

## **CSBS Accreditation Program**

**Self-Evaluation Questionnaire: Banking & Mortgage Agencies**

***Approved by PSC 05-22-17***

***Effective January 1, 2018***

## Introduction

The CSBS Bank & Mortgage Accreditation involves an in-depth review of an agency's policies, procedures, and operations to determine if it meets the standards set forth by the Performance Standards Committee (PSC). A state seeking accreditation for the first time or a state seeking its five-year re-accreditation must complete the self-evaluation questionnaire (SEQ), which includes several sections broken into multiple topics. The agency is asked to answer a series of questions and rate themselves against the corresponding standard. The agency can add documentation to support its answers and ratings.

It is hoped your responses to the statements and questions will address much of the criteria needed by the onsite accreditation team to gain an understanding of how your agency operates. However, narrative space has been provided for each area to allow the agency to better address items and information it feels has not been fully covered by the statements and questions previously asked. Narrative responses should be kept concise as they each have a character limit. The use of the narrative space is optional by the agency. If your responses need further explanation or description, you may add attachments to support your rating.

Following completion and submission of the SEQ, the agency will be evaluated by a review team, made up of experienced bank and/or mortgage regulators. This review involves an in-depth on-site review of the agency's work product and interviews with key personnel. The review team will also rate the agency against the standards, and compute the scores and provide its immediate feedback to the agency. The review team will then draft and submit a report to the PSC, which outlines the recommendations for the agency, provides the final score and if the agency has met the minimum standards set forth in the program. The decision to accredit an agency is the sole responsibility of the PSC, and the final decision will be communicated to the agency by the PSC Chair.

## Principles of Accreditation

The bank accreditation program evaluates several principles as outlined below. The program is designed to determine if the agency has:

1. The legal authority to charter, examine, supervise and regulate all state-chartered banks consistent with basic principles of safety and soundness, and protection of the public interest.
2. The demonstrated capability to conduct safety and soundness examinations of state-chartered banks within acceptable time limits. This capability should be supported by a combination of active monitoring and review of federal examinations and other methods in a manner consistent with state statutes, safety and soundness and the public interest.
3. Specialized capabilities as required in each state to assure safety and soundness of all state-chartered banks and full compliance with statutes.
4. Adequate qualified staff with expertise to charter, examine, supervise and regulate all state-chartered banks and to perform other departmental functions and responsibilities.

5. A policy, statutory or departmental, which requires an adequate examination frequency based on the risk profile of the state-chartered financial institutions, and the ability to meet the frequency policy.
6. Adequate statutory authority for the department to carry out its duties and responsibilities independently, including authority to take formal enforcement action(s).
7. Adequate funding to achieve all above-mentioned criteria.

In addition, the mortgage accreditation program evaluates several principles as outlined below. The program is designed to determine if the agency has:

1. The legal authority to license, examine, supervise and regulate its state-licensed mortgage companies (lenders, brokers, or servicers) consistent with basic principles of consumer protection, effective management oversight and acceptable financial condition.
2. The demonstrated capability to conduct examinations of state-licensed mortgage companies within acceptable time limits. This capability should be supported by a combination of active monitoring, acceptable complaint processing procedures, review of applicable federal reports and other methods in a manner consistent with state statutes and consumer protection standards.
3. Specialized capabilities as required in each state to assure effective management oversight and acceptable financial condition of its state-licensed mortgage companies and full compliance with both state and federal statutes.
4. Adequate qualified staff with expertise to license, examine, supervise and regulate all state-licensed mortgage companies and to perform other agency functions and responsibilities.
5. A policy or statutory authority which requires an adequate examination frequency based on the risk profiles of their state-licensed mortgage companies, and the ability to meet the frequency policy.
6. Adequate statutory authority for the agency to carry out its duties and responsibilities independently, including authority to take formal enforcement action in addition to revocation of a license.
7. Adequate funding to achieve all above-mentioned criteria.

## Accreditation Scoring System

The scoring system is a tool used by the agency and the review team to determine if the agency meets the requirements of the program. The final decision of accreditation is the decision of the PSC, based on the overall adequacy of the agency to abide by the principles of the program listed in the SEQ. Agencies with scores that do not meet the minimum passing score(s) may be denied accreditation or subject to corrective action for a defined period of time, as determined by the PSC.

Each standard within the section has an assigned value, which is multiplied by the rating to produce a score. The standards have values ranging from 3 to 40, with the higher values being most important (see values of all standards listed below). The scores are added together for each section, and to obtain a passing score, an agency must obtain a minimum score of 55% overall, at least a 55% on each examination/supervision section, and at least a 50% on each of the other sections.

The SEQ consists of four or five sections, with the following maximum points available and passing scores for each section, and overall:

### **Bank Accreditation Sections**

<b>Section</b>	<b>Max Score</b>	<b>Passing Score</b>
1. Administration and Finance	240	120
2. Personnel and Training	240	120
3. Bank Examination Policies and Procedures	330	181
4. Bank Examination Capabilities	480	264*
5. Bank Supervision and Legislation	300	165
<b>Overall Score</b>	<b>1,590</b>	<b>875*</b>

*\* For agencies that supervise large banks -OR- international banks/branches, max score for this section is 525, with passing score of 289. For agencies that supervise BOTH large banks and international banks/branches, max score for this section is 570, with passing score of 314. The overall scores will be adjusted accordingly, as well.*

### **Mortgage Accreditation Sections**

<b>Section</b>	<b>Max Score</b>	<b>Passing Score</b>
1. Administration and Finance	240	120
2. Personnel and Training	240	120
6. Mortgage Examination Program	810	445*
7. Mortgage Supervision and Legislation	330	181
<b>Overall Score</b>	<b>1,620</b>	<b>891*</b>

*\* For agencies that have the authority to examine mortgage services, max score for this section is 870, with passing score of 479. The overall scores will be adjusted accordingly, as well.*

**Rating Scale**

Agencies and Review Teams will evaluate the agency against each standard, and assign a rating of 3, 2, 1, or 0. Below is the rating scale including some sample narrative and definitions for each point value on the scale.

<b>Rating</b>	<b>Definition</b>	<b>Descriptions</b>
3 Points	Exceeds standard, no suggestions for improvement	Excellent Exceptional Outstanding Strong Proactive Much more than acceptable Surpasses expectations Significant evidence that the agency exceeds the standard Meets or exceeds requirements in spite of unusually challenging issues Work performed influences other agencies such as serving as model or motivating or inspiring others to perform better
2 Points	Meets standard, may or may not have suggestions for improvement	Good Acceptable Satisfactory Adequate Reactive Some of the major criteria for the standard were met; some deficiencies exist in the areas assessed but none of major concern Satisfactory evidence that the essential aspects of the standard are met Demonstrates proficiency in meeting the requirements of the standard
1 Point	Does not meet standard, significant improvement(s) required	Less than satisfactory Less than acceptable Significant weaknesses Insufficient or significantly below the requirements of the standard Inefficiencies cause difficulty in meeting standard Attempt made to address standard, but lack of evidence the standard is met
0 Points	Does not meet standard, major deficiencies exist; Not performed	Significantly below requirements of the standard Much less than acceptable Major deficiencies/problems evident Describes/demonstrates insufficient skills to meet criteria of the Standard Describes/demonstrates counter-productive practices/procedures that can result in negative outcomes or consequences (make the situation worse) Not Active Poor performance Significant improvement required in the short-term

**NOTE FOR RATINGS:** When the standard states “must”, the agency will be required to demonstrate its ability to meet those aspects of the standard to obtain a 2 rating. If the standard states “should”, the Review Team is given greater discretion in determining if the agency has met the critical components of the standard.

## Sections of the SEQ

### **Section 1 – Administration and Finance**

*(this section is applicable to bank and mortgage accreditation)*

Max Score = 240, Passing Score = 120

<b>NAME OF STANDARD</b>	<b>VALUE</b>	<b>MAX SCORE</b>
1-A. Mission Statement, Strategic Plan & Org Chart	8	24
1-B. Internal Communication	5	15
1-C. Communication with Other Regulatory Agencies	5	15
1-D. Communication with Industry	5	15
1-E. Consumer Education / Financial Literacy	4	12
1-F. Access to Legal Assistance	5	15
1-G. Agency Facilities	3	9
1-H. Business Continuity Plan	5	15
1-I. Technology Infrastructure and Cybersecurity	16	48
1-J. Budget Revenue / Contingency Plan	12	36
1-K. Budget Expenses / Supplemental Budgets	12	36

### **Section 2 – Personnel and Training**

*(this section is applicable to bank and mortgage accreditation)*

Max Score = 240, Passing Score = 120

<b>NAME OF STANDARD</b>	<b>VALUE</b>	<b>MAX SCORE</b>
2-A. Personnel Manual	5	15
2-B. Job Descriptions	5	15
2-C. Hiring Policies	5	15
2-D. Promotional Opportunities / Pay for Performance	5	15
2-E. Performance Appraisal Process	5	15
2-F. Adequacy of Salaries and Benefits	10	30
2-G. Training Coordinator / Evaluations	5	15
2-H. Policy on Examiner Training	5	15
2-I. Training Manuals and On-The-Job Training	10	30

2-J. Examination Exit Meeting Training	5	15
2-K. Support of External Academic Training	5	15
2-L. Adequacy of Training Funds	15	45

**Section 3 – Bank Examination Policies and Procedures**

*(this section is only applicable to bank accreditation)*

Max Score = 330, Passing Score = 181

NAME OF STANDARD	VALUE	MAX SCORE
3-A. Examination Frequency Policy/Ability to Meet Policy	40	120
3-B. Agreements with Federal Regulators	10	30
3-C. Interstate Banking Policy/Procedures	10	30
3-D. Examination Manuals	20	60
3-E. Examination Procedures/Preplanning	10	30
3-F. Review and Transmittal of Report	10	30
3-G. Working Paper Preparation and Review	10	30

**Section 4 – Bank Examination Capabilities**

*(this section is only applicable to bank accreditation)*

Max Score = 480, Passing Score = 264\*

NAME OF STANDARD	VALUE	MAX SCORE
4-A. Banks-Assessment of CAMELS	40	120
4-B. Trust (companies and departments)	20	60
4-C. IT Examination and Cybersecurity	20	60
4-D. Large Bank Supervision*	15	45
4-E. International Banking*	15	45
4-F. Capital Markets	10	30
4-G. Bank Holding Companies	10	30
4-H. Third-party Service Providers (TSPs)	10	30
4-I. Compliance with Laws and Regulations	10	30
4-J. Consumer Compliance Examinations	10	30
4-K. Problem Identification / Migration Analysis	10	30
4-L. Follow-up / Correction of Problems	20	60

Standards indicated by a (\*) can be rated N/A if they are not applicable to the agency. An N/A rating will not impact the scoring. If those standards are rated, the total max score and passing score increases based on the value of the standard.

**Section 5 – Bank Supervision and Legislation**  
*(this section is only applicable to bank accreditation)*

Max Score = 300, Passing Score = 165

NAME OF STANDARD	VALUE	MAX SCORE
5-A. Surveillance System	20	60
5-B. Communication of Findings of Surveillance System	10	30
5-C. Applications	15	45
5-D. Adequacy of Enforcement Authority	15	45
5-E. Policy for and Use of Enforcement Authority	15	45
5-F. Frequency of Banking Code Review / Revision	5	15
5-G. Involvement in State Legislative Process	10	30
5-H. Involvement in Federal Legislative Process	5	15
5-I. Promulgation of Rules and Regulations	5	15

**Section 6 – Mortgage Examination Program**  
*(this section is only applicable to mortgage accreditation)*

Max Score = 810, Passing Score = 445\*

NAME OF STANDARD	VALUE	MAX SCORE
6-A. Entrance Examination Policy	20	60
6-B. Examination Frequency Policy	40	120
6-C. Risk Scoping Policy	20	60
6-D. Info Sharing Agreements w/ Other Reg Agencies	10	30
6-E. Ability to Participate in Multi-State Exams	20	60
6-F. Examination Manuals	20	60
6-G. Review and Transmittal of Report	10	30
6-H. Working Paper Preparation and Review	10	30
6-I. Ability to Examine Mortgage Licensees	30	90
6-J. Origination Examination Program	40	120
6-K. Servicing Examination Program*	20	60
6-L. Report of Examination	20	60
6-M. Follow-up Correction of Problems	30	90

Standards indicated by a (\*) can be rated N/A if they are not applicable to the agency. N/A ratings will not impact the scoring. If those standards are



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rated, the total max score and passing score increase based on the value of the standard.

**Section 7 – Mortgage Supervision and Legislation**  
**(this section is only applicable to mortgage accreditation)**

Max Score = 330, Passing Score = 181

<b>NAME OF STANDARD</b>	<b>VALUE</b>	<b>MAX SCORE</b>
7-A. Complaint Resolution System	20	60
7-B. Licensing/Renewal Process	15	45
7-C. Authority to Examine Mortgage Servicers	10	30
7-D. Enforcement Authority	15	45
7-E. Use of Enforcement Authority	15	45
7-F. Ability to Investigate Fraud and Abuse	10	30
7-G. Frequency of Banking Code Review / Revision	5	15
7-H. Involvement in State Legislative Process	10	30
7-I. Involvement in Federal Legislative Process	5	15
7-J. Promulgation of Rules and Regulations	5	15

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## Section 1 – Agency Administration and Finance

This section evaluates the administration of the state bank and mortgage regulatory agency and the financing of the agency's operations. Questions begin with the broad issues of agency mission and goals and then address specific areas, such as formal procedures in rule-making, communication with other regulators and adequacy of support personnel. Questions on financing address the funding mechanism for the agency and the adequacy of the budget to enable the agency to: (1) meet its supervisory requirement to include chartering and licensing, examinations and investigations; (2) provide adequate computer equipment; (3) monitor the agency budget and (4) influence its budget allocation.

### 1. Agency Administration and Finance

#### 1-A. Mission Statement, Strategic Plan and Organizational Chart

*Strategic planning is an important tool for the agency as it provides organizational direction. The agency's day-to-day decisions can be better guided and the agency's progress can be better measured through the strategic planning process. In this topic, the agency will provide information about its mission statement and strategic planning process, as well as the organizational chart and governance of the agency. It should be noted that job descriptions will be discussed in Section 2 of the SEQ.*

1. The agency has a strategic plan. Y/N (upload a copy of the plan)
2. The agency has a mission statement. Y/N
3. The strategic plan has been reviewed in the past 12 months. Y/N (fill in the date - MM/DD/YYYY)
4. The following are involved in developing the agency's strategic plan: (select all that apply)
  - Senior Management
  - Banking Board or Council
  - Field Managers
  - Field Examiners
  - Other (fill in box – 1000 characters)
5. The final strategic plan is communicated to the agency's employees via (select all that apply):
  - Email
  - Website
  - Staff meeting
  - Other (fill in the box)
  - Plan is not formally communicated
6. Assignments are made for completion of strategic actions. Y/N
7. Timeframes are established for completion of the strategic actions. Y/N

8. The goals of the strategic plan have been met in the timeframes anticipated. Y/N  
If no, state reasons for such.  
(fill in the box—1000 characters)
9. Please explain how progress on the plan is monitored  
(fill in the box—1500 characters)
10. A succession plan has been adopted. Y/N (upload a copy of the plan)  
If no, please provide reason (fill in the box)
11. If the commissioner were to become incapacitated, his/her duties would be assumed by: (fill in the box - 1000 characters)
12. The replacement is determined by: (select one of the following)
- State Code
  - Banking Board
  - Governor
  - Legislature
  - Other (fill in the box -1000 characters)
13. The agency has an up-to-date organizational chart showing direct lines of responsibility. Y/N  
(Upload a copy of the organizational chart)
14. The agency reports to a board, advisory council, or similar. Y/N  
If yes, please provide the board make-up and its authority. (fill in the box -1000 characters)
15. Current job descriptions correspond to the employee positions shown on the organizational chart. Y/N
16. Briefly describe the operational units of the agency (banking, mortgage, credit union, securities, etc.) and their primary responsibilities (fill in the box limited to 1500 characters)
17. Please provide any other comments, and/or upload any additional documents you wish to include (optional).  
(fill in the box – 2500 characters) (upload document option)

**STANDARD 1-A:** The agency must have a mission statement and a strategic plan. The strategic plan should be reviewed annually and include measurable goals with assigned accountability. The agency must meet or be in process of meeting the desired goals as stated in the plan. A succession plan, either formal or informal, should be developed for the agency.

The agency must have an up-to-date organizational chart indicating direct lines of responsibility that correspond to supervisory roles and job descriptions.

Agency's Rating	Value	Rating	Score
	8		

## 1. Agency Administration and Finance

### 1-B. Internal Communication

*In this topic, we will learn about your agency's policy for internal communication to keep professional staff informed of administrative matters, to provide legislative and regulatory updates, as well as to provide a forum for the exchange of ideas.*

1. The agency holds a training/information conference(s) with all examiners and investigators in attendance at least annually. Y/N
2. The all-staff conference includes the following topics (choose all that apply):
  - Review of mission statement
  - Strategic planning topics
  - Updates on policies and procedures
  - Emerging issues / Trends in the industry
  - Staffing update
  - Other topics of interest to staff
  - Other: (fill in box – 1000 characters)
3. Field examiners are asked to provide input into the agenda for the all-staff conference. Y/N (upload a copy of agendas for at the last three annual meetings)
4. Examination staff is informed of policy changes, job-related local and national news, and other critical information via staff meetings held : (select one)
  - Weekly
  - Monthly
  - Quarterly
  - Semi-annually
  - Annually
  - Not held
  - Other (fill in the box – 1000 characters)
5. Senior staff meetings are held at least monthly. Y/N (upload a copy of a most recent monthly senior staff meeting agenda)
  - If no, indicate how frequently they are held. (Fill in the box – 500 characters)
6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 1-B:** The agency must have regular and timely communication to keep all staff informed of policy changes, job-related local and national news, and other critical information.

Internal communication should include at least annual meetings in which management can communicate relevant topics, such as:

- The strategic plan of the agency

- Updates on policies and procedures
- Staff initiatives and trends in the industry
- Other issues that are important to staff

The agency should use an effective process to give staff the ability to communicate important topics and input to senior staff.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

**1. Agency Administration and Finance**

**1-C. Communication with Other Regulatory Agencies**

*Your agency’s ability to communicate effectively with your federal counterparts and other states is key to the coordination of examinations and sharing of information. This topic will highlight what you do in this important area. It should be noted the statements and questions below only address communication with other regulatory agencies, not interstate examination policies and procedures.*

1. The agency participates in regular meetings with other state bank/mortgage regulatory agencies to discuss regulatory issues and share best practices in state regulation, i.e. CSBS District meetings. Y/N (please provide list of meetings attended in past year – 1000 characters)
2. The agency participates in regular meetings with federal bank/mortgage regulatory agencies to discuss the coordinated regulation of your regulated entities. Y/N (please provide list of meetings attended in past year – 1000 characters)
3. The agency is involved in multi-state or federal committees, i.e. the MMC, SSPC, SCC. Y/N (please provide examples of the committees your agency is involved in – 1000 characters)
4. The agency participates in regularly scheduled conference calls with other states, i.e. CSBS all-state calls and working groups. Y/N (please provide examples of the conference calls agency regularly participates in (fill in the box—1000 characters)
5. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 1-C:** The agency should demonstrate they have relationships with other states and federal regulators to promote cooperation on areas of common interest in financial regulation. This may include meetings with federal regulators, district meetings with other states, involvement on multi-state committees, or other similar activities.

Agency’s Rating	Value	Rating	Score
	5		

**1. Agency Administration and Finance**

**1-D. Communication with Industry**

*It is often difficult to accomplish your agency’s goals without the support of the banking industry. In this section, we will evaluate the nature, purpose and effectiveness of the agency’s communication with the bank and mortgage trade associations.*

1. List examples of association meetings agency personnel has attended during the past 12 months. (fill in the box—1000 characters)

2. The agency discusses proposed legislation with relevant state trade associations to clarify issues. Y/N

3. Rate the effectiveness of the agency’s communication with state trade associations: (select one)

- Excellent
- Adequate
- Needs Improvement

4. Provide support for your answers above: (fill in the box-2500 characters)

5. The agency uses the following methods to communicate to their regulated entities changes in policy or legislation: (Select all that apply)

- Newsletter
- Written communications such as memos, letters, etc.
- Website
- Conferences
- Trade association communiques
- Other (fill in the box – 1000 characters)

6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 1-D:** Agency senior personnel should attend meetings of all relevant associations in their state. Proposed legislation should be discussed with trade associations in the state to clarify issues. The agency should have appropriate communications to their regulated entities to keep them informed of changes in policy or legislation.

<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

**1. Agency Administration and Finance**

**1-E. Consumer Education / Financial Literacy**

*Many Americans continue to be burdened by heavy debt loads and do not have a good understanding of basic financial concepts. In this topic, you will provide information as to how your agency provides or participates in consumer education and financial literacy training to your state's consumers.*

1. The agency provides (or participates in) consumer education/financial literacy training to consumers. Y/N

- If yes, list examples of consumer education/financial literacy training provided (fill in the box—1000 characters)

2. Information about consumer education/financial literacy is referenced on agency website. Y/N

3. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 1-E:** The agency or its larger agency should provide (or participate in) consumer education/financial literacy training to consumers and have financial literacy information available to consumers on their website.

	Value	Rating	Score
<b>Agency's Rating</b>	<b>4</b>		



**1. Agency Administration and Finance**

**1-F. Access to Legal Assistance**

*In today's business environment, it is important for your agency to have someone to oversee and identify legal issues that may arise. In this topic we will look at your agency's direct and/or indirect access to legal assistance in bank and mortgage regulation.*

1. The agency has an attorney(s) on staff. Y/N (please list them – fill in the box – 1000 characters)
2. The agency has specifically assigned attorneys from the Attorney General's office to represent the agency that spend at least 50% of their time on agency issues. Y/N (please list them – fill in the box – 1000 characters)
3. The agency has authority to hire outside counsel when necessary. Y/N  
If yes, list any examples of when it has been necessary in the last five years (fill in the box– 1000 characters)
4. Agency legal staff participate in proposed legislative changes before and during legislative sessions. Y/N
5. Agency legal staff participate in drafting and/or review of formal corrective actions. Y/N
6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 1-F:** The agency must have an attorney on staff or a consistently assigned attorney, with appropriate expertise, from the Attorney General's Office to represent the agency if required by state law. The department should also have the ability to hire outside counsel when necessary.

Agency's Rating	Value	Rating	Score
	5		

**1. Agency Administration and Finance**

**1-G. Agency Facilities**

*In this section, we will look at the adequacy of your facilities and the physical security of your office space.*

- 1. The agency has either keyed or coded entry on all office entrances, including field offices. Y/N
- 2. The agency maintains field offices Y/N
- 3. Confidential files are maintained in a locked area with limited access. Y/N
- 4. Describe your agency’s policies or procedures for maintaining confidential files, including files maintained at an off-site location (fill in the box—2500 characters)
- 5. Office space is adequate to accommodate all examiners as needed. Y/N
- 6. Examiners are permitted to work remotely when not working at an onsite examination. Y/N  
 If yes, select how often examiners work remotely:
  - Full-time
  - Part-time
  - As needed
  - Not permitted
  - Other \_\_\_\_\_
- 7. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 1-G:** All agency offices must have either keyed or coded entry and meet the following qualifications:

- 1. Confidential files must be locked and access controlled.
- 2. There must be a procedure for maintaining control of confidential files and security when not in locked area, including files maintained at an off-site location.
- 3. Space should be adequate to accommodate all examiners, as needed.

<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>3</b>		

**1. Agency Administration and Finance**

**1-H. Business Continuity Plan**

*It is important to prepare for the worst-case scenario: fire, natural disaster, or other emergencies that can impact your agency's operation. This topic will look at the adequacy of your business continuity plan.*

- 1. The agency has a business continuity plan. Y/N (provide a copy of the plan's table of contents)
- 2. The plan is reviewed and updated as needed. Y/N (fill in box with most recent update – 100 characters)
- 3. The plan is successfully tested at least annually (either point-in-time annual test or rolling component tests). Y/N (If yes, explain and include dates of the most recent tests.)
- 4. Data systems are backed up to an off-site location Y/N
- 5. Data back-up site is located how many miles from primary server location: (fill in the box)
- 6. Data backup is located at a third-party provider Y/N
- 7. The agency has a procedure for recovery of data systems. Y/N
- 8. Data recovery has been tested within the past 12 months. Y/N (fill in box with most recent test date – 100 characters)
- 9. Fire safety and evacuation procedures are adequate for main office and all field offices. Y/N (upload a copy of the emergency preparedness procedures)
- 10. Evacuation Drills are conducted (select one)
  - Monthly
  - Quarterly
  - Annually
  - As Needed
  - Other \_\_\_\_\_
- 11. Agency maintains a notification system or calling tree that works both up and down to alert employees and staff in the event of an emergency. Y/N
- 12. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 1-H:** The agency must have an up-to-date Business Continuity Plan that should be tested at least annually and addresses how the agency will resume operations in the event of a disaster to its offices or its data systems.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

**1. Agency Administration and Finance**

**1-I. Technology Infrastructure and Cybersecurity**

*More and more agencies are dependent upon information technology to perform their core mission, and there are significant risks in the regulation of financial services. This topic assesses your agency’s information technology and cybersecurity program.*

- 1. The agency’s computer system has up-to-date firewalls. Y/N (date of last update – fill in box 1000 characters)
- 2. The agency’s computers have up-to-date virus protection Y/N (date of last update – fill in box 1000 characters)
- 3. The agency conducts intrusion detection on a regular basis Y/N (date of last update – fill in box 1000 characters)
- 4. The agency’s system allows for the secure retention, transmission and receipt of data (data encryption) Y/N
- 5. The agency’s system is compatible with programs necessary to perform examinations. Y/N
- 6. The agency has adopted a written information technology policy. Y/N (upload a copy of IT policy)
- 7. Examination staff computers are replaced at least every three years Y/N
  - o If no, why not and how often are computers replaced? (fill in box – 100 characters)
- 8. The agency has adequate policies and procedures to protect its data, and detect intrusions, breaches, and unauthorized access. Y/N (upload a copy of the information security policy)
- 9. The agency has written policies on reporting, responding to and recovering from a cybersecurity breach. Y/N (upload a copy of the cybersecurity response plan)
- 10. The agency provides cybersecurity training to all staff Y/N (provide how often training is conducted – 50 characters)
- 11. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 1-I:** The agency’s computer system must be adequate to provide the necessary tools for regulation of financial institutions and must be compatible with the programs necessary to perform examinations. Written policies on information technology (IT) must be adopted and include the following:

- 1. Computers should be replaced at least every three years unless justified for longer period.
- 2. Computer systems must have adequate firewalls, virus protection, and intrusion detection.
- 3. Secure transmission and receipt of data.
- 4. Adequate procedures for monitoring, detecting, and responding to cybersecurity threats
- 5. Cybersecurity training and reporting procedures.

Agency’s Rating	Value	Rating	Score
	16		

**1. Agency Administration and Finance**

**1-J. Budget Revenue Source / Contingency Plan**

We would like to know more about the sources of your agency’s revenues. The questions in this topic are to help us better understand how your department is funded.

1.

Source of Agency Revenue (Current Year FY End)	\$ Amount	% of total revenue
Assessments on the assets of supervised entities		
Fees charged per residential mortgage documentation filed		
Fees for examinations		
State general funds*		
Application/licensing fees		
Other sources		

\*Note for table: This question involves income generated by the agency when income goes direct to the state with no separate designated or operating fund for the agency

2. The entire agency is self-supporting and does not rely on funds from the general fund to operate. Y/N

3. The agency has a contingency funding plan to cover at least three months’ worth of expenses. Y/N

If yes, select the source of funds: (select all that apply)

- Separate fund
- Cash balance
- Proven ability to increase revenue
- Other (fill in the box)

4. The percentage of the agency’s total revenue derived by banks over \$10B is: (fill in the box – 10 characters)

5. The agency has a contingency plan, should it lose its revenue source from its largest banks. Y/N

- Please explain (fill in the box – 1000 characters)

6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 1-J:** The regulatory agency must be self-supporting with income generated from the regulatory program and not reliant on outside revenue sources. Agency must have a contingency plan (separate fund, cash balance or proven ability to increase revenue) to cover at least three months’ worth of expenses.

<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>12</b>		



**1. Agency Administration and Finance**

**1-K. Budget Expenses / Supplemental Budgets**

*Preparing the agency’s budget is never an easy task. The questions in this topic will give us a better understanding of how you approach your budgeting process. It should be noted the adequacy of salaries and benefits and adequacy of training funds is covered elsewhere in Section 2 of the SEQ.*

1. All agency staff responsible for monetary controls on portions of the budget are included in the budgeting process. Y/N
2. Budget versus actual expenses are reviewed monthly by senior management. Y/N (upload the most recent monthly report)
3. The agency’s budget is adequate to:
  - Examine and supervise all state regulated entities in accordance with frequency guidelines in good economic times. Y/N
  - Examine and supervise all state regulated entities in accordance with frequency guidelines in poor economic times. Y/N
  - Operate the regulatory agency. Y/N
4. The agency has the ability to hire additional examiners if necessary. Y/N  
If no, please explain (fill in the box—1000 characters)
5. Please provide any other comments, and/or upload any additional documents you wish to include (optional).  
(fill in the box – 2500 characters) (upload document option)

**STANDARD 1-K:** Input into budget process must include all individuals who will be responsible for monetary controls of portions of the budget. Budget versus actual expenses must be reviewed monthly and reported to senior management. The agency must have sufficient funds to operate and to examine all regulated entities in poor economic times, as well as during times of good economy, including the ability to hire additional examiners, if necessary.

Agency’s Rating	Value	Rating	Score
	12		

## Section 2 – Personnel and Training

This section evaluates various aspects of the "people" side of the agency. This section will assess the policies for maintaining a fair and safe workplace and how effectively the agency attracts, trains, and retains its examination staff. The standards assume that a superior agency provides a clear, adequate and consistent set of rules for the treatment of employees. This section does not require any one method of training. Instead, it assesses the effectiveness of an agency's chosen method to train its staff. On-the-job training, formal classroom instruction and seminars can comprise an adequate training program.

2. Personnel and Training
<b>2-A. Personnel Manual</b>
<i>Your personnel manual can help set the tone for your agency. It helps the employees to be on the same page with respect to the rules expected for your workplace. In this section, we will look at the agency's personnel manual including its completeness and maintenance.</i>
1. The agency has a state or agency approved and up-to-date personnel manual Y/N
2. The personnel manual includes (select all that apply): <ul style="list-style-type: none"><li><input type="radio"/> Personnel guidelines</li><li><input type="radio"/> Policies and procedures such as bargaining unit protocols if applicable</li><li><input type="radio"/> Processing of personnel actions</li><li><input type="radio"/> Establishing and filling vacant positions</li><li><input type="radio"/> Leaves of absence</li><li><input type="radio"/> Grievances</li><li><input type="radio"/> Disciplinary actions</li></ul>
3. If the personnel manual is not available online, please upload a copy of the manual's table of contents with the entire manual available for review during the onsite visit. (box to attach table of contents)
4. The personnel manual has been reviewed by the agency in the past 12 months. Y/N
5. If yes, who reviewed the personnel manual and were any revisions made? – fill in the box 500 characters
6. The manual is provided to all employees: (select all that apply) <ul style="list-style-type: none"><li><input type="radio"/> In hard copy</li><li><input type="radio"/> On the agency's internal website</li><li><input type="radio"/> Emailed to them</li><li><input type="radio"/> Other (fill in the box)</li></ul>
7. The Personnel website is available online at: (fill in the box)
8. Updates are made to the manual promptly after revisions are made with personnel notified of material changes. Y/N



9. The manual includes agency specific procedures regarding: (select all that apply)

- Hours
- Travel
- Per diem
- Benefits
- Confidentiality
- Cell phone/wireless communication devices
- Telecommuting

10. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

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**STANDARD 2-A:** The agency must have an approved personnel manual. The manual should be reviewed at least annually and should include department specific procedures regarding hours, travel, per diem, etc. The manual must be available to all employees either in hard copy or electronically and should be reviewed with employees periodically, as needed.

	Value	Rating	Score
<b>Agency's Rating</b>	<b>5</b>		

**2. Personnel and Training**

**2-B. Job Descriptions**

*Good job descriptions are a valuable tool for proper employee recruiting and selection. Up-to-date and accurate descriptions allow your agency to match the right candidates with available positions by documenting the specific responsibilities of each position. In this section, we will review job descriptions for key positions within your agency.*

1. All agency positions have job descriptions which describe duties performed. Y/N

2. The job descriptions are reviewed at least annually. Y/N

3. Please upload the job descriptions for examination positions within the agency. (upload document option)

4. The following positions are unionized: (select all that apply)

- Field examiners
- Field supervisors
- Administrative support staff
- Others (fill in the box)
- None

5. The agency has civil service positons. Y/N

- If yes, please list them. (Fill in the box – 200 characters)

6. The agency's Commissioner/Superintendent position is appointed. Y/N  
 ○ If yes, please state who makes the appointment. (Fill in the box)

7. The agency's Commissioner/Superintendent position is subject to a confirmation process. Y/N  
 ○ If yes, please state who confirms (Fill in the box)

8. Please provide any other comments, and/or upload any additional documents you wish to include (optional).  
 (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-B:** All positions must have job descriptions which describe duties performed and should be up-to-date, and reviewed at least annually.

	Value	Rating	Score
Agency's Rating	5		

## 2. Personnel and Training

### 2-C. Hiring Policies

*In this topic, we will look at the personnel hiring policies and recruiting procedures used by the agency to allow employment of the type and number of personnel needed for examination, regulation and supervision.*

1. The agency's recruiting efforts include: (select all that apply)

- Newspaper ads
- Social media
- Agency website
- College career fairs
- Internships
- Employee referrals with bonus paid
- On-campus interviews
- Employment agencies
- E-recruitment/Online recruitment (i.e., Brass Ring, Career Builder, etc.)
- Solicit candidates from the industry
- Other (fill in the box)
- None of the above

2. Preferential consideration is given to military veterans, individuals with disabilities, or internal state employees: Y/N

3. The agency has complete authority over the hiring of agency personnel. Y/N

- If no, please explain (fill in the box – 1000).

4. Agency supervisors are included in the new employee selection process. Y/N

5. Immediate supervisors participate in the hiring interview for individuals they will directly supervise. Y/N

6. Human resource personnel participate in hiring interviews: Y/N

7. Supervisors are given training specific to conducting hiring interviews. Y/N

- Describe (fill in the box-1000 characters)

8. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-C:** Although most states have an agency which provides hiring and recruiting duties for the entire state government, supervisors from the agency must be included in the selection process in some way. The immediate supervisor must participate in the hiring interview for individuals whom they will directly supervise and have acceptable training in conducting hiring interviews. The agency should have the ability to recruit through optional sources, such as college job fairs.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

**2. Personnel and Training**

**2-D. Promotional Opportunities / Pay for Performance**

*Now we will look at the agency's adequacy to provide promotional opportunities and pay for performance that will enable the agency to retain and advance qualified personnel to increasingly responsible positions and duties.*

1. The agency has at least four levels of field bank examination staff. Y/N/NA
  - If yes, three of the four levels are not limited in the number of positions. Y/N
2. The agency has at least four levels of field credit union examination staff. Y/N/NA
  - If yes, three of the four levels are not limited in the number of positions. Y/N
3. The agency has at least three levels of field mortgage examination staff. Y/N/NA
  - If yes, three levels are not limited in the number of positions. Y/N
4. Describe the various examiner level positions in the organizational structure (fill in box—1000 characters)
5. The agency awards merit increases for above average performance by examiners. Y/N
  - Please Explain – fill in the box 1000 characters
6. The agency has a non-monetary incentive award program. Y/N
7. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-D:** In order to provide an examiner career path with adequate advancement opportunity, the agency must have at least three levels of field mortgage examination staff and at least four levels of field bank and/or credit union examination staff with three of those levels not limited in the number of positions. If pay for performance incentives are available, funds should be sufficient to pay merit increases for above average performance of examiners. In small agencies where the career path is limited because of the size of staff, efforts should be made to develop specialized experts, thereby expanding the career path professionally if not vertically.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

**2. Personnel and Training**

**2-E. Performance Appraisal Process**

*Let's look at the performance appraisal and review process used by the agency, including the process for new-hires, trainees in new positions, and experienced staff.*

- 1. All supervisors have received performance evaluation training. Y/N
  - Describe the process (fill in the box-750 characters)
- 2. All employees receive timely performance reviews at least annually. Y/N
  - Explain exceptions (fill in the box-500 characters)
- 3. Newly hired employees or persons recently promoted receive more frequent reviews. Y/N
- 4. Annually each employee receives performance goals for the upcoming review period. Y/N
  - The goals are measurable. Y/N
  - The goals are agreed to by both the employee and the supervisor. Y/N
  - Training checklists are used for new employees. Y/N
- 5. All performance reviews are conducted either in-person or via video conference. Y/N
- 6. All performance reviews are signed by both the employee and the supervisor. Y/N
- 7. Performance evaluations allow for identifying individual strengths and weaknesses, with recommendations on what training/professional development is needed. Y/N
- 8. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-E:** Performance appraisals must be conducted and communicated to the employee at least annually. Goals should be set each year in coordination between employees and their supervisors.

Agency's Rating	Value	Rating	Score
	5		

## 2. Personnel and Training

### 2-F. Adequacy of Salaries and Benefits

*The agency's compensation strategy is very important in keeping your agency competitive with the competition and operating successfully. In this section, the adequacy of the agency's salaries and benefits, particularly as it affects the agency's ability to hire and retain well-qualified employees will be reviewed and evaluated.*

1. The agency offers adequate salary and benefits to hire and retain well-qualified employees. Y/N
2. The agency conducts or utilizes periodic studies to document competitor compensation structures. Y/N (upload a copy of the most recent compensation study)
3. The agency conducts their own compensation study. Y/N
  - If yes, provide the date of the most recent compensation study (date field)
4. The agency utilizes the following compensation studies: (check all that apply)
  - CSBS
  - Another state agency
  - Independent third party hired by the agency
  - None of the above
  - Other: (fill in the box)
5. The study considers compensation paid by similar agencies in contiguous states. Y/N/NA
6. The study considers compensation paid by federal agencies operating in the employee market. Y/N/NA
7. Compared to similar agencies in contiguous states, your agency's compensation was shown to be generally: (select one)
  - Lower than the competition
  - Comparable to the competition
  - Higher than the competition
  - Salaries in contiguous states were not considered
8. Compared to federal agencies operating in the employee market, your agency's compensation was shown to be (select one)
  - Lower than the competition
  - Comparable to the competition
  - Higher than the competition
  - Salaries paid to federal agencies in the employee market were not considered.
9. Please complete the table below. Please leave any fields blank that do not apply to your accreditation review.

	CY 2016	CY 2015	CY 2014
Number of staff in bank supervision area (i.e., examiners, supervisors, review staff)			

Percentage of turnover in bank supervision area			
Number of staff in mortgage supervision area (i.e. examiners, supervisors, licensing staff)			
Percentage of turnover in mortgage supervision area			
10. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)			
<p><b>STANDARD 2-F:</b> The agency’s salary and benefits for supervision &amp; examination staff must be adequate to hire and retain well-qualified employees. Periodic compensation studies should be evaluated to ensure employee compensation remains competitive with other states and federal regulators.</p>			
<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>10</b>		

<b>2. Personnel and Training</b>
<p><b>2-G. Training Coordinator / Evaluations</b></p> <p><i>Proper oversight of the formal training program is very important to the success of your agency. A strong training program helps ensure the agency’s examiners are able to adequately assess the condition of the entities under its oversight. In this section, we will look at the oversight and effectiveness of the agency’s formal training program.</i></p>
<p>1. The agency assigns oversight of its formal training program for bank supervision staff to one or more individuals. Y/N/NA</p> <ul style="list-style-type: none"> <li>○ If yes, provide the names and titles of the individuals assigned</li> </ul> <p>2. The agency assigns oversight of its formal training program for mortgage supervision staff to one or more individuals? Y/N/NA</p> <ul style="list-style-type: none"> <li>○ If yes, provide the names and titles of the individuals assigned</li> </ul> <p>3. A database is maintained reflecting the training each examiner completes. Y/N</p> <p>4. Following attendance at a training course, the employee is required to complete a course evaluation. Y/N</p> <p>5. The evaluation covers: (select all that apply)</p> <ul style="list-style-type: none"> <li>○ Name of course</li> <li>○ Date attended</li> <li>○ Quality of the speakers</li> <li>○ Relevance of course content to the attended</li> <li>○ Strengths/weaknesses of the course</li> <li>○ Recommendation for future participation in the course by others in the department</li> </ul>

6. The agency requires the evaluation be completed within a set timeframe Y/N
- Please explain: fill in the box
7. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-G:** The responsibility for oversight of formal training should be assigned to one individual who maintains a database of training per examiner. The effectiveness of formal training should be evaluated in writing by the participant within a set timeframe following attendance at the class for internal use within the agency.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

**2. Personnel and Training**

**2-H. Policy on Examiner Training**

*Next, let's look at the agency's written training policy. For the on-site review, please have a copy of the training policy available for the review team.*

1. The agency has a written policy on examiner training. Y/N (Upload a copy of the table of contents)
2. The training policy includes a list of core and advanced schools used for each level and type of examiner. Y/N
3. The agency participates in the following training programs: (select all that apply)
- State sponsored training programs
  - CSBS
  - AARMR
  - FDIC
  - FRB
  - CFPB
  - Graduate School of Banking
  - Industry sponsored training programs
  - None of the above
  - Other (fill in the box – 1,000 characters)
4. The agency examiners receive training on emerging issues. Y/N
- If yes, explain (fill in the box – 500 characters)
5. The agency examiners have the ability to request training subject to supervisor approval and budgetary constraints. Y/N
6. The agency's policy requires 21 hours or more of classroom or online instruction annually. Y/N
- If no, explain exceptions. (fill in box. 200 characters)



- 7. The agency's training policy provides clear support for examiners to achieve and maintain a defined career path. Y/N
- 8. The agency's training policy has been reviewed in the last 12 months. Y/N (fill in box with date of most recent review -20 characters)
- 9. Please explain how the policy's effectiveness is evaluated. (fill in the box - 200 characters)
- 10. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-H:** The agency must have a written training policy as follows:

- 1. The policy must include a listing of core classes for each level and type of examiner.
- 2. The policy must include support for an examiner to achieve and maintain a defined career path.
- 3. The policy must be reviewed annually.
- 4. The policy must allow examiners the ability to request training that will be subject to a supervisor's approval and budgetary constraints.
- 5. The training goal must be for each examiner to have a minimum of 21 hours of industry-specific continuing education annually.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

**2. Personnel and Training**

**2-I. Training Manual and On-the-Job Training**

*This topic will evaluate the adequacy of the agency's training manual for bank & mortgage supervision, and the effectiveness of the on-the-job examiner training program.*

- 1. The agency has an approved training manual. Y/N (Please upload the table of contents)
- 2. The agency's training manual includes a list of duties to be performed by the trainee within specified timeframes. Y/N
- 3. The agency's training manual contains a listing of reference material for each area by topic. Y/N
- 4. The agency's training manual for bank supervision addresses the following areas: (select all that apply)
  - Operations: balance sheet, earnings, securities, liquidity, sensitivity to market risk, capital and operations manager duties
  - Credit: various types (should include loan types commonly found in agency institutions and Credit Manager duties)
  - Examiner in Charge: Practice EIC assignments, pre-planning duties, PEP memos, assessment of capital and management, assignment of ratings including the composite rating, and holding exit meetings.

- Specialty areas: BSA, IT, Trust
- Other: (fill in the box – 1,000 characters)
- None of the above

5. The agency’s training manual for mortgage supervision addresses the following areas: (select all that apply)

- Financial condition
- Management
- Compliance
- Consumer protection

6. The agency’s on-the-job training procedures provide for a coach/mentor for all new training assignments. Y/N

7. The agency’s on-the-job training procedures include a training checklist that: (select all that apply)

- Identifies each training assignment.
- Dates of each assignment
- Number of times each type of assignment was completed to reflect competency
- A breakout of specific loan categories

8. Upload an example of the checklist or sample forms used in the training process (upload document option)

9. The checklist/summary spreadsheet is maintained by both the training coordinator and the trainee. Y/N (If no, please explain-200 characters.)

10. A written evaluation of the trainee(s) performance is provided at the conclusion of each assignment while in training status. Y/N

11. The trainee receives a copy of the written feedback. Y/N

12. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-I:** The agency must have an approved training manual(s) for bank and mortgage supervision. Federal manuals may be used; however, the agency must have “state specific” examination procedures, as applicable.

1. The manual(s) should include a listing of duties to be performed by the trainee with recommended timeframes and a listing of reading material for reference by topic.
2. The banking manual(s) must address the following areas: operations, credit, and EIC along with specialty areas as applicable.
3. The mortgage manual must include the following areas: financial condition, management, compliance, consumer protection
4. OJT procedures should include the use of a coach(es) for examiners as they are assigned to new areas of training.
5. Written evaluation of trainee should be performed at the conclusion of each job while in training status. Use of a training checklist ensures that the trainee has become proficient in all areas and provides consistency in training new hires and newly promoted examiners.

<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>10</b>		

**2. Personnel and Training**

**2-J. Exit Interview Training**

*Communicating well with management of regulated entities is an important skill for examiners to develop and maintain to ensure the agency is well represented. This topic will look into how you provide exit interview training to your examiners.*

1. The agency provides training for conducting examination exit meetings by utilizing the following sources: (please select all that apply)
  - Internal audio and/or visual practice presentations
  - CSBS schools
  - Federal regulator schools
  - Shadowing an examiner presenting findings
  - Presentation of a portion of the examination findings at an exit meeting
2. Evaluation of the examiner-in-training’s presentation skills is provided to the examiner and the supervisor. Y/N
3. The evaluation of the exit interview training is in writing. Y/N
4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-J:** The agency must provide training for conducting exit meetings with management. This may take the form of outside schools or internal training including audio and/or visual presentations. Training should also include attendance at such meetings and presentation of various portions of the examination findings prior to taking the lead in conducting the exit meeting.

<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

**2. Personnel and Training**

**2-K. Support of External Academic Training**

*This topic will assess how the agency supports professional development of its examiners through external training programs.*

1. The agency has a tuition reimbursement policy for advanced/academic training. Y/N (Please upload the policy)
2. The agency allows flexibility of time to attend classes. Y/N

3. The agency has examiners that have attended college classes in the past 5 years and tuition was reimbursed by the agency. Y/N

- Provide examples of examiners that received tuition reimbursement (fill in the box – 500 characters)

4. The agency employees are encouraged to attend graduate banking, graduate trust schools, or Advanced Mortgage Training. Y/N

- List employees who have attended GSB, Trust School, or Advanced Mortgage Trainings (fill in the box – 500 characters)

5. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-K:** The agency must have a policy on advanced/academic training which reimburses tuition and/or allows flexibility of time to attend job-related classes. Such training includes full-time college classes, graduate banking/trust schools, and/or advanced mortgage training.

Agency's Rating	Value	Rating	Score
	5		

**2. Personnel and Training**

**2-L. Adequacy of Training Funds**

*This topic will evaluate the adequacy of funds for examiner training. Being able to obtain sufficient funding is key to supporting an adequate examiner training program. In this topic, we will learn more about the adequacy of your agency's training funds.*

1. The agency's training budget is adequate to satisfy the training needs of the agency. Y/N
2. Please upload summary training budget information (3 year history and 1 year projection of budgeted and actual training expenditures).
3. The percentage of the agency's total budget (including travel) expensed to training is at least 2% of total agency expenses for the last three years. Y/N (If no, provide the actual percentages by year) (fill in box –50 characters.)
4. All agency examiners received at least 21 hours of continuing education each of the past three years. Y/N
  - List any exceptions and reason for exception (fill in box – 500 characters)
5. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 2-L:** All examiners must receive 21 hours of industry-specific continuing education per year, or training expenditures should be at least 2% of total program or agency expenditures. .

Agency's Rating	Value	Rating	Score
	15		

## Section 3 – Examination Policies and Procedures

This section covers the written policies and procedures the agency puts in place to ensure a consistent and balanced approach to regulating its banks and trust companies.

3. Examination Policies and Procedures
<p><b>3-A. Examination Frequency Policy/Ability to Meet Policy</b></p> <p><i>In this topic, we will review the written policies regarding the agency's examination frequency, and its ability to meet the policy. For the on-site review, please provide a list of all your state-chartered banks, with their latest CAMELS rating and the date of their last safety and soundness examination.</i></p>
<p>1. The agency has a statutory requirement or a written policy on examination frequency of their state-chartered banks. Y/N</p> <p>2. The agency written policy states that each state-chartered bank is to be examined:</p> <ul style="list-style-type: none"><li>○ At least every 18 months for 1 and 2 composite rated bank Y/N</li><li>○ A minimum of 12 months for 3, 4 and 5 composite rated banks Y/N</li><li>○ A minimum of 12 months for large banks (over \$10B in assets) Y/N</li><li>○ Visitations as necessary for safety and soundness Y/N</li><li>○ Visitations as necessary for specialty areas Y/N</li><li>○ Other frequency requirements: (fill in the box—500 characters)</li></ul> <p>3. The agency frequency policy has been met Y/N</p> <ul style="list-style-type: none"><li>○ If no, please explain (1000 characters)</li></ul> <p>4. The agency policy is to examine de novo banks at least annually for the first (select the answer that applies)</p> <ul style="list-style-type: none"><li>○ No policy adopted</li><li>○ 3 years</li><li>○ 5 years</li><li>○ 7 years</li><li>○ Other (fill in the box)</li></ul> <p>5. The agency has a written policy which requires exit meetings at each examination Y/N</p> <ul style="list-style-type: none"><li>○ If no, please explain (fill in the box—500 characters)</li></ul> <p>6. The agency has a written policy which requires board meetings at each 3, 4 and 5 composite rated institution Y/N</p> <p>7. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)</p>

**STANDARD 3-A:** The agency written policy on examinations must state that each state-chartered bank should be examined at least every 18 months for “1” and “2” composite rated banks and minimum of 12 months for all others with visits as necessary for both safety and soundness and specialty examinations. The agency must conduct some form of exit meeting at each examination and require a Board meeting for all “3”, “4”, and “5” rated institutions.

<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	40		

**3. Examination Policies and Procedures**

**3-B. Agreements with Federal Regulators**

*Coordination and communication with your federal counterparts helps ensure more seamless oversight of the entities you regulate. In this topic, tell us more about how your agency provides coordinated regulation.*

1. The agency has signed cooperative/alternating or information sharing examination agreements with the FDIC. Y/N (Please upload the agreements)
2. The agency has signed cooperative/alternating or information sharing examination agreements with the Federal Reserve. Y/N (Please upload the agreements)
3. The agency has signed information sharing examination agreements with other federal agencies. Y/N
  - If yes, please select all that apply:
    - Federal Home Loan Bank
    - FinCEN
    - OCC
    - CFPB
    - Other: (fill in the box—500 characters)
4. The agency is operating in compliance with all the signed agreements. Y/N
  - If no, please explain (fill in the box – 200 characters).
5. The agency examiners alternate the lead examiner role or processor on joint examinations with federal regulators Y/N.
  - If no, please explain (fill in the box – 500 characters)
6. Provide the following information regarding the number of examinations conducted during the past three calendar years:

Exam Type	2016	2015	2014
Independent			
Joint with FDIC			
Joint with Fed			
Concurrent with FDIC			

Concurrent with Fed			
---------------------	--	--	--

7. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 3-B:** The agency must have signed examination agreements with their Federal counterparts and comply with said agreements. The agency examiners must be the alternating Lead examiner and processor on joint examinations with Federal agencies. Any exceptions to the agreement should be documented and assessed on a case-by-case basis.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	10		

**3. Examination Policies and Procedures**

**3-C. Interstate Banking Policy/Procedures**

*States have strived to make it easier for banks operating across state lines to be state chartered. In this topic, we will learn how your agency coordinates its interstate banking activities.*

**NOTE: IT IS NOT NECESSARY TO UPLOAD COPIES OF THE NATIONWIDE AGREEMENTS.**

1. The agency has signed the Nationwide Cooperative Agreement (Y/N)
2. The agency has signed the State/Federal Supervisory Agreement (Y/N)
3. The agency has signed the Foreign Banking Organization Supervision and Examination Coordination Agreement (Y/N/NA)
4. The agency has signed the Nationwide State/Federal Foreign Banking Organization Supervision and Examination Coordination Agreement (Y/N/NA)
5. The agency has signed the Nationwide Agreement for Supervision and Examination of Multi-State Trust Operations (Y/N)
6. The agency has signed the Memorandum of Understanding with the Consumer Financial Protection Bureau (Y/N)
7. The agency has signed the FinCEN Agreement (Y/N)
8. List any other state agreements (regional or with individual states) in effect or in process (fill in the box)
9. The agency is in compliance with all signed policies. (Y/N)

○ )



11. The agency has a written policy on interstate examinations covering (select all that apply):

- Compliance issues
- Use of host state examiners
- Billing assessment procedures
- Internal communication with other state agencies
- Other: fill in the box (1000 characters)

Please upload a copy of the agency interstate policy (upload document option)

12. The agency has the authority to contract with other state agencies to perform examinations on its behalf. Y/N

13. The agency has the authority to travel out of state to perform examinations. Y/N

14 The agency has a designated person responsible for oversight of agency’s interstate policy. Y/N

- Please provide name and title of responsible person. (fill in the box – 100 characters)

15. The agency maintains a current list of interstate contacts. Y/N

16. The agency monitors (as home state regulator) compliance with host state consumer laws and regulations.  
Y/N

17. Please provide any other comments, and/or upload any additional documents you wish to include (optional).  
(fill in the box – 2500 characters) (upload document option)

**STANDARD 3-C:** The agency must have signed all applicable agreements and developed written procedures for compliance with the agreements. The agency must have a written policy on interstate examination covering state compliance issues, use of host state examiners, billing/assessment procedures, and internal communication with other state agencies including a current listing of interstate contacts. Additionally, the agency must have the authority to travel out-of-state and/or contract with other agencies to examine home state banks.

Agency’s Rating	Value	Rating	Score
	<b>10</b>		

### 3. Examination Policies and Procedures

#### 3-D. Examination Manuals

*Procedures manuals provide a guide to help ensure your staff is meeting agency objectives and delivering a quality product in a consistent manner. In this topic, you will be asked to tell us more about the manuals used by your agency.*

1. The agency has a safety and soundness examination manual. Y/N
  - If yes, when was it last reviewed (picklist)
    - Within the past 12 months
    - Within the past 24 months
    - Greater than 24 months
    - Has not been updated
2. The agency's safety and soundness examination manual addresses, at a minimum, the following topics: (select all that apply)
  - Procedures for planning the examination
  - Core examination procedures to be performed
  - Core documentation requirements
  - Guidance on the evaluation of CAMELS components
  - Evaluating common asset types
  - Evaluating internal routines and controls
  - Report preparation
  - Large bank examinations
3. The agency has adopted a state consumer compliance examination manual. Y/N
  - If yes, when was it last reviewed (picklist)
    - Within the past 12 months
    - Within the past 24 months
    - Greater than 24 months
    - Has not been updated
4. The agency has a trust examination manual. Y/N
  - If yes, when was it last reviewed (picklist)
    - Within the past 12 months
    - Within the past 24 months
    - Greater than 24 months
    - Has not been updated
5. The agency has an information technology/cybersecurity examination manual. Y/N
  - If yes, when was it last reviewed (picklist)
    - Within the past 12 months
    - Within the past 24 months
    - Greater than 24 months
    - Has not been updated

6. The agency has a bank holding company examination manual. Y/N
- If yes, when was it last reviewed (picklist)
    - Within the past 12 months
    - Within the past 24 months
    - Greater than 24 months
    - Has not been updated
7. The agency has an international banking examination manual. Y/N/NA
- If yes, when was it last reviewed (picklist)
    - Within the past 12 months
    - Within the past 24 months
    - Greater than 24 months
    - Has not been updated
8. The agency has a large bank (> \$10B) examination manual. Y/N/NA
- If yes, when was it last reviewed (picklist)
    - Within the past 12 months
    - Within the past 24 months
    - Greater than 24 months
    - Has not been updated
9. The agency provides a copy of the examination manuals using the following methods (select all that apply)
- Hard copy
  - Agency website
  - Email
  - Other (fill in the box)
10. Please provide any other comments, and/or upload any additional documents you wish to include (optional).  
(fill in the box – 2500 characters) (upload document option)

**STANDARD 3-D:** The agency must have examination manuals that are reviewed at least annually addressing policies and procedures for safety and soundness examinations and specialty examinations as applicable. These manuals may be a duplicate of proprietary or federal training manuals, but must also address state specific areas.

Agency's Rating	Value	Rating	Score
	20		

**3. Examination Policies and Procedures**

**3-E. Examination Procedures/Preplanning**

*Having adequate procedures and preplanning helps ensure examination efficiency and reduces the chance of missing important issues during the examination. In this topic, we will learn more about how your agency prepares for and conducts its examinations.*

1. The agency has a written policy and established procedures for organizing and planning examinations, Y/N

- If yes, please provide a copy of the policy
2. The agency coordinates with federal agencies on:
- Examination scheduling Y/N
  - Visitation schedules Y/N
  - Exit and board meetings Y/N
  - Enforcement actions Y/N
  - Other: Please explain. (fill in the box – 200 characters)
3. The agency provides at least one-month scheduling notice to the assigned examiner-in-charge. Y/N
4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 3-E:** The agency must have established procedures for organizing safety and soundness and specialty examinations including coordination with Federal agencies as necessary. Internal procedures must provide at least one-month notice to the assigned examiner-in-charge for scheduling purposes in order to provide lead time to do pre-planning and scoping memos.

Agency's Rating	Value	Rating	Score
	10		

**3. Examination Policies and Procedures**

**3-F. Review and Transmittal of Report**

*Your agency's review process ensures the report has been prepared consistently with agency guidelines and policies. The transmittal letter, which accompanies the final report, serves to introduce the report to the regulated entity. In this topic, you will be asked to share information about your agency's ability to process the report efficiently and effectively.*

*Note: The calculation for report turnaround time is the date of the exit meeting with bank management (not from the date of a concluding board meeting) to the report transmittal date.*

1. The agency has specific procedures for report of examination review. Y/N
2. The agency's report of examination transmittal letter for 1 and 2 composite rated institutions is drafted by: (fill in the box with the title of the author – 50 characters)
3. The agency's report of examination transmittal letter for complex or problem institutions is drafted by (fill in the box with the title of the author – 50 characters)
4. Independent state examinations on 1 or 2 rated institutions are transmitted to the financial institution within 30 calendar days from the date of the exit meeting with bank management. Y/N

5. Independent state examinations on 3, 4, or 5 rated institutions are transmitted to the financial institution within 60 calendar days from the date of the exit meeting with bank management. Y/N

6.

	2017 YTD	CY 2016	CY 2015
Independent exam report turnaround time			
State-led joint exam report turnaround time			

*Note: The calculation for report turnaround time is the date of the exit meeting with bank management (not from the date of a concluding board meeting) to the report transmittal date.*

7. State-led joint examination reports are transmitted to the federal regulator within 30 days of the exit meeting with management. Y/N

8. Provide the same calculation as above for year to date. (fill in the box – 20 characters)

9. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 3-F:** Report turnaround time on safety and soundness and specialty independent examinations for 1 or 2 rated institutions should average no more than 30 calendar days from the time that the EIC holds the exit meeting with management until the report transmittal date. The report turnaround time should be no more than 60 calendar days on independent examinations of 3, 4, or 5 rated institutions.

*Note: The calculation for report turnaround time is the date of the exit meeting with bank management (not from the date of a concluding board meeting) to the report transmittal date.*

Agency's Rating	Value	Rating	Score
		10	

### 3. Examination Policies and Procedures

#### 3-G. Working Paper Preparation and Review

*Working paper reviews allow the agency to assess the consistency of your examination-related documents. In this topic, we will look at your process for reviewing your working papers. To aid in the review, please have a sample of working papers available for the on-site review.*

1. The agency has a policy and procedures for the preparation of report of examination working papers. Y/N

2. The agency policy addresses the following document management topics (select all that apply)

- Document creation
- Document collection
- Document retention
- Document destruction
- Other (fill in the box)

3. The agency maintains its working papers in an electronic format. Y/N  
 ○ If yes, what format? (fill in the box)

4. The agency report of examination working papers are prepared in a standardized format across the agency offices and in a format acceptable to all regulatory agencies. Y/N

5. The agency conducts a periodic and documented review of working papers. Y/N  
 ○ If yes, indicate:

- Person conducting the review is independent of the exam being reviewed. Y/N
- percent of examination working papers reviewed (fill in the box)
- frequency of the review (fill in the box)
- Please provide the title(s) of the person(s) performing the review. (fill in the box – 200 characters)

6. The working paper review includes a completeness check to ensure all pertinent supporting documents are included. Y/N

7. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 3-G:** Working papers should be prepared in a format acceptable to all regulatory agencies in order to facilitate the sharing of information. An acceptable written procedure for review of working papers should be adopted and adhered to following each examination and interim visitation. A periodic and documented independent review of a sampling of working papers must be performed by someone independent of each examination. The working paper review should be performed on at least an annual basis by qualified staff, and include a minimum of 10% of examinations conducted during the year.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>10</b>		

## Section 4 – Bank Examination Capabilities

This section addresses the adequacy of the agency's examiners to perform the various types of examinations that are applicable to the agency. From CAMELS ratings to IT examinations, this section is designed to determine if the agency is adequately staffing the examinations and effectively training their examiners to perform specialty examinations.

<b>4. Bank Examination Capabilities</b>
<b>4-A. Ability to Examine and Rate - Bank Assessment of CAMELS</b>

*One of the most important duties performed by the examiner is accurately evaluating the condition of the bank and assigning the proper ratings. In this topic, we will look at your agency's ability to perform these key tasks.*

1. The agency performs independent examinations of its banks. Y/N
  - If yes, percentage of independent bank examinations in each of the last three calendar years. exam cycle (fill in box – 1000 characters)
2. The agency performs independent examinations of bank trust departments. Y/N
3. The agency has a sufficient number of trained examiners to rate a bank's risk in each of the individual CAMELS components and to assign an appropriate composite rating based on the institutions overall condition. Y/N
  - If no, what is the plan to train or acquire a sufficient number? (fill in the box—1000 characters)
4. The agency has a sufficient number of trained examiners to recommend effective corrective measures. Y/N
5. The agency performs independent examinations of at least 50% of the banks it regulates within an 18-month period. Y/N
  - If no, please provide reason for answer (fill in the box—1000 characters)
6. The agency performs independent examinations of all non-depository trust companies it regulates within an 18-month period. Y/N
  - If no, please provide reason for your answer (fill in the box—1000 characters)
7. The agency provides sufficient number of trained examiners on a majority of state-led joint and concurrent examinations. Y/N
  - If yes, please provide reason for your answer: (fill in the box—1000 characters)
8. The agency alternates as lead examiner on joint examinations. Y/N
  - If no, please provide reason for answer and plan to address (fill in the box—1000 characters)
9. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-A:** The agency must have adequate examination procedures and a sufficient number of trained examiners to rate the banks' risk in Capital, Assets, Management, Earnings, Liquidity and Sensitivity to Market Rates and to provide effective corrective procedures.

The agency must demonstrate the ability to perform independent examinations or alternating the lead on joint examinations based on acceptable examination frequency policy (acceptable frequency policy is defined in Standard 3-A). To demonstrate the ability to be the lead agency, the agency should provide sufficient number of trained staff on joint and concurrent examinations.

Agency's Rating	Value	Rating	Score
	40		

#### 4. Bank Examination Capabilities

##### 4-B. Ability to Examine and Rate – Trust (companies and departments)

*Trust activities present unique risks for a bank. In this topic, tell us more about how your agency has prepared itself to examine this important area.*

1. The agency conducts depository trust examinations: (select the answer that best applies to your agency)
  - Concurrently with safety and soundness examinations, but independent of federal regulators
  - Concurrently with safety and soundness examinations, but jointly with federal regulators
  - Separate from safety and soundness examinations, but independent of federal regulators
  - Separate from safety and soundness examinations, but jointly with federal regulators
  - Other: (fill in the box—200 characters)
2. The agency has a policy to conduct non-depository trust examinations:
  - Annually
  - Every 18 months
  - Every 24 months
  - Every 36 months
  - Other (fill in box)
  - Not applicable
3. The agency has an adequate number of examiners trained in rating the risks associated with Trust departments. Y/N
  - Number of examiners able to conduct adequate examinations of Trust departments (fill in the box - # examiners)
  - If no, please provide reason for answer and agency plan to address (fill in the box—1000 characters)
4. The agency has an adequate number of examiners trained to rate risks associated in all areas of non-depository trust company activities. Y/N
  - Number of examiners able to conduct adequate examinations of non-depository Trust companies (fill in the box - # examiners)
  - If no, please provide reason for answer (fill in the box—1000 characters)
5. The agency has designated specialists in the Trust area. Y/N/NA
6. The agency has identified adequate number of backup examiners to examine for the risks associated with Trust. Y/N/NA
7. The agency has adopted minimum capital standards for non-depository trust companies. Y/N
  - If yes, please state the minimum standards (fill in the box-1000 characters)
8. The agency requires non-depository trust companies to file call reports. Y/N
9. The agency provides offsite monitoring to its non-depository trust companies with the following frequency: (select the one that best describes your agency's practice)



- Quarterly
- Semi-annually
- Annually
- No offsite monitoring conducted
- Other: (fill in the box-1000 characters)

10. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-B:** The agency must have adequate examination procedures and a sufficient number of trained examiners to rate the risks associated with the trust department of a financial institution or the risks involved in all areas of an independent trust company.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	20		

#### 4. Bank Examination Capabilities

##### 4-C. Ability to Examine and Rate – IT Examination and Cybersecurity

*The agency's ability to examine for information technology is becoming an increasingly critical aspect of bank regulation. In this topic, we will learn more about the agency's efforts to ensure the information of the entities it regulates is protected and kept secure.*

1. The agency conducts IT examinations of its banks and non-depository trust companies. Y/N
  - If yes, does this include those serviced by a third party? Y/N
2. The agency conducts IT examinations: (select all that apply)
  - independent of safety and soundness examinations
  - concurrently with safety and soundness examinations
  - other: (fill in the box)
3. The agency currently uses the following IT examination procedures (select all that apply):
  - InTreX, with component and composite ratings assigned
  - InTreX, with only composite ratings assigned
  - In-house developed IT examination program
  - Do not conduct IT examinations
  - Other (fill in the box – 200 characters)
4. The agency has designated specialist(s) for IT examination. Y/N
5. Percentage of IT examinations being conducted by IT specialists: (fill in box – 500 characters)
6. The agency's IT program assesses the following areas:
  - Support and Delivery

- Management
- Audit
- Development and Acquisition
- Other (fill in box – 200 characters)

7. The agency’s IT examination incorporates a review of cybersecurity preparedness. Y/N

8. The agency has an adequate number of examiners trained to rate risks associated with Information Technology, including Cybersecurity. Y/N

- If no, please provide reason for answer and plan to address (fill in the box—1000 characters)

9. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-C:** The agency must have adequate examination procedures and a sufficient number of trained examiners to rate the risk associated with information technology within a financial institution, including an adequate assessment of cybersecurity.

Agency’s Rating	Value	Rating	Score
	20		

#### 4. Bank Examination Capabilities

##### 4-D. Ability to Examine and Rate – Large Bank Supervision

*The average size of banks continues to increase. As the banks become larger, specialized examiner skills and exam practices are required. In this topic, please provide us more information as to how your agency has prepared itself to examine these larger, more complex institutions.*

1. The agency conducts large bank (banks > \$10B) examinations: (select the answer(s) that best applies to your agency)

- Concurrently with safety and soundness examinations, but independent of federal regulators
- Concurrently with safety and soundness examinations, but jointly with federal regulators

Separate from safety and soundness examinations, but independent of federal regulators

- Separate from safety and soundness examinations, but jointly with federal regulators
- Currently not conducted
- Other: (fill in the box—200 characters)

2. The agency has an adequate number of examiners trained to rate risks associated in the area of large bank supervision. Y/N/NA

- If no, please provide reason for answer and plan to address (fill in the box—1000 characters)
- If yes, the agency as part of its large bank supervision program has: (select all that apply)
  - A written policy for examining large banks
  - Specific exam procedures for examining large banks
  - A designated person to serve as state lead on roll-up exams conducted with/by the federal regulators. This person would be involved in audit committee meetings, executive management and board meetings, exam planning meetings, etc.
  - A designated person assigned to be an onsite examiner
  - A process for rotating the designated person at established intervals
  - Established a threshold for doing joint exams
  - Adequate trained specialists

3. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-D:** The agency must have adequate examination procedures and a sufficient number of trained staff to examine banks over \$10B in assets. (this area may be rated not applicable)

Agency's Rating	Value	Rating	Score
	15		

**4. Bank Examination Capabilities**

**4-E. Ability to Examine and Rate – International Banking**

*As global markets have expanded, this growth has been accompanied by growth in international banking. In this topic, tell us more about your agency's efforts to regulated state-chartered international banks operating in your state.*

1. The agency has an adequate number of examiners trained to rate risks associated in the area of international banking. Y/N/NA

- If no, please provide reason for answer and plan to address (fill in the box—1,000 characters)

2. The agency has a dedicated examination program for its institutions conducting international banking. Y/N

3. The agency conducts independent or serves as the lead on examinations of international banking branches and registered offices. Y/N
- If yes, state the number of such examinations during each of the past three years. (fill in the box—1000 characters)
4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-E:** The agency must have adequate examination procedures and a sufficient number of examiners to examine the international departments or Foreign Banking Organizations (FBOS) under their purview. (This area may be rated not applicable.)

Agency's Rating	Value	Rating	Score
	15		

#### 4. Bank Examination Capabilities

##### 4-F. Ability to Examine and Rate – Capital Markets

*Fluctuations in the capital markets area can occur quickly. These changes can sometimes have a substantial impact on the institution's overall financial position. Having staff with adequate expertise to identify and evaluate the capital markets is important. In this topic, tell us more about your agency's ability to examine and rate this important area.*

1. The agency has large, complex institutions that require the oversight by a capital markets specialist. Y/N
2. The agency has an adequate number of examiners trained in capital markets. Y/N
- If no, please provide reason for answer and plan to address (fill in the box—1000 characters)
  - Number of examiners trained in capital markets (fill in box - # examiners)
  - Number of examiners able to conduct adequate financial analysis of the banks supervised by this state. (fill in the box - # examiners)
3. The agency has designated specialists in the financial analysis of capital markets. Y/N/NA
4. The agency has identified adequate number of backup examiners in the capital markets area. Y/N/NA
5. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-F:** The agency must have adequate examination procedures and a sufficient number of trained examiners to rate the risks associated with capital markets in relation to the number of banks with complex sophisticated capital markets activity.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>10</b>		

**4. Bank Examination Capabilities**

**4-G. Ability to Examine and Rate – Bank Holding Companies**

*Bank holding companies serve as a source of strength for banks. In this topic, tell us more about your ability to effectively evaluate and regulate these parent entities.*

1. The agency conducts holding company reviews/inspections. Y/N
2. The agency's holding company reports/comments are: (select all that apply)
  - Embedded in the safety and soundness examinations
  - Issued as a separate report from the safety and soundness examinations
  - No reports or commentary are prepared
  - Other: (fill in the box—1000 characters)
3. The agency reviews holding company reports prepared by the Federal Reserve. Y/N
4. The agency has an adequate number of examiners trained to rate risks associated in the area of bank holding companies and affiliates. Y/N
  - If no, please provide reason for answer and plan to address (fill in the box—1000 characters)
5. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-G:** The agency must have adequate procedures and adequate staff to review/inspect bank and financial holding companies.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>10</b>		

**4. Bank Examination Capabilities**

**4-H. Ability to Examine and Rate – Third-party Service Providers (TSPs)**

*Many of your regulated entities have come to rely upon TSPs to perform more of their services. This increased reliance on TSPs can present additional risk for the institutions if these vendors are not properly monitored. In this topic, we will learn more about the steps your agency has taken to examine TSPs and the vendor management practices used by the entities you examine.*

1. The agency has the authority to examine TSPs. Y/N
  - If no, agency is seeking to obtain authority. Y/N
2. The agency participates with other regulators on TSP examinations. Y/N
  - If yes, please explain and provide examples where this has occurred. (fill in the box—1000 characters)
3. The agency reviews reports prepared by other regulators on TSPs doing business with its banks and non-depository trust companies. Y/N
4. The agency tracks TSPs being used by its banks and non-depository trust companies. Y/N
5. The agency has an adequate number of examiners trained to rate risks associated in the area of third party service providers. Y/N
  - If no, please provide reason for answer and plan to address (fill in the box—1000 characters)
6. The agency has third-party service providers headquartered in its state Y/N
  - If yes, the agency participates in the examination of these entities Y/N
7. The agency has involvement in the supervision of third-party service providers located OUTSIDE of its state (Y/N)
  - If yes, please explain (fill in box – 1000 characters)
8. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-H:** The agency should: 1) participate in the examination of technology service providers (TSPs) headquartered in its state, and 2) receive and review examination reports from other regulatory agencies on TSPs doing business with their supervised institutions.

Agency's Rating	Value	Rating	Score
	10		

#### 4. Bank Examination Capabilities

##### 4-I. Ability to Examine and Rate – Compliance with Laws and Regulations

*Banking regulatory agencies need a solid working knowledge of applicable state and federal banking laws and regulations (i.e. BSA, OFAC, Reg O, 23A and B). In this topic, we will learn more about your agency's ability to accurately evaluate whether the banks you regulate are operating in compliance with statutory parameters.*

1. The agency has an adequate number of examiners trained to rate risks associated in the area of compliance reviews of state and federal banking laws. Y/N

○ If no, please provide reason for answer and plan to address (fill in the box—1000 characters)

2. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-I:** The agency must have adequate examination procedures and sufficient staff to review for compliance in all state laws plus BSA, OFAC, Regulation O, and 23A and B, at a minimum.

	Value	Rating	Score
<b>Agency's Rating</b>	<b>10</b>		

**4. Bank Examination Capabilities**

**4-J. Ability to Examine and Rate – Consumer Compliance**

*One of the most important services your agency provides is helping to ensure the entities you regulate are operating in compliance with applicable banking laws and regulations. In this topic, tell us more about your agency’s practices as it relates to oversight of consumer compliance.*

- 1. The agency performs consumer compliance examinations. Y/N
  - If no, do you have plans to begin performing compliance exams and, if so, please include the timeline (fill in the box—1000 characters)
- 2. The agency has an adequate number of examiners trained to assess risks associated with consumer compliance examinations. Y/N
- 3. The agency receives and reviews consumer compliance reports from other regulators. Y/N
- 4. The agency examiners follow-up at their examination on any consumer compliance violations identified previously either by state or federal examiners. Y/N
- 5. The agency tracks the resolution of consumer complaints against a financial institution. Y/N
- 6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-J:** The agency should: 1) perform consumer compliance examinations or document involvement in the consumer compliance process, 2) receive and review consumer compliance reports from other regulatory agencies and 3) have a process for tracking and resolution of consumer complaints against a financial institution.

Agency’s Rating	Value	Rating	Score
	10		



**4. Bank Examination Capabilities**

**4-K. Problem Identification/Migration Analysis**

*It's important regulatory agencies conduct periodic analysis to ensure their ratings and methods used to assign ratings are valid. Part of ensuring ratings are accurate and valid means agencies must also identify problems within the institutions in a timely manner. In this topic, you will be asked to provide information on how your agency ensures the validity of its ratings.*

1. The agency performs a migration analysis of CAMELS composite ratings at least every six months Y/N
  - If yes, the migration analysis identifies which regulator was first to identify problem institutions to assist the agency in the evaluation of its ability to recognize problems quickly. Y/N
  
2. The agency performs a migration analysis of CAMELS component ratings at least every six months Y/N
  
3. The agency develops a written analysis following each independent examination of a newly identified problem bank. Y/N
  - If yes, the agency written analysis includes an analysis of CAMELS component ratings and the composite rating assignment. Y/N
  
4. Please upload the most recent migration analysis or a sample of a written analysis. (upload document option) **IMPORTANT: Redact any names or confidential information before uploading. If you are unable to do so, please have a sample of the migration analysis available onsite for the Review Team.**
  
5. The agency takes the following steps if the federal regulator identifies problems first (fill in the box – 1000 characters).
  
6. The agency's policy is to notify the federal regulator prior to the exit meeting if a significant problem or a possible downgrade to 3, 4, or 5 is identified during an examination. Y/N
  
7. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-K:** The agency must perform a macro migration analysis at least every six months **OR** perform a written analysis following each examination of a new problem institution.

	Value	Rating	Score
<b>Agency's Rating</b>	<b>10</b>		

**4. Bank Examination Capabilities**

**4-L. Follow-up/Correction of Problems**

*Establishing corrective plans and following up on exam findings is an important part of an agency's monitoring process. In this topic, tell us more about your agency's process and practices as it relates to monitoring of your regulated entities after the on-site portion of the exam is concluded.*

1. The agency report of examination transmittal letter on composite 3, 4 and 5 rated financial institutions inform the institution's Board of major problem areas. Y/N
2. The agency requires a written response from financial institutions within 45 days of receipt of the report of examination and transmittal letter. Y/N
3. The agency has assigned responsibility for tracking and following-up on late responses, Y/N (fill in the box with the title of the responsible party – 50 characters)
4. The agency has procedures that assign specific person(s) to review report of examination responses and provide any additional follow-up needed to the institution. Y/N
5. The institution's responses and notations are retained for future reference in the individual bank files or the agency's database. Y/N
6. The agency's most recent EIC is made aware of responses from problem institutions. Y/N
7. The agency review staff monitor progress on formal and informal enforcement action plans/ provisions. Y/N
8. The agency management reports reflect updates on the status of problem institutions. Y/N
9. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 4-L:** Financial institutions should respond within a maximum of 45 calendar days after receipt of the report of examination and a transmittal letter. Individuals should be assigned to track and review responses. Notation of reviews should be made and retained in files. The EIC should be made aware of the response from the problem institution.

Agency's Rating	Value	Rating	Score
	20		

## Section 5- Bank Supervision and Legislation

This section evaluates the bank surveillance systems, application procedures and enforcement authority. The section also covers a series of banking code and legislative issues important to maintaining a regulatory program that meets current and future regulatory needs.

### 5. Bank Supervision and Legislation

#### 5-A. Surveillance System

*In this topic, we will look at the effectiveness of the agency's off-site surveillance system; and, 2) how the surveillance system is utilized to recognize issues in non-problem institutions that might eventually affect the safety and soundness of the institution.*

1. The agency has a written surveillance policy Y/N (upload a copy)
2. The agency's written surveillance system program includes: Check all that apply
  - Externally generated key ratio and outlier reports—i.e., UBPR, Call Reports
  - Internally generated key ratio and outlier reports—with established warning parameters to identify variances and exceptions
  - CAMELS migration report
  - Use of computer generated reports
  - Use of broad information sources such as board minutes, reports of examination
  - The frequency for conducting analysis
  - Specific guidance to ensure timeframes are met
  - Telephonic and written contact with institution management
  - Discussions with the federal regulator
  - Discussions with other state regulators
  - Steps for documenting any follow-up conducted
  - Specifies who is responsible
  - Follow-up guidelines/procedures
  - Other: (fill in the box-1000 characters)
  - The agency has no written surveillance system program.
3. The agency surveillance program regularly monitors changes in: (select all that apply)
  - Capital
  - Asset Quality
  - Management
  - Earnings
  - Liquidity
  - Sensitivity

- Market Share
- CRE
- OREO
- Loan growth
- Deposit growth
- Capital growth
- Other: (fill in the box)

4. The agency’s written surveillance program monitors all banks and non-depository trust companies. Y/N  
If no, please explain (fill in the box—1000 characters)

5. The agency reviews state specific parameters in its surveillance program for needed updates: check one

- Quarterly
- Semi-annually
- Annually
- Other specify time frame (fill in the box 100 characters)

6. The agency requires quarterly analysis and written reviews of variances and exceptions. Y/N

7. The agency’s surveillance analysis is normally conducted by (fill in the box with staff positions—1000 characters)

8. The agency’s surveillance program is incorporated into the training of junior examiners Y/N

9. Please provide any other comments, and/or upload any additional documents you wish to include (optional).  
(fill in the box – 2500 characters) (upload document option)

**STANDARD 5-A:** The agency must have a written surveillance program to monitor all banks and non-depository trust companies under the purview of the agency, with approved parameters set internally for variance and exceptions. Reviews should be performed on all institutions at least quarterly. Off-site surveillance should be utilized to recognize issues on non-problem institutions before they become major problems that might affect the safety and soundness of the institution.

Agency’s Rating	Value	Rating	Score
	20		

**5. Bank Supervision and Legislation**

**5-B. Communication of Findings of Surveillance System**

*Next, tell us how your agency communicates the findings of the surveillance system with internal and external stakeholders.*

**NOTE: Please have available onsite the last *four* quarters of surveillance reports as well as samples of written reviews on variances and exceptions for the review team’s assessment.**

1. The agency maintains documentation of all surveillance variances and exceptions in bank files or the agency’s database. Y/N
  - If no, explain fill in the box - 200 characters.
2. The agency has established specific procedures for written/oral communication of surveillance findings with (select all that apply):
  - Agency management
  - The financial institution
  - Other regulators
  - Other agency office and field personnel
  - Other: (fill in the box – 1000 characters)
3. The agency off-site monitoring documentation is available for review by appropriate office and field staff including the assigned EIC. Y/N
4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 5-B:** Computer generated reports and documentation of surveillance reviews on all financial institutions should be maintained. When problems are noted, procedures should be established for assigned responsibility of written and/or oral communication with the financial institution, other regulators, and office/field personnel with appropriate documentation. This information should be available for review by the appropriate office and field personnel including the assigned Examiner-in-Charge.

<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>10</b>		

**5. Bank Supervision and Legislation**

**5-C. Applications**

*In this topic we will evaluate the effectiveness of the application process*

1. The agency has written procedures for processing applications for each of the following:

- New bank charters Y/N
  - If yes, briefly describe your process including any expedited procedures used (fill in the box—2000 characters)
- New non-depository trust company charters Y/N
  - If yes, briefly describe your process including any expedited procedures used (fill in the box—2000 characters)
- Branches Y/N
  - If yes, briefly describe your process including any expedited procedures used (fill in the box—2000 characters)
- Mergers Y/N
  - If yes, briefly describe your process including any expedited procedures used (fill in the box—2000 characters)
- Acquisitions Y/N
  - If yes, briefly describe your process including any expedited procedures used (fill in the box—2000 characters)
- Changes of control or capital structure Y/N
  - If yes, briefly describe your process including any expedited procedures used (fill in the box—2000 characters)
- Conversions Y/N
  - If yes, briefly describe your process including any expedited procedures used (fill in the box—2000 characters)
- Other: (fill in the box)

2. The agency has statutory or specific written timeframes for processing the following applications.

- New bank charters Y/N
  - If yes, state the timeframe (fill in the box—100 characters)
- New non-depository trust company charters Y/N
  - If yes, state the timeframe (fill in the box—100 characters)
- Branches Y/N
  - If yes, state the timeframe (fill in the box—100 characters)
- Mergers Y/N
  - If yes, state the timeframe (fill in the box—100 characters)
- Acquisitions Y/N
  - If yes, state the timeframe (fill in the box—100 characters)
- Changes of control or capital structure Y/N
  - If yes, state the timeframe (fill in the box—100 characters)

- Conversions Y/N
  - If yes, state the timeframe (fill in the box—100 characters)
- Other: (fill in the box) (100 characters)

3. The agency is in compliance with the established time frames Y/N

- If no, please explain (fill in the box—2000 characters)

4. The agency has a process to approve any exceptions to the written timeframes. Y/N

- If yes, state who grants the approval (fill in the box—2000 characters)

5. The agency has **primary or statutory decision-making authority** for the following applications (select all that apply)

- New bank charters
- New non-depository trust company charters
- Branches
- Mergers
- Acquisitions
- Change of control or capital structure
- Conversions
- Other: (fill in the box)
- None of the above

6. If the agency does NOT have primary or statutory decision-making authority on applications, they do have **delegated authority** on the following applications (select all that apply)

- New bank charters
- New non-depository trust company charters
- Branches
- Mergers
- Acquisitions
- Change of control or capital structure
- Conversions
- Other: (fill in the box)
- None of the above

7. The agency has an application tracking report. Y/N

- If yes, please upload the most recent application tracking report

8. The agency has written procedures for tracking applications. Y/N

9. The agency utilizes interagency application forms where appropriate. Y/N

10. The agency participates in electronic application programs offered by the federal regulators Y/N

- If yes, briefly describe the programs used (2000 characters)

11. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

<p><b>STANDARD 5-C:</b> If not prescribed by state law, the agency should establish written timeframes and procedures for processing and tracking applications. The agency should meet the timeframes established with any exceptions noted and approved by the appropriate persons or committees. State must have expedited procedures for appropriate activities and utilize interagency applications where applicable. State must have decision making powers for all applications listed above.</p>			
<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>15</b>		

<b>5. Bank Supervision and Legislation</b>
<p><b>5-D. Adequacy of Statutory Enforcement Authority</b></p> <p><i>We will assess the adequacy of your agency's enforcement authority. For the on-site review, please provide copies of law for the agency's authority to take enforcement actions against banks, holding companies and/or affiliates.</i></p> <ol style="list-style-type: none"> <li>1. The agency has statutory enforcement powers over banks. Y/N <ul style="list-style-type: none"> <li>○ If yes, please provide Code citation granting authority (fill in the box) (200 characters)</li> </ul> </li> <li>2. The agency has statutory enforcement powers over holding companies. Y/N <ul style="list-style-type: none"> <li>○ If yes, please provide Code citation granting authority (fill in the box) (200 characters)</li> <li>○ If yes, are the powers the same as for banks). Y/N.</li> <li>○ Explain any differences. (fill in the box – 500 characters)</li> </ul> </li> <li>3. The agency has the ability to issue Cease and Desist Orders against banks. Y/N <ul style="list-style-type: none"> <li>○ If yes, please provide Code citation granting authority (fill in the box) (200 characters)</li> </ul> </li> <li>4. The agency has the ability to issue emergency Cease and Desist Orders against banks. Y/N <ul style="list-style-type: none"> <li>○ If yes, please provide Code citation granting authority (fill in the box) (200 characters)</li> </ul> </li> <li>5. The agency has the authority to suspend or remove bank officers, directors and employees. Y/N <ul style="list-style-type: none"> <li>○ If yes, please provide Code citation granting authority (fill in the box) (200 characters)</li> </ul> </li> <li>6. The agency has the authority to suspend or remove bank <b>affiliate</b> officers, directors and employees. Y/N <ul style="list-style-type: none"> <li>○ If yes, please provide Code citation granting authority (fill in the box) (200 characters)</li> </ul> </li> <li>7. The agency has the authority to prohibit individuals from serving in any capacity in any other trust company, bank or affiliate the agency regulates. Y/N <ul style="list-style-type: none"> <li>○ If yes, please provide Code citation granting authority (fill in the box) (200 characters)</li> </ul> </li> <li>8. The agency has the ability to assess civil money penalties. Y/N <ul style="list-style-type: none"> <li>○ If yes, please provide Code citation granting authority (fill in the box) (200 characters)</li> </ul> </li> </ol>



9. Agency issued Civil Money Penalties are per violation per day. Y/N
10. Please state specific parameters for civil money penalties. (fill in the box 200 characters)
11. The agency's enforcement powers over non-depository trust companies mirrors statutory bank enforcement powers. Y/N
- If no, please explain. (fill in the box – 500 characters)
  - If yes, please provide Code citation granting authority (fill in the box) (200 characters)
12. The agency deems its current enforcement authority to be adequate and effective. Y/N
- Please provide support for your answer (fill in the box—1000 characters)
13. The agency has statutory authority to automatically appoint the FDIC receiver in the event of a bank closure Y/N
14. The agency has authority to revoke a bank charter. Y/N
15. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 5-D:** The agency must have the following statutory enforcement powers over both banks and holding companies:

1. The agency must have the ability to issue Cease and Desist Orders including emergency C&D's.
2. The agency must have the authority to remove officers, directors and employees; and to prohibit such individuals from serving in any capacity in any other trust company, bank, or bank affiliate that the agency regulates.
3. The agency must have the ability to assess civil money penalties (CMP's) sufficient to deter violations of laws and regulations and violations of orders or agreements. CMP's should be per violation per day.

Agency's Ratings	Value	Rating	Score
	15		

**5. Bank Supervision and Legislation**

**5-E. Policy for and Use of Enforcement Authority**

*Now we will look at the agency's actual use of its enforcement authority and evaluate its effectiveness.*

1. The agency has a written policy or written procedures that require specific corrective action for problem financial institutions. Y/N
2. The agency's normal practice for a bank that is rated a CAMELS composite 3 is to issue: (select all that apply)
  - No enforcement action
  - Board resolution
  - MOU
  - C&D/Consent Order (nonmember); Written Agreement (member)
  - Other: (fill in the box)
3. The agency's normal practice for a bank that is rated a CAMELS composite 4 or 5 is to issue: (select all that apply)
  - No enforcement action
  - Board resolution
  - MOU
  - C&D/Consent Order (nonmember); Written Agreement (member)
  - Other: (fill in the box)
4. The agency procedures require a written explanation of any policy exceptions and approval by senior management. Y/N
5. The agency maintains a record of exceptions in the individual bank files. Y/N
6. Please provide a recap of the number and type of enforcement actions issued for the past 3 years. (fill in the box – 200 characters).
7. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 5-E:** The agency should have a written policy or written procedures that require some type of action for problem institutions. If a "3", "4", or "5" composite rated institution does not have a written enforcement action in compliance with the policy, the file should contain written reasons for exception approved by senior management.

Agency's Rating	Value	Rating	Score
	15		

**5. Bank Supervision and Legislation**

**5-F. Frequency of Banking Code Review/Revision**

*This topic will assess the adequacy of the agency’s review and revision of the banking code.*

- 1. Please provide the date of the last significant revisions of the state banking code. (fill in the box – 50 characters)
- 2. The agency has a process in place to ensure the statutes governing bank regulation remains up to date and sufficient to address current regulatory concerns. Y/N
- 3. Provide an explanation of the agency’s process to ensure statutes remain up to date and sufficient. (fill in the box – 1500 characters)
- 4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 5-F:** The agency must have a process in place to ensure the statutes governing bank regulation remain up to date and sufficient to address current regulatory concerns. If the agency determines an update is necessary, it should have the capability seek and obtain necessary changes via the legislative process.

Agency’s Rating	Value	Rating	Score
	5		

**5. Bank Supervision and Legislation**

**5-G. Involvement in State Legislative Process**

*This topic evaluates the agency's involvement in the State legislative process, including the ability to initiate legislation, review legislation, and otherwise have an impact on legislation affecting the institutions under its purview.*

1. The agency staff periodically meet with state legislators. Y/N
2. The agency has input into proposed legislation regarding areas under its purview. Y/N
3. The agency defends its position regarding pending banking proposals before the legislature. Y/N
4. The agency has the ability to draft amendments to the Code Y/N
5. The agency receives copies of new legislation on a regular basis during the legislative session Y/N
6. Please provide any other comments, and/or upload any additional documents you wish to include (optional).  
(fill in the box – 2500 characters) (upload document option)

**STANDARD 5-G:** The agency should have input into any proposed legislation regarding areas under their purview with adequate opportunity to defend the proposals before the legislature.

Agency's Rating	Value	Rating	Score
	10		

**5. Bank Supervision and Legislation**

**5-H. Involvement in Federal Legislative Process**

*This topic addresses the agency's involvement in the Federal legislative process including Agency employees service on legislative/regulatory committees, testifying before Congress or communication or visits with your Federal Congressmen.*

- 1. Agency staff periodically meet with their federal congress members. Y/N
- 2. The agency participates in the CSBS annual fly-in to Washington, D.C. Y/N
- 3. Agency staff serve on legislative or regulatory committees. Y/N
- 4. Agency staff have testified before Congress on banking matters. Y/N
- 5. Agency staff have participated in one of the above on an annual basis. Y/N
- 6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 5-H:** The agency must have participated in at least one of the following areas on an annual basis:

- Legislative/regulatory committees
- Testifying before congress
- Communication/visits with Federal congress/senate members

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

5. Bank Supervision and Legislation			
<p><b>5-I. Promulgation of Rules and Regulations</b></p> <p><i>This topic will address the agency's formal procedures for promulgating rules and regulations including time frames and emergency procedures.</i></p>			
<p>1. The agency's procedures for the promulgation of the agency rules and regulation follow the administrative procedures act prescribed by state law. Y/N (upload any pertinent documents)</p> <ul style="list-style-type: none"> <li>○ If no, is your agency specifically exempted from such act?</li> </ul> <p>2. The agency has the ability to promulgate "emergency procedures". Y/N</p> <p>3. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)</p>			
<p><b>STANDARD 5-I:</b> Procedures for promulgation of agency rules and regulations must follow the administrative procedures act as prescribed by state law unless the agency is specifically exempt from such an act. "Emergency procedures" must be provided.</p>			
<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

## 6. Mortgage Examination Program

This section evaluates the agency's mortgage examination program. An effective examination program identifies and responds to companies or individuals that pose the greatest risk to consumers as well as provides for a regular examination which covers all licensees on a regular basis. The agency's mortgage examination program must include participation in nationwide agreements that allow for a more streamlined oversight of the mortgage industry.

6. Mortgage Examination Program
<p><b>6-A. Entrance Examination Policy</b></p> <p><i>This topic assesses the agency's policy on conducting an initial entrance examination of a mortgage licensee within a given timeframe. The review team will confirm if licensees receive an initial examination within 18 months of licensure or the start of business activity in the state.</i></p>
<p>1. The agency has a policy to conduct an entrance examination on all its licensees within 18 months of licensure or the start of business activity in the state. Y/N</p> <ul style="list-style-type: none"><li>○ If no, explain (fill in box – 1000 characters)</li></ul>
<p>2. The agency has examined all its new licensees within 18 months of licensure or the start of business within the state. Y/N</p> <ul style="list-style-type: none"><li>○ If no, what percentage of new licensees have gone beyond 18 months without being examined? (fill in box – 10 characters)</li></ul>
<p>3. Describe the process for scheduling these entrance examinations: (fill in the box – 1000 characters)</p>
<p>4. The agency conducts an analysis of the following information to determine the scope of the initial entrance examination:</p> <ul style="list-style-type: none"><li>○ Consumer complaints</li><li>○ Financial statements</li><li>○ MCR data</li><li>○ MLO licensing activity</li><li>○ License items in NMLS</li><li>○ Compliance issues</li><li>○ Other factors (fill in the box – 500 characters)</li></ul>
<p>5. The agency examines the following at the entrance examination (select all that apply):</p> <ul style="list-style-type: none"><li>○ Financial analysis</li><li>○ Internal controls</li><li>○ Company policies and procedures</li><li>○ Supervision of loan originators</li><li>○ Loan officer compensation</li><li>○ Marketing and advertising practices</li><li>○ Sample loan review</li></ul>

- Other areas reviewed: (fill in the box – 500 characters)

6. Upload a current list of licensees, along with their date of initial licensure or, their date of initial loan activity, and the date of their entrance exam. Licensee names should be redacted (upload document required)

7. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-A:** The agency’s written policy on examination frequency must require an examination of the mortgage licensee within 18 months of being granted a license or beginning business in the state. The timeliness and depth of the review must be a result of a formal analysis of the mortgage entity’s Mortgage Call Report (MCR), ratio analysis, complaints and other analytics which may be available to the agency. The agency must demonstrate the ability to meet the policy.

<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>20</b>		

## 6. Mortgage Examination Program

### 6-B. Examination Frequency Policy

*It is important for a mortgage regulatory agency to have a policy and the ability to conduct an examination on all its licensees within an adequate timeframe. This topic evaluates the statutory requirement, agency policy and frequency of examinations of state licensed mortgage entities, and the agency's ability to meet the policies on examination frequency.*

1. The agency has an internal policy which requires mortgage licensees to be examined at least every 60 months. Y/N.

- Explain: (fill in box – 1000 characters)

2. The agency has a statutory requirement that dictates its examination frequency. Y/N.

- If yes, the frequency requirement is: (fill in box – 1000 characters)

	<b>2016</b>	<b>2015</b>	<b>2014</b>
3. Target number of examinations each year			
4. Target % of examinations each year			

5. The agency has examined all its licensees conducting business in the state within the last five years. Y/N

- If no, explain the reason: (fill in box – 1000 characters)

6. The agency has examined at least 20% of its mortgage licensees conducting business in the state in each of the last three years. Y/N

- If no, explain the reason: (fill in box – 1000 characters)

7. The agency bases its examination frequency on off-site monitoring. Y/N



- If yes, explain the off-site monitoring and how it determines the schedule: (fill in box – 1,000 characters)
8. The agency has a rating system that identifies the licensees risk and is a factor in exam scheduling. Y/N
- Explain: (fill in box – 1,000 characters)
9. Upload list(s) of your mortgage licensees or documents used in tracking and/or scheduling examinations. Redact the names of your licensees (upload document required)
10. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-B:** The agency written policy on examination frequency must state that each licensed mortgage licensee (lender, broker, servicer) conducting business in that state be examined at least every 60 months or on a more frequent risk basis dependent on off-site monitoring (complaints, prior enforcement actions, ratings, etc.) The agency must have the ability to meet their examination frequency policy.

The examination policy should include a rating system that identifies the level of risk associated with each licensee and allows for better prioritization of examinations.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>40</b>		

**6. Mortgage Examination Program**

**6-C. Examination Policy on Risk Scoping**

*This topic will evaluate the agency's policy on scoping its examinations based on the risks of the entities.*

1. Agency has a policy/procedure for scoping its examinations based on the risk of the licensee. Y/N
- 2.

<b>Number of Examinations by Type</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Full scope on-site examination			
Limited scope on-site examination			
Full scope off-site desk reviews			
Limited scope off-site desk reviews			
Examinations based on analytical software			
Examinations based on MCR data			
Acceptance of out-of-state origination examinations			
Acceptance of multi-state origination examinations			
Acceptance of CFPB origination examinations			

Acceptance of out-of-state servicing examinations			
Acceptance of multi-state servicing examinations			
Acceptance of CFPB servicing examinations			
Other types of examinations: (fill in box – 500 characters)			
TOTALS			

3. All examinations include, at a minimum, a limited review of loan files. Y/N

4. Describe the process used in determining the scope of the examination, including the number of loan files to review. (fill in box – 1000 characters)

5. Agency has a policy on performing formal reviews of licensees that have no or low volume. Y/N  
 ○ If yes, state what information is reviewed for these licensees: (fill in box – 1000 characters)

6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-C:** The agency must have a policy in place to ensure examinations include an appropriate scope of the examination based on the risk of the licensee.

An examination can include any of the following, based on the risk of the entity:

- on-site examinations
- off-site examinations (desk review)
- limited scope (risk-based) examinations
- examinations based on analytical software
- acceptance of examinations by other states,
- acceptance of multi-state, MMC or CFPB examination

At a minimum, examinations must include a limited review of loan files, with the sample of loan files determined by loan volume and other risk factors. Agencies must have an appropriate policy to perform risk-based reviews of licensees that are low or no volume. This review should include an analysis of data from the Mortgage Call Report.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	20		

## 6. Mortgage Examination Program

### 6-D. Information Sharing Agreements w/ Other Regulatory Agencies

*This topic assesses if the agency entered into any information sharing agreements with other regulatory agencies having jurisdiction over the mortgage industry, as well as how the agency accepts examination reports from other agencies.*

1. The agency has signed all information sharing agreements with other regulatory agencies having jurisdiction over the mortgage industry. Y/N
  - If no, explain: (fill in box – 1,000 characters)
2. The agency has signed the following information sharing agreements (select all the apply):
  - CFPB and CSBS Information Sharing MOU (2011)
  - CFPB-State Supervisory Coordination Framework
  - Nationwide Cooperative Agreement for State Governance of Non-Depository Supervision
  - CSBS/AARMR Nationwide Cooperative Protocol for Mortgage Supervision
  - CSBS/AARMR Nationwide Cooperative Agreement for Mortgage Supervision
  - Information Sharing MOU template between the States and Financial Crimes Enforcement Network (2005)
  - Letter Agreement with FinCEN
  - Information Sharing MOU template between the States and the Internal Revenue Service (2005)
  - U.S. Department of the Treasury Office of Foreign Assets Control MOU (2006)
3. The agency has complied with all applicable information sharing agreements. Y/N
  - If no, explain: (fill in box – 1000 characters)
4. The agency has an internal policy on accepting examinations from other states, the MMC, and the CFPB. Y/N
  - If no, explain: (fill in box – 1000 characters)
5. The agency has accepted examinations from other states. Y/N
  - If yes, the percentage of examinations accepted from other states: (fill in the box – 10 characters)
6. When accepting other states, MMC, or CFPB reports, the agency conducts a review of the licensee for compliance with state-specific laws and regulations. Y/N/NA
  - If no, explain (fill in box – 1000 characters)
7. When accepting other states', MMC, or CFPB reports, the agency sends a letter to the licensee indicating that the examination has been accepted. Y/N/NA
8. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-D:** The agency must have signed all applicable agreements and developed means for assurance of compliance with the protocols.

The agency should have a policy on how it accepts examinations from other states, the CFPB, or multi-state examinations, and the policy should include a review of the licensee’s compliance with state-specific statutes and regulations.

	Value	Rating	Score
Agency’s Rating	10		

**6. Mortgage Examination Program**

**6-E. Ability to Participate in Multi-State Examinations**

*Mortgage companies are becoming licensed in more and more states, and the state’s ability to coordinate its examinations with other states has a large impact in supporting the state system of supervision, and helps reduce regulatory burden on the licensee. This topic determines if the agency has the ability to participate in multi-state examinations.*

- 1. The agency has the ability to participate in MMC examinations and accept those exams in lieu of an independent state examination. Y/N
  - If no, explain (fill in box – 1000 characters)
- 2. The agency has participated in MMC examinations. Y/N
  - If yes, number of examinations participated in the last three years (fill in box – 20 characters)
- 3. The agency has the ability to travel out of state and participate as the Examiner-In-Charge (EIC) on MMC examinations and accept those exams in lieu of an independent state examination. Y/N
  - If no, explain (fill in box – 1000 characters)
- 4. The agency has participated as an EIC on MMC examinations. Y/N

	2016	2015	2014
5. Number of MMC Origination Exams the agency participated in			
6. Number of MMC Servicing Exams the agency participated in			
7. Number of MMC Origination Exams where agency staff was EIC			
8. Number of MMC Servicing Exams where agency staff was EIC			

9. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-E:** The agency must have the ability to participate in the Multi-State Mortgage Committee examinations and accept those reports of examination in lieu of an independent agency report. Additionally, the agency should have the ability to travel out-of-state and participate as the EIC in multi-state examinations.

Agency’s Rating	Value	Rating	Score
	20		

**6. Mortgage Examination Program**

**6-F. Examination Manuals**

*Procedures manuals provide a guide to help ensure your staff is meeting agency objectives and delivering a quality product in a consistent manner. In this topic, you will be asked to tell us more about the manuals used by your agency. For the on-site visit, please have the entire examination manual available for review.*

1. The agency has an examination manual that addresses all types of examinations. Y/N
  - If no, explain (fill in box – 1000 characters)
  
2. The examination manuals include the following topics (select all that apply):
  - Procedures for pre-planning
  - Exam scoping procedures
  - Communication with licensees
  - Loan review sampling
  - Exam rating procedures
  - Exit meetings with management
  - Report writing procedures
  - Procedures for recommending/forwarding to enforcement
  - Compliance with applicable state laws
  - Other topics: (fill in the box – 500 characters)
  
3. Please provide the Table of Contents of your examination manual. (upload document required)
  
4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-F:** The agency must have examination manuals addressing policies and procedures for all types of examinations. These manuals may incorporate or be a duplicate of written training procedures, and should include (but not limited to):

- Procedures for pre-planning
- Exam scoping procedures
- Communication with licensees
- Loan review sampling
- Exam rating procedures
- Exit meetings with management
- Report writing procedures
- Procedures for recommending/forwarding to enforcement
- Compliance with applicable state laws

Agency's Rating	Value	Rating	Score
	20		

**6. Mortgage Examination Program**

**6-G. Review and Transmittal of Report**

*Your agency's review process ensures the report has been prepared consistently with agency guidelines and policies. In this topic, you will be asked to share information about your agency's ability to process the report efficiently and effectively.*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
1. Report turnaround time for your state only problem examinations (from date of exit meeting to issuance of report)			
2. Report turnaround time for your state only non-problem exams (from date of exit meeting to issuance of report)			
3. Agency has a policy to conduct an exit meeting after every examination Y/N			
4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)			

**STANDARD 6-G:** Report turnaround time on examinations of non-problem licensees must average no more than 30 calendar days from the time that the EIC holds the exit meeting with management until the report is transmitted to the mortgage licensee. On problem providers, the average report turnaround time must be no more than 60 calendar days.

The agency must have a policy to conduct exit meetings with management at the conclusion of every examination. Exit meetings can be conducted remotely or in-person.

Agency's Rating	Value	Rating	Score
	10		

**6. Mortgage Examination Program**

**6-H. Working Paper Preparation and Review**

*This topic evaluates the policy and procedures for preparation and review of working papers, including the sharing of working papers with regulatory counterparts and other entities as necessary. For the on-site accreditation review, be prepared to provide a sample of work papers for each type of examination.*

1. The agency has a written policy for examiners to produce working papers which include the following (select all that apply):
  - Overview of files reviewed
  - Documentation supporting violations and concerns
  - Sample of disclosure documents
  - Review of licensee’s written policies and procedures
  - Checklist used for the loan file review
  - Other: (fill in box – 500 characters)
  
2. The agency has a procedure for documenting the independent review of working papers for consistency and completeness. Y/N
  - Explain (fill in the box – 1000 characters)
  
3. Upload the examiner’s working paper checklist, as well as the checklist used for the independent reviewer. (upload document required)
  
4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-H:** A procedure for reviewing working papers must be adopted and adhered to by the agency. Working papers should include: overview of files reviewed, documentation of supporting violations, sample disclosure documents, review of licensee’s written policies and procedures.

Agency’s Rating	Value	Rating	Score
	10		



**6. Mortgage Examination Program**

**6-I. Ability to Examine Mortgage Licensees**

*The purpose of this topic is to determine if the agency has adequately trained examination staff to examine its mortgage licensees.*

**Mortgage Examiners by Position**

Number of Level 1 Examiners  
 Number of Level 2 Examiners  
 Number of Level 3 Examiners  
 Number of Level 4 Examiners  
 Number of Supervisory Examiners (if not listed above)  
 Number of Funded Examiner Vacancies  
**Total Number of Mortgage Examiner Positions**

<u>2016</u>	<u>2015</u>	<u>2014</u>

**Mortgage Examination Staff Tenure**

Number of Examiners Less Than 2 Years  
 Number of Examiners 2 to 5 Years  
 Number of Examiners 5 to 15 Years  
 Number of Examiners Over 15 Years


1. Mortgage examiners are expected to conduct a certain number of examinations per year. Y/N
  - If yes, how many examinations are each examiner expected to complete each year? (fill in box – 500 characters)
2. Mortgage examiners are cross-trained across multiple disciplines (bank, credit union, MSB, etc.) Y/N
  - If yes, explain: (fill in box – 1000 characters)
3. The agency has adequate staff to effectively examine its mortgage licensees. Y/N
  - If no, state the plan to address this: (fill in the box – 1000 characters)
4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-I:** The agency must have adequate staff that has the capability and training to effectively examine mortgage lenders, brokers, and servicers consistent with the agency’s policies, procedures, and work programs.

Agency’s Rating	Value	Rating	Score
	30		

**6. Mortgage Examination Program**

## 6-J. Origination Examination Program

*This topic will evaluate the adequacy of the agency's examination work program for residential mortgage lenders and brokers. This topic area addresses the scope of the examinations, and which aspects of the licensee are examined.*

1. The work program for mortgage lenders/brokers includes a review of the licensee's management. Y/N
  - If yes, select all areas that are reviewed:
    - Hiring and dismissal policies
    - Training policies and manuals
    - Personnel manuals and policies
    - Performance evaluations
    - Compensation structure
    - Knowledge of laws
    - Number of violations
    - Internal controls
    - Quality control procedures
    - Vendor oversight
    - Business Plan
2. The work program for mortgage lenders/brokers includes a financial analysis of the licensee. Y/N
  - If yes, select all areas that are reviewed:
    - Compliance with statutory bond or capital requirements
    - Asset quality
    - Earnings
    - Liquidity
    - Audit procedures
    - Affiliated business arrangements
3. The work program for mortgage lenders/brokers includes a review of the licensee's resolution of consumer complaints. Y/N
  - If yes, does the review include a review of the complaints received by the company? Y/N
4. The work program for mortgage lenders/brokers includes a review of the licensee's compliance with applicable state and federal laws and regulations. Y/N
  - If yes, select all areas that are reviewed:
    - Sample of loan files
    - Disclosure documentation
    - Marketing and advertising practices
    - Compliance officer policies and procedures
5. The examiner(s) have the ability to tailor the examination based on the size and complexity of the lender/broker being examined. Y/N

6. Please provide any other comments, and/or upload any additional documents you wish to include (optional).  
(fill in the box – 2500 characters) (upload document option)

---

**STANDARD 6-J:** The agency must have an adequate program for examining its residential mortgage lenders and brokers. At a minimum, the work program should include a review of the following components:

- Financial condition
- Management
- Regulatory Compliance
- Consumer Protection

	Value	Rating	Score
<b>Agency's Rating</b>	<b>40</b>		

**6. Mortgage Examination Program**

**6-K. Servicing Examination Program**

*This topic will evaluate the mortgage servicer examination work program, if the agency has the statutory authority to examine mortgage servicers. This topic can be rated not applicable.*

---

1. The agency has statutory authority to examine mortgage servicers. Y/N
  - If no, describe if the agency is pursuing obtaining this authority. (fill in the box – 1,000 characters)
2. For licensees that both lend and service loans, the agency conducts separate servicer examinations. Y/N/NA
3. The agency has a work program for examining its mortgage servicers. Y/N/NA
  - If no, explain: (fill in the box – 1000 characters)
4. The work program for mortgage servicers includes a review of (select all that apply):
  - Sample loans serviced by the licensee
  - Disclosures and notices
  - Payment histories
  - Data/system integrity
  - Foreclosure prevention
  - Payoff requests
  - Fair and reasonable fees
  - Record retention
  - Compliance with state and federal laws
  - Other: (fill in the box – 500 characters)
5. Please provide any other comments, and/or upload any additional documents you wish to include (optional).  
(fill in the box – 2500 characters) (upload document option)

<b>STANDARD 6-K:</b> If the agency has the authority to examine mortgage servicers, the agency must have an adequate program for examining mortgage servicers.			
<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	20		

**6. Mortgage Examination Program**

**6-L. Report of Examination**

*This topic will assess the adequacy of the agency's mortgage examination report. The formatting and contents of the examination report should remain consistent throughout the agency and clearly indicate the violations and the actions required by the licensee. For the on-site review, please provide a sample of examination reports for each type of mortgage examinations.*

1. The agency uses a standard template for its mortgage examination reports. Y/N
2. The report of examination adequately identifies the scope of the examination. Y/N
3. The report of examination clearly lists the violations and the deficiencies found during the examination. Y/N
4. The report of examination clearly provides the licensee steps to resolve the violations and/or deficiencies. Y/N
5. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-L:** The agency must produce a consistent reports of examination for its mortgage licensees, which must adequately address the scope of the examination, the violations and deficiencies of the licensee, and the action items required of the licensee.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	20		

## 6. Mortgage Examination Program

### 6-M. Follow-up/Correction of Problems

*This section will evaluate the agency's procedures for following up of problems discovered during an examination.*

1. The agency report of examination informs the licensee of major problem areas. Y/N
2. The agency requires a written response from licensees within 45 days of receipt of the report of examination. Y/N
3. The agency has assigned responsibility for tracking and following-up on late responses, Y/N (fill in the box with the title of the responsible party – 100 characters)
4. The agency has assigned specific person(s) to review report of examination responses. Y/N
5. The licensee's response is retained for future reference in the agency's database. Y/N
6. The agency's most recent EIC is made aware of responses from problem licensees. Y/N
7. The agency staff monitor progress on formal and informal enforcement action plans/ provisions. Y/N
8. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 6-M:** Licensees must respond within 45 calendar days after receipt of the report of examination and/or a transmittal letter. Individuals must be assigned to track and review responses. Notation of reviews must be made and retained in files. The EIC must be made aware of the entity's response as necessary.

Agency's Rating	Value	Rating	Score
	30		

## Section 7 – Mortgage Supervision and Legislation

This section evaluates the agency’s ability to directly assist consumers through response to consumer complaints. The section further evaluates the agency’s ability to properly evaluate a company or individual at the time of application and renewal to determine if they are qualified to be a licensee. The agency must have the ability to properly recognize companies with strong internal controls and good management practices to protect consumers from financial abuse.

<b>7. Mortgage Supervision and Legislation</b>			
<b>7-A. Complaint Resolution System</b>			
<i>This topic will assess the agency’s ability to recognize and respond to complaints filed against licensees.</i>			
<b>Mortgage Supervision / Enforcement Metrics</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
1. Number of mortgage licensee complaints processed			
2. Number of mortgage licensee investigations processed			
3. Number of Mortgage Complaint Processing Staff			
4. The agency has written policies and procedures for processing consumer complaints. Y/N			
5. The agency has sufficient staff for processing consumer complaints in a timely and efficient manner. Y/N			
6. The agency has a procedure to triage complaints and prioritize and ensure matters requiring immediate attention are expedited. Y/N			
7. The agency has the ability to refer complaints to another agency, as needed. Y/N			
8. The agency has an adequate tracking system that includes the following:			
<ul style="list-style-type: none"> <li>○ Contacts with the licensee</li> <li>○ Types of complaints</li> <li>○ Notes on investigation of complaints</li> <li>○ Notes on how complaint was resolved</li> </ul>			
9. Initial action on consumer complaints is taken within 15 days or referred to another agency within 20 days. Y/N			
<ul style="list-style-type: none"> <li>○ If no, explain any exceptions (fill in the box – 1000 characters)</li> </ul>			
10. The agency has a process in place for referring issues to examination or enforcement, if needed. Y/N			

11. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 7-A:** The agency must have written policies and procedures in place to process consumer complaints. Sufficient staff must be trained in the correct procedures for handling of complaints to meet the timeframes within the policy. The agency must have a mechanism to triage the complaints in order to prioritize or risk rate the complaints to ensure serious issues, i.e. foreclosures, are handled within a shorter period of time.

The policy must address the following items at a minimum:

1. A tracking system for contacts with the licensee, types of complaints, investigation of complaints and response to the complainant or referral to the appropriate agency if not within this agency’s jurisdiction.
2. Initial action on consumer complaints within 15 days or referral to another agency within 20 days if necessary. Exceptions should be justified.
3. Procedures for internal sharing of information within the agency to ascertain if an examination should be scheduled based on the number and severity of the complaints against an individual licensee.

<b>Agency’s Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>20</b>		

**7. Mortgage Supervision and Legislation**

**7-B. Licensing/Renewal Process**

*We will evaluate the agency’s licensing and renewal procedures for its mortgage licensees.*

**Mortgage Supervision / Enforcement Metrics**

1. Number of new MLO applicants
2. Number of new mortgage company applicants
3. Number of mortgage license denials
4. Number of voluntary terminations/surrender of mortgage licenses
5. Number of mortgage license revocations
6. Number of Mortgage Licensing Staff

<b>2016</b>	<b>2015</b>	<b>2014</b>

7. The agency has sufficient staff for processing all applications and renewals a timely and efficient manner. Y/N

8. On average, the agency makes a licensing decision on company applications according to statute OR within 60 days. Y/N

9. On average, the agency makes a licensing decision on individual applications according to statute OR within 30 days. Y/N

10. The application requirements adhere to the SAFE Act and NMLS policy requirements, as applicable. Y/N

11. Applications and renewals are tracked to ensure timely processing. Y/N

12. Mortgage company applications address the following (select all that apply):

- Criminal records history on controlling individuals
- Regulatory action disclosure
- Business plans
- Financial performance
- Business Entity Structure
- Bond requirement
- Other: (fill in the box – 500 characters)

13. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 7-B:** The agency must have adequate, trained staff dedicated to processing all applications and renewals. Applications should be turned around and decisions made according to statute or within 60 days. Written procedures should be adopted to address adequate processing of applications and renewals. All application requirements should at a minimum adhere to the SAFE Act requirements, as applicable. The agency must also track applications and renewals for timely processing. The applications, at a minimum, should address the following:

- Criminal records history on controlling individuals
- Regulatory action disclosure
- Business plans
- Financial performance
- Business Entity Structure

Agency's Rating	Value	Rating	Score
	15		



7. Mortgage Supervision and Legislation			
<p><b>7-C. Authority to Examine Mortgage Servicers</b></p> <p><i>We will evaluate the agency's licensing and renewal procedures for its mortgage licensees.</i></p>			
<p>1. The agency has statutory authority to examine mortgage servicers. Y/N</p> <p>2. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)</p> <p><b>STANDARD 7-C:</b> The agency must have the statutory authority to examine mortgage servicers.</p>			
<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	<b>10</b>		

7. Mortgage Supervision and Legislation			
<p><b>7-D. Enforcement Authority</b></p> <p><i>We will try to determine if the agency has adequate enforcement authority.</i></p>			
<p>1. The agency has statutory authority and a written policy addressing its use of enforcement authority on licensees. Y/N</p> <ul style="list-style-type: none"> <li>○ If yes, the authority includes (select all that apply): <ul style="list-style-type: none"> <li>○ The ability to issue Cease and Desist Orders including emergency/temporary C&amp;D's,</li> <li>○ The ability to condition, suspend and revoke licenses,</li> <li>○ The ability to issue other forms of agreement and consent orders,</li> <li>○ The ability to issue fines sufficient to deter violations of laws and regulations and/or violations of orders or agreements,</li> <li>○ The ability to issue investigative subpoenas,</li> <li>○ The ability to issue intent to deny licenses, and</li> <li>○ The ability to deny a license or renewal of a license.</li> </ul> </li> </ul> <p>2. The agency has a written policy addressing the use of enforcement authority on licensees. Y/N</p> <p>3. The policy provides timelines for finalizing enforcement actions. Y/N</p> <p>4. The agency posts enforcement actions to the NMLS. Y/N</p>			

5. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 7-D:** The agency must have a statutory authority and an Enforcement Policy that addresses the following statutory enforcement powers over mortgage entities:

1. The ability to issue Cease and Desist Orders including emergency/temporary C&D's,
2. The ability to condition, suspend and revoke licenses,
3. The ability to issue other forms of agreement and consent orders,
4. The ability to issue fines sufficient to deter violations of laws and regulations and/or violations of orders or agreements,
5. The ability to issue investigative subpoenas,
6. The ability to issue intent to deny licenses, and
7. The ability to deny a license or renewal of a license.

The policy should also address timeframes for finalizing enforcement actions with approved exceptions for noncompliance. The agency should, at a minimum, post all public enforcement actions to NMLS.

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	15		

**7. Mortgage Supervision and Legislation**

**7-E. Use of Enforcement Authority**

*Let's look at the agency's actual use of its enforcement authority and evaluate the effectiveness of disciplinary and enforcement actions.*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
1. Number of administrative actions issued to mortgage licensees			
2. Number of fines issued to mortgage licensees			
3. Dollar amount of fines issued to mortgage licensees (000's omitted)			
4. Number of refunds issued to mortgage consumers			
5. Dollar amount of refunds issued to mortgage consumers (000's omitted)			

6. The agency has a written policy that requires enforcement or corrective action to be taken against a problem licensee. Y/N

7. If action is not taken against a problem licensee, the agency documents the reasons for the exception. Y/N

8. Decisions regarding enforcement actions are signed by senior management. Y/N

9. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 7-E:** The agency takes appropriate action for problem licensees based on their statutory authority and written policy. If a problem licensee does not have a written action in compliance with the policy, the file should contain written reasons for exception approved by senior management.

	Value	Rating	Score
Agency's Rating	15		

**7. Mortgage Supervision and Legislation**

**7-F. Ability to investigate financial abuse and fraud**

*This topic addresses the agency’s ability to investigate financial abuse, fraud and violations of law in the mortgage industry*

- 1. The agency has sufficient staff for investigating financial abuse, fraud and violations of law in the mortgage industry. Y/N
- 2. The agency has the proper legal authority to investigate reports of fraud in the industry. Y/N
- 3. The agency has staff adequately trained in investigative techniques and detection of fraud. Y/N
- 4. The agency has sufficient resources to provide legal support for staff investigating financial abuse and fraud in the mortgage industry. Y/N
- 5. The agency has regular contact with state, local, and federal law enforcement in handling fraud cases. Y/N
- 6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 7-F:** The agency must have sufficient staff to conduct investigations. The agency should have sufficient resources to provide legal support to staff, as necessary

Agency’s Rating	Value	Rating	Score
	10		

7. Mortgage Supervision and Legislation			
<b>7-G. Adequacy of Mortgage Code Review/Revision</b>			
<i>This topic will assess the adequacy of the agency's review and revision of the state's mortgage law.</i>			
<p>1. Please provide the date of the last significant revisions of the state mortgage law. (fill in the box – 50 characters)</p> <p>2. The agency has a process in place to ensure the statutes governing mortgage regulation remains up to date and sufficient to address current regulatory concerns. Y/N</p> <p>3. Provide an explanation of the agency's process to ensure statutes remain up to date and sufficient. (fill in the box – 250 characters)</p> <p>4. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)</p>			
<p><b>STANDARD 7-G:</b> The agency must have a process in place to ensure the statutes governing mortgage regulation remain up to date and sufficient to address current regulatory concerns. If the Agency determines an update is necessary, it should have the capability seek and obtain necessary changes via the legislative process.</p>			
<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

**7. Mortgage Supervision and Legislation**

**7-H. Involvement in State Legislative Process**

*This topic evaluates the agency's involvement in the State legislative process, including the ability to initiate legislation, review legislation, and otherwise have an impact on legislation affecting the institutions under its purview.*

- 1. The agency staff periodically meet with state legislators. Y/N
- 2. The agency has input into proposed legislation regarding areas under its purview. Y/N
- 3. The agency testifies about pending mortgage proposals before the legislature. Y/N
- 4. The agency has the ability to draft amendments to the law. Y/N
- 5. The agency receives copies of new legislation on a regular basis during the legislative session Y/N
- 6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 7-H:** The agency should have input into any proposed legislation regarding areas under their purview with adequate opportunity to testify regarding the proposals before the legislature.

Agency's Rating	Value	Rating	Score
	10		

**7. Mortgage Supervision and Legislation**

**7-I. Involvement in Federal Legislative Process**

*This topic addresses the agency's involvement in the Federal legislative process including agency employees service on legislative/regulatory committees, testifying before Congress or communication or visits with your Federal Congressmen.*

- 1. Agency staff periodically meet with their federal congress members. Y/N
- 2. The agency participates in the CSBS annual fly-in to Washington, D.C. Y/N
- 3. Agency staff serve on legislative or regulatory committees. Y/N
- 4. Agency staff have testified before congress on mortgage matters. Y/N
- 5. Agency staff have participated in one of the above on an annual basis. Y/N
- 6. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)

**STANDARD 7-I:** The agency must have participated in at least one of the following areas on an annual basis:

- Legislative/regulatory committees
- Testifying before congress
- Communication/visits with Federal congress/senate members

<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		

7. Mortgage Supervision and Legislation			
<p><b>7-J. Promulgation of Rules and Regulations</b></p> <p><i>This topic will address the agency's formal procedures for promulgating rules and regulations including time frames and emergency procedures.</i></p>			
<p>1. The agency's procedures for promulgation of the agency rules and regulation follow the administrative procedures act prescribed by state law. Y/N (upload any pertinent documents)</p> <ul style="list-style-type: none"> <li>○ If no, is your agency specifically exempted from such act?</li> </ul> <p>2. The agency has the ability to promulgate "emergency procedures". Y/N</p> <p>3. Please provide any other comments, and/or upload any additional documents you wish to include (optional). (fill in the box – 2500 characters) (upload document option)</p>			
<p><b>STANDARD 7-J:</b> Procedures for promulgation of agency rules and regulations must follow the administrative procedures act as prescribed by state law unless the agency is specifically exempt from such an act. "Emergency procedures" must be provided.</p>			
<b>Agency's Rating</b>	<b>Value</b>	<b>Rating</b>	<b>Score</b>
	5		


