

Habitat for Humanity of Catawba Valley

Qualified Loan Originator Policy

Definition

Loan Originators are defined as individuals who are compensated to perform activities such as taking an application for purchase money mortgage or repair loan secured by real property; arranging a credit transaction; assisting a consumer in applying for credit; offering or negotiating credit terms; making an extension of credit; referring a consumer to a loan originator or creditor; or advertising or communicating to the public that any loan origination services can or will be done. Individuals are Loan Originators if they perform these functions, even if a third party lender originates the actual loan.

Purpose

Since Habitat for Humanity of Catawba Valley (HFHCV) staff members perform these activities, the federal Truth In Lending Act (TILA) requires that HFHCV ensures the financial responsibility, character, and general fitness of its individual loan originators.

Procedure

It is HFHCV's policy to qualify staff members who perform the loan originating duties listed above. To qualify loan originators, HFHCV will:

1. Obtain (a) **nationwide** criminal background check, (b) credit report, (c) **OFAC Sanction list search**, and (d) information from the individual loan originator related to any civil, criminal or administrative decision.

2. Determine that the individual meets financial responsibility, character, and general fitness standards. At a minimum, the individual must not have been convicted of (or pleaded to):

- any felony during the last 7 years, or
- any felony involving fraud, dishonesty, breach of trust, or money laundering at any time.

In reviewing and assessing financial responsibility, HFHCV will also consider the existence of:

- current outstanding judgments, tax liens, or other government liens;
- nonpayment of child support; or
- a pattern of bankruptcies, foreclosures, or delinquent accounts. (Debts arising from medical expenses will not be considered.)

In reviewing and assessing character and general fitness, HFHCV will consider:

- any acts of unfairness or dishonesty;
- dishonesty in the course of seeking employment;
- dishonesty concerning qualifications; or

- any disciplinary actions by regulatory or professional licensing agencies.

In addition to the required information, the affiliate will assess other reasonably available information as may come to light.

3. Ensure initial and ongoing training is provided to individual loan originators on both federal and state laws pertinent to the types of loans originated, as required by TILA.

Qualification

The affiliate may determine that the individual meets the standards if there is no significant adverse information. Excepting felonies as listed above, no single factor will necessarily lead to the determination that the individual does not meet the standards for financial responsibility, character, or general fitness. If HFHCV considers all relevant factors and reasonably determines that, on balance, the individual meets the standards as listed above, and if training as required by TILA is successfully completed, the individual will be considered by this affiliate to be a qualified loan originator.