

Introduction

Midwest Loan Solutions, Inc. (MLS) is committed to the highest standards of Federal and state borrower compliance. MLS requires all management, employees and third-party originators and vendors to follow these policies and to adhere to these standards.

The purpose of this policy is to ensure MLS and its third party originators are complying with the requirements of the provisions of Federal regulations related to consumer complaints and to implement borrower protection mechanisms as required by Federal regulation.

The standards set out in this policy represent minimum requirements based on applicable legal and regulatory guidance and apply throughout MLS' operations. In accordance with MLS' policy, the Consumer Complaint Management policy and procedures described herein shall apply to all residential mortgage transactions and represent the full scope of products, property types, branches and geographic locations.

Background

The Consumer Financial Protection Bureau (CFPB) has made consumer complaints a major aspect of the regulatory environment. The Dodd-Frank Act requires the CFPB to collect, investigate and respond to complaints as part of its work in protecting consumers. In addition to the complaint system on their website, consumer complaint response is a major component in the analysis of a financial institution's compliance management system. Response to consumer complaints is one of the four interdependent control components of an effective compliance management system, in addition to the compliance program, compliance audit, and board and management oversight.

Review Requirement

MLS requires this policy and procedure to be reviewed no less than annually or when Federal regulation is amended and such amendments apply to MLS and its third party originators.

Consumer Complaint Management

Customer and non-customer complaints may come in many forms. Complaints may be oral or in writing, and they may come directly from the customer or non-customer, his or her attorney or a regulatory agency. The appropriate procedure to follow for handling a customer's complaint depends on the form in which it was received. As an internal control, the complaint will be handled by someone other than the person involved in the complaint, if applicable.

Types of Complaints

A complaint for the purpose of this procedure is any verbal statement or written correspondence which expresses dissatisfaction with a Bank product or service. The following types of consumer complaints should be documented:

- All complaints where a consumer states that he or she wishes to file a complaint
- All complaints in which a consumer states an MLS or third party originator practice or employee interaction was misleading
- All complaints alleging discrimination by MLS or its third party originator

- All complaints that address the MLS' CRA performance
- All complaints in which the consumer threatens to file suit against MLS or its third party originator
- All letters of complaint sent by an attorney on behalf of an MLS or third party originator customer
- All complaints which allege violation of a specific law or regulation or question the legality of a policy or procedure
- All complaints made via a regulatory agency or any government agency

A complaint should be differentiated from “business as usual” customer issues such as:

- Disputes resolved according to a dispute resolution process (Visa disputes, etc.)
- Address corrections/changes
- Account inquiries
- Requests for refund of fee(s), unless the fee is caused by a Bank error
- A comment about MLS or its third party originator’s appearance that does not involve service or products provided

It is not necessary to document these types of issues unless the complaint involves the process or the way these types of services were handled. If it is questionable whether a particular complaint meets this definition, the complaint should be discussed with the department manager and/or treated as a complaint and documented/handled in accordance with this policy.

Sources of Complaints

1. Written Complaint from Regulatory Agency

Typically a complaint letter from a regulatory agency or an attorney would be sent directly to the President of the organization. However, if a letter of this nature is directed to someone other than the President, the letter should be forwarded along with any supporting documentation to the President immediately for resolution and response.

2. Written Customer Complaint

All written complaints should be forwarded to the Department Manager. They will designate the appropriate officer to review and respond to the complaint.

3. Written “E-Mail” Customer Complaint

Any feedback received via MLS or its third party originator’s website or other e-mails should be forwarded to the appropriate department. This type of e-mail constitutes a written complaint and should be handled accordingly.

4. Oral Customer Complaint

The employee who talks to the customer or non-customer is primarily responsible for ensuring that a response is provided. If that employee believes that they are not the appropriate person to handle the complaint, they should refer the matter to an appropriate Department Manager. If a response to an oral complaint results in written correspondence to the complainant, or if the Department Manager believes the situation may not be resolved satisfactorily, the complaint should be treated as a written complaint and each applicable procedure should be followed.