|  | **Examinations Procedures**  [Document supporting evidence noting determinations and findings made] | **Y** | **N** |
| --- | --- | --- | --- |
| **1** | **Does the institution have an employment relationship with all individuals that work on loans made to applicable state residents whether as loan officers or processors? If YES, obtain an example of employment Agreement(s).** |  |  |
| **Examiner Notes:** | | | |
| **2** | **Is loan officer compensation reported on IRS Form W-2 rather than IRS Form 1099-MISC?** |  |  |
| **Examiner Notes:** | | | |
| **3** | **Does institution permit any compensation to be reported on IRS Form 1099-MISC? If YES, obtain details and copies of the previous three years 1099-MISC.** |  |  |
| **Examiner Notes:** | | | |
| **4** | **Does institution have full responsibility for all leases for branch offices?** |  |  |
| **Examiner Notes:** | | | |
| **5** | **Does institution have full responsibility for all equipment in the offices, including but not limited to, ownership or leasehold interest in computers, copiers, telephones, and furniture?** |  |  |
| **Examiner Notes:** | | | |
| **6** | **Does institution have full responsibility for all utilities (water, electric, gas, phone, internet) provided to the branch office?** |  |  |
| **Examiner Notes:** | | | |
| **7** | **Does institution have agreements, written or oral, with branch managers stating that they are responsible, either directly or indirectly, for expenses of the branch office? If YES, obtain details and copies of applicable documentation.** |  |  |
| **Examiner Notes:** | | | |
| **8** | **Are all branch expenses paid from a checking account maintained by the corporate office?** |  |  |
| **Examiner Notes:** | | | |
| **9** | **Does institution have systems in place to prevent the solicitation of loans secured by the applicable state’s residential property by individuals not licensed as a loan officer in that state?** |  |  |
| **Examiner Notes:** | | | |
| **10** | **Does institution have systems in place to prevent the origination of loans secured by the applicable state’s residential property by individuals not licensed as a loan officer in that state and officially associated with them in the Nationwide Mortgage Licensing System?** |  |  |
| **Examiner Notes:** | | | |
| **11** | **Does the company advertise the company as a “net branch” to prospective branch managers? If YES, obtain copies of advertisements.** |  |  |
| **Examiner Notes:** | | | |
| **12** | **Does the company pay for all advertising that references the name of the company?** |  |  |
| **Examiner Notes:** | | | |
| **13** | **Does the company allow individuals to originate loans from a residential location? If YES, obtain details of controls in place to monitor loan production of such individuals.** |  |  |
| **Examiner Notes:** | | | |
| **14** | **Does the company allow branch managers or other individuals to have contractual relationships in their own name, rather than in the name of the company? If YES, provide details and copies of applicable documentation.** |  |  |
| **Examiner Notes:** | | | |
| **15** | **Does the company have controls and procedures in place to ensure that their employees follow the corporate standards for loan origination? If YES, obtain policies and audit procedures in place ensuring that branches are operated in a consistent manner and that loans made are in compliance with applicable state law.** |  |  |
| **Examiner Notes:** | | | |