

Commissioners, Deputies, and Mortgage Regulators,

The Multi-State Mortgage Committee (MMC), under delegation from the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) has constructed and published the MMC Mortgage Examination Manual.

The MMC Examination Manual is a supervisory tool the MMC uses as a guide for its examination of Multi-State Mortgage Entities (MMEs). The Manual includes exam procedures for and detailed descriptions of the supervisory areas the MMC focuses on when examining mortgage institutions.

While this manual is tailored to the needs of the MMC and its examination of MMEs, individual states may elect to use the manual in some capacity for their own individual exams. CSBS and AARMR do not make any recommendations in the manual as to how the manual should be used on a state by state basis. Given the differences in state law and supervision approaches, states may use the manual or portions of it, as they see fit.

The MMC has recommended to the CSBS Performance Standards Committee that use of the Manual on an individual state basis not be a performance standard for CSBS Mortgage Accreditation.

The Exam Manual has been assembled by the MMC and state working groups administered by the MMC. Sources consulted and used in forming the text of the manual include existing public documents, guidance, and examination manuals from state regulatory agencies, the FDIC, the FRB, the OTS, the OCC, the FFIEC, FinCEN, the FBI, Fannie Mae, Freddie Mac, the FTC, and HUD.

This Exam Manual will continue to be reviewed and further developed. Adoption of procedures in the manual by the MMC will, in some cases, take time to implement. Additionally, like most state and federal supervisory manuals, this Manual is a guide for examiners and is not intended to hold all examiners to one precise course of action. As always, different exams call for examination strategies which suit the institution being reviewed and the situation at hand.

The Examination Manual is a public document. It can be found on the CSBS and AARMR websites here. Examiners should feel free to share and/or to discuss the manual's contents with any person with a legitimate interest.

Thank you,

Donald Debastiani
Chairman, MMC