MCR Enhancements – 2012.3

Below are the changes to the Mortgage Call Report (MCR) that will take effect with the NMLS 2012.3 release scheduled for July 23, 2012. The changes below will affect both the Financial Condition (FC) and Residential Mortgage Loan Activity Report (RMLA) for Standard and Expanded filers. Please review the changes as they may relate to the submission of the 2nd Quarter 2012, and subsequent, MCR filings. If you have any additional questions please refer to the NMLS Resource Center or contact the NMLS Call Center.

User Roles

- Two user roles will be created with regards to the MCR filing.
    o View Mortgage Call Report Filings – This role will give the assigned user(s) the ability to view a read-only version of the pending MCR filing.
    o Edit Mortgage Call Report Financial Condition Filings – This role will give the assigned user(s) the ability to view, enter, edit, and mark a FC as Ready to Submit on a pending MCR filing. This user cannot create an MCR filing even if the FC is the only component of the filing.
- The existing Create and Submit Mortgage Call Report Filings role will not change.

Email Notifications

- There will be a new subscribe-able company notification: MCR Filing Required. This notification subscription will generate up to 4 different emails for the user(s) who are subscribed. These notifications will be based on the MCR filing requirements and the passing of an entity's FYE or the end of a calendar quarter. The notifications are as follows:
    o Standard Financial Condition (S-FC) Filing Required – Sent at the end of the Fiscal Year for companies required to submit the S-FC.
    o REMINDER: Standard Financial Condition (S-FC) Filing Required – Sent 30 days prior to the S-FC due date.
    o Mortgage Call Report (MCR) Filing Required – Sent at the end of the Calendar Quarter for all companies required to submit the E-FC and E-RMLA or S-RMLA.
    o REMINDER: Mortgage Call Report (MCR) Filing Required - Sent 15 days prior to the MCR due date.

Data Entry Process

- On both the standard and expanded RMLA a CSV upload option will be added to capture Mortgage Loan Originator data. The CSV upload option will be available in addition to the current manual entry and XML upload options.

New Reporting Sections

- The Lines of Credit (LOC) information that is submitted on both the standard and expanded RMLA filings will now be broken out into a new RMLA General form which will NOT be state specific. Many companies have stated that LOC information is not state specific and having it on state-specific forms causes duplicate entry when they have to file multiple RMLAs. This new

form will also include the ability for users to add general notes to the filing that are not state-specific. Subsequently, the LOC information will be removed from the state-specific RMLA forms. The RMLA General form will be required for companies that submit at least one RMLA filing.

New Fields

- On the expanded FC, new data entry fields will be added to the Servicing-Related Non-Interest Income sub section of Schedule C. Residential Portfolio Management and All Other ($) will be collected for the following items: Servicing Fees, Second Mortgages, Reverse Mortgages, Other (C510), Subservicing Fees Earned (including intercompany subservicing fees) (C520), Subservicing Fees Intracompany Only (C530), and Late Fees and Other Ancillary Income (C540). The calculation for the Total Servicing-Related Non-Interest Income (C650) will also be updated to include these new values.
- Data entry fields and calculations that are available on the expanded FC will be made available on the standard FC to allow for a calculation of the Total Gross Income:
  - New data entry fields:
    - Other Secondary Marketing Gains/(Losses) (C440)
    - Other Servicing-Related Income (C640)
    - Other Non-Interest Income (C770)
  - New calculated fields:
    - Net Secondary Marketing Income Gain/(Loss) on Sale (C450)
    - Total Servicing-Related Non-Interest Income (C650)
    - Total Other Non-Interest Income (C780)
    - Total Gross Income (C800)
- On both the standard and expanded FC, a text field will be added to allow companies to submit notes with the filing.
- On both the standard and expanded RMLA, the application data section will be expanded to include Pre-Approval data. Companies will be able to provide line AC062 – Pre-Approval Requests Denied and line AC064 – Pre-Approval Requests Approved but not Accepted.
- On both the standard and expanded RMLA, sub totals were added to the various groupings within the Closed Loan Data section.
- On both the standard and expanded RMLA, line AC810 – Other was added as a purpose for a Reverse Mortgage/HECM.
- On both the standard and expanded RMLA, line AC1100 was added to collect the "Gross Revenue from Operations." This field will be located within the new Revenue Data section.

Updated/Corrected Fields

- On both the standard and expanded RMLA, the label for AC070 will be changed from "Loans Originated" to "Loans Closed and Funded."

Updated/Corrected Calculations

- On the expanded FC, the Rollforward of MSR Valuation Allowance (A130T) will now be a calculated field rather than a data entry field. The calculation will be the sum of Balance at Beginning of Period (A130A) and Change in Valuation Allowance (A130B), where A130B can be a positive or negative value.

- On the expanded FC, the calculation for the Total Amortized MSRs, Net of Valuation Allowance, at End of Period (A140T) was corrected to be the Balance at End of Period (A120T) minus the Balance at End of Period (A130T).
- On the expanded FC, the calculation for the Total Gross Income (C800) mistakenly included the Total Interest Expense (C160). The calculation was correct. Subsequently, the Interest Expense section (C100-C160) will be moved below Total Goss Income on the form.
- On the expanded RMLA, the calculation for Residential Loans Sold (I409) mistakenly included Production Kept in Portfolio/Held for Investment (I403). The calculation was corrected.

New Warnings/Completeness Checks

- On both the standard and expanded FC, a completeness check will be added to verify that the balance sheet balances.
- On both the standard and expanded FC, a data warning will be added to verify that the income figure used on the balance sheet to increase/decrease capital accounts is equal to the Net Income/(Loss) after Corporate Allocations and Minority Interest (D600).
- On both the standard and expanded RMLA, in the Application Data section, a completeness check will be added to verify that the total amount of loan applications is greater than the count, except when they are both zero.
- On both the standard and expanded RMLA, a completeness check will be added to verify that the data entered for closed loans is consistent across the sub-categories. Closed loans are reported by four sub-categories: Loan Type, Property Type, Purpose of Loan or Application, and Lien Status. The total amounts and counts entered within these sub-categories should match; the system will now produce a warning if there is a mismatch.
- On both the standard and expanded RMLA, a completeness check will be added to verify that the data entered in the three sections for Loans Originated (Application Data, Closed Loan Data, and Mortgage Loan Originator Data) are consistent. The total amounts and counts entered within these categories should match; the system will now produce a warning if there is a mismatch.
- On all filings (E-FC, S-FC, E-RMLA, and S-RMLA) a completeness check will be added to not allow the explanatory notes field to be left blank when a data warning exists.

NOTE: Data Warnings will not prevent submission of a FC, however, users must acknowledge that the warnings exist prior the marking a FC as 'Ready to Submit.'

Miscellaneous

- On both the standard and expanded FC there was a button added to the bottom of the page to allow users to fill in zeros in null fields.