In the Section called **Principal Reason for Credit Denial, termination or Other Action Taken** section. Check the box that corresponds with the reason. If there is not a preprinted box for it then you check the blank box and type in the reason

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Borrowers Alice Firstmer

42817 N Hampton Drive Sterling Heights, MI 48314

Loan #: 13068769 Loan Amount: \$595,000.00 LTV: 74.375/74.375 DTI: 14.019/14.943 Rate: 4.375% Not Locked Est Closing Date: 01/15/2014 EM Derek Fasi

Alerts & Messages Log

Statement of Denial

CREDIT SCORE SUB 580 FOR FHA OR CONDFON RATING OF CS OR CE ON AN AS-IS APPRAISAL, ETC...

Principal Reason(s) for Credit Denial, Termination or Other Action Taken

A. CREDIT

- No Credit File
- Insufficient Number of Credit References Provided
- Limited Credit Experience
- Unable to Verify Credit References
- Garnishment, Attachment, Foreclosure, Repossession or Collection Action or Judgment
- Excessive Obligations
- Insufficient Income for Total Obligations
- Unacceptable Payment Record on Previous Mortgage
- Delinquent Credit Obligations
- Bankruptcy
- Unacceptable Type of Credit References Provided
- Poor Credit Performance With Us
- Number of Recent Inquiries on Credit Bureau Report

B. EMPLOYMENT STATUS

- Unable to Verify Employment
- Length of Employment
- Temporary or Irregular Employment

C. INCOME

- Income Insufficient for Amount of Credit Requested
- Unable to Verify Income

D. RESIDENCY

- Temporary Residence
- Length of Residence
- Unable to Verify Residence

E. OTHER

- Credit Application Incomplete
- Inadequate Collateral
- Unacceptable Property
- Insufficient Data - Property
- Unacceptable Appraisal
- Unacceptable Leasehold Estate
- Value or Type of Collateral is Not Sufficient
- We do not grant credit to any applicant on...

2. Disclosure of use of information obtained from an outside source.

In compliance with Fair Credit Act, Section 615, your application was declined either wholly or partly because of:

Information obtained in a report from a consumer reporting agency.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

05/12 07:17\* Wednesday, 1/27/2016



- F. In the Section **Disclosure of Use of Information Obtained From an Outside Source**, follow the below:
- i. If a credit report was run, the credit agency information should already be input but if not, please input. CHECK THE BOX
  - ii. The second section should be checked that states “We also obtained your credit score ... “ CHECK THE BOX
  - iii. Leave the last 2 boxes unchecked

The screenshot shows the Encompass software interface. At the top, the browser address bar displays "Encompass - Build 15.2.0.4 - https://BE909027.ea.elliemac.net/BE909027 - lsdavid - 3000909027". The main window title is "Encompass - Build 15.2.0.4 - https://BE909027.ea.elliemac.net/BE909027 - lsdavid - 3000909027". The interface includes a navigation menu with options like Home, Pipeline, Loan, Trades, Contacts, Dashboard, and Reports. The main content area is titled "Borrowers" and shows details for "Alice Firstimer" at "42817 N Hampton Drive, Sterling Heights, MI 48314". The loan details include "Loan # 13058769", "Loan Amount: \$595,000.00", "LTV: 74.375/74.375", "Rate: 4.375%", "DTI: 14.019/14.943", and "Est Closing Date: 01/15/2014". The "Statement of Denial" form is displayed, with various checkboxes and input fields. The "Disclosure of use of information obtained from an outside source" section is highlighted, showing a checked box for "Information obtained in a report from a consumer reporting agency" and another checked box for "We also obtained your credit score from this consumer reporting agency and used it in making our credit decision." The form also includes fields for the name, address, city, state, zip, and phone of the reporting agency, which are filled with "Credit Plus, Inc", "3150 Winterplace Parkway", "Salisbury", "MD", "21804", and "800-258-3488" respectively. The bottom status bar shows "DENIALX27 | 05/12 07:17\* | Wednesday, 1/27/2016".





- G. ECOA Notice Section: Please ensure that you complete this and always choose **FEDERAL TRADE COMMISSION** from the rolodex as that is who regulates us

A screenshot of a software application interface. On the left is a vertical navigation menu with various options like "Section 32 HOEPA", "Section 35 HPML", "Self-Employed Income 1084", "Settlement Service Provider List", "Statement of Denial", "State-Specific Disclosure Information", "Tax Information", "Transmittal Summary", "TX Broker Disclosure", "ULDD:PDD", "USDA Management", "UW Asset Worksheet", "UW Comparison", "UW Income Worksheet", "UW Income Worksheet v2", and "VA 26-0286 Loan Summary". The "Statement of Denial" option is highlighted. The main content area shows a form titled "4. ECOA Notice". The form includes fields for Name, Address, Address2, City, State, Zip, and Phone. The "Name" field is filled with "Federal Trade Commission", the "Address" with "Equal Credit Opportunity Section", the "City" with "Washington", the "State" with "DC", and the "Zip" with "20580". The "Phone" field contains "877-382-HELP". There are also checkboxes for "Show in Alpha Order" and "Show All" at the bottom left of the form area.

4. Go to the **HMDA INFORMATION** screen under FORMS
- a. In the **LOAN INFORMATION SECTION**:
- Loan Purpose**: Select either Home Purchase or Refinancing (Self Explanatory)
  - PreApprovals**: Please check the appropriate choice. Refinances should always show as "Not Applicable". If no address on purchase, choose the "Pre-Approval was Requested". If loan has property address, choose the "Pre-Approval Not Requested".
  - Lien Status**: Should always read as Secured by First Lien (Exception for Florida Bond 2<sup>nd</sup> liens originated in our system)
  - HOEPA Status**: Should show as NOT a HOEPA Loan
  - Rate Spread**: Should enter NA for all
  - Property Type**: Ensure this is filled out correctly
  - GEOCODE BUTTON and EDIT CHECK button**: Ensure that you are click on BOTH of these links. The GEOCODE button will ensure that the MSA, County, State and census Track info will be accurate. . **\*\*\*\* IF THERE IS NO PROPERTY ADDRESS, PLEASE INPUT "NA" IN THE MSA, COUNTY , STATE AND CENSUS TRACK FIELDS\*\*\*\*** The EDIT CHECK button will ensure that all the necessary information has been input corrected such as race, ethnicity, county codes, etc.



IF there are errors, YOU NEED TO CORRECT THEM and then rerun this check.  
Error codes starting with "Q" do not necessarily need correction as they may be for items such as no income which would be acceptable on streamline loans;  
however, ENSURE you correct all error codes beginning with a "V"

The screenshot shows the Encompass mortgage software interface. The main window displays loan information for a \$100,000 loan. The interface is divided into several sections: a left-hand navigation pane with a "Milestone List" and "Forms" section; a central "HMDA Information" section with sub-sections for "Loan Information", "Property Information", "Subject Property", "Origination Information", "Reason(s) for Denial", and "Information for Government Monitoring"; and a right-hand pane for "Alerts & Messages". The "Loan Information" section includes fields for "Opened Date" (06/02/2013), "Closed Date" (//), "Loan Number" (13049974), "Loan Purpose" (Home Purchase), "Loan Type" (Conv), "Preapproval" (Preapproval was requested), "HOEPA Status" (Not a HOEPA Loan), "Lien Status" (Secured by a first lien), "APR", "Lock Date" (//), "Loan Term" (360), and "Rate Spread" (NA). The "Property Information" section includes "MSA Number" (47644), "County Code" (099), "State Code" (26), "Census Tract" (2205.00), "Address" (43456 Mound Road), "City" (Sterling Heights), "State" (MI), and "Zip" (48313). The "Subject Property" section includes "Property Type" (One-to-fourFamily) and "Property Will Be" (Primary). The "Origination Information" section includes "Type of Purchaser" (Loan was not originated or not sold), "Action Taken" (File Closed for incompleteness), and "Action Date" (01/15/2016). The "Reason(s) for Denial" section has three dropdown menus for "Reason for Denial #1", "Reason for Denial #2", and "Reason for Denial #3". The "Information for Government Monitoring" section includes "Borrower" (Borrower) and "Co-Borrower" (Co-Borrower). The bottom status bar shows "1393 01/12/13:39\* Friday, 1/15/2016".



- b. In the ORIGINATION INFORMATION SECTION :
- i. Type of Purchaser: Choose “Loan was not originated or not sold” from dropdown
  - ii. Action Taken: Choose the “APPLICATION DENIED “
  - iii. Action Date: Input the DATE you are sending out DENIAL. **\*\*This should match the date you input on the Statement of Denial screen as the mailed on date\*\***

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Home Pipeline Loan Trades Contacts Dashboard Reports

Encompass Service Status All Services Fully Operational

**Borrowers** Alice Firstimer

42817 N Hampton Drive  
Sterling Heights, MI 48314

Loan # 13068769  
Loan Amount \$595,000.00

LTV: 74.375/74.375  
DTI: 14.019/14.943

Rate: 4.375%  
Not Locked

Est Closing Date: 01/15/2014  
EM Derek Fast

Alerts & Messages Log

**HMDA Information**

Loan Purpose: Refinancing  
Loan Type:  Conv  VA  FHA  USDA-RHS  
Preapproval: Not Applicable  
HOEPA Status: Not a HOEPA Loan  
Lien Status: Secured by a first lien  
APR: 3.604  
Lock Date: //  
Loan Term: 360  
Rate Spread: NA

Census Tract: 2306.02  
Exclude loan from HMDA report:

**Subject Property**

Address: 42817 N Hampton Drive  
City: Sterling Heights  
State: MI Zip: 48314

Property Type: One-to-fourFamily  
Property Will Be:  Primary  Secondary  Investment

Rate Spread Geocode Edit Check MMLS Info

**Origination Information**

Type of Purchaser: Loan was not originated or not sold  
Action Taken: Application denied  
Action Date: 01/27/2016

**Reason(s) for Denial**

Reason for Denial #1:   
Reason for Denial #2:   
Reason for Denial #3:

**Information for Government Monitoring**

**Borrower**  
 I do not wish to furnish this information  
Ethnicity: Not Hispanic or Latino  
Race:  American Indian or Alaskan Native  Asian

**Co-Borrower**  
 I do not wish to furnish this information  
Ethnicity:   
Race:  American Indian or Alaskan Native  Asian

Forms Tools Services

FNMA Streamlined 1003  
Freddie Mac Additional Data  
GFE Important Dates Modification  
HMDA 2  
HMDA Information  
Home Counseling Providers  
HUD \$100 Down Max Mtg Calc WGS  
HUD 1003 Addendum  
HUD-6601 Property Improvement  
HUD-928005b Conditional Commitment  
HUD-92800LT FHA Loan Transmittal  
Important Dates  
Income Analysis  
Income Calculation Worksheet Borrower 1  
Income Worksheet

Show in Alpha Order Show All

editcheck 05/12 07:17 Wednesday, 1/27/2016



- c. In the REASON FOR DENIAL SECTION:
- Please pick a reason (or reasons) for denial. These should match the reasons you chose on the Statement of Denial Screen. (For example, if you denied due to borrower not having traditional trades, then you would choose the reason as "CREDIT"

The screenshot shows the Encompass mortgage software interface. The top navigation bar includes "Home", "Pipeline", "Loan", "Trades", "Contacts", "Dashboard", and "Reports". The main window displays loan details for "Alice Frstimer" at "42817 N Hampton Drive, Sterling Heights, MI 48314". The loan number is 13058799, with a loan amount of \$585,000.00. The loan purpose is "Refinancing", and the loan type is "Conv". The HMDA Information section includes fields for Loan Purpose, Loan Type, Preapprovals, HOEPA Status, Lien Status, APR, Lock Date, Loan Term, Rate Spread, Census Tract, Subject Property, and Property Type. The "Reason(s) for Denial" section is highlighted, showing a dropdown menu with options: "Debt to Income Ratio", "Employment history", "Credit history", "Insufficient Cash", "Unverifiable Information", "Credit application incomplete", "Mortgage insurance denied", and "Other". The "Information for Government" section includes checkboxes for "Insufficient Cash", "Unverifiable Information", "Credit application incomplete", and "Mortgage insurance denied". The "Borrower" section includes checkboxes for "I do not wish to furnish" and "Other". The "Ethnicity" and "Race" sections include dropdown menus and checkboxes for "Not Hispanic or Latino", "American Indian or Alaskan Native", and "Other".

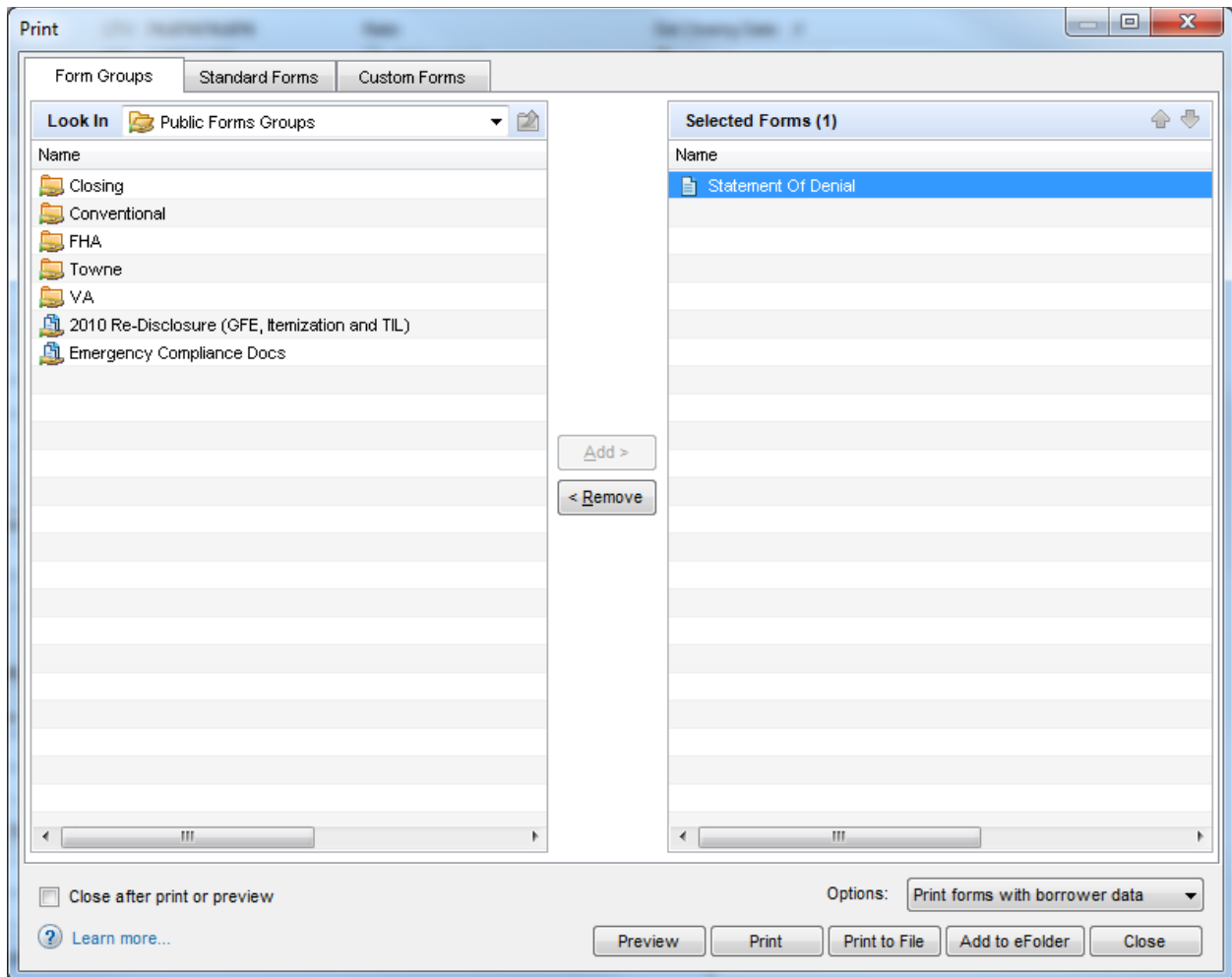


- ii. In the INFORMATION FOR GOVERNMENT MONITORING SECTION:  
Ensure all information is completed for all borrowers

The screenshot shows the Encompass software interface for a loan record. The top navigation bar includes "Home", "Pipeline", "Loan", "Trades", "Contacts", "Dashboard", and "Reports". The main header displays loan details: "42817 N Hampton Drive, Sterling Heights, MI 48314", "Loan # 13058769", "LTV: 74.375/74.375", "Rate: 4.375%", "Est Closing Date: 01/15/2014", "Loan Amount: \$595,000.00", "DTI: 14.019/14.943", and "Not Locked". The "HMDA Information" section includes fields for "Rate Spread" (set to NA), "Geocode", "Edit Check", and "MMLS Info". The "Origination Information" section shows "Type of Purchaser" as "Loan was not originated or not sold", "Action Taken" as "Application denied", and "Action Date" as "01/27/2016". The "Reason(s) for Denial" section lists "Reason for Denial #1" as "Credit history". The "Information for Government Monitoring" section is divided into "Borrower" and "Co-Borrower" sub-sections, each with checkboxes for "I do not wish to furnish this information" and dropdown menus for "Ethnicity" and "Race". The "Borrower" section has "Ethnicity" set to "Not Hispanic or Latino" and "Race" checked for "White". The "Co-Borrower" section has "Ethnicity" set to "American Indian or Alaskan Native" and "Race" checked for "American Indian or Alaskan Native". A sidebar on the left contains a list of forms and tools, with "HMDA 2" and "HMDA Information" highlighted. The bottom status bar shows the date and time: "05/12 07:17\* Wednesday, 1/27/2016".



4. PREVIEW the STATEMENT OF DENIAL AND THEN PRINT THE FORM to the EFolder. Please review the form FIRST to ensure you have completed all required fields. **ENSURE THAT YOU HAVE THE BRANCH MANAGER SIGN THE NOTICE BEFORE YOU SAVE IT TO THE EFOLDER.** All other borrower documentation that you have gathered should ALSO be uploaded and scanned to the EFolder so that we have a complete record of all the information we received from the borrower.





5. Put the Statement of Denials in the mail to the consumer or electronically send to the consumer

Preview

75%

### Statement of Credit Denial, Termination, or Change

<b>Applicant:</b> Alice Firstimer	<b>Loan Number:</b> 13056769
<b>Address:</b>	<b>Loan Amount:</b> \$ 595,000.00
	<b>Interest Rate:</b> 4.375 %
	<b>Term:</b> 360 Months

**Description of Account, Transaction, or Requested Credit:**  
mortgage loan application

**Description of Action Taken:**  
CREDIT SCORE SUB 580 FOR FMA OR CONDITION RATING OF C5 OR C6 ON AN AS-IS APPRAISAL, ETC.

#### Part I. Principal Reason(s) for Credit Denial, Termination, or Other Action Taken

In compliance with Regulation "B" (Equal Credit Opportunity Act), you are advised that your recent application for an extension or renewal of credit has been declined. The decision to deny your application was based on the following reason(s):

<b>A. Credit</b>	<b>C. Income</b>
<input checked="" type="checkbox"/> No credit file	<input type="checkbox"/> Income insufficient for amount of credit requested
<input type="checkbox"/> Insufficient number of credit references provided	<input checked="" type="checkbox"/> Unable to verify income
<input type="checkbox"/> Limited credit experience	<b>D. Residency</b>
<input type="checkbox"/> Unable to verify credit references	<input type="checkbox"/> Temporary residence
<input type="checkbox"/> Garnishment, attachment, foreclosure, repossession, or collection action or judgment	<input type="checkbox"/> Length of residence
<input type="checkbox"/> Excessive obligations	<input type="checkbox"/> Unable to verify residence
<input type="checkbox"/> Insufficient income for total obligations	<b>E. Other</b>
<input checked="" type="checkbox"/> Unacceptable payment record on previous mortgage	<input type="checkbox"/> Credit application incomplete
<input type="checkbox"/> Delinquent credit obligations	<input checked="" type="checkbox"/> Inadequate collateral
<input type="checkbox"/> Bankruptcy	<input checked="" type="checkbox"/> Unacceptable property
<input type="checkbox"/> Unacceptable type of credit references provided	<input type="checkbox"/> Insufficient data - property
<input type="checkbox"/> Poor credit performance with us	<input type="checkbox"/> Unacceptable appraisal
<input type="checkbox"/> Number of recent inquiries on credit bureau report	<input type="checkbox"/> Unacceptable leasehold estate
<b>B. Employment Status</b>	<input type="checkbox"/> Value or type of collateral is not sufficient
<input type="checkbox"/> Unable to verify employment	<input checked="" type="checkbox"/> We do not grant credit to any applicant on the terms and conditions you have requested.
<input type="checkbox"/> Length of employment	<input type="checkbox"/>
<input type="checkbox"/> Temporary or irregular employment	<input type="checkbox"/>

#### Part II. Disclosure of Use of Information Obtained from an Outside Source

This section should be completed if the credit decision was based in whole or in part on information that has been obtained from an outside source.

Our credit decision was based in whole or part on information obtained in a report from the consumer-reporting agency listed below. You have a right under the Fair Credit Reporting Act to know the information obtained in your credit file at the consumer-reporting agency. The reporting agency played no part in our decision and is unable to supply specific reasons why we have denied credit to you. You also have a right to a free copy of your report from the reporting agency, if you request it no later than 60 days after you receive this notice. In addition, if you find that any information contained in the report you receive is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency.

Name: Credit Plus, Inc.  
Address: 3150 Winterplace Parkway Salisbury, MD 21804

Close



6. Click on the Move to Folder icon located in the upper right hand corner of the screen and move the Loan to the correct Adverse Loans bucket. You will move to Adverse Loans based on the year you denied the loan (i.e. If I denied in 2016, then I move it to the **2016 Adverse Loans**)

**VERY IMPORTANT THAT YOU DO NOT MOVE ANY LOANS INTO THE ADVERSE FOLDER UNTIL YOU HAVE COMPLETED ALL STEPS LISTED ABOVE**

The screenshot shows the Encompass software interface. At the top, there is a navigation bar with tabs for Home, Pipeline, Loan, Trades, Contacts, Dashboard, and Reports. Below this is a "Pipeline View" section with a search filter set to "Loan Number contains '13049974'". A table displays loan details for loan number 13049974. The table has columns for Alerts, Mess, Loan Number, Borrower Name, Last Finished Miest, Last Finish, Company - Users Organization Co, Current Loan Team Member, Loan Purpose, Loan Program, Loan Officer, and Loan Processor. The data row shows: Alerts =, Mess =, Loan Number 13049974, Borrower Name Public, John Q, Last Finished Miest Started, Last Finish 06/02/2013 0, Company - Users Organization Co MAIN, Current Loan Team Member Mark Workens, Loan Purpose Purchase, Loan Program Fannie Homepath - 30 year fixed, Loan Officer Mark Workens, and Loan Processor Mark Budrick. At the bottom right, the status bar shows "01/15 08:12" and "Friday, 1/15/2016".