

ResMac Aged Loan Policy

Registered Status

By definition-a loan in at least registered status is a completed application which we have issued initial loan disclosures to the consumer(s) applying for credit.

Per Reg B (as noted in part below) - If no action is taken on a registered loan application by day 25 - either a NOIA or submitted for approval is considered action; loan application will remain active for another 30 days. Once a registered loan application has been in pipeline for 60 days and not submitted, a withdrawn NOAT will be issued.

Compliance Department is responsible for monitoring pipeline and issuing NOIA to maintain active loan status prior to day 30. If no activity is noted, a withdrawn NOAT will be issued on day 30.

Conditional Approval Status

ResMac reserves the right to issue an adverse action notice on a loan application/file that is in conditional approval status and has not had any activity for 30 days since approval was issued. It will be the responsibility of the Junior Underwriter to monitor loan pipeline and follow up regarding outstanding conditions on approved loans. If no conditions are submitted or no information to update loan application/file is provided by day 30, an NOAT will be issued based on current information. 10-Day notice to be sent on the 20th day. If conditions are not received on the 30th day, the file will be closed for incompleteness. If the 30th day falls on a Saturday or Sunday, the 30th day will roll to the next business day. JU will send an email to compliance for the file to be closed for incompleteness.

Suspended Status

Loan application/file in suspended status is pending denial due to conditions submitted not meeting one or more guideline requirements. The originator has 15 days to rebut or submit additional documents to overturn the pending denial. If no response or action is taken by originator by day 15, the loan application will be denied*.

*Note-Non QM loan applications are excluded from this policy.

Reg B – ECOA dictates the timeline for loan applications received.

Notifications – 12 CFR 1002.9

A creditor must notify an applicant of action taken on the applicant's request for credit, whether favorable or adverse, within 30 days after receiving a completed application. Notice of approval may be expressly stated or implied (for example, the creditor may give the applicant the credit card, money, property, or services for which the applicant applied).

Notification of adverse action taken on an existing account must also be made within 30 days.

Under at least two circumstances, the creditor need not comply with the 30-day notification rule:

- The creditor must notify an applicant of adverse action within 90 days after making a counteroffer unless the applicant accepts or uses the credit during that time.
- The creditor may not have to notify an applicant of adverse action if the application was incomplete and the creditor sent the applicant a notice of incompleteness that met certain requirements set forth in 12 CFR 1002.9(c).

Adverse Action Notice – 12 CFR 1002.9(a)(2)

A notification of adverse action must be in writing and must contain certain information, including the name and address of the creditor and the nature of the action that was taken. In addition, the creditor must provide an ECOA notice that includes the identity of the federal agency responsible for enforcing compliance with the act for that creditor. This notice is generally included on the notification of adverse action. The creditor must also either provide the applicant with the specific principal reason for the action taken or disclose that the applicant has the right to request the reason(s) for denial within 60 days of receipt of the creditor's notification, along with the name, address, and telephone number of the person who can provide the specific reason(s) for the adverse action. The reason may be given orally if the creditor also advises the applicant of the right to obtain the reason in writing upon request.

Incomplete Applications – 12 CFR 1002.9(c)

When a creditor receives an incomplete application, it may send one of two alternative notifications to the applicant. One is a notice of adverse action; the other is a notice of incompleteness. The notice of incompleteness must be in writing and must specify the information the creditor needs if it is to consider the application; it must also provide a reasonable period of time for the applicant to furnish the missing information.