

Enact’s Lender Underwrite (Delegated) Quality Control Reviews

Preparing for a Quality Control (QC) Review

At Enact Mortgage Insurance, we perform three different types of QC Reviews on a regular basis. These reviews ensure compliance to our policies, offer rescission relief, and may serve as a critical tool to help you mitigate operational risk.

TYPE OF REVIEW	PURPOSE	FREQUENCY	ADVANTAGES FOR YOU
Lender Specific	Reviews your files to ensure compliance to our Program Requirements and Underwriting Guidelines.	Generally once or twice a year — depending on loan review results.	Provides rescission relief where no Significant Defects were identified. See Rescission Relief Guide for details.
Random Channel	Reviews files from you along with files from several other lenders to determine overall delegated channel compliance to our Program Requirements and Underwriting Guidelines.	Quarterly. If you are undergoing a Lender Specific Review with files from the same quarter as a Random Channel Review, you will not be required to provide additional loans, we'll use the same files for both.	Provides you with independent feedback on the underwriting quality of your loans. Allows us to identify and create training courses and guideline communications that help you with MI loan origination.
Discretionary	Typically reviews your files with specific high risk characteristics.	Varies based on review type.	

We want to make your next loan review as easy as possible. Each review is a three-step process and your Enact team will assist you every step of the way.

What to Expect

Enact notifies you of a scheduled review via email. Acknowledgement is required within 10 calendar days of receiving the notification. A random group of loans is selected for review unless a specific area of concern is noted.



1. Gathering and Delivering Files to Enact

Timing — Required loan files are due to Enact within 30 calendar days of request for lender specific and discretionary reviews and 14 calendar days for random channel reviews.

Format — We will accept files via secure electronic submission, CD or paper copies.

Data Required — Provide copies of all documents used to underwrite, approve, and close a loan (see Checklist: Preparing for a QC Review on back).

2. Understanding Results

Communicating Preliminary Results — Enact will return preliminary findings, if applicable.

Your Response to Findings — Enact provides you with the opportunity to respond to preliminary findings.

Summary Results and Action Plan — Enact will identify loans that qualify for rescission relief, provide a final results summary and, if needed, an action plan.

3. Formulating Action Plan

Enact will work with you to implement a corrective action plan (if needed) based upon the final summary results of the review. We often provide training and other support to help you address necessary improvements.

(see next page for a review checklist)

Sample Checklist: Preparing for a QC Review

Enact performs QC Reviews on a regular basis to ensure compliance with Program Requirements and Underwriting Guidelines. Your Enact representative will guide you in every step of the review — from collecting and delivering required files to reviewing results and recommending improvements. In general, Enact requires submission of all Origination File and Closing File documents used in connection with the underwriting, approval and closing of a loan. **These documents MAY include:**

- Note:** signed
- Note:** signed for subordinate financing (if applicable)
- Mortgage/Deed of Trust:** signed
- Power of Attorney:** if applicable
- Closing Disclosure:** Buyers final (signed) for subject property
- Closing Disclosure:** Seller final for subject property
- Closing Disclosure:** previously sold home (if applicable)
- Final Title Report**
- Homeowners Insurance Binder or Policy**
- Authorization to Release Information:** signed by borrower
- Affordable Housing Programs:** Homebuyer Education Certificate, borrower authorization for counseling
- 1008:** final, signed
- 1003:** final, signed loan application including Lender Loan Information form, Borrower Information form and Additional Borrower form (if applicable)
- Loan Approval/Underwriting Worksheet with conditions**
- AUS Results (DU/LP) and all required supporting documentation:** final results, showing the decision delivered to Fannie and Freddie.
- Credit documentation:** credit reports and score information disclosure
- Credit documentation:** tax, insurance, HOA verification on other owned property
- Permanent or Non-Permanent Resident Verification:** if applicable
- Income:** paystubs, W2s, tax returns, verbal VOE
- Assets:** bank statements, retirement statements, source of funds for large deposits
- Assets:** evidence of withdrawal and receipt of retirement account funds
- Sales Contract:** final, signed contract showing final sales price
- Appraisal:** form(s) and all required addenda
- Appraisal:** final inspection report

We will accept files via secure electronic submission, CD or paper copies. Contact your Enact representative for assistance throughout the Loan Review process.