



Loan Detail Report

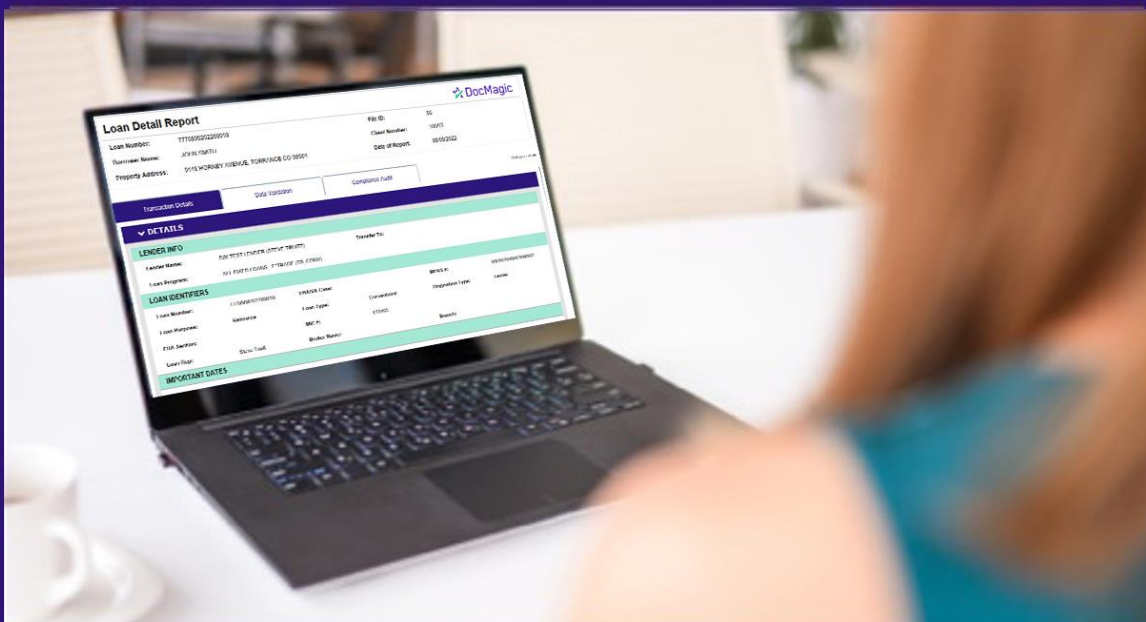
# Intro

DocMagic's Loan Detail Report ("LDR") provides useful, actionable information that users can rely on to ensure each transaction complies with appropriate laws and regulations, investor guidelines, and lender requirements. The LDR is automatically produced on each process request for a loan transaction and is provided to the user as the first document in each package. The LDR can also be requested as a lone document in its own package.

The LDR compiles both loan data provided by the user, threshold validation checks to ensure an accurate transaction is processed, as well as compliance checks performed by DocMagic's Automated Compliance Engine to ensure users are not making undesirable high-cost loans or a loan that violates any applicable predatory lending rules.

The LDR is composed of three distinct sections to achieve these goals: Transaction Details, Data Validation and Compliance Audit.

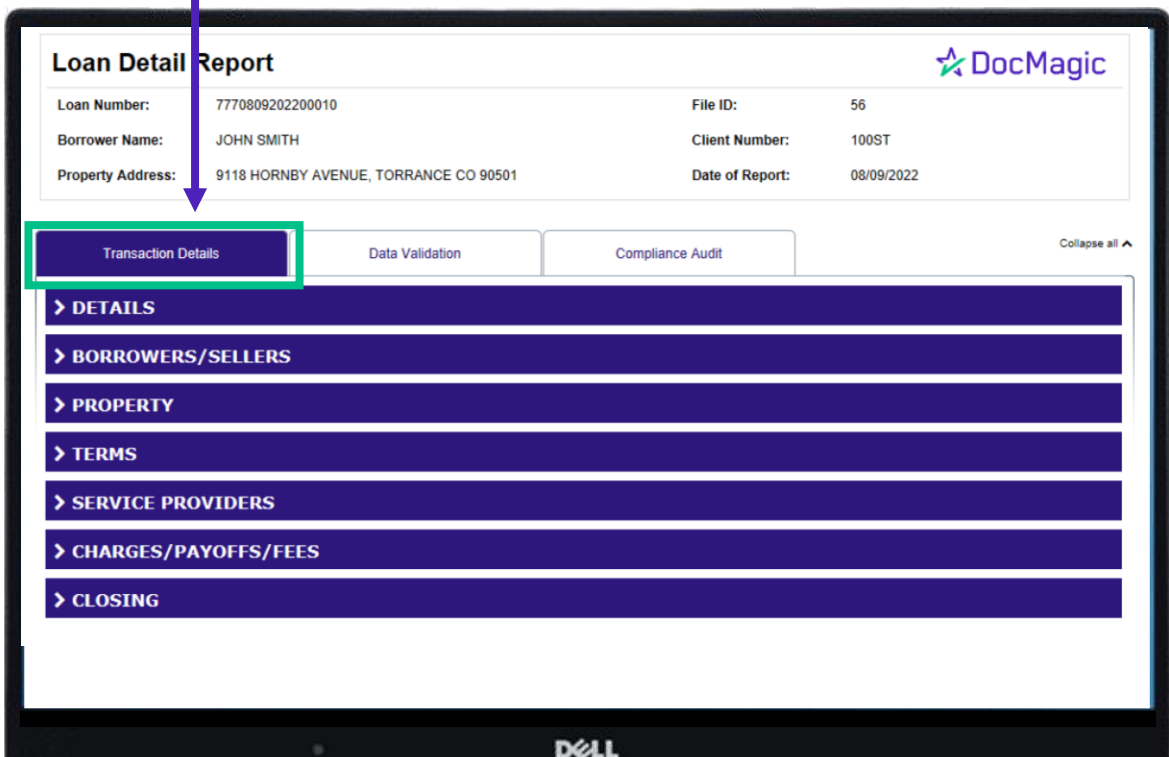
The LDR is composed of three distinct sections to achieve these goals: Transaction Details, Data Validation and Compliance Audit.



# Section One

## Transaction Details

The first section of the LDR is the Transaction Details section. This section provides the transactional information that was provided on the same process request as that on which the LDR was produced.



The screenshot displays the 'Loan Detail Report' interface. At the top right is the 'DocMagic' logo. Below the title, there is a table of loan information:

Loan Number:	7770809202200010	File ID:	56
Borrower Name:	JOHN SMITH	Client Number:	100ST
Property Address:	9118 HORNBY AVENUE, TORRANCE CO 90501	Date of Report:	08/09/2022

Below this table is a navigation bar with three tabs: 'Transaction Details' (highlighted with a green box), 'Data Validation', and 'Compliance Audit'. To the right of these tabs is a 'Collapse all' link with an upward arrow icon. Under the 'Transaction Details' tab, there is a list of expandable sections, each with a right-pointing arrow icon:

- > DETAILS
- > BORROWERS/SELLERS
- > PROPERTY
- > TERMS
- > SERVICE PROVIDERS
- > CHARGES/PAYOFFS/FEES
- > CLOSING

The Dell logo is visible at the bottom center of the monitor frame.

This enables a reviewer to ensure the loan data they are reviewing matches to the loan information used for the compliance validation.



# Section One

## Transaction Details

This section is broken down further into subsections: Details, Borrowers/Sellers, Property, Terms, Service Providers, Other Liens, Charges/Payoffs/Fees, Impounds (not pictured below), and Closing.

**Loan Detail Report** DocMagic

Loan Number:	7770809202200010	File ID:	56
Borrower Name:	JOHN SMITH	Client Number:	100ST
Property Address:	9118 HORNBY AVENUE, TORRANCE CO 90501	Date of Report:	08/09/2022

**Transaction Details** | Data Validation | Compliance Audit | Collapse all ▲

- › DETAILS
- › BORROWERS/SELLERS
- › PROPERTY
- › TERMS
- › SERVICE PROVIDERS
- › CHARGES/PAYOFFS/FEES
- › CLOSING

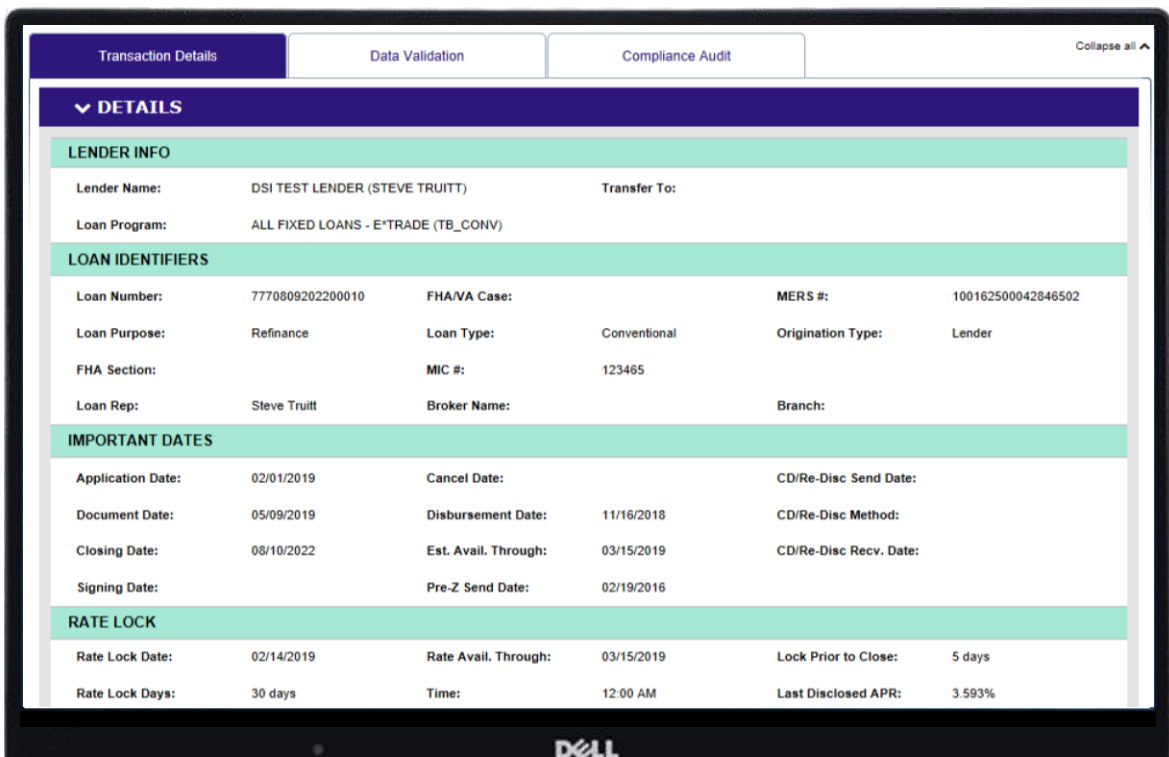
DELL



# Section One

## Transaction Details

Details includes basic information about the loan, including various identifiers for the loan: Loan Number, MERS Number, FHA/VA Case Number.



The screenshot shows a web application interface for loan transaction details. At the top, there are three tabs: 'Transaction Details' (selected), 'Data Validation', and 'Compliance Audit'. A 'Collapse all' link is visible on the right. Below the tabs is a section titled 'DETAILS' with a dropdown arrow. The form is organized into several sections with light green headers:

- LENDER INFO**
  - Lender Name: DSI TEST LENDER (STEVE TRUITT)
  - Loan Program: ALL FIXED LOANS - E\*TRADE (TB\_CONV)
  - Transfer To: (empty)
- LOAN IDENTIFIERS**
  - Loan Number: 7770809202200010
  - FHA/VA Case: (empty)
  - MERS #: 100162500042846502
  - Loan Purpose: Refinance
  - Loan Type: Conventional
  - Origination Type: Lender
  - FHA Section: (empty)
  - MIC #: 123465
  - Loan Rep: Steve Truitt
  - Broker Name: (empty)
  - Branch: (empty)
- IMPORTANT DATES**
  - Application Date: 02/01/2019
  - Document Date: 05/09/2019
  - Closing Date: 08/10/2022
  - Signing Date: (empty)
  - Cancel Date: (empty)
  - Disbursement Date: 11/16/2018
  - Est. Avail. Through: 03/15/2019
  - Pre-Z Send Date: 02/19/2016
  - CD/Re-Disc Send Date: (empty)
  - CD/Re-Disc Method: (empty)
  - CD/Re-Disc Recv. Date: (empty)
- RATE LOCK**
  - Rate Lock Date: 02/14/2019
  - Rate Lock Days: 30 days
  - Rate Avail. Through: 03/15/2019
  - Time: 12:00 AM
  - Lock Prior to Close: 5 days
  - Last Disclosed APR: 3.593%

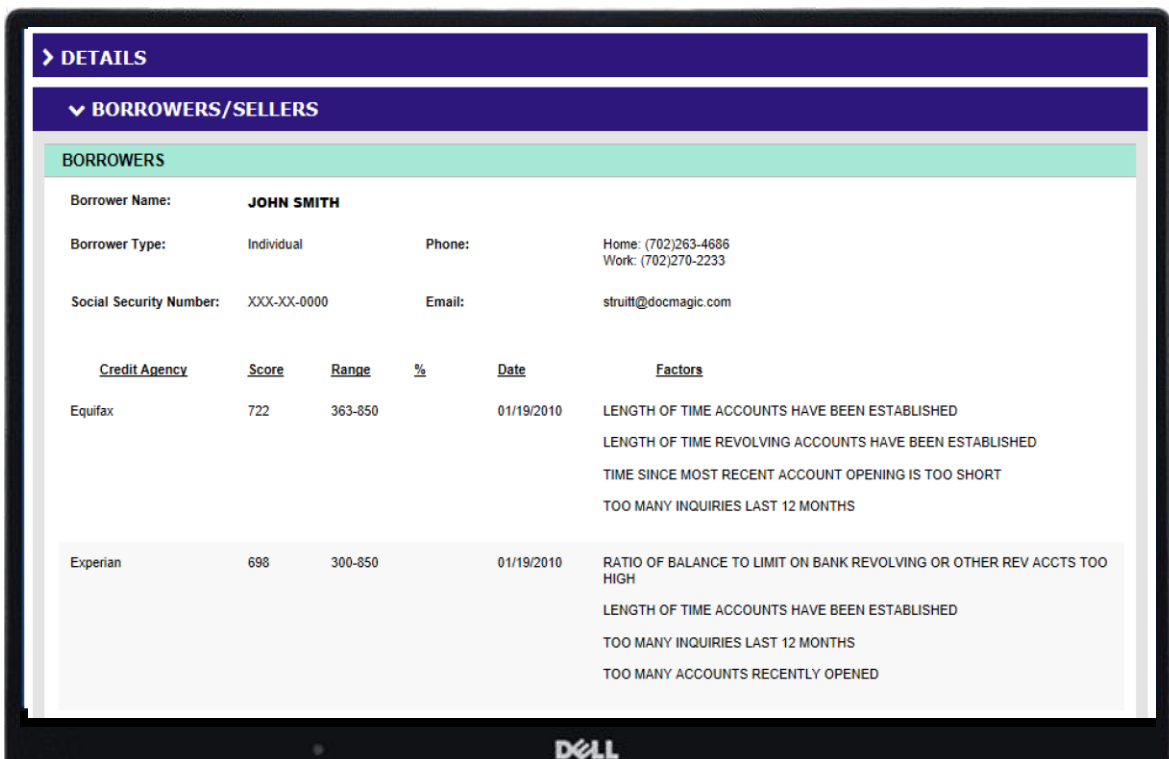
Important Dates for the loan are also listed here, such as the Application Date, Rate Lock Dates and the Closing Date.



# Section One

## Transaction Details

Borrowers/Sellers includes the details about all loan borrowers and the seller of the property in a purchase transaction.



The screenshot shows a web application interface on a Dell monitor. The interface has a dark blue header with a white arrow pointing right, containing the text '> DETAILS'. Below this is a dark blue bar with a white downward arrow and the text 'BORROWERS/SELLERS'. The main content area has a light blue header with the text 'BORROWERS'. Below this, there is a form with the following fields:

- Borrower Name:** JOHN SMITH
- Borrower Type:** Individual
- Phone:** Home: (702)263-4686, Work: (702)270-2233
- Social Security Number:** XXX-XX-0000
- Email:** struitt@docmagic.com

Below the form is a table with the following columns: Credit Agency, Score, Range, %, Date, and Factors.

<u>Credit Agency</u>	<u>Score</u>	<u>Range</u>	<u>%</u>	<u>Date</u>	<u>Factors</u>
Equifax	722	363-850		01/19/2010	LENGTH OF TIME ACCOUNTS HAVE BEEN ESTABLISHED LENGTH OF TIME REVOLVING ACCOUNTS HAVE BEEN ESTABLISHED TIME SINCE MOST RECENT ACCOUNT OPENING IS TOO SHORT TOO MANY INQUIRIES LAST 12 MONTHS
Experian	698	300-850		01/19/2010	RATIO OF BALANCE TO LIMIT ON BANK REVOLVING OR OTHER REV ACCTS TOO HIGH LENGTH OF TIME ACCOUNTS HAVE BEEN ESTABLISHED TOO MANY INQUIRIES LAST 12 MONTHS TOO MANY ACCOUNTS RECENTLY OPENED

These details include Name, Social Security Number (masked), addresses and intended vesting.



# Section One

## Transaction Details

Property provides the particulars about the subject property that is securing the loan.

The screenshot shows a web application interface on a Dell monitor. The interface has a top navigation bar with three tabs: "Transaction Details" (selected), "Data Validation", and "Compliance Audit". A "Collapse all" link is visible on the right. Below the navigation bar, there are three expandable sections: "DETAILS", "BORROWERS/SELLERS", and "PROPERTY". The "PROPERTY" section is expanded, showing "SUBJECT PROPERTY DETAILS" and "PRELIMINARY TITLE INFORMATION".

SUBJECT PROPERTY DETAILS					
Owner Occupied:	Yes	Second Home:	No	Property Type:	PUD
Street:	9118 HORNBY AVENUE	City:	TORRANCE	State:	CO
County:	LOS ANGELES	Flood Zone:		Zip:	90501
				Project Name:	VISTA DEL MAR

PRELIMINARY TITLE INFORMATION	
Legal Description: THIS IS THE LONG LEGAL PLACEHOLDER.	Attached: No
Mineral Rights/Abbreviated Description: LEGAL DESCRIPTION ATTACHED	
Parcel #:	
Title Report Date:	Tax Message:
Endorsements:	Approved Items:

Details include the location (as street address and legal description), as well as the type of property and the intended occupancy.



# Section One

## Transaction Details

**Terms** contains specifics about the loan being tested, including whether it is a Fixed or ARM loan, or other, the Loan Amount, the Interest Rate and the Term of the loan (e.g., 360 months).

The screenshot shows a web application interface with three tabs: "Transaction Details", "Data Validation", and "Compliance Audit". The "Transaction Details" tab is active. Below the tabs, there are four expandable sections: "DETAILS", "BORROWERS/SELLERS", "PROPERTY", and "TERMS". The "TERMS" section is expanded, revealing a table of loan terms. Below the "TERMS" section is a "MISCELLANEOUS" section with additional details.

TERMS			
Rate Type:	FixedRate	GPM Type:	Buydown Type:
Appraised Value:	\$669,000.00	Sales Price:	Approved 2nd Lien:
Loan Amount:	\$378,510.00	Initial Interest Rate:	Term / Amortization:
Pre-discounted Rate:		First Payment Date:	Monthly Payment:
Loan To Value Ratio:	56.58	Prepaid Interest:	30 days @ \$46.00 = \$1,379.99 (paid by Borrower based on 360 days)

MISCELLANEOUS			
Assumable:	No	Prepayment Penalty:	No
Prepayment:		Soft Prepayment:	





# Section One

## Transaction Details

**Service Providers** lists all the information provided for the settlement service providers for the loan, such as the originator information, the settlement agent, the title insurance provider, and appraiser.

The screenshot shows a web application interface on a Dell monitor. The interface has three tabs: 'Transaction Details' (selected), 'Data Validation', and 'Compliance Audit'. A 'Collapse all' link is in the top right. The main section is titled 'SERVICE PROVIDERS' and contains four categories, each with a table of contact information.

SETTLEMENT CLOSING									
Company:	FIRST AMERICAN TITLE	Ref #:	5505605	NMLS/St Lic #:	/ 465111				
Street:	7201 W LAKE MEAD, SUITE #212	City:	LAS VEGAS	State:	NV	Zip:	89128		
Contact:	ANDY AGENT	Email:	struitt@docmagic.com	Phone:	012547987				

MISCELLANEOUS									
Company:	CALDWELL BANKER WARDLEY	Ref #:		NMLS/St Lic #:					
Street:		City:		State:		Zip:			
Contact:	STEVE SETTLEMENT	Email:	struitt@docmagic.com	Phone:	723484634				

MISCELLANEOUS									
Company:	REALTY ONE GROUP	Ref #:		NMLS/St Lic #:					
Street:		City:		State:		Zip:			
Contact:	JOHN EDMONDS	Email:		Phone:					

ORIGINATOR									
Company:	ABC MORTGAGE	Ref #:		NMLS/St Lic #:	12345 /				
Street:	1800 W 213TH STREET	City:	TORRANCE	State:	CA	Zip:	90501		
Contact:	STEVE TRUITT	Email:	struitt@docmagic.com	Phone:	(800)649-1362				

This information is used also to support the payee information provided in the charges.



# Section One

## Transaction Details

Charges/Payoffs/Fees lists all charges that are to be collected as part of the loan transaction.

Transaction Details									
Data Validation									
Compliance Audit									
Collapse all									
▼ CHARGES/PAYOFFS/FEEES									
Charge Description	To	Category	Charge Amt	Paid By	Amt Paid	POC	APR	SR	Discl'd Amt
Mortgage Broker Fee	Other	Origination Charges	\$3,785.10	LENDER		No	No	No	\$3,785.10
Processing Fee	RCMC	Origination Charges	\$450.00	BORROWER		No	Yes	No	\$500.00
Administration Fee	RCMC	Origination Charges	\$865.00	BORROWER		No	Yes	No	\$865.00
Application Fee	RCMC	Origination Charges	\$450.00	BORROWER	\$450.00	Yes	Yes	No	\$450.00
Appraisal Fee	Appraisal Company	Services You Cannot Shop For	\$450.00	BORROWER		No	No	No	\$450.00
Credit Report	RCMC	Services You Cannot Shop For	\$19.00	BORROWER		No	No	No	\$19.00
Flood Certification	RCMC	Services You Cannot Shop For	\$12.00	BORROWER		No	No	No	\$11.50
Mortgage Insurance Premium	Mortgage Insurance Co	Services You Cannot Shop For	\$6,510.00	BORROWER		No	Yes	No	\$6,510.00
Title - Owner's Title Insurance (Optional)	Lender	Other Costs	\$1,500.00	BORROWER		No	No	No	\$1,500.00
Title - Lender's Title Insurance	Title Company	Services You Can Shop For	\$250.68	BORROWER		No	No	No	\$250.68
Title - Notary Fees	Escrow Company	Services You Can Shop For	\$150.00	BORROWER		No	No	No	\$150.00
End of Document	From	Services You Can Shop For	\$55.00	BORROWER		No	No	No	\$55.00

The detail provided includes the charge/fee description, the paid to type, the relevant TRID/GFE disclosure section, the amount and who it is paid by. If the loan includes payoffs, such as on a refinance transaction, that information is also disclosed here.



# Section One

## Transaction Details

**Impounds** list all impound information provided for the loan. Each impound item's disbursement information, amounts and dates are listed, as well as information about mortgage insurance to be collected after closing.

The screenshot displays a web application interface for loan transaction details. It features three tabs at the top: 'Transaction Details' (selected), 'Data Validation', and 'Compliance Audit'. A 'Collapse all' link is visible in the top right corner. The main content area is divided into two primary sections: 'IMPOUNDS' and 'CLOSING'.

**IMPOUNDS Section:**

Description	Pmts/Year	Payment Amt	Monthly Inflow	Due Date	Mos
Hazard Insurance	1	\$780.00	\$65.00	08/01/2022	11

**PMI/MMI Section:**

1st Year Premium Rate:	1st Year Premium:	PMI/MMI Monthly:	\$0.00
Renewal Rate #1:	1st Renewal # Mos:	PMI/MMI Due Date:	06/01/2016
Renewal Rate #2:	2nd Renewal # Mos:	PMI/MMI # Mos:	
MI Excludable:	No		

**MISCELLANEOUS IMPOUND INFORMATION Section:**

Aggregate Adjustment:	(\$585.00)	Impounds Paid By:	Borrower	PMI Paid By:	Borrower
Initial Deposit:	\$0.00	Lender Required:	Yes		

**CLOSING Section:**

**Closing Instructions/Conditions**

Closing County: LOS ANGELES	Loan Proceeds To: BORROWER
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The **Closing** subsection will list any provided closing conditions, as well as the closing county location and disbursement of proceeds.



# Section Two

## Data Validation

The Initial Escrow Account Analysis shows the full computation year escrow analysis that will be disclosed on the Initial Escrow Account Disclosure Statement.

Transaction Details

Data Validation

Compliance Audit

Collapse all ^

▼ INITIAL ESCROW ACCOUNT ANALYSIS

Starting Balance: \$130.00

Monthly Inflow: \$65.00

Low Balance: \$130.00

Cushion: \$130.00

Month	Mo./Year	Disbursed	Date Paid	Disbursement	Balance
1	06/01/2016	\$0.00			\$195.00
2	07/01/2016	\$0.00			\$260.00
3	08/01/2016	\$0.00			\$325.00
4	09/01/2016	\$0.00			\$390.00
5	10/01/2016	\$0.00			\$455.00
6	11/01/2016	\$0.00			\$520.00
7	12/01/2016	\$0.00			\$585.00
8	01/01/2017	\$0.00			\$650.00
9	02/01/2017	\$0.00			\$715.00
10	03/01/2017	\$0.00			\$780.00
11	04/01/2017	\$0.00			\$845.00



# Section Two

## Data Validation

The final subsection of the Data Validation section is the **Tolerance Cure Summary**. DocMagic captures the fee baseline for all charges (subject to tolerance) that are disclosed on the initial Loan Estimate with DocMagic.

Transaction Details	Data Validation	Compliance Audit	Collapse all ^
▼ TOLERANCE CURE SUMMARY			
Charge	Tolerance	Baseline	Current Amount
APPRAISAL FEE	0	\$300.00	\$250.00
CREDIT REPORT	NA	\$60.00	\$50.00
DOCUMENT FEE	NA	\$40.00	\$35.00
UNDERWRITING FEE	0	\$375.00	\$350.00
PROCESSING FEE	0	\$350.00	\$300.00
CLOSING FEE	NA	\$550.00	\$500.00
TITLE FEE	0	\$500.00	\$450.00
Title - Lender's Title Insurance	0	\$200.00	\$150.00
Transfer Taxes	0	\$0.00	\$35.00
Loan Origination Fee	0	\$2,000.00	\$2,000.00
0% Tolerance Violation Amount:	\$35.00		
10% Tolerance Violation Amount:	\$0.00		
Total Tolerance Cure Amount:	\$35.00		

On each subsequent process DocMagic's Audit Engine analyzes existing charges/fees for any increases beyond their baseline and returns an audit indicating such a charge/fee exceeds its baseline by more than the allowed tolerance. .



# Section Two

## Data Validation

Users can provide changed circumstance information to support any increases after initial disclosure and clear any tolerance audits.

Transaction Details	Data Validation	Compliance Audit	Collapse all ^
▼ TOLERANCE CURE SUMMARY			
Charge	Tolerance	Baseline	Current Amount
APPRAISAL FEE	0	\$300.00	\$250.00
CREDIT REPORT	NA	\$60.00	\$50.00
DOCUMENT FEE	NA	\$40.00	\$35.00
UNDERWRITING FEE	0	\$375.00	\$350.00
PROCESSING FEE	0	\$350.00	\$300.00
CLOSING FEE	NA	\$550.00	\$500.00
TITLE FEE	0	\$500.00	\$450.00
Title - Lender's Title Insurance	0	\$200.00	\$150.00
Transfer Taxes	0	\$0.00	\$35.00
Loan Origination Fee	0	\$2,000.00	\$2,000.00
0% Tolerance Violation Amount:	\$35.00		
10% Tolerance Violation Amount:	\$0.00		
Total Tolerance Cure Amount:	\$35.00		

The Tolerance Cure Summary also totals all captured tolerance violations and indicates a calculated tolerance cure amount that may be necessary at closing. Any Changed Circumstance information provided during the loan process are listed here too.



# Section Three

## Compliance Audit

The Compliance Audit section is the third part of the LDR.

The screenshot displays the 'Loan Detail Report' interface. At the top right is the 'DocMagic' logo. Below the title, there are two columns of loan information: Loan Number (LOANNUMBER), Borrower Name (BORROWER ONE SAMPLE), Property Address (PROPERTY STREET, PROPERTY CITY CA 90501), File ID (35), Client Number (100ST), and Date of Report (08/09/2022). Below this is a navigation bar with three tabs: 'Transaction Details', 'Data Validation', and 'Compliance Audit' (which is selected). To the right of the tabs is a 'Collapse all' link. The main content area is titled 'COMPLIANCE SUMMARY' and contains two columns of compliance checks. The left column includes 'Federal High Cost/HPML' (PASS), 'Ability to Repay/QM' (PASS), 'Fannie/Freddie Points/Fees' (PASS), and 'Fannie/Freddie Audits' (N/A). The right column includes 'TRID' (WARNING), 'Conventional' (N/A), 'CA High Cost/HPML' (PASS), and 'CA State Rules' (N/A). Each item has a corresponding status (PASS, WARNING, or N/A) and a checkmark or warning icon.

Loan Detail Report			
Loan Number:	LOANNUMBER	File ID:	35
Borrower Name:	BORROWER ONE SAMPLE	Client Number:	100ST
Property Address:	PROPERTY STREET, PROPERTY CITY CA 90501	Date of Report:	08/09/2022

Transaction Details	Data Validation	Compliance Audit
COMPLIANCE SUMMARY		
Federal High Cost/HPML	PASS	✓
Ability to Repay/QM	PASS	✓
Fannie/Freddie Points/Fees	PASS	✓
Fannie/Freddie Audits	N/A	—
TRID	WARNING	⚠
Conventional	N/A	—
CA High Cost/HPML	PASS	✓
CA State Rules	N/A	—

This section begins with a Compliance Summary that provides a quick glance to the user as to any possible issues with the loan.



# Section Three

## Compliance Audit

This summary rolls up further analysis found later in this section to a few specific categories: Federal High Cost/HPML, Ability to Repay/QM, Fannie/Freddie Points/Fees, Fannie/Freddie Audits, TRID, Loan Type Audits, State High Cost/ HPML, State Audits.

**Loan Detail Report** DocMagic

Loan Number:	LOANNUMBER	File ID:	35
Borrower Name:	BORROWER ONE SAMPLE	Client Number:	100ST
Property Address:	PROPERTY STREET, PROPERTY CITY CA 90501	Date of Report:	08/09/2022

Transaction Details | Data Validation | **Compliance Audit** | Collapse all

**COMPLIANCE SUMMARY**

Federal High Cost/HPML	PASS	✓	TRID	WARNING	⚠
Ability to Repay/QM	PASS	✓	Conventional	N/A	—
Fannie/Freddie Points/Fees	PASS	✓	CA High Cost/HPML	PASS	✓
Fannie/Freddie Audits	N/A	—	CA State Rules	N/A	—

For further detail, users can proceed further into the Compliance Audit section to view the information that is the basis of the Compliance Summary.

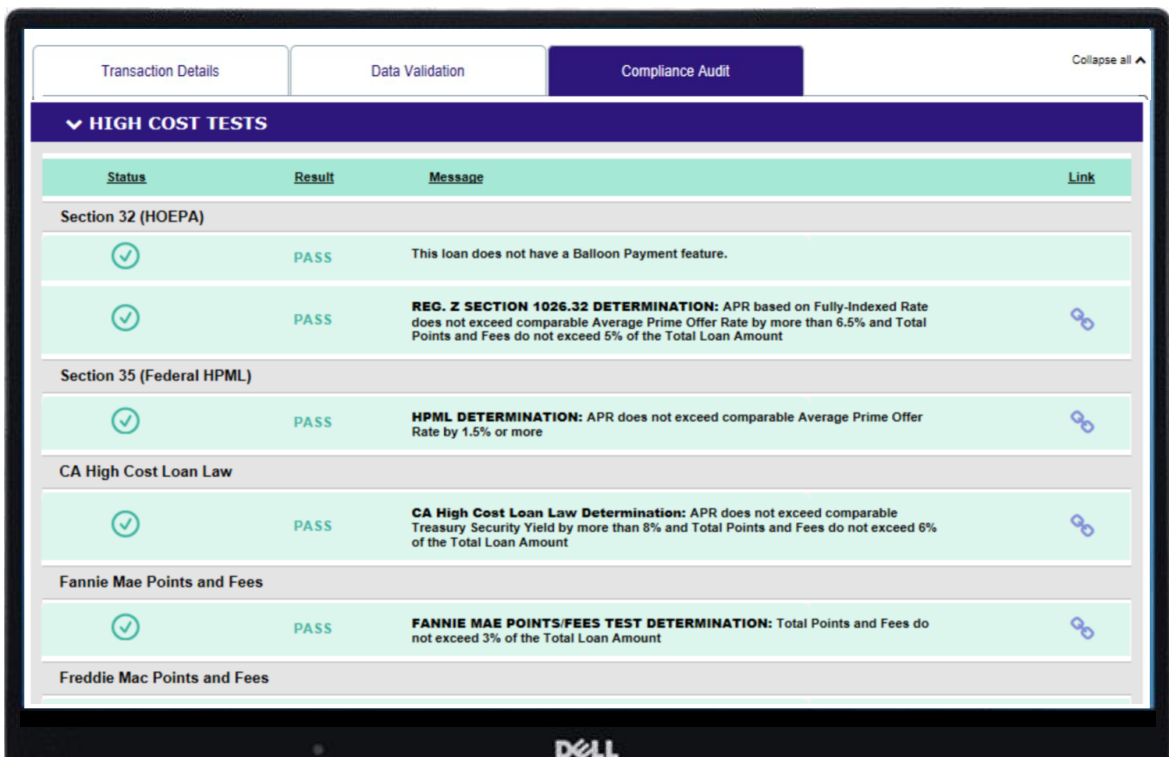




# Section Three

## Compliance Audit

The next few subsections after the Compliance Summary will include a listing of all compliance audits that returned for the loan.



Transaction Details	Data Validation	Compliance Audit	Collapse all
HIGH COST TESTS			
Status	Result	Message	Link
Section 32 (HOEPA)			
✓	PASS	This loan does not have a Balloon Payment feature.	
✓	PASS	<b>REG. Z SECTION 1026.32 DETERMINATION:</b> APR based on Fully-Indexed Rate does not exceed comparable Average Prime Offer Rate by more than 6.5% and Total Points and Fees do not exceed 5% of the Total Loan Amount	🔗
Section 35 (Federal HPML)			
✓	PASS	<b>HPML DETERMINATION:</b> APR does not exceed comparable Average Prime Offer Rate by 1.5% or more	🔗
CA High Cost Loan Law			
✓	PASS	<b>CA High Cost Loan Law Determination:</b> APR does not exceed comparable Treasury Security Yield by more than 8% and Total Points and Fees do not exceed 6% of the Total Loan Amount	🔗
Fannie Mae Points and Fees			
✓	PASS	<b>FANNIE MAE POINTS/FEEES TEST DETERMINATION:</b> Total Points and Fees do not exceed 3% of the Total Loan Amount	🔗
Freddie Mac Points and Fees			

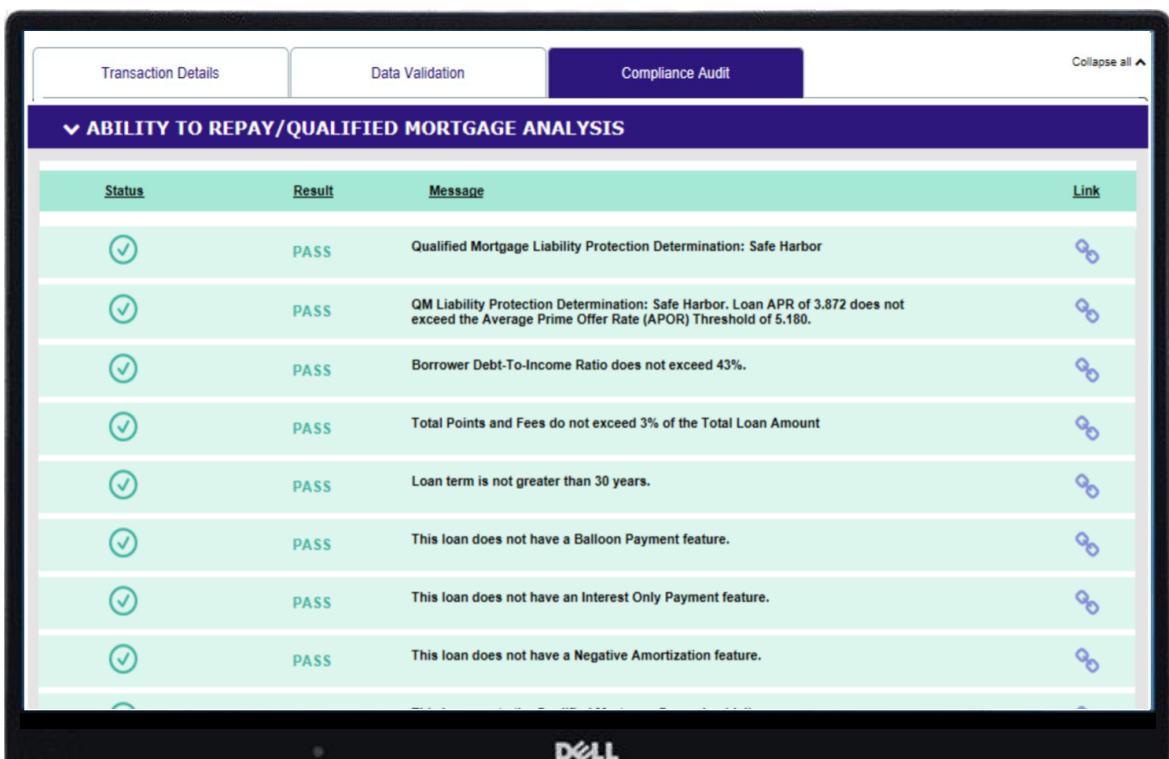
In the High-Cost Tests section, all results of high-cost audits and tests will be shown, including those which passed.



# Section Three

## Compliance Audit

The Ability to Repay/QM Analysis will also include all QM-related audit results for the loan, including those which passed.



Transaction Details			
Data Validation			
Compliance Audit			
Collapse all			
▼ ABILITY TO REPAY/QUALIFIED MORTGAGE ANALYSIS			
Status	Result	Message	Link
✓	PASS	Qualified Mortgage Liability Protection Determination: Safe Harbor	<a href="#">Link</a>
✓	PASS	QM Liability Protection Determination: Safe Harbor. Loan APR of 3.872 does not exceed the Average Prime Offer Rate (APOR) Threshold of 5.180.	<a href="#">Link</a>
✓	PASS	Borrower Debt-To-Income Ratio does not exceed 43%.	<a href="#">Link</a>
✓	PASS	Total Points and Fees do not exceed 3% of the Total Loan Amount	<a href="#">Link</a>
✓	PASS	Loan term is not greater than 30 years.	<a href="#">Link</a>
✓	PASS	This loan does not have a Balloon Payment feature.	<a href="#">Link</a>
✓	PASS	This loan does not have an Interest Only Payment feature.	<a href="#">Link</a>
✓	PASS	This loan does not have a Negative Amortization feature.	<a href="#">Link</a>

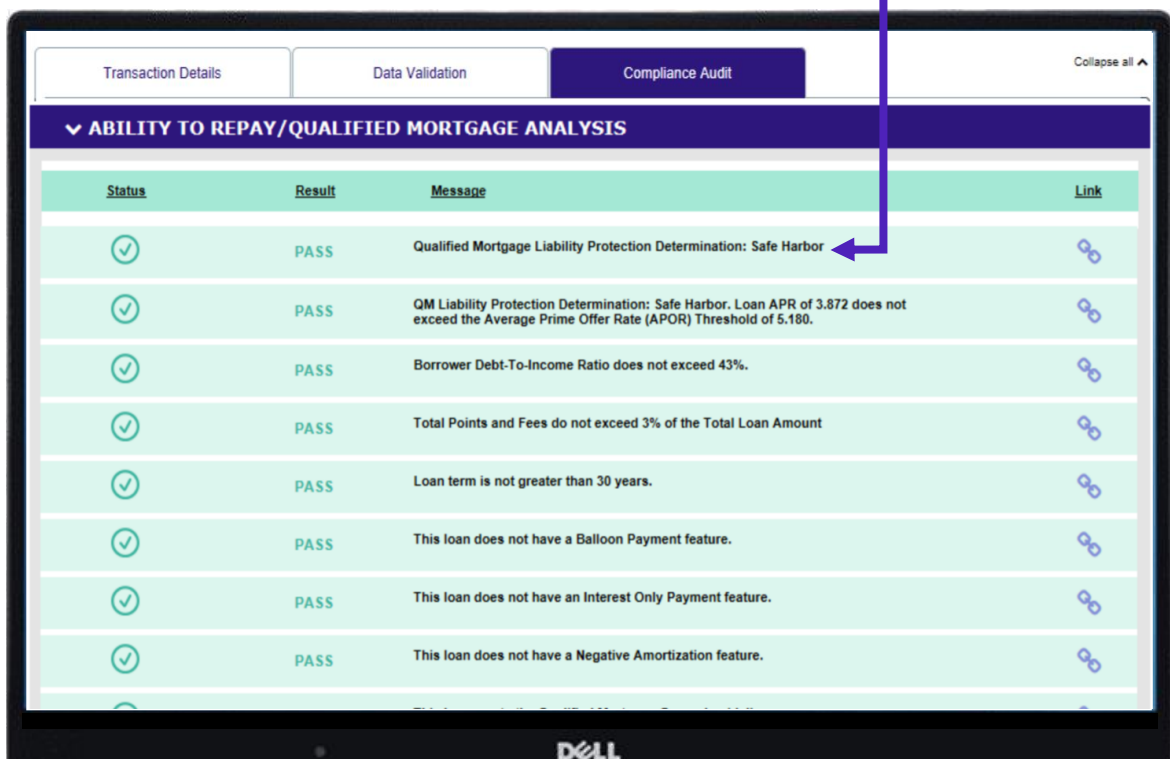
This section discloses each prong of the QM analysis a loan must pass in order to be a Qualified Mortgage, including ensuring the loan does not include prohibited loan features, such as a balloon or interest-only payments.











# Section Three

## Compliance Audit

This section will also indicate to the user the overall QM liability rating that applies to the loan: either Safe Harbor or Rebuttable Presumption.



ABILITY TO REPAY/QUALIFIED MORTGAGE ANALYSIS			
Status	Result	Message	Link
✓	PASS	Qualified Mortgage Liability Protection Determination: Safe Harbor	
✓	PASS	QM Liability Protection Determination: Safe Harbor. Loan APR of 3.872 does not exceed the Average Prime Offer Rate (APOR) Threshold of 5.180.	
✓	PASS	Borrower Debt-To-Income Ratio does not exceed 43%.	
✓	PASS	Total Points and Fees do not exceed 3% of the Total Loan Amount	
✓	PASS	Loan term is not greater than 30 years.	
✓	PASS	This loan does not have a Balloon Payment feature.	
✓	PASS	This loan does not have an Interest Only Payment feature.	
✓	PASS	This loan does not have a Negative Amortization feature.	

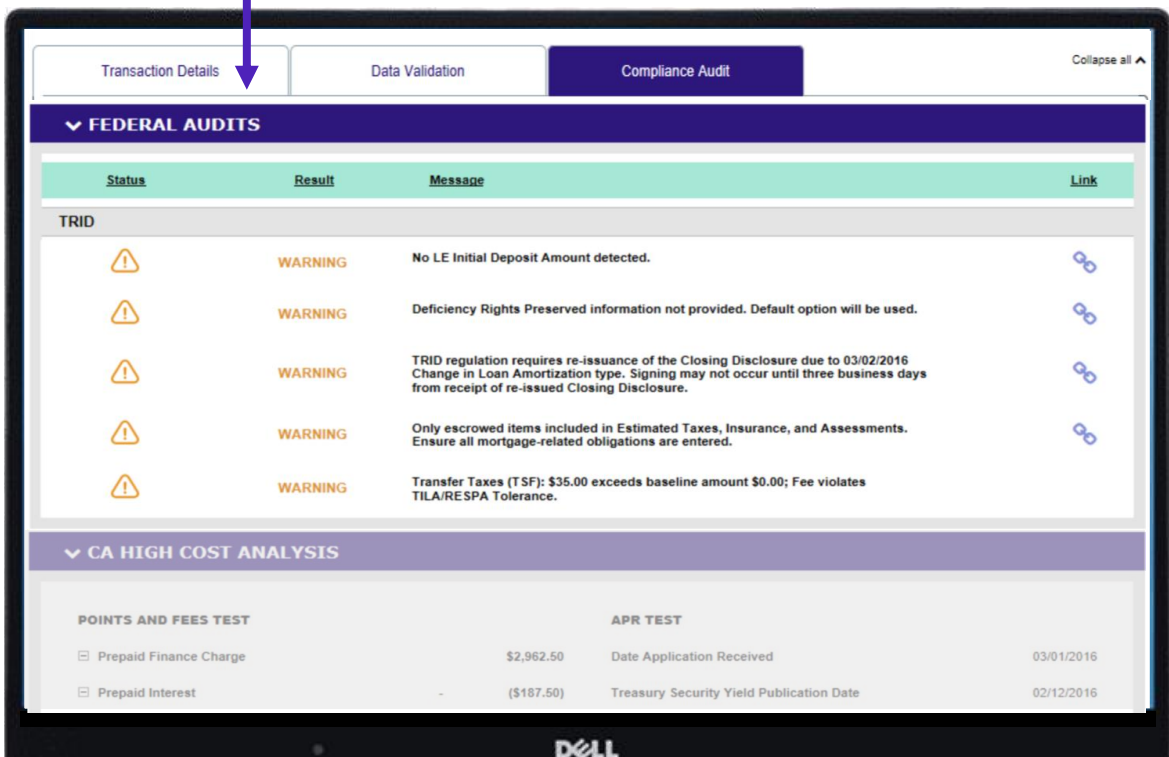
It will also indicate if the loan passes the QM General Price-Based Limit.



# Section Three

## Compliance Audit

The **Federal Audit** subsection will list any audit results returning for the loan. These audits will only include those that did not pass, indicating a possible federal law-based issue with the transaction.



Transaction Details	Data Validation	Compliance Audit	Collapse all
▼ FEDERAL AUDITS			
Status	Result	Message	Link
TRID			
⚠	WARNING	No LE Initial Deposit Amount detected.	🔗
⚠	WARNING	Deficiency Rights Preserved information not provided. Default option will be used.	🔗
⚠	WARNING	TRID regulation requires re-issuance of the Closing Disclosure due to 03/02/2016 Change in Loan Amortization type. Signing may not occur until three business days from receipt of re-issued Closing Disclosure.	🔗
⚠	WARNING	Only escrowed items included in Estimated Taxes, Insurance, and Assessments. Ensure all mortgage-related obligations are entered.	🔗
⚠	WARNING	Transfer Taxes (TSF): \$35.00 exceeds baseline amount \$0.00; Fee violates TILA/RESPA Tolerance.	
▼ CA HIGH COST ANALYSIS			
POINTS AND FEES TEST		APR TEST	
☐ Prepaid Finance Charge	\$2,962.50	Date Application Received	03/01/2016
☐ Prepaid Interest	(\$187.50)	Treasury Security Yield Publication Date	02/12/2016

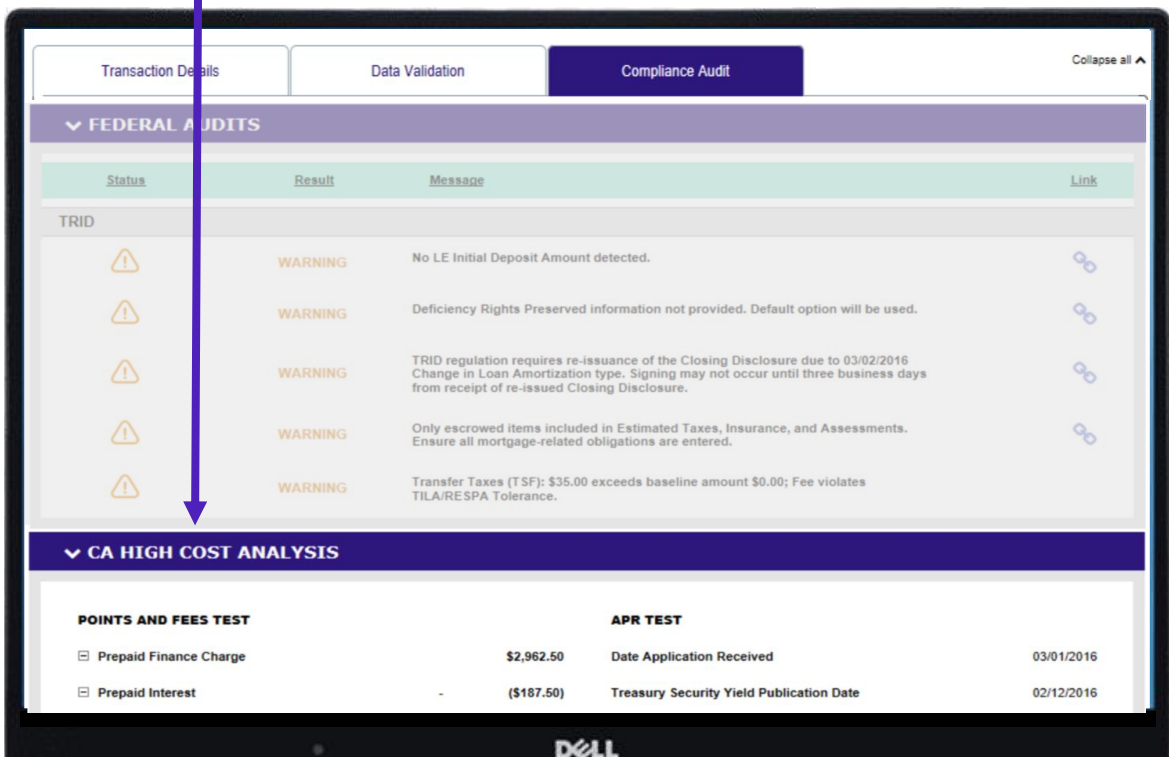
Examples of these include TRID-based audits to ensure proper timing of disclosures of the LE and CD, and TRID tolerance violation audits.



# Section Three

## Compliance Audit

The **State Audit** subsection follows the federal section and includes any state law-based audit results.



The screenshot displays a software interface for a Compliance Audit. At the top, there are three tabs: 'Transaction Details', 'Data Validation', and 'Compliance Audit', with the latter being the active tab. Below the tabs, a section titled 'FEDERAL AUDITS' is expanded, showing a table of audit results. The table has columns for 'Status', 'Result', 'Message', and 'Link'. Five rows of warnings are listed, each with a yellow warning icon. A purple arrow points from the text box above to the first row of the table. Below the 'FEDERAL AUDITS' section, there is a section titled 'CA HIGH COST ANALYSIS'. This section contains two sub-sections: 'POINTS AND FEES TEST' and 'APR TEST'. The 'POINTS AND FEES TEST' section shows two items: 'Prepaid Finance Charge' with a value of \$2,962.50 and 'Prepaid Interest' with a value of (\$187.50). The 'APR TEST' section shows two items: 'Date Application Received' with a date of 03/01/2016 and 'Treasury Security Yield Publication Date' with a date of 02/12/2016.

Status	Result	Message	Link
⚠	WARNING	No LE Initial Deposit Amount detected.	<a href="#">Link</a>
⚠	WARNING	Deficiency Rights Preserved information not provided. Default option will be used.	<a href="#">Link</a>
⚠	WARNING	TRID regulation requires re-issuance of the Closing Disclosure due to 03/02/2016 Change in Loan Amortization type. Signing may not occur until three business days from receipt of re-issued Closing Disclosure.	<a href="#">Link</a>
⚠	WARNING	Only escrowed items included in Estimated Taxes, Insurance, and Assessments. Ensure all mortgage-related obligations are entered.	<a href="#">Link</a>
⚠	WARNING	Transfer Taxes (TSF): \$35.00 exceeds baseline amount \$0.00; Fee violates TILA/RESPA Tolerance.	<a href="#">Link</a>

POINTS AND FEES TEST		APR TEST	
<input type="checkbox"/> Prepaid Finance Charge	\$2,962.50	Date Application Received	03/01/2016
<input type="checkbox"/> Prepaid Interest	(\$187.50)	Treasury Security Yield Publication Date	02/12/2016

This section will include audit results for permissible fee violations, or total compensation violations.



# Section Three

## Compliance Audit

The **eClose Eligibility** subsection provides information to the user about how much of the loan closing may be conducted electronically, based on the applicable laws and regulations.

The screenshot displays a software interface with three tabs: "Transaction Details", "Data Validation", and "Compliance Audit". The "Compliance Audit" tab is active. Below the tabs, there is a section titled "eCLOSE ELIGIBILITY" with a dropdown arrow. A green checkmark icon is followed by the text: "This loan is eligible for a Hybrid 1 (paper note, paper notary) eClosing." Below this, there are four fields arranged in a 2x2 grid, each with a minus icon to its right:

eNotary Type:	N/A	eRecording Available:	No
eNote Permissible:	No	KBA Required:	No

The Dell logo is visible at the bottom center of the monitor frame.



# Section Three

## Compliance Audit

The overall rating for how electronic the loan may close is provided at the top of the section, considering each of the components: electronic/remote notarization and ability to generate an eNote.

Transaction Details   Data Validation   **Compliance Audit**   Collapse all ▲

▼ **eCLOSE ELIGIBILITY**

✓ This loan is eligible for a Hybrid 1 (paper note, paper notary) eClosing. 🔗

eNotary Type:	N/A	⊖	eRecording Available:	No	⊖
eNote Permissible:	No	⊖	KBA Required:	No	⊖

DELL



This rating will indicate the level of Hybrid or Total eClosing that can be conducted.



# Section Three

## Compliance Audit

This includes whether the state's laws allow either an Electronic Notarization or a Remote Online Notarization of loan documents.

Transaction Details			Data Validation			Compliance Audit			Collapse all		
<b>▼ eCLOSE ELIGIBILITY</b>											
<div> This loan is eligible for a Hybrid 1 (paper note, paper notary) eClosing. </div>											
eNotary Type:			N/A			eRecording Available:			No		
eNote Permissible:			No			KBA Required:			No		

If the lender has completed the necessary setup to generate and store eNotes, you will see that here.





# Section Three

## Compliance Audit

If the property jurisdiction (e.g., recording county) allows for electronic recording of security instruments is indicated with a Yes/No answer.

The screenshot displays a web application interface for a Compliance Audit. At the top, there are three tabs: 'Transaction Details', 'Data Validation', and 'Compliance Audit', with the latter being the active tab. Below the tabs is a section titled 'eCLOSE ELIGIBILITY' with a dropdown arrow. A green checkmark icon is followed by the text: 'This loan is eligible for a Hybrid 1 (paper note, paper notary) eClosing.' Below this, there are four fields arranged in a 2x2 grid, each with a minus icon to its right:

eNotary Type:	N/A	eRecording Available:	No
eNote Permissible:	No	KBA Required:	No

Two blue arrows originate from the text box above. One arrow points down to the 'eRecording Available:' field, and the other points up to the 'KBA Required:' field.

If the state's laws allow for a Remote Online Notarization, whether the state also requires use of a Knowledge-Based Authentication Assessment is indicated.





# Section Three

## Compliance Audit

The final subsections of the LDR are any applicable high-cost analysis. The federal Section 32 analysis is always listed first here, even when the result indicates the Section 32 analysis is not applicable to the subject loan.

POINTS AND FEES TEST			APR TEST	
<input type="checkbox"/> Prepaid Finance Charge		\$2,962.50	Rate Set Date	03/10/2016
<input type="checkbox"/> Prepaid Interest	-	(\$187.50)	Avg. Prime Offer Rate Pub. Date	03/07/2016
<input type="checkbox"/> Other Loan Originator Compensation	+	\$2,500.00	Amortization Type	Fixed
Maximum Prepayment Fees Permitted Under the Loan Documents	+	\$0.00	Loan Term (years)	30 years
Prepayment Fees/Penalties Charged on Previous Loan Made/Held/Serviced By Creditor/Affiliate	+	\$0.00	Lien Status	First Lien
<input type="checkbox"/> Other Charges Paid To Creditor/Affiliate	+	\$600.00	<input type="checkbox"/> Avg. Prime Offer Rate Used	3.680%
<input type="checkbox"/> Other Excludable Charges	-	\$500.00	Avg. Prime Offer Rate Used + 6.500%	10.180%
Bona Fide Discount Points	-	\$0.00	HOEPA APR	3.872%
Opt. Credit Ins./Related Products	+	\$0.00	Percentage Over/Under	6.308%
Section 32 Adjustments	+/-	\$0.00		
<input type="checkbox"/> Total Points/Fees	=	\$5,750.00		
			<b>PREPAYMENT PENALTY TEST</b>	
			Prepayment Term	NA
			Prepayment Percentage	NA


Each high-cost analysis follows the same structure: Points and Fees analysis (if applicable) is on the left side of the analysis and APR analysis (if applicable) is on the right side of the analysis.



# Section Three

## Compliance Audit

The result, including if not applicable is provided in the Reg Z Section 32 Determination at the end of the analysis.

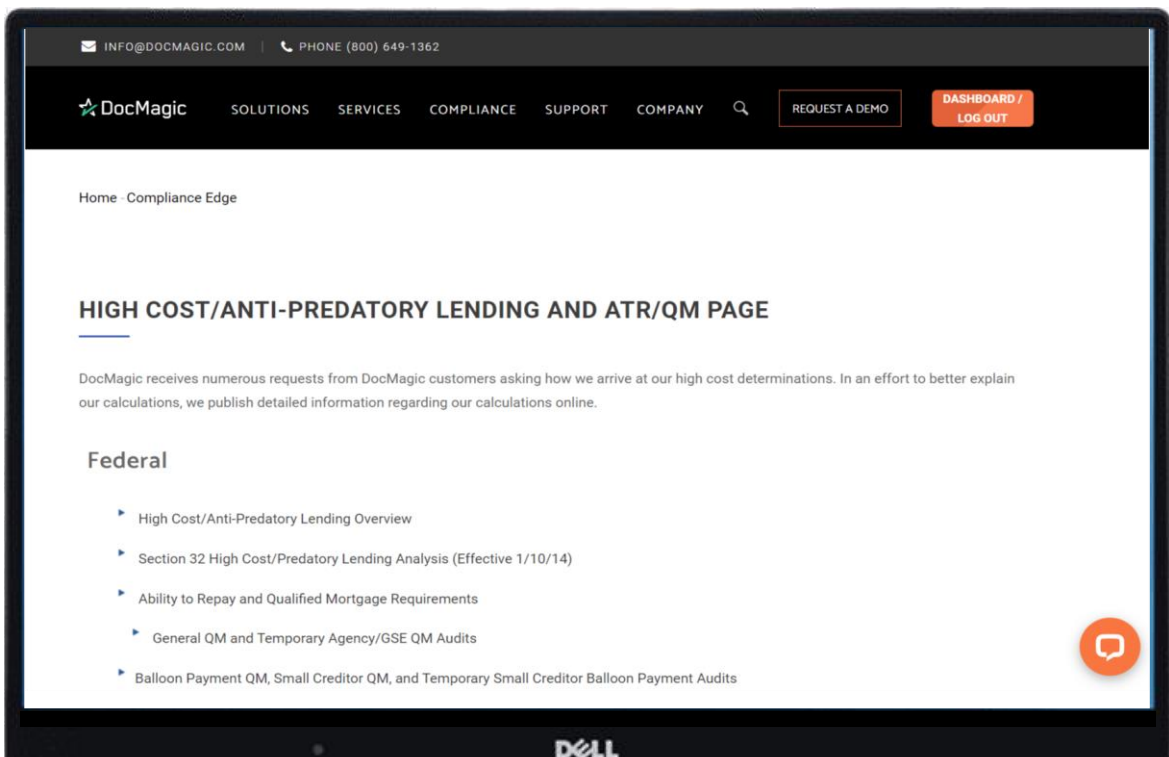
Transaction Details	Data Validation	Compliance Audit
Opt. Credit Ins./Related Products	+	\$0.00
Section 32 Adjustments	+/-	<u>\$0.00</u>
<input type="checkbox"/> Total Points/Fees	=	<b>\$5,750.00</b>
<hr/>		
<input type="checkbox"/> Amount Financed		\$200,000.00
Opt. Credit Ins./Related Products Financed by Creditor	-	\$0.00
<input type="checkbox"/> Other Charges Paid to Creditor/Affiliate and Financed	-	\$600.00
Prepayment Fees/Penalties Charged on Previous Loan Made/Held/ Serviced By Creditor/Affiliate	-	\$0.00
Section 32 Adjustments	+/-	<u>\$0.00</u>
<input type="checkbox"/> Total Loan Amount	=	<b>\$196,437.50</b>
<hr/>		
Total Points/Fees ÷ Total Loan Amount:		
<input type="checkbox"/> Section 32 Percentage	=	<b>2.927%</b>
<b>Pts/Fees Threshold</b>	=	<b>5.000%</b>
<input type="checkbox"/> Amount Over/Under	=	<b>\$4,071.88</b>
<hr/>		
<b>PREPAYMENT PENALTY TEST</b>		
Prepayment Term		NA
Prepayment Percentage		NA
Term Over/Under		NA
Percentage Over/Under		NA
<hr/>		
<b>REG. Z SECTION 1026.32 DETERMINATION</b> 		
Is this a High Cost Loan?		No
Reason:		
APR based on Fully-Indexed Rate does not exceed comparable Average Prime Offer Rate by more than 6.5% and Total Points and Fees do not exceed 5% of the Total Loan Amount		



# Section Three

## Compliance Audit

For each of these high-cost tests, DocMagic publishes a High-Cost Memo on our website, DocMagic's Compliance Edge, that provides the legal basis for each calculation shown in the analysis.



After the federal Section 32 analysis, users will find a federal Higher-Priced Mortgage Loan analysis, State High-Cost test analysis, Local High-Cost analysis and finally, a Fannie Mae and Freddie Mac points and fees analysis.

