
AUDIT REPORT



CENDANT MORTGAGE CORPORATION
NON-SUPERVISED DIRECT ENDORSEMENT LENDER
MT. LAUREL, NEW JERSEY

2003-KC-1001

OCTOBER 2, 2002

REGION 7 OFFICE OF AUDIT
KANSAS CITY, KS



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| Issue Date | October 2, 2002 |
| Audit Case Number | 2003-KC-1001 |

TO: John C. Weicher, Assistant Secretary for Housing-Federal Housing Commissioner,
Chairman, Mortgage Review Board, H

Roger E. Niesen

FROM: Roger E. Niesen, Regional Inspector General for Audit, 7AGA

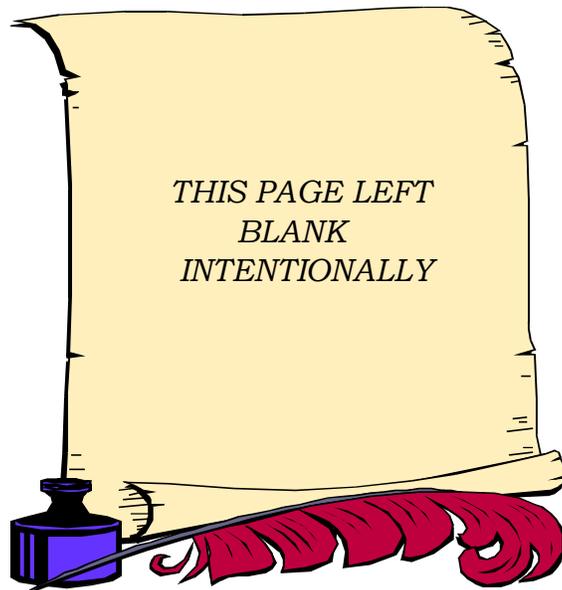
SUBJECT: Cendant Mortgage Corporation, Mount Laurel, NJ

We have completed an audit of Cendant Mortgage Corporation, a non-supervised direct endorsement lender approved to originate Federal Housing Administration insured loans. We selected Cendant for survey because of the high default rate experienced in St. Louis, MO and Kansas City, KS. Our survey objective was to determine if there were indications that Cendant did not comply with HUD regulations, procedures, and instructions in the origination of the Federal Housing Administration-insured single-family mortgages. Our audit objective was to determine how many of Cendant's late requests for endorsement violated HUD's payment requirements.

We reviewed all of Cendant's Federal Housing Administration loans for a 2-year period to ensure that all late endorsement requests were for loans with appropriate borrower payment patterns. We concluded that Cendant improperly submitted 1,307 loans, totaling \$110,905,714 for late endorsement during that period. In addition, we reviewed 80 Federal Housing Administration defaulted loans, totaling \$5,255,952 that were originated by Cendant under HUD's 203(b) or 234(c) programs. We concluded that Cendant did not originate 73 of the 80 loans in accordance with HUD's requirements. Our report contains two findings with recommendations requiring action by your office.

In accordance with HUD Handbook 2000.06 REV-3, within 60 days please provide us, for each recommendation without management decisions, a status report on: (1) the corrective action taken; (2) the proposed corrective action and the date to be completed, or (3) why action is considered unnecessary. Additional status reports are required at 90 days and 120 days after report issuance for any recommendation without a management decision. Also, please furnish us copies of any correspondence or directives issued because of the audit.

Should you or your staff have any questions, please contact me at (913) 551-5870.



Executive Summary

We have completed an audit of Cendant Mortgage Corporation, a non-supervised direct endorsement lender approved to originate Federal Housing Administration insured loans. We selected Cendant for survey because of the high default rate experienced in the St. Louis, MO and Kansas City, KS regions. Our survey objective was to determine if there were indications that Cendant did not comply with HUD regulations, procedures, and instructions in the origination of the Federal Housing Administration-insured single family mortgages. Our audit objective was to determine how many of Cendant's late requests for endorsement violated HUD's payment requirements.

Cendant Improperly Submitted Late Requests for Endorsement

Cendant Mortgage Corporation improperly submitted 1,307 loans totaling more than \$110 million for endorsement more than 60 days after closing when the borrowers had delinquent payments prior to submission. HUD subsequently endorsed all of the loans for insurance. Cendant did not have adequate procedures to ensure its employees followed HUD's requirements regarding late submission of loans for endorsement. These inappropriately submitted loans significantly increased the risk to the Federal Housing Administration insurance fund.

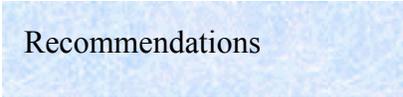
Controls Over Loan Originations Need Improvement

Cendant Mortgage Corporation did not adhere to prudent lending practices when processing 73 of the 80 loans we examined during our audit. Cendant's loan files contained potential fraud indicators, inadequate ratios, undocumented gifts, conflicting W-2 forms, insufficient assets, and inconsistent and unverified income. The deficiencies occurred because Cendant did not have controls to ensure the loans were processed in accordance with HUD/Federal Housing Administration requirements. As a result, HUD lacks assurance borrowers qualified for 73 loans totaling over \$4.9 million.

Because HUD relied on Cendant's loan origination process, HUD assumed abnormally high risk when it insured the 1,366 loans totaling over \$114,883,596 (this takes into account that fourteen loans in Finding 1 were also included in Finding 2). As of August 31, 2002, HUD paid claims on 57 of the loans and has experienced a loss of \$594,591 on the 25 properties that have been sold.

We provided our draft findings and narrative case presentation to Cendant following the audit. We held an exit conference with Cendant on September 20, 2002. Cendant provided written comments to our findings on September 27,

2002. We incorporated excerpts of the comments into our report as appropriate. The complete text of the comments, excluding voluminous appendices and attachments that are not required for understanding, is contained in Appendix F. We included the two appendices in which Cendant describes controls it has implemented pertaining to our findings. We provided a complete copy of Cendant's response to the Action Official addressed in this report.



Recommendations

We recommend that the Assistant Secretary for Housing-Federal Housing commissioner, and Chairman, Mortgage Review Board take appropriate action against Cendant Mortgage Corporation based on the information contained in the findings. This action should, at a minimum, include requiring indemnification for 1236 loans. We also recommend that the Mortgage Review Board require Cendant and the Office of Housing to take actions necessary to protect the insurance fund against future losses.

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Abbreviations:

COLA – Cost of Living Adjustment
FHA – Federal Housing Administration
HUD – Department of Housing and Urban Development
IRS – Internal Revenue Service
LES – Leave and Earnings Statement
LP – Loan Prospector
MCAW – Mortgage Credit Analysis Worksheet
OIG – Office of Inspector General
TAF – Temporary Assistance to Families
VOE – Verification of Employment
YTD – Year-to-date

Introduction

HUD approved Cendant Mortgage Corporation as a non-supervised direct endorsement lender on January 29, 1980. Cendant originates Federal Housing Administration insured loans, Veterans Administration loans and conventional loans. Between October 1, 1999 and September 30, 2001, Cendant originated 49,357 loans totaling \$4,599,906,111 under Federal Housing Administration programs. As of April 29, 2002, HUD had endorsed the insurance on all of these loans. Prior to October 1, 1999, Cendant had originated just 40,042 Federal Housing Administration insured mortgages since it began originating them in 1980. For the period August 1, 1999 through July 31, 2001, there were 80 mortgages originated under the jurisdiction of the St. Louis and the Kansas City HUD Offices that defaulted within the first 2 years. For these offices, Cendant's default rates were more than twice HUD's average.

Cendant Mortgage Corporation processes its mortgages through a centralized operation in its home office in Mount Laurel, New Jersey. It has branch office identification numbers assigned to locations throughout the country, but no processing is done at these offices. The majority of Cendant's business is derived from incoming toll free telephone calls to Mount Laurel from applicants. Sales consultants, counselors, and underwriters located in Mount Laurel originate Federal Housing Administration insured mortgages. Customers first talk to a loan consultant who takes the customers' information over the phone and advises them if they are pre-approved. Next, loans are sent to a counselor, who gathers all the documentation through the mail to support the information verbally provided in prior phone calls. Loan files are then sent to underwriters, who review the documentation and approve the loans if they meet the minimum standards to qualify. After closing, the Post Closing/File Completion staff gets the documentation from the title agent and prepares the loan files for submission to HUD for endorsement.

Audit Objectives

Our survey objective was to determine if there were indications that Cendant did not comply with HUD regulations, procedures, and instructions in the origination of the Federal Housing Administration-insured single-family mortgages. Our audit objective was to determine how many of Cendant's late requests for endorsement violated HUD's payment requirements.

Audit Scope and Methodology

During our audit, we performed tests for compliance with HUD's requirements for the origination of Federal Housing Administration insured loans. We reviewed all (80) St Louis and Kansas City loans that had gone into default within the first two years to determine if the files contained adequate support to justify approval of the loans. We reviewed the payment histories for all 20,122 loans that were submitted for endorsement more than 60 days after closing to ascertain if there had been delinquent payments before the loans were submitted for endorsement.

We interviewed HUD's management and staff to obtain background information on Federal Housing Administration programs, Federal Housing Administration requirements and Cendant Mortgage Corporation. We interviewed Cendant's management and staff to determine the process for originating Federal Housing Administration insured loans and submitting them for endorsement. We reviewed Cendant's loan origination procedures for an understanding of how the process is supposed to work. We reviewed HUD's and Cendant's Federal Housing Administration mortgage files to determine if proper procedures had been followed for loan origination. Finally, we reviewed data from Cendant to determine if late requests for endorsement were proper.

We tested all 80 loans under the jurisdiction of the St. Louis and Kansas City HUD offices that were originated and went into default within the two-year period from August 1, 1999 through July 30, 2001 to determine if the loans were properly originated. We tested all 49,357 loans nationwide for the two-year period October 1, 1999 through September 30, 2001 to determine if the loans were submitted for endorsement late. We identified 22,108 late endorsement requests, which we tested to determine if the borrowers had late mortgage payments prior to Cendant requesting endorsement. Data limitations prevented us from testing 1,986 of the 22,108 loans.

To achieve the assignment's objectives we relied on computer-processed data contained in the Alltel system used by Cendant and HUD's Single Family Data Warehouse.

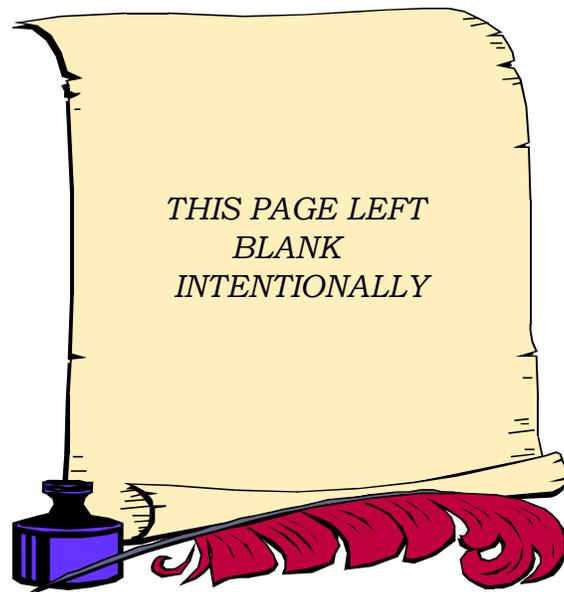
Specifically, we relied on the submission dates and payment histories contained in Cendant's systems. We used the submission dates provided, as long as the reported date did not occur after the endorsement date. We also relied on the closing dates and endorsement dates contained in HUD's system. We used the mortgage amount and claims status from HUD's system for information purposes only.

We assessed the reliability of this data including assessing relevant general and application controls, which we found to be adequate. We also conducted sufficient tests of the data. Based on these tests and assessments we concluded the data are sufficiently reliable to be used in meeting the

assignment's objective.

We performed audit work from August 2001 through May 2002. The survey and audit covered the period August 1, 1999 through September 30, 2001. We extended the review, where appropriate, to include other periods. The Audit was conducted in accordance with generally accepted government auditing standards.

We provided a copy of this report to the President of Cendant.



Cendant Improperly Submitted Late Requests for Endorsement

Cendant Mortgage Corporation improperly submitted 1,307 loans totaling over \$110 million for endorsement more than 60 days after closing when the borrowers had delinquent payments prior to submission. HUD subsequently endorsed all of the loans. Cendant did not have adequate procedures to ensure its employees followed HUD's requirements regarding late submission of loans for endorsement. These inappropriately submitted loans significantly increased the risk to the Federal Housing Administration insurance fund.

HUD Requirements

HUD requires that loans submitted more than 60 days after closing meet certain late request standards, including a standard that the borrower has made all payments up to the time of submission within the calendar month due, or at a minimum, made 6 consecutive payments within the calendar month due.

HUD Handbook 4165.1 contains instructions to mortgagees for late requests for endorsement. Late request for endorsement procedures apply if the mortgage is submitted to HUD for endorsement more than 60 days after closing. The degree of risk to the Department must be no greater than existed at the time of closing in order for the mortgage to be endorsed.

For loans submitted more than 60 days after closing, the lender must include several pieces of documentation, including a payment ledger. The ledger must show the payments received, including the payment due for the month in which the case is submitted if the case is submitted after the 15th of the month. The mortgage payments must not be delinquent when submitted for endorsement. The payment ledger must cover the entire period from the first payment due date to the date of submission for endorsement. Each payment must be made in the calendar month due. If a payment is made outside the calendar month due, the lender cannot submit the case for endorsement until six consecutive payments have been made within the proper calendar month when due.

Cendant's Loan Universe

Using HUD's Neighborhood Watch and Single Family Data Warehouse systems, we obtained a list of Cendant's 49,357 loans with first amortization from October 1, 1999 through

September 30, 2001. Of these loans, 4,487 were new construction loans that were not subject to the 60-day submission requirement or were loans terminated without a claim that did not place the insurance fund at risk. Of the remaining 44,870 loans, HUD's system showed that 24,485 had been endorsed more than 60 days after closing. We determined the number of loans submitted more than 60 days after closing by using the submission date provided to us by Cendant and the closing date maintained in HUD's system. If the submission date from Cendant was not provided or was after the endorsement date, we substituted the endorsement date as the submission date. This revealed that 22,108 of the 24,485 loans had actually been submitted for endorsement more than 60 days after closing.

We matched these 22,108 loans with payment history data maintained in Cendant's systems. For various reasons, 1,986 of the loans had no payment history available to test. For the remaining 20,122 loans, we tested them for the presence of untimely payments prior to submission. Specifically, we tested for payments made after the calendar month due, any time within 6 months prior to Cendant submitting the loan for endorsement. See Appendix B for a diagram illustrating this process.

Loans Were Improperly Submitted

For 19,817 of the 20,122 loans we tested, we used the submission date from Cendant's system to determine if submission was timely. When we matched the payment histories for these loans, we found that Cendant had submitted 1,281 loans for late endorsement in spite of the fact that these borrowers had delinquent payments prior to submission.

We tested the other 305 out of 20,122 loans using HUD's endorsement date as the submission date. This was because Cendant had not provided submission dates for 133 loans and Cendant's submission date was after the endorsement date for 172 loans. When we compared the payments for these 305 loans, we found that Cendant had submitted 30 loans for late endorsement even though these borrowers had delinquent payments prior to submission. For 14 of those improper late submissions, we used the endorsement date because the submission date from Cendant was between one day and three months after the endorsement. We reviewed the payment histories for those 14 and determined that all of

them had late payments within 6 months of both HUD's endorsement date and Cendant's submission date, so the date substitution did not affect our conclusion on these loans. For 16 of the 30 loans, we used the endorsement date because Cendant had not provided a submission date. We reviewed each of these loans, and determined that 2 of them had endorsement dates 63 and 64 days after closing (near the 60-day deadline). We did not include these two loans in our finding in order to allow time for receipt and review by HUD. The other 14 loans are included in this finding because the endorsement date was between 86 and 578 days after closing, and HUD's data shows that the case files were received between 75 and 575 days after closing. As a result, we included 28 of the loans we identified with improper payment patterns in this finding.

The 1,281 improper loans plus the 28 improper loans total 1,309 improper loans. We tested these loans to determine if the closing date from HUD's system agreed with the closing date from Cendant's system. We found that in 2 cases, the date reported by Cendant was different. If Cendant's dates were accurate, these loans would not be late submissions. In order to be conservative, we dropped these two loans from this finding.

Therefore, in total, we found that Cendant submitted 1,307 loans for late endorsement even though the borrowers had delinquent payments prior to submission (see Appendix C for a complete list of the 1,307 loans). The mortgages on these improper submissions totaled \$110,905,714. As of March 25, 2002, the delinquency status of these loans was as follows:

| <i>Delinquency Status</i> | <i>Number of Loans</i> | <i>Mortgage Amount</i> | <i>Percent of Total</i> |
|--------------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <i>Current</i> | 700 | \$62,223,565 | 56.1% |
| <i>Over 30 days past due</i> | 106 | 9,736,374 | 8.8% |
| <i>Over 60 days past due</i> | 44 | 4,082,803 | 3.7% |
| <i>Over 90 days past due</i> | 253 | 18,354,510 | 16.5% |
| <i>In Bankruptcy</i> | 49 | 3,878,759 | 3.5% |
| <i>In Foreclosure process</i> | 155 | 12,629,703 | 11.4% |
| <i>Totals</i> | <u>1,307</u> | <u>\$110,905,714</u> | <u>100.0%</u> |

As of August 31, 2002, HUD has paid claims on 44 of these

loans (original mortgage amount \$3,140,785). Eighteen of these properties have been sold, with a loss to HUD of \$454,770. The claims paid on the other 26 loans total \$1,773,061, with an indeterminate loss at this point. The total loss to HUD for these loans will not be known until the properties are sold. The mortgage amount on the remaining 1,263 loans totals \$107,764,929. These loans represent an increased risk to the insurance fund.

Also, as of August 31, 2002, the insurance has been terminated without a claim on 126 of these loans with original mortgage amounts totaling \$13,334,209. Although these loans were improperly submitted for endorsement, they no longer represent a risk to the insurance fund because the insurance is no longer active. The remaining number of loans with active insurance is 1,137, totaling \$94,430,720.

Some of the 80 loans with underwriting deficiencies identified in Finding 2 of this report were also included in this testing for late submission deficiencies. This finding includes 14 loans totaling \$933,330 that are also reported as having underwriting deficiencies in Finding 2.

Cendant's Controls Are Not Adequate

Cendant did not have adequate procedures to ensure its employees followed HUD's requirements. Cendant's File Completion/Post Closing Department is responsible for submitting closed loans to HUD for endorsement. This Department was created in April 2000 and has nearly doubled in size since then in an attempt to keep up with Cendant's increase in mortgage volume. The Manager of the File Completion/Post Closing Department said that because of the rapid growth, payment histories have not been a focus during this period. He also told us that since June 2001, Cendant has implemented new procedures in an attempt to improve the quality and timeliness of submissions to HUD.

Cendant needs to indemnify HUD for the loans improperly submitted and implement controls that provide assurance employees are following HUD's requirements when submitting loans for endorsement. These indemnifications should include protecting HUD against future losses from the 1,137 loans that are still actively insured, and reimbursing HUD for losses on the 44 loans for which HUD has already paid a claim.



Auditee Comments

Excerpts from Cendant's comments on our draft finding follow. Appendix F, page 257, contains the complete text of the comments.

As Cendant committed to the Philadelphia HOC in April, 2002, Cendant presently submits over 97 percent of its closed FHA loans for insurance within 60 days of closing. To achieve that result, Cendant tightened and streamlined all of its loan submission procedures; retrained all of its specialists on correct submission requirements; developed daily reporting routines; and decreased the workload of its specialists in this area from 41 closed loans to 23 per person per month. Cendant also revised its late submission letter template to explain clearly the reason for late submission and to note expressly that the required payment ledger was attached.

Under these circumstances, the late submission issues highlighted in this draft finding will never occur again. We discuss our submissions processes and procedures in more detail in the attached Appendix #2. (see page 264)

Cendant reviewed the payment histories of all 1,364 loans that the OIG draft audit report noted had been submitted more than 60 days after closing when the borrowers had had delinquent payments prior to submission. (We note that 20,122 loans in total were submitted for FHA insurance during this same audit period.)

Our review of the 1,364 loans cited by the OIG revealed the following.

53 loans had satisfactory payment histories at the time of submission for insurance ("eligible loans").

263 loans, in fact, had a subsequent payment history of at least 6 consecutive months of on-time payments. Accordingly, had Cendant waited for these six timely consecutive payments to have been made, rather than submitting before all six payments were made, these loans would have met all applicable insurance requirements ("acceptable loans").

108 loans have been paid in full and are no longer insured by the FHA.

With respect to the remaining 940 loans, we propose two categories of indemnification: our records indicate that 174 of these loans have been, or are presently, in default. Cendant will indemnify HUD for any losses it may incur with respect to these loans. Our records indicate that the remaining 767 loans are not in default. Cendant proposes to indemnify HUD for any losses it may incur with respect to any of these loans that default within two years of the date of endorsement, regardless of reason.

OIG Evaluation of
Auditee Comments

We commend Cendant for the great strides it has taken towards improvement of its submission process. If the controls described by Cendant are fully implemented, they should prevent future occurrences of improper late submissions.

We reviewed the documentation provided on the 53 loans that Cendant identified as having acceptable pay histories at the time of submission. We agreed that 48 of these loans had acceptable pay histories at the time of submission. We disagreed with Cendant's assertion for 5 loans (In Appendix C, OIG loan #284, 333, 737, 889, and 1343). At the time of submission, the required monthly payment had not been received for each of these loans. We also reviewed the pay histories for 9 loans that are now paid-in-full, and found that they had acceptable pay histories at the time of submission. Accordingly, these 57 loans were removed from our finding. Instead of 1,364 loans, our finding now reports on 1,307 loans.

We reviewed the remaining 1,307 loans and found that the insurance had been terminated without a claim on 126 of these loans. We left these loans in our finding, because they still represented violations at the time of submission. However, we adjusted our recommendation to only request indemnification for the other 1,181 loans. Cendant reported five additional loans as paid-in-full, but HUD did not report the insurance for these loans as terminated as of August 31, 2002. These loans, (In Appendix C, OIG #138, 497, 520, 606, and 1242), are reflected in our report as requiring

indemnification. An alternative would be to ensure the insurance has been terminated.

Cendant provided documentation to evidence that 6 consecutive timely payments were received for 263 loans. We did not review this documentation. It is our position that since the loans did not have the required payment history at the time Cendant submitted them, they were improper submissions that should be indemnified. The fact that at some point in time each loan had 6 timely payments does not negate the fact that when submitted, they did not.

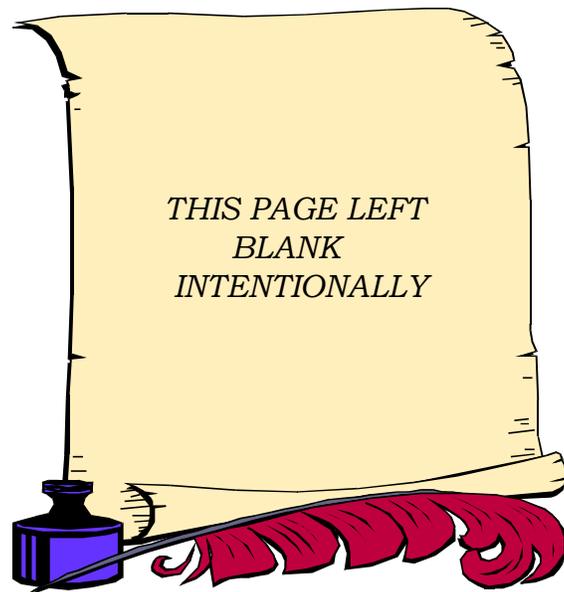
Further, Cendant indicated that 767 of the loans are currently not in default, so it would indemnify for 2 years from the date of endorsement. We believe that this is not a sufficient length of time for indemnification.



Recommendations

We recommend that the Assistant Secretary for Housing-Federal Housing Commissioner, Chairman, Mortgagee Review Board:

- 1A. Take appropriate action against Cendant Mortgage Corporation for not adhering to HUD's requirements for late endorsement requests, including requiring indemnification for 1,181 loans totaling \$97,571,505 that were improperly submitted for endorsement.
- 1B. Verify that Cendant's employees follow appropriate late submission procedures.



Controls Over Loan Origination Need Improvement

Cendant Mortgage Corporation did not adhere to prudent lending practices when processing 73 of the 80 loans we examined for compliance during our audit. Cendant's loan files contained potential fraud indicators, conflicting W-2 forms, inadequate ratios, undocumented gifts, insufficient assets, and inconsistent and unverified income. The deficiencies occurred because Cendant did not have controls to ensure the loans were processed in accordance with HUD/Federal Housing Administration requirements. As a result, HUD lacks assurance that the mortgagors qualified for the 73 Federal Housing Administration insured loans totaling \$4,911,212.

HUD Requirements

Chapter 2-1 of HUD Handbook 4155.1 Rev-4, Chg. 1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four Family Properties requires mortgagees to determine the borrowers' ability and willingness to repay the mortgage debt, and thus, limit the probability of default or collection difficulties. Four major elements are typically evaluated in assessing a borrower's ability and willingness to repay the mortgage debt: stability and adequacy of income; funds to close; credit history; and qualifying ratios and compensating factors.

Chapter 3-1 of HUD Handbook 4155.1 also says that HUD expects the application package to contain sufficient documentation, to support the lender's decision to approve the mortgage loan.

Loans do not adhere to HUD requirements

Our examination of 80 loans totaling \$5,255,952 originated by Cendant between August 1, 1999, and July 31, 2001, disclosed significant origination deficiencies in 73 all 80 cases. Cendant's loan files contained potential fraud indicators, inadequate ratios, undocumented gifts, conflicting W-2 forms, insufficient assets, inconsistent and unverified income, and unsupported assets and liabilities. Following is a detailed description of the discrepancies we identified. A table summarizing these issues follows later in the finding.

Fraud indicators were not resolved.

Cendant's loan files contained various documents with discrepancies that could be indicative of fraud. HUD Handbook 4000.4, 2-4, says that mortgagees are to employ underwriters, who assume responsibility for awareness of the

warning signs that may indicate irregularities, and an ability to detect fraud, as well as the responsibility that underwriting decisions are performed with due diligence in a prudent manner. Although these indicators may have had a legitimate explanation, Cendant did not follow-up to determine whether or not the documents were acceptable. We found evidence of potential fraud in 9 of 80 files. For example, Federal Housing Administration case #291-2724348 has pay stubs that show the borrower is in the Marine Corps. There was no verification of employment done and the borrower had just moved and purchased a home in an area where there is no military base. The borrower indicated that he would only be at the new residence when on leave. FHA guidelines recognize that a borrower's family may decide to live in a state other than a state where a base is located particularly if the active military member may be assigned to a remote duty station. It requires that one of the borrowers' occupy the property as a principal residence for the majority of a calendar year.

W-2's were not verified.

Cendant's loan files contained unverified W-2 information. When documentation is not sufficient to support the lender's decision to approve a loan, the lender is required to clarify or supplement the documentation submitted by the borrower. Six of the 80 loan files we reviewed contained W-2 forms with information that differed from that of the application or did not contain the required W-2 at all. We noted W-2 forms provided by the borrower that had incorrect names, addresses, and employers. This does not necessarily mean that the W-2s were falsified or incorrect, but it is information that needs to be investigated further. The files we reviewed contained no evidence that W-2 discrepancies were explored. For example, Federal Housing Administration case #292-3832940 contained W-2s for the borrower. However, one of the W-2s had the wrong social security number on it. There is no indication that Cendant attempted to resolve this discrepancy.

Loan ratios were too high.

Cendant's loan files contained ratios that exceeded the allowable limits. HUD/Federal Housing Administration allows a mortgage payment-to-income ratio of 29 percent and a total debt-to-income ratio of 41 percent; however, those loans accepted by the loan prospector system do not have to meet these criteria. In 15 of the 80 loans we reviewed (excluding the 37 loan prospector accept loans), we

found ratios that exceeded the allowable limits. This may be acceptable if the lender can prove adequate compensating factors, but in these 15 cases, there were either no compensating factors or the compensating factors were not adequate. For example, Federal Housing Administration case #182-0630382 had a monthly mortgage payment of \$500, recurring expenses of \$136 and welfare and social security income of \$1,316. This resulted in ratios of 37.99 percent and 48.32 percent. These numbers far exceed the 29/41 limits allowed by HUD/Federal Housing Administration. The compensating factors noted in the file were “low-income housing, good residual, and decent credit.” The borrower’s cash reserves after closing (residual) totaled \$540 and their credit history included 5 accounts turned over to agencies for collection in the past 2 years. These are not acceptable compensating factors, as the borrower had neither “good-residual” nor “decent credit”. Low-income housing is not a compensating factor allowed by HUD/Federal Housing Administration.

Gifts were not properly documented.

Cendant’s loan files contained inadequate gift documentation. HUD/Federal Housing Administration has specific requirements for borrowers using a gift to purchase a home. The lender must document the transfer of the funds from the donor to the borrower. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor’s name, address, telephone number, and relationship to the borrower. In 22 of the 80 loans reviewed, there was not adequate documentation of gifts received by the borrowers. These loans either did not contain a completed gift letter or did not have evidence of receipt of the gift. For example, Federal Housing Administration case #292-3881442 contained a note by the loan processor that the “customer is waiting for gift donor to come back from vacation before she receives the gift letter and transition of \$1,000.” The file did not contain a gift letter or evidence that the money was exchanged. There is no evidence that the borrower was ever given a gift.

Assets were not verified.

Cendant’s loan files contained insufficient verification that the borrower had the assets required to close the mortgage loan. Borrowers must provide sufficient documentation to demonstrate that they have the funds required to close the loan. We found that in 39 of the 80 loans reviewed the

borrower did not demonstrate that he or she had enough funds to close the loan. In many cases the lender had no knowledge of how the borrower was able to obtain the required funds, particularly when bank balances were very low or negative. For example, Federal Housing Administration case #292-3832940 needed \$3,520 to close the loan. The assets documentation only verified \$648 in a checking account and \$1,999 in a money market account. This totals \$2,647 and is \$873 short of the amount required.

Income was not verified.

Cendant did not consistently obtain the required income information. Lenders are required to verify the income of potential borrowers. The documentation required for this verification includes pay stubs, verbal or written verification of employment, W-2s, and tax returns (for self-employed borrowers and for commission, fee, and tip income). Forty-six of the 80 loans we reviewed did not have sufficient evidence to support the income reported. Often the income was calculated incorrectly or there were not any pay stubs or verification of employment available. For example, Federal Housing Administration case #291-2653366 states that the income of the borrower is \$3,952.92. The documentation provided only supported the \$3,684.42 in income. There was no verification of employment done.

| SUMMARY OF NON-COMPLIANCE | # OF INSTANCES | % OF LOANS |
|---|-----------------------|-------------------|
| Possible fraud indicators (unexplained discrepancies) | 9 | 11.25% |
| W-2 Different name/address or missing | 6 | 7.50% |
| Inadequate Ratios / Qualifiers | 15 | 18.75% |
| Gift funds not documented | 22 | 27.50% |
| Not enough assets to close | 39 | 48.75% |
| Inconsistent/Unverified Income | 46 | 57.50% |

(See Appendix D for a chart of loan deficiencies and Appendix E for the details on each loan.)

The problems in the above chart are not independent of one another. The numbers in the above chart do not total to 73 because many of the files contained more than one error. Seventy-three of the eighty loans reviewed had a minimum of one problem. Without further investigating the discrepancies, Cendant’s underwriters have no way to

Inadequate Training And Supervision

ensure the borrowers are able to meet their financial obligations.

The staff of Cendant Mortgage Corporation did not adhere to HUD/Federal Housing Administration guidelines when submitting mortgage loans for endorsement. Although Cendant had quality control procedures in place, such as, training manuals, "Federal Housing Administration situationals" on the Intranet site, and update bulletins, there were no controls in place to ensure that Cendant staff adhered to these written policies and procedures. This was due in part to a lack of training and in part to corporate culture that emphasized quantity over quality.

Cendant's mortgage volume increased rapidly in recent years, and Cendant was unable to hire and train staff quickly enough to keep up with the workload. As a result, Cendant put staff on the job before they had received sufficient training. Management now plans to put these employees back through training.

Management also did not provide subordinates appropriate supervision. New underwriters had their work reviewed by experienced peers, but the experienced underwriters were not asked to provide feedback to the new underwriters on their performance. Further, employees were not always trained in the areas in which they worked.

Cendant had quality control procedures in place in addition to the training manuals, "Federal Housing Administration situationals", and update bulletins. Cendant's "File Completion Department" reviewed closed files and ensured the files were complete before they were sent to HUD for endorsement. However, these quality control procedures do not ensure that the documentation was in place and accurate at the time of closing because they are reviews done after closing has already occurred. Therefore, there is no assurance that the borrowers were eligible at the time of closing. In addition, regardless of whether or not the File Completion Department was able to obtain the required information, the loan was submitted for endorsement without proper documentation.

The corporate culture present at Cendant often led to the belief that the loans should close, even if they did not meet

the requirements. Staff who were aware of the documentation and qualification requirements often did not ensure requirements were followed. Cendant Mortgage Company's mission statement is: "We promise to treat customers like family while providing financing for the American dream. The experience will be smooth, easy, and at times, fun. We will do this with unequalled passion." This mission, and the process of customers rating their sales counselors, hindered the sales counselors from pressing the customers to provide the required documentation. Based on staff interviews and observation while reviewing the loan files, we determined that Cendant focused on the quantity of loans at the expense of the quality. Staff was compensated based upon output and customer satisfaction, rather than on the reliability and completeness of the data gathered. If an underwriter failed to approve a loan, the supervisor could reverse their decision, or the counselors would keep bringing the loan back with different scenarios in repeated efforts to get the loan approved. Oftentimes, many employees worked on the same loan file. Because multiple employees worked on the same loan file, it was difficult to assure that a specific employee maintained responsibility for obtaining proper documentation. This created confusion about whether or not the file met the required standards and afforded the opportunity for employees to bypass the controls in place. As a result, loans were approved without proper evaluation. Overall, Cendant was too focused on customer service and failed to ensure that the loans met the standards required by HUD/Federal Housing Administration.

Results of Improperly Underwritten Loans

Poor underwriting results in mortgages being insured by HUD which do not meet the minimum requirements. Because Cendant processes all of its loans in a central location, it is reasonable to expect that these same problems have occurred nationwide. This increases the risk of loss to the HUD mortgage insurance fund. At the time we selected our sample, all 80 loans selected had been in default within 2 years of origination. The status of the 73 loans with deficiencies, as of July 31, 2002, is reflected in the following table:

| <u>Status</u> | <u>Mortgage Amount</u> | <u># of Loans</u> |
|----------------------------------|-------------------------------|--------------------------|
| No Longer in Default | \$1,941,374 | 25 |
| Currently in Default | \$853,983 | 14 |
| In Foreclosure/Foreclosed | \$1,308,298 | 19 |
| Paid a Claim | \$ 807,557 | 15 |
| TOTALS | \$4,911,212 | 73 |

This finding includes 14 loans totaling \$933,330 that are also reported as improper late endorsements in Finding 1. To account for the overlap, our recommendations for this finding only relate to the other 59 loans totaling \$3,977,882. In addition, four of the loans we reviewed, totaling \$333,059, have already been terminated without a claim as of August 31, 2002. These four loans are included in the above chart as brought current after default. Since these four loans no longer represent a risk to the insurance fund, we have removed them from our recommendation. The remaining 55 loans total \$3,644,823.

As of August 31, 2002, HUD has paid a claim on thirteen of the remaining 55 loans. Seven of the thirteen properties have been sold, with a loss to HUD of \$139,821. HUD paid claims on the other six loans totaling \$303,384, with an indeterminate loss at this point. The loss to HUD will not be known until the properties are sold.

Cendant needs to indemnify HUD for the 55 improperly originated loans and implement controls that provide assurance employees are following HUD requirements when originating loans. In addition, because Cendant processes its loans centrally, we believe that all of Cendant's Federal Housing Administration-insured loans processed during this same time period may have the same types of origination deficiencies. Therefore, Cendant should not be paid for any claims for loans originated during this period until the loans undergo a HUD review to ensure they met HUD standards.

Auditee Comments

Excerpts from Cendant's comments on our draft finding follow. Appendix F, page 257, contains the complete text of the comments.

As for the second draft Finding, that highlights certain loan

origination and processing issues, we note the following.

Cendant requires extensive mandatory training of all Cendant employees involved in the loan registration and processing areas, including training on specific issues that are raised by Cendant's Quality Control group and through other audits. Such training has focused on, among other subjects, gift documentation; the purpose and proper completion of required FHA forms; asset documentation; and verbal VOEs. Our training encompasses classroom work (and testing), power point presentations, job aids, an update to extensive on-line resources, underwriting guidelines, and policy and procedure handbooks. We discuss this control environment created by the interface between Underwriting and our processing areas in more detail in Appendix #7. (see page 267 of this audit report)

Cendant also vigorously monitors the work of our loan registration, processing and closing personnel. Our Senior Vice President personally reviews and authorizes, if appropriate, all underwriting exceptions; weekly reviews all loan packages as to which there is an indication that the social security number of the applicant is invalid; weekly reviews and reports on trends involving loan quality; weekly reviews "Batting Average" reports on loan quality with affected loan processors; and monthly receives and reviews reports from senior managers on their progress in completing assigned special projects to improve loan quality. In addition, 50 percent of a supervisor's incentive pay is now tied directly to the quality of the FHA loans originated.

Moreover, Cendant has placed onto each FHA loan processing team underwriters who control the clearing of all conditions and who are directly responsible for preventing loans from closing prematurely. Weekly reports track "unallowed" condition clearing (under 2 percent currently), which allows Cendant to take immediately disciplinary action against the appropriate loan processors. In addition, an IT "block" has been inserted into the loan processing system that prevents loan processors from arranging for the closing of any loan without the prior approval of the underwriter. Specially trained Cendant employees also have been hired to review all HUD-1s prior to disbursement of funds to assure proper documentation of

the minimum required 3 percent investment.

Finally, all loans with “red flag” indicators of potential fraud or failure to adhere to all Cendant requirements are reviewed by the Senior Vice President and investigated in depth by our experienced Quality Control experts. Their results are reported to our Human Relations Department for disciplinary action and, as appropriate, findings are reported to HUD.

With respect to the second Finding, we carefully reviewed each of the 80 defaulted loans cited in the draft OIG draft audit. Our review revealed the following.

Seventy-five percent of the individual audit findings with respect to these 80 loans are explained upon a review of loan file documentation. That results in 38 of the 80 cited loans having no unresolved findings remaining following this review. Additional details about these loans and findings may be found in Appendix #7 (see page 267 of this report). Cendant will indemnify HUD for any losses it may incur with respect to the 42 loans with unresolved findings remaining.

Specifically, of the 15 “fraud indicator” findings cited in the draft OIG audit report, 12 of are fully explained and supported by documentation in the relevant loan files.

Of the 17 findings of improper non-purchasing spouse signatures on the mortgage or security instrument, 14 required this signature in order to establish a valid first lien secured by the property under state law, and that practice expressly is permitted by HUD in its relevant underwriting requirements and Handbook. All 14 of these loans involve property in Missouri, which is a “homestead” state. Missouri law requires a non-purchasing spouse not on title to the property to sign the mortgage or security instrument in order to establish the required lien on the property. The relevant HUD Handbook expressly recognizes and authorizes this practice, and neither Cendant nor HUD, under these circumstances, considers the non-purchasing spouse to be a loan applicant or borrower. Accordingly, a non-purchasing spouse in Missouri is not subject to FHA underwriting requirements and is not required to sign the loan application.

Of the 18 findings in the OIG draft audit report specifying different or missing names or addresses on W-2 forms, 12 are fully explained and supported by documentation in the file.

Of the 18 findings citing inadequate credit ratios or compensating factors, 13 fully conform to all applicable FHA underwriting guidelines.

Of the 25 findings citing inadequate gift fund documentation, 12 are fully supported by documentation in the file.

Of the 39 findings of insufficient assets to close, 21 of the cited loan files contained documentation evidencing sufficient assets.

Of the 50 findings of inconsistent or unverified incomes, 33 of the cited loan files included appropriate documentation of the income upon which the underwriting decision was based.

**OIG Evaluation of
Auditee Comments**

From the initiatives detailed by Cendant in its written response, it sounds as if they are well on the way to tightening their controls. Specifically, linking the incentive pay of supervisors to loan quality and the IT block in the system to prevent unauthorized closings are notable improvements.

Cendant said that it disputed 75 percent of the deficiencies that we cited. In our draft finding, we cited 182 deficiencies in the 80 loan files. Cendant indicated on its Appendix 7 that it disagreed 117 of these. This is a dispute rate of 64%. In total, Cendant believed that 38 of the 80 loans had none of the listed deficiencies.

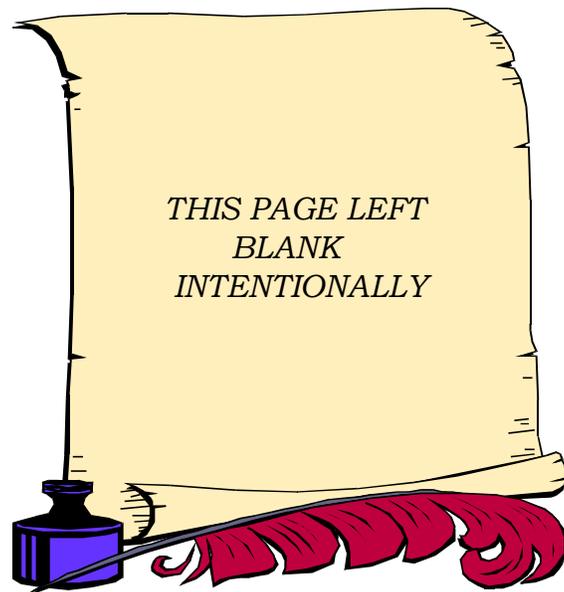
Cendant provided documentation that was sufficient to clear 45 of the individual deficiencies listed on our chart; however, this only removed 7 loans from the finding because most loans had multiple deficiencies. We adjusted the body of this finding to reflect the updated deficiency counts. See

Appendix D for Cendant's detailed comments on each loan and our response.

Recommendations

We recommend that the Assistant Secretary for Housing-Federal Housing Commissioner, Chairman, Mortgagee Review Board:

- 2A. Take appropriate action against Cendant for not complying with HUD's requirements, including requiring Cendant to indemnify HUD/Federal Housing Administration for the 55 loans totaling \$3,644,823 (Appendix D).
- 2B. Verify Cendant has implemented an effective quality control plan that prevents files from being submitted without the appropriate documentation.
- 2C. Require the appropriate HUD Housing office to perform a detailed review of any loan that had first amortization between August 1, 1999 and July 31, 2001 that is subsequently submitted for claim and seek indemnification if the loan was improperly originated.



Management Controls

Management controls include the plan of organization, methods and procedures adopted by management to ensure that its goals are met. Management controls include the processes for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance.

Relevant Management Controls

We determined the following management controls were relevant to our audit objectives:

- Controls over origination of FHA loans.
- Controls over submitting loans to HUD for endorsement.
- Controls over recording mortgage payments.

We assessed the relevant controls identified above.

It is a significant weakness if management controls do not provide reasonable assurance that the process for planning, organizing, directing, and controlling program operations will meet an organization's objectives.

Significant Weaknesses

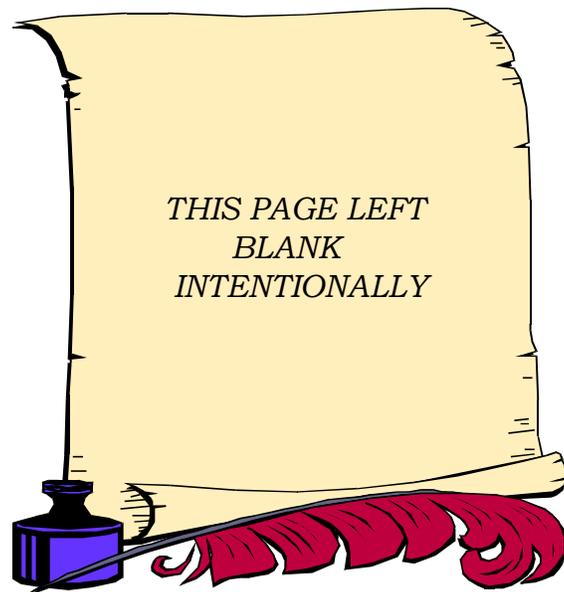
Based on our review, we believe the following items are significant weaknesses:

- Cendant does not have adequate controls to ensure it properly submits closed loans to HUD for endorsement (see Finding 1).
- Cendant does not have adequate controls to ensure it originates its loans in accordance with HUD's requirements (see Finding 2).



Follow Up On Prior Audits

This is the first Office of Inspector General Audit of Cendant Mortgage Corporation.



Schedule of Questioned Costs and Funds Put to Better Use

| <u>Recommendation Number</u> | <u>Type of Questioned Cost</u> | | <u>Funds Put to Better Use 3/</u> |
|----------------------------------|--------------------------------|-----------------------|---------------------------------------|
| | <u>Ineligible 1/</u> | <u>Unsupported 2/</u> | |
| 1A | | | \$110,905,714 |
| 2A | | | \$3,644,823 |

1/ Ineligible costs are costs charged to a HUD-financed or HUD-insured program or activity that the auditor believes are not allowable by law, contract or Federal, State or local policies or regulations.

2/ Unsupported costs are costs charged to a HUD-financed or HUD-insured program or activity and eligibility cannot be determined at the time of audit. The costs are not supported by adequate documentation or there is a need for a legal or administrative determination on the eligibility of the costs. Unsupported costs require a future decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of Departmental policies and procedures.

3/ Funds Put to Better Use are costs that will not be expended in the future if our recommendations are implemented. (discuss the types of Funds Put to Better Use which include:

Costs not incurred, de-obligation of funds, Withdrawal of Interest, Reductions in Outlays Avoidance of Unnecessary Expenditures, Loans and Guarantees not Made, and Other Savings (see DAAMS user's manual Appendix D-73 for definitions)

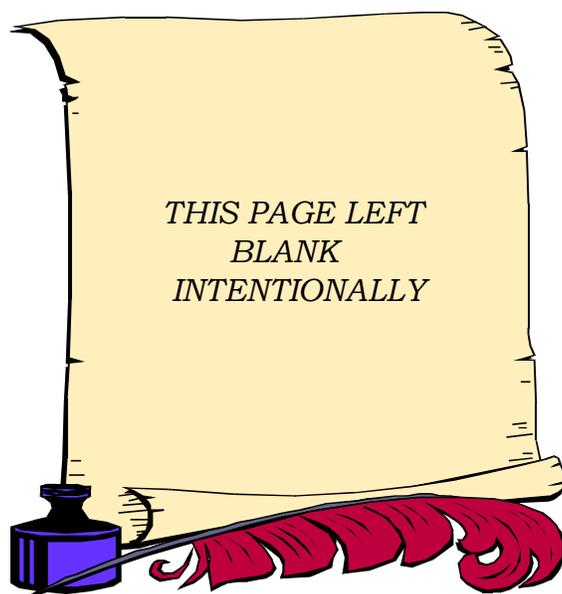
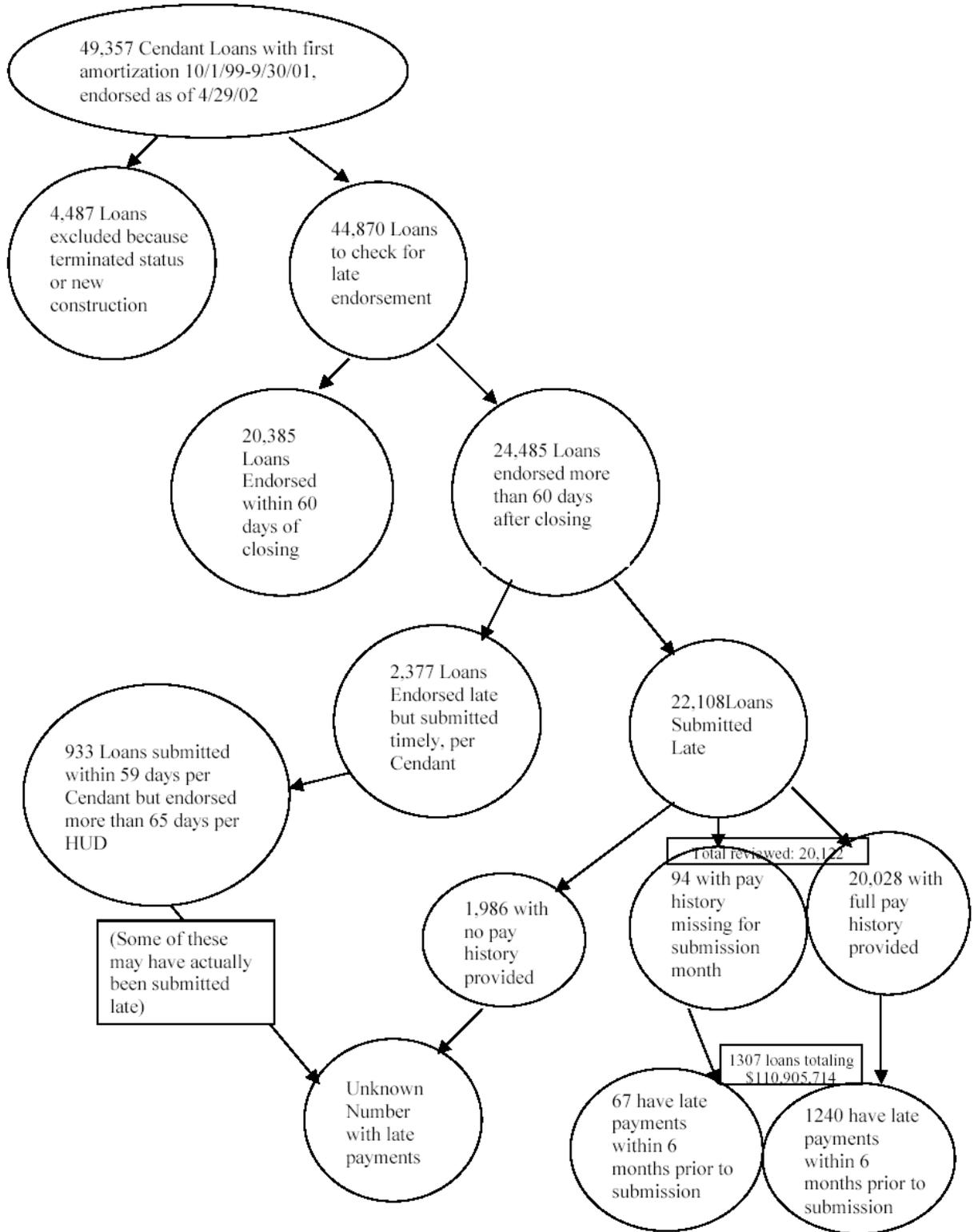
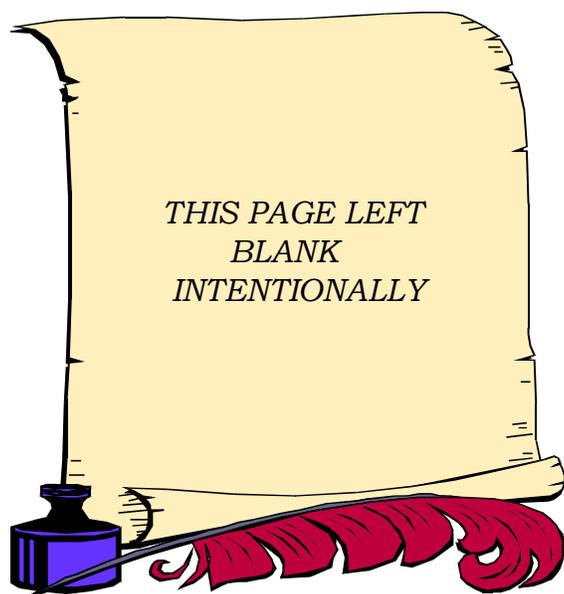


Chart of Loans Examined





Improper Late Submission Details

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|------------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 1 | 011-4537854 | 0004593653 | \$72,960 | 4/11/00 | 4/13/00 | 214 | 3027500139 | 30275 | Atlanta | Current | 3/1/00 |
| 2 | 011-4538604 | 0003471075 | \$85,956 | 7/14/00 | 7/20/00 | 289 | 3027500139 | 30275 | Atlanta | > 90 days | 6/1/00 5/1/00 2/1/00 1/1/00 |
| 3 | 011-4546101 | 0008716797 | \$51,873 | 4/19/00 | 4/24/00 | 162 | 3027500139 | 30275 | Atlanta | > 30 days | 3/1/00 2/1/00 |
| 4 ^{^^} | 011-4558218 | 0002479137 | \$20,194 | 9/6/00 | 9/11/00 | 240 | 3027500139 | 30275 | Atlanta | F/C | 8/1/00 7/1/00 5/1/00 4/1/00 3/1/00 |
| 5 | 011-4572118 | 0010040095 | \$94,402 | 10/5/00 | 10/12/00 | 247 | 3027500139 | 30275 | Atlanta | Current | 7/1/00 |
| 6 | 011-4573789 | 0010062453 | \$119,019 | 7/31/00 | 8/25/00 | 175 | 3027500139 | 30275 | Atlanta | Current | 7/1/00 |
| 7 | 011-4582404 | 0010220333 | \$44,632 | 11/2/00 | 11/7/00 | 254 | 3027500139 | 30275 | Atlanta | > 90 days | 9/1/00 8/1/00 7/1/00 6/1/00 5/1/00 |
| 8 | 011-4583337 | 0010249357 | \$50,287 | 7/20/00 | 7/26/00 | 141 | 3027500139 | 30275 | Atlanta | Current | 7/1/00 6/1/00 |
| 9 | 011-4583357 | 0010252351 | \$64,369 | 10/6/00 | 10/12/00 | 203 | 3027500139 | 30275 | Atlanta | > 90 days | 9/1/00 |
| 10 | 011-4584218 | 0010260792 | \$35,339 | 2/9/01 | 2/13/01 | 338 | 3027500139 | 30275 | Atlanta | Current | 1/1/01 8/1/00 |
| 11 | 011-4584609 | 0010276228 | \$56,970 | 11/27/00 | 12/12/00 | 265 | 3027500696 | 30275 | Atlanta | > 90 days | 10/1/00 9/1/00 8/1/00 7/1/00 |
| 12 | 011-4598708 | 0010450732 | \$38,369 | 6/15/00 | 6/23/00 | 76 | 3027500139 | 30275 | Atlanta | > 90 days | 6/1/00 |
| 13 | 011-4600429 | 0010501641 | \$46,345 | 6/30/00 | 7/13/00 | 67 | 3027500139 | 30275 | Atlanta | Bankruptcy | 6/1/00 |
| 14 ^{^^} | 011-4609326 | 0010979854 | \$54,853 | 10/20/00 | 10/25/00 | 105 | 3027500139 | 30275 | Atlanta | Current | 10/1/00 9/1/00 |
| 15 | 011-4615309 | 0010850550 | \$114,929 | 6/15/01 | 6/22/01 | 392 | 3027500139 | 30275 | Atlanta | > 30 days | 2/1/01 |
| 16 ^{^^} | 011-4617873 | 0010889046 | \$57,970 | 8/10/00 | 8/16/00 | 72 | 3027500139 | 30275 | Atlanta | REO | 7/1/00 |

Appendix C

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|------------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 17 | 011-4619999 | 0010919058 | \$45,436 | 1/26/01 | 1/31/01 | 224 | 3027500139 | 30275 | Atlanta | > 90 days | 1/1/01 12/1/00 11/1/00 10/1/00 |
| 18 | 011-4629235 | 0012242608 | \$58,670 | 12/8/00 | 12/13/00 | 168 | 3027500139 | 30275 | Atlanta | Current | 11/1/00 10/1/00 |
| 19 ^{^^} | 011-4630568 | 0012258737 | \$137,829 | 10/25/00 | 10/31/00 | 96 | 3027500139 | 30275 | Atlanta | > 90 days | 10/1/00 |
| 20 | 011-4635247 | 0012288676 | \$108,444 | 2/20/01 | 2/23/01 | 207 | 3027500139 | 30275 | Atlanta | Current | 2/1/01 11/1/00 |
| 21 ^{^^} | 011-4636078 | 0012293833 | \$59,509 | 10/1/00 | 10/27/00 | 74 | 3027500139 | 30275 | Atlanta | Current | 9/1/00 |
| 22 | 011-4636610 | 0012316030 | \$69,515 | 5/24/01 | 5/24/01 | 289 | 3027500139 | 30275 | Atlanta | Current | 5/1/01 4/1/01 3/1/01 2/1/01 |
| 23 | 011-4650142 | 0012544854 | \$39,891 | 12/15/00 | 12/21/00 | 106 | 3027500139 | 30275 | Atlanta | > 90 days | 12/1/00 |
| 24 | 011-4660185 | 0013210398 | \$49,492 | 3/1/01 | 3/13/01 | 176 | 3027500139 | 30275 | Atlanta | Current | 2/1/01 1/1/01 |
| 25 ^{^^} | 011-4666982 | 0013311295 | \$100,786 | 12/27/00 | 1/17/01 | 92 | 3027500139 | 30275 | Atlanta | Current | 12/1/00 11/1/00 |
| 26 | 011-4668064 | 0013332580 | \$59,509 | 3/5/01 | 3/9/01 | 132 | 3027500139 | 30275 | Atlanta | Current | 1/1/01 |
| 27 | 011-4668353 | 0013334172 | \$85,992 | 2/8/01 | 2/13/01 | 132 | 3027500139 | 30275 | Atlanta | F/C | 1/1/01 |
| 28 | 011-4669388 | 0013328943 | \$50,184 | 3/6/01 | 3/8/01 | 130 | 3027500139 | 30275 | Atlanta | Bankruptcy | 1/1/01 |
| 29 | 011-4674523 | 0013422928 | \$83,313 | 1/9/01 | 1/11/01 | 82 | 3027500139 | 30275 | Atlanta | > 30 days | 12/1/00 |
| 30 | 011-4677752 | 0013482872 | \$46,615 | 6/1/01 | 7/7/01 | 214 | 3027501837 | 30275 | Atlanta | Current | 12/1/00 |
| 31 | 011-4678872 | 0013492368 | \$64,468 | 4/20/01 | 4/30/01 | 171 | 3027501837 | 30275 | Atlanta | Current | 4/1/01 |
| 32 | 011-4682168 | 0013521224 | \$50,485 | 1/15/01 | 2/2/01 | 76 | 3027501837 | 30275 | Atlanta | Current | 1/1/01 |
| 33 | 011-4743215 | 0015064736 | \$87,023 | 3/6/02 | 3/15/02 | 313 | 3027500139 | 30275 | Atlanta | Current | 1/1/02 12/1/01 10/1/01 9/1/01 |
| 34 | 011-4743238 | 0015066012 | \$56,453 | 9/27/01 | 10/11/01 | 140 | 3027500139 | 30275 | Atlanta | Current | 9/1/01 |
| 35 | 011-4756340 | 0014329791 | \$71,872 | 8/6/01 | 8/16/01 | 74 | 3027500139 | 30275 | Atlanta | Current | 7/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 36 | 011-4763001 | 0015367626 | \$69,351 | 10/9/01 | 10/27/01 | 116 | 3027500139 | 30275 | Atlanta | Current | 9/1/01 8/1/01 |
| 37 | 011-4772806 | 0015518822 | \$63,413 | 11/30/01 | 12/5/01 | 176 | 3027501837 | 30275 | Atlanta | Current | 11/1/01 |
| 38 | 011-4781808 | 0015583503 | \$73,841 | 10/29/01 | 11/1/01 | 115 | 3027500139 | 30275 | Atlanta | > 30 days | 10/1/01 |
| 39 | 011-4786046 | 0015718323 | \$73,206 | 2/1/02 | 2/21/02 | 185 | 3027501157 | 30275 | Atlanta | Current | 12/1/01 |
| 40 | 011-4787478 | 0015550528 | \$76,794 | 11/30/01 | 12/5/01 | 143 | 3027500139 | 30275 | Atlanta | Current | 11/1/01 |
| 41 | 011-4791857 | 0015793243 | \$90,492 | 11/20/01 | 12/11/01 | 137 | 3027500139 | 30275 | Atlanta | > 30 days | 11/1/01 |
| 42 | 022-1492376 | 0004439105 | \$35,339 | 9/11/00 | 9/15/00 | 361 | 3027500145 | 30275 | Santa Ana | > 90 days | 8/1/00 7/1/00 6/1/00 5/1/00 4/1/00 |
| 43 | 022-1508674 | 0009480435 | \$88,037 | 8/30/01 | 9/7/01 | 562 | 3027500145 | 30275 | Santa Ana | SEE NOTE 1 | 7/1/01 |
| 44 | 022-1519115 | 0010651420 | \$74,349 | 10/26/00 | 11/20/00 | 167 | 3027500145 | 30275 | Santa Ana | Current | 8/1/00 7/1/00 |
| 45 | 022-1521052 | 0010871549 | \$68,336 | 9/21/00 | 9/27/00 | 118 | 3027500145 | 30275 | Santa Ana | > 30 days | 7/1/00 |
| 46 | 022-1535891 | 0010574077 | \$46,610 | 3/1/01 | 3/8/01 | 182 | 3027500145 | 30275 | Santa Ana | SEE NOTE 1 | 11/1/00 10/1/00 |
| 47 | 022-1580963 | 0015627813 | \$101,097 | 12/20/01 | 12/28/01 | 155 | 3027500145 | 30275 | Santa Ana | Current | 12/1/01 11/1/01 |
| 48 | 023-0057212 | 0003648235 | \$45,131 | 8/21/00 | 8/24/00 | 356 | 3027500145 | 30275 | Santa Ana | > 90 days | 8/1/00 |
| 49 | 023-0132806 | 0009193566 | \$66,897 | 8/14/00 | 8/19/00 | 251 | 3027500145 | 30275 | Santa Ana | SEE NOTE 1 | 5/1/00 |
| 50 | 023-0199793 | 0010121374 | \$130,777 | 9/14/00 | 9/21/00 | 209 | 3027500145 | 30275 | Santa Ana | Current | 4/1/00 |
| 51 | 023-0199808 | 0010097699 | \$92,025 | 9/19/00 | 9/22/00 | 217 | 3027500145 | 30275 | Santa Ana | Current | 6/1/00 5/1/00 4/1/00 |
| 52 | 023-0290708 | 0010635241 | \$94,590 | 7/31/00 | 8/4/00 | 89 | 3027501026 | 30275 | Santa Ana | > 90 days | 7/1/00 |
| 53 | 023-0314879 | 0012234365 | \$114,059 | 8/30/00 | 9/7/00 | 62 | 3027500145 | 30275 | Santa Ana | SEE NOTE 1 | 8/1/00 |
| 54 | 023-0355605 | 0012511572 | \$142,326 | 12/5/00 | 12/8/00 | 113 | 3027500145 | 30275 | Santa Ana | SEE NOTE 1 | 11/1/00 |
| 55 | 023-0382097 | 0013219621 | \$86,201 | 2/16/01 | 2/28/01 | 168 | 3027501026 | 30275 | Santa Ana | > 60 day | 2/1/01 1/1/01 |
| 56 | 023-0397584 | 0013339858 | \$108,832 | 2/20/01 | 2/27/01 | 144 | 3027501026 | 30275 | Santa Ana | Current | 2/1/01 1/1/01 |

Appendix C

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|------------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 57 | 023-0440204 | 0013640024 | \$122,711 | 1/31/01 | 2/6/01 | 84 | 3027501026 | 30275 | Santa Ana | Current | 1/1/01 |
| 58 | 023-0501904 | 0014028849 | \$133,980 | 3/7/02 | 3/13/02 | 372 | 3027502296 | 30275 | Santa Ana | Current | 1/1/02 12/1/01 11/1/01 10/1/01 9/1/01 |
| 59 | 023-0518793 | 0014118590 | \$127,991 | 4/30/01 | 5/7/01 | 66 | 3027501026 | 30275 | Santa Ana | > 30 days | 4/1/01 |
| 60 | 023-0573305 | 0014427090 | \$69,261 | 6/28/01 | 7/5/01 | 79 | 3027502296 | 30275 | Santa Ana | Current | 6/1/01 |
| 61 | 023-0612631 | 0015140429 | \$110,711 | 6/15/01 | 6/21/01 | 70 | 3027502296 | 30275 | Santa Ana | Current | 6/1/01 |
| 62 | 031-2681200 | 0003529021 | \$35,254 | 1/24/00 | 1/27/00 | 131 | 3027500261 | 30275 | Santa Ana | Current | 1/1/00 |
| 63 | 031-2683486 | 0004627063 | \$67,217 | 10/6/00 | 10/11/00 | 379 | 3027500261 | 30275 | Santa Ana | Current | 7/1/00 6/1/00 |
| 64 | 031-2684049 | 0005043435 | \$47,607 | 12/14/99 | 12/17/99 | 82 | 3027500261 | 30275 | Santa Ana | Current | 11/1/99 |
| 65 | 031-2684344 | 0005046941 | \$34,936 | 7/21/00 | 7/27/00 | 283 | 3027500261 | 30275 | Santa Ana | Current | 5/1/00 |
| 66 | 031-2690849 | 0009004938 | \$109,100 | 3/2/00 | 3/7/00 | 118 | 3027500261 | 30275 | Santa Ana | Current | 2/1/00 |
| 67 | 031-2710076 | 0011039898 | \$97,450 | 5/16/00 | 5/19/00 | 98 | 3027500261 | 30275 | Santa Ana | Current | 5/1/00 |
| 68 | 031-2711512 | 0010195162 | \$80,958 | 8/17/00 | 8/22/00 | 177 | 3027500261 | 30275 | Santa Ana | Current | 8/1/00 7/1/00 6/1/00 |
| 69 | 031-2716670 | 0010335057 | \$46,447 | 8/14/00 | 8/22/00 | 95 | 3027500261 | 30275 | Santa Ana | Claims | 7/1/00 |
| 70 | 031-2717725 | 0010356772 | \$64,466 | 8/28/00 | 9/7/00 | 150 | 3027500261 | 30275 | Santa Ana | SEE NOTE 1 | 8/1/00 7/1/00 6/1/00 5/1/00 |
| 71 | 031-2718897 | 0010380244 | \$52,972 | 11/17/00 | 11/17/00 | 212 | 3027500261 | 30275 | Santa Ana | Bankruptcy | 11/1/00 10/1/00 9/1/00 8/1/00 |
| 72 | 031-2730948 | 0010632107 | \$39,834 | 8/8/00 | 8/14/00 | 88 | 3027500261 | 30275 | Santa Ana | > 90 days | 7/1/00 |
| 73 ^{^^} | 031-2731500 | 0010651057 | \$76,960 | 11/10/00 | 11/24/00 | 155 | 3027500261 | 30275 | Santa Ana | > 90 days | 9/1/00 8/1/00 |
| 74 | 031-2731710 | 0010649549 | \$54,054 | 10/25/00 | 11/6/00 | 173 | 3027500261 | 30275 | Santa Ana | REO | 10/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|------------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---------------------------------------|
| 75 | 031-2737004 | 0010909901 | \$84,856 | 10/19/00 | 11/27/00 | 139 | 3027500261 | 30275 | Santa Ana | > 90 days | 8/1/00 7/1/00 |
| 76 ^{^^} | 031-2739629 | 0010924892 | \$65,780 | 10/25/00 | 11/6/00 | 140 | 3027500261 | 30275 | Santa Ana | > 90 days | 10/1/00 9/1/00 |
| 77 | 031-2740163 | 0010978997 | \$84,356 | 1/19/01 | 2/1/01 | 200 | 3027501003 | 30275 | Santa Ana | Current | 1/1/01 |
| 78 ^{^^} | 031-2742923 | 0010980571 | \$82,457 | 9/26/00 | 10/3/00 | 74 | 3027501003 | 30275 | Santa Ana | Bankruptcy | 9/1/00 |
| 79 | 031-2743147 | 0012242335 | Adequate Documentation has been provided. | | | | | | | | |
| 80 | 031-2751006 | 0013295563 | \$124,025 | 2/13/01 | 3/20/01 | 111 | 3027500261 | 30275 | Santa Ana | Current | 12/1/00 |
| 81 | 031-2753217 | 0012467874 | \$71,575 | 11/7/00 | 11/15/00 | 99 | 3027500261 | 30275 | Santa Ana | > 30 days | 10/1/00 |
| 82 | 031-2756061 | 0012570073 | \$73,462 | 12/26/00 | 1/3/01 | 117 | 3027500261 | 30275 | Santa Ana | > 90 days | 12/1/00 |
| 83 | 031-2758896 | 0012635579 | \$82,460 | 11/20/01 | 11/27/01 | 449 | 3027501003 | 39276 | Santa Ana | > 90 days | 11/1/01 |
| 84 | 031-2762508 | 0013227699 | \$123,978 | 4/20/01 | 4/26/01 | 232 | 3027500261 | 30275 | Santa Ana | Current | 4/1/01 3/1/01 2/1/01 12/1/00 |
| 85 | 031-2762701 | 0013223268 | \$51,873 | 2/12/01 | 2/21/01 | 157 | 3027500261 | 30275 | Santa Ana | > 90 days | 1/1/01 |
| 86 | 031-2766039 | 0015757750 | \$83,636 | 1/30/02 | 2/7/02 | 215 | 3027501003 | 30275 | Santa Ana | Current | 10/1/01 |
| 87 | 031-2768943 | 0013370598 | \$94,951 | 5/9/01 | 5/15/01 | 175 | 3027501859 | 30275 | Santa Ana | REO | 1/1/01 |
| 88 | 031-2773677 | 0013472881 | \$82,087 | 3/22/01 | 3/27/01 | 121 | 3027501003 | 30275 | Santa Ana | Bankruptcy | 3/1/01 |
| 89 | 031-2777373 | 0013623509 | \$57,029 | 11/12/01 | 12/13/01 | 343 | 3027500261 | 30275 | Santa Ana | F/C | 5/1/01 |
| 90 | 031-2779692 | 0013674957 | \$42,912 | 4/19/01 | 4/26/01 | 121 | 3027501003 | 30275 | Santa Ana | Current | 3/1/01 |
| 91 | 031-2786918 | 0013851951 | \$94,516 | 7/9/01 | 7/16/01 | 164 | 3027500261 | 30275 | Santa Ana | SEE NOTE 1 | 6/1/01 4/1/01 3/1/01 |
| 92 | 031-2794829 | 0014071294 | \$94,024 | 5/7/01 | 5/11/01 | 69 | 3027501003 | 30275 | Santa Ana | Bankruptcy | 4/1/01 |
| 93 | 031-2795217 | 0014078877 | \$27,563 | 10/1/01 | 10/17/01 | 217 | 3027500261 | 30275 | Santa Ana | Current | 9/1/01 8/1/01 7/1/01 |
| 94 | 031-2797037 | 0014123749 | Adequate Documentation has been provided. | | | | | | | | |
| 95 | 031-2809453 | 0014426605 | \$73,915 | 8/16/01 | 8/23/01 | 125 | 3027501003 | 30275 | Santa Ana | REO | 8/1/01 |
| 96 | 031-2815929 | 0015114101 | \$53,474 | 8/16/01 | 8/22/01 | 100 | 3027500261 | 30275 | Santa Ana | Bankruptcy | 8/1/01 7/1/01 |
| 97 | 031-2817069 | 0015145048 | \$67,063 | 8/27/01 | 9/14/01 | 122 | 3027501003 | 30275 | Santa Ana | F/C | 8/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|---|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 98 | 031-2828084 | 0015154040 | \$71,237 | 7/30/01 | 8/16/01 | 67 | 3027501003 | 30275 | Santa Ana | F/C | 7/1/01 |
| 99 | 042-7653646 | 0013267083 | \$170,360 | 12/7/00 | 12/13/00 | 91 | 3027501049 | 30275 | Santa Ana | SEE NOTE 1 | 11/1/00 |
| 100 | 042-7659002 | 0013405386 | \$182,005 | 6/14/01 | 6/20/01 | 227 | 3027500089 | 30275 | Santa Ana | Current | 5/1/01 4/1/01 3/1/01 2/1/01 1/1/01 12/1/00 |
| 101 | 042-7702986 | 0014498810 | \$184,000 | 1/2/02 | 1/17/02 | 257 | 3027501049 | 30275 | Santa Ana | Current | 11/1/01 10/1/01 |
| 102 | 043-6448754 | 0009100447 | \$64,900 | 7/24/00 | 7/27/00 | 266 | 3027500089 | 30275 | Santa Ana | Current | 7/1/00 6/1/00 5/1/00 4/1/00 3/1/00 2/1/00 |
| 103 | 043-6487706 | 0010052710 | \$109,831 | 9/15/00 | 9/21/00 | 204 | 3027500089 | 30275 | Santa Ana | > 90 days | 9/1/00 8/1/00 |
| 104 | 043-6522548 | 0010406452 | \$138,037 | 6/8/00 | 6/23/00 | 73 | 3027501049 | 30275 | Santa Ana | Claims | 5/1/00 |
| 105 | 043-6590055 | 0012446753 | \$114,059 | 11/14/00 | 11/28/00 | 106 | 3027500089 | 30275 | Santa Ana | Current | 10/1/00 |
| 106 | 043-6669001 | 0013782735 | \$181,647 | 4/11/01 | 4/17/01 | 117 | 3027500089 | 30275 | Santa Ana | Current | 3/1/01 |
| 107 | 043-6673671 | 0013916119 | \$152,840 | 7/19/01 | 7/25/01 | 146 | 3027500089 | 30275 | Santa Ana | SEE NOTE 1 | 7/1/01 6/1/01 |
| 108 | 043-6739160 | 0015117963 | \$117,334 | 7/26/01 | 7/31/01 | 87 | 3027501049 | 30275 | Santa Ana | Current | 7/1/01 |
| 109 | 043-6753293 | 0015282296 | \$175,151 | 1/9/02 | 1/11/02 | 195 | 3027500089 | 30275 | Santa Ana | SEE NOTE 1 | 9/1/01 |
| 110 | 043-6767995 | 0015454119 | \$185,873 | 10/24/01 | 11/7/01 | 146 | 3027500089 | 30275 | Santa Ana | Current | 8/1/01 |
| 111 | 044-3824659 | 0006864615 | \$124,808 | 3/14/00 | 3/17/00 | 71 | 3027500116 | 30275 | Santa Ana | SEE NOTE 1 | 2/1/00 |
| 112 | 044-3826183 | 0003635745 | \$167,500 | 4/27/00 | 5/3/00 | 142 | 3027500116 | 30275 | Santa Ana | Current | 3/1/00 |
| 113 | 044-4015735 | 0015978075 | \$228,009 | 10/19/01 | 10/25/01 | 81 | 3027500116 | 30275 | Santa Ana | SEE NOTE 1 | 10/1/01 |
| 114 | 045-5450105 | 0010668796 | \$90,111 | 8/11/00 | 8/23/00 | 95 | 3027500089 | 30275 | Santa Ana | SEE NOTE 1 | 7/1/00 |
| 115 | 045-5494952 | 0012369393 | \$125,163 | 12/20/00 | 12/27/00 | 134 | 3027500089 | 30275 | Santa Ana | Current | 12/1/00 11/1/00 |
| 116 | 045-5512461 | 0012659926 | \$94,673 | Adequate Documentation has been provided. | | | | | | | |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|------------------|------------------------|----------------------------|--|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 117 | 045-5576864 | 0013864467 | <i>Adequate Documentation has been provided.</i> | | | | | | | | |
| 118 | 048-1990029 | 0009106030 | \$109,831 | 5/17/00 | 5/23/00 | 205 | 3027500116 | 30275 | Santa Ana | Current | 1/1/00 |
| 119 | 048-2059657 | 0001445832 | \$73,448 | 2/9/01 | 3/13/02 | 396 | 3027500116 | 30275 | Santa Ana | Current | 1/1/01 12/1/00 11/1/00 10/1/00 9/1/00 8/1/00 |
| 120 | 048-2247326 | 0010871390 | \$102,157 | 12/20/00 | 12/27/00 | 209 | 3027500116 | 30275 | Santa Ana | Current | 12/1/00 11/1/00 |
| 121 | 048-2313381 | 0011315546 | \$145,798 | 9/13/00 | 9/18/00 | 70 | 3027500116 | 30275 | Santa Ana | SEE NOTE 1 | 8/1/00 |
| 122 [^] | 048-2360851 | 0012585782 | \$165,645 | 12/21/00 | 12/28/00 | 112 | 3027500116 | 30275 | Santa Ana | Current | 12/1/00 11/1/00 |
| 123 | 048-2588194 | 0014080998 | \$124,245 | 6/25/01 | 6/29/01 | 130 | 3027500116 | 30275 | Santa Ana | Current | 6/1/01 |
| 124 | 048-2858143 | 0015559792 | \$159,497 | 11/16/01 | 11/21/01 | 144 | 3027500116 | 30275 | Santa Ana | Current | 11/1/01 10/1/01 9/1/01 |
| 125 | 048-2909540 | 0015799307 | <i>Adequate Documentation has been provided.</i> | | | | | | | | |
| 126 | 052-0853148 | 0004673257 | \$198,969 | 1/4/00 | 1/7/00 | 109 | 3027500122 | 30275 | Denver | SEE NOTE 1 | 12/1/99 11/1/99 |
| 127 | 052-0867051 | 0005047006 | \$163,606 | 8/1/00 | 8/7/00 | 280 | 3027500122 | 30275 | Denver | SEE NOTE 1 | 2/1/00 |
| 128 | 052-0911870 | 0009376898 | \$178,937 | 12/1/00 | 12/11/00 | 399 | 3027500122 | 30275 | Denver | Current | 10/1/00 7/1/00 |
| 129 | 052-0914696 | 0009332859 | \$87,435 | 3/7/00 | 3/7/00 | 98 | 3027500122 | 5366 | Denver | > 90 days | 1/1/00 |
| 130 | 052-0935513 | 0003635000 | <i>Adequate Documentation has been provided.</i> | | | | | | | | |
| 131 | 052-0961276 | 0005126107 | \$90,695 | 7/10/00 | 7/10/00 | 194 | 3027500122 | 5366 | Denver | SEE NOTE 1 | 6/1/00 5/1/00 4/1/00 |
| 132 | 052-0971460 | 0010049328 | \$124,745 | 2/13/01 | 2/20/01 | 379 | 3027500644 | 30275 | Denver | Current | 8/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|-----------------------------------|
| 133 | 052-0980643 | 0010120129 | \$113,861 | 6/21/00 | 6/26/00 | 127 | 3027500122 | 30275 | Denver | > 30 days | 6/1/00 |
| 134 | 052-1050895 | 0010507762 | \$76,687 | 12/20/00 | 1/2/01 | 236 | 3027500122 | 30275 | Denver | Current | 12/1/00 11/1/00 8/1/00 |
| 135 | 052-1074810 | 0010634301 | \$89,604 | 6/29/01 | 7/9/01 | 333 | 3027500122 | 30275 | Denver | > 30 days | 6/1/01 |
| 136 | 052-1119401 | 0011999232 | \$134,970 | 11/30/00 | 12/22/00 | 178 | 3027500122 | 30275 | Denver | Current | 9/1/00 8/1/00 |
| 137 | 052-1177672 | 0012508800 | \$186,254 | 12/12/00 | 12/20/00 | 134 | 3027500122 | 30275 | Denver | SEE NOTE 1 | 11/1/00 |
| 138 | 052-1232099 | 0012689683 | \$124,474 | 9/6/01 | 9/20/01 | 246 | 3027500122 | 30275 | Denver | > 60 day* | 8/1/01 7/1/01 6/1/01 |
| 139 | 052-1232937 | 0013318290 | \$141,684 | 10/17/01 | 10/29/01 | 336 | 3027500122 | 30275 | Denver | F/C | 7/1/01 6/1/01 5/1/01 |
| 140 | 052-1276859 | 0013518196 | \$163,344 | 5/23/01 | 6/4/01 | 205 | 3027500122 | 30275 | Denver | Current | 5/1/01 4/1/01 |
| 141 | 052-1278387 | 0013522719 | \$129,929 | 3/20/01 | 4/5/01 | 112 | 3027500122 | 30275 | Denver | Current | 2/1/01 1/1/01 |
| 142 | 052-1542893 | 0015229727 | \$54,512 | 8/31/01 | 9/6/01 | 123 | 3027501814 | 30275 | Denver | Bankruptcy | 8/1/01 |
| 143 | 061-2044006 | 0004055539 | \$57,230 | 12/16/99 | 12/20/99 | 83 | 3027500043 | 30275 | Philadelphia | Current | 12/1/99 |
| 144 | 061-2046630 | 0004179057 | Adequate Documentation has been provided. | | | | | | | | |
| 145 | 061-2062837 | 0007597172 | \$143,150 | 3/6/01 | 3/12/01 | 487 | 3027500043 | 30275 | Philadelphia | Current | 1/1/01 12/1/00 |
| 146 | 061-2074806 | 0009266040 | \$60,625 | 7/27/00 | 7/31/00 | 212 | 3027500043 | 30275 | Philadelphia | SEE NOTE 1 | 7/1/00 6/1/00 |
| 147 | 061-2109231 | 0010195709 | Adequate Documentation has been provided. | | | | | | | | |
| 148 | 061-2273723 | 0015087927 | \$183,549 | 12/10/01 | 12/14/01 | 161 | 3027501525 | 30275 | Philadelphia | F/C | 11/1/01 |
| 149 | 071-0841552 | 0012406104 | \$67,465 | 10/19/00 | 10/23/00 | 80 | 3027509990 | 30275 | Philadelphia | REO | 10/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 150 | 071-0844267 | 0012365060 | \$78,757 | 5/18/01 | 5/22/01 | 263 | 3027509990 | 30275 | Philadelphia | F/C | 5/1/01 4/1/01 3/1/01 2/1/01 1/1/01 12/1/00 |
| 151 | 071-0849398 | 0013316781 | \$48,960 | 8/13/01 | 8/15/01 | 280 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 2/1/01 |
| 152 | 081-0643788 | 0008965907 | \$119,939 | 2/25/00 | 2/29/00 | 126 | 3027500014 | 30275 | Philadelphia | > 90 days | 2/1/00 |
| 153 | 091-3240281 | 0006694350 | \$51,125 | 8/14/00 | 8/22/00 | 279 | 3027500486 | 30275 | Atlanta | Current | 7/1/00 |
| 154 | 091-3240462 | 0008609844 | \$50,485 | 5/16/00 | 5/23/00 | 217 | 3027500486 | 30275 | Atlanta | > 90 days | 4/1/00 |
| 155 | 091-3249484 | 0009455445 | \$79,959 | 5/23/00 | 6/12/00 | 175 | 3027500486 | 30275 | Atlanta | > 60 day | 5/1/00 3/1/00 |
| 156 | 091-3262757 | 0010025120 | \$61,968 | 9/20/00 | 9/25/00 | 258 | 3027500486 | 30275 | Atlanta | Current | 9/1/00 |
| 157 | 091-3272199 | 0010226553 | \$54,294 | 9/7/00 | 9/14/00 | 183 | 3027500486 | 30275 | Atlanta | > 90 days | 8/1/00 7/1/00 6/1/00 |
| 158 | 091-3272719 | 0010240810 | \$49,980 | 2/22/01 | 2/26/01 | 335 | 3027500486 | 30275 | Atlanta | > 90 days | 2/1/01 1/1/01 12/1/00 |
| 159 | 091-3285922 | 0010466449 | \$42,912 | 10/4/00 | 10/28/00 | 159 | 3027501111 | 30275 | Atlanta | > 90 days | 9/1/00 8/1/00 7/1/00 |
| 160 | 091-3299422 | 0005610993 | \$52,822 | 8/28/00 | 9/7/00 | 81 | 3027500486 | 30275 | Atlanta | Current | 8/1/00 |
| 161 | 091-3304210 | 0010880979 | \$101,848 | 8/29/00 | 9/6/00 | 95 | 3027500486 | 30275 | Atlanta | > 30 days | 8/1/00 |
| 162 | 091-3324976 | 0012435731 | \$69,328 | 12/19/00 | 1/5/01 | 141 | 3027500486 | 30275 | Atlanta | Current | 12/1/00 11/1/00 10/1/00 9/1/00 |
| 163 | 091-3330177 | 0012239422 | \$82,457 | 12/26/00 | 1/5/01 | 131 | 3027500486 | 30275 | Atlanta | F/C | 12/1/00 |
| 164 | 091-3333774 | 0012465811 | \$53,664 | 11/1/00 | 11/8/00 | 82 | 3027500486 | 30275 | Atlanta | > 90 days | 10/1/00 |
| 165 | 091-3334422 | 0012622064 | \$72,962 | 3/19/01 | 3/23/01 | 209 | 3027500486 | 30275 | Atlanta | > 90 days | 3/1/01 |
| 166 | 091-3335910 | 0012654786 | \$70,419 | 4/2/01 | 4/9/01 | 199 | 3027500486 | 30275 | Atlanta | SEE NOTE 1 | 3/1/01 |
| 167 | 091-3340559 | 0013260385 | \$95,166 | 12/8/00 | 12/14/00 | 91 | 3027500486 | 30275 | Atlanta | Current | 11/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 168 | 091-3345454 | 0013360532 | \$48,500 | 2/7/01 | 2/11/01 | 124 | 3027501111 | 30275 | Atlanta | > 90 days | 1/1/01 12/1/00 |
| 169 | 091-3347744 | 0013401740 | \$47,607 | 2/14/01 | 3/9/01 | 131 | 3027501951 | 30275 | Atlanta | > 90 days | 1/1/01 12/1/00 11/1/00 |
| 170 | 091-3349360 | 0013425962 | \$120,246 | 3/15/01 | 3/23/01 | 143 | 3027500486 | 30275 | Atlanta | Current | 2/1/01 1/1/01 12/1/00 |
| 171 | 091-3359590 | 0013633110 | \$124,025 | 4/17/01 | 4/27/01 | 152 | 3027501111 | 30275 | Atlanta | > 90 days | 2/1/01 1/1/01 |
| 172 | 091-3372668 | 0013862107 | \$53,165 | 7/2/01 | 7/9/01 | 178 | 3027501111 | 30275 | Atlanta | Current | 3/1/01 |
| 173 | 091-3383729 | 0014122998 | \$69,451 | 8/1/01 | 8/10/01 | 154 | 3027501939 | 30275 | Atlanta | REO | 7/1/01 6/1/01 5/1/01 |
| 174 | 091-3401159 | 0014134480 | \$80,860 | 6/25/01 | 7/20/01 | 110 | 3027500474 | 30275 | Atlanta | Current | 6/1/01 5/1/01 |
| 175 | 091-3404184 | 0013894514 | \$76,198 | 10/1/01 | 10/29/01 | 95 | 3027500474 | 30275 | Atlanta | Current | 9/1/01 8/1/01 |
| 176 | 091-3417005 | 0015253339 | \$110,353 | 8/27/01 | 9/10/01 | 111 | 3027501134 | 30275 | Atlanta | Current | 8/1/01 |
| 177 | 091-3447479 | 0015674252 | \$98,074 | 10/15/01 | 4/3/02 | 108 | 3027500474 | 30275 | Atlanta | SEE NOTE 1 | 9/1/01 8/1/01 |
| 178 | 092-8012686 | 0003926565 | \$72,462 | 1/20/00 | 1/25/00 | 119 | 3027500474 | 30275 | Atlanta | Current | 1/1/00 12/1/99 |
| 179 | 092-8065564 | 0008670945 | \$75,461 | 1/28/00 | 2/1/00 | 79 | 3027500474 | 30275 | Atlanta | > 90 days | 1/1/00 |
| 180 | 092-8076413 | 0004429486 | Adequate Documentation has been provided. | | | | | | | | |
| 181 | 092-8124315 | 0005466644 | \$118,939 | 6/28/00 | 7/5/00 | 191 | 3027500474 | 30275 | Atlanta | Current | 6/1/00 |
| 182 | 092-8159711 | 0010140994 | \$65,847 | 2/12/01 | 2/26/01 | 360 | 3027500474 | 30275 | Atlanta | > 90 days | 1/1/01 12/1/00 |
| 183 | 092-8177376 | 0010271567 | \$124,025 | 8/29/00 | 9/7/00 | 182 | 3027500474 | 30275 | Atlanta | SEE NOTE 1 | 5/1/00 |
| 184 | 092-8188175 | 0010298149 | \$86,452 | 11/27/00 | 12/1/00 | 255 | 3027500687 | 30275 | Atlanta | > 90 days | 8/1/00 7/1/00 |
| 185 | 092-8226381 | 0010528941 | \$118,439 | 7/18/00 | 7/21/00 | 81 | 3027500474 | 30275 | Atlanta | Current | 6/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 186 | 092-8276126 | 0010934545 | \$101,227 | 8/22/00 | 8/29/00 | 83 | 3027500474 | 30275 | Atlanta | Bankruptcy | 8/1/00 |
| 187 | 092-8332864 | 0010085777 | \$117,940 | 5/7/01 | 5/12/01 | 269 | 3027500474 | 30275 | Atlanta | > 90 days | 1/1/01 |
| 188 | 092-8334763 | 0012444618 | \$63,867 | 2/12/01 | 2/14/01 | 199 | 3027501134 | 30275 | Atlanta | Bankruptcy | 1/1/01 |
| 189 | 092-8338634 | 0012467940 | \$92,735 | 7/3/01 | 7/12/01 | 337 | 3027500474 | 30275 | Atlanta | Current | 1/1/01 |
| 190 | 092-8348943 | 0012522876 | \$107,117 | 2/21/01 | 2/26/01 | 149 | 3027500474 | 30275 | Atlanta | Current | 2/1/01 |
| 191 | 092-8353937 | 0012577599 | \$113,942 | 7/3/01 | 7/11/01 | 307 | 3027500474 | 30275 | Atlanta | Current | 6/1/01 5/1/01 |
| 192 | 092-8422398 | 0013510599 | \$52,785 | 7/20/01 | 8/15/01 | 262 | 3027500474 | 30275 | Atlanta | > 90 days | 3/1/01 2/1/01 |
| 193 | 092-8444630 | 0013727714 | \$91,453 | 2/6/01 | 2/22/01 | 63 | 3027500474 | 30275 | Atlanta | Current | 1/1/01 |
| 194 | 092-8494354 | 0013919584 | \$90,809 | 9/6/01 | 9/20/01 | 231 | 3027500474 | 30275 | Atlanta | Current | 3/1/01 |
| 195 | 092-8500262 | 0014061204 | \$78,876 | 6/5/01 | 6/14/01 | 98 | 3027501939 | 30275 | Atlanta | Current | 5/1/01 |
| 196 | 092-8622456 | 0015256209 | \$83,230 | 10/19/01 | 10/30/01 | 108 | 3027501134 | 30275 | Atlanta | Current | 10/1/01 9/1/01 |
| 197 | 092-8646271 | 0015326143 | \$105,245 | 8/24/01 | 9/6/01 | 98 | 3027500474 | 30275 | Atlanta | Current | 8/1/01 |
| 198 | 092-8658132 | 0015415052 | \$113,390 | 10/26/01 | 3/18/02 | 135 | 3027501945 | 30275 | Atlanta | Current | 9/1/01 8/1/01 |
| 199 | 092-8668044 | 0015501927 | \$73,841 | 2/4/02 | 2/11/02 | 213 | 3027501134 | 30275 | Atlanta | Current | 1/1/02 |
| 200 | 093-4616794 | 0004303020 | \$83,457 | 12/23/99 | 1/3/00 | 84 | 3027500474 | 74649 | Atlanta | > 90 days | 11/1/99 |
| 201 | 093-4617638 | 0004340212 | \$65,956 | 1/26/00 | 1/31/00 | 135 | 3027500457 | 30275 | Atlanta | Claims | 1/1/00 |
| 202 | 093-4625931 | 0004673067 | \$66,865 | 2/4/00 | 2/9/00 | 133 | 3027500457 | 30275 | Atlanta | Current | 11/1/99 |
| 203 | 093-4628632 | 0005103809 | Adequate Documentation has been provided. | | | | | | | | |
| 204 | 093-4629507 | 0005934070 | \$81,800 | 12/16/99 | 12/21/99 | 77 | 3027500457 | 30275 | Atlanta | > 90 days | 12/1/99 |
| 205 | 093-4636572 | 0008619348 | \$75,961 | 3/21/00 | 3/24/00 | 144 | 3027500457 | 30275 | Atlanta | Current | 3/1/00 2/1/00 |
| 206 | 093-4653984 | 0004494092 | \$43,922 | 2/21/00 | 2/23/00 | 117 | 3027500457 | 30275 | Atlanta | > 90 days | 2/1/00 1/1/00 12/1/99 |
| 207 | 093-4656084 | 0009642448 | Adequate Documentation has been provided. | | | | | | | | |
| 208 | 093-4703908 | 0010291755 | \$56,237 | 8/3/00 | 8/10/00 | 156 | 3027500486 | 30275 | Atlanta | > 90 days | 7/1/00 6/1/00 |
| 209 | 093-4715804 | 0010397099 | \$103,947 | 6/30/00 | 7/13/00 | 70 | 3027500474 | 30275 | Atlanta | > 60 day | 6/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 210 | 093-4720796 | 0010445179 | \$50,485 | 8/18/00 | 8/29/00 | 141 | 3027500486 | 30275 | Atlanta | Current | 8/1/00 7/1/00 |
| 211 | 093-4724864 | 0010619260 | \$95,851 | 7/17/00 | 7/26/00 | 91 | 3027500486 | 30275 | Atlanta | Current | 7/1/00 |
| 212 | 093-4731258 | 0010509131 | \$50,485 | 8/23/00 | 8/29/00 | 119 | 3027500486 | 30275 | Atlanta | > 90 days | 8/1/00 |
| 213 | 093-4734730 | 0010567519 | \$71,863 | 9/22/00 | 9/28/00 | 128 | 3027500486 | 30275 | Atlanta | > 90 days | 8/1/00 |
| 214 | 093-4736255 | 0010576734 | \$124,025 | 5/2/01 | 5/15/01 | 257 | 3027500486 | 30275 | Atlanta | Current | 4/1/01 3/1/01 |
| 215 | 093-4739087 | 0010599447 | Adequate Documentation has been provided. | | | | | | | | |
| 216 | 093-4740590 | 0010618809 | \$84,456 | 2/26/01 | 3/1/01 | 280 | 3027500486 | 30275 | Atlanta | Current | 11/1/00 |
| 217 | 093-4742670 | 0009730524 | \$81,244 | 4/20/00 | 4/20/00 | 143 | 3027500486 | 30275 | Atlanta | SEE NOTE 1 | 2/1/00 |
| 218 | 093-4747054 | 0010675098 | \$77,362 | 8/23/00 | 9/21/00 | 100 | 3027500486 | 30275 | Atlanta | SEE NOTE 1 | 8/1/00 |
| 219 | 093-4756300 | 0010902864 | \$78,968 | 12/12/00 | 12/18/00 | 195 | 3027500486 | 30275 | Atlanta | F/C | 11/1/00 10/1/00 |
| 220 | 093-4770195 | 0012234878 | \$97,198 | 1/26/01 | 1/31/01 | 182 | 3027500486 | 30275 | Atlanta | Current | 1/1/01 |
| 221 | 093-4785653 | 0012375283 | \$111,943 | 12/12/00 | 12/21/00 | 151 | 3027500486 | 30275 | Atlanta | > 30 days | 11/1/00 9/1/00 |
| 222 | 093-4792257 | 0012279998 | \$50,384 | 11/15/00 | 11/20/00 | 93 | 3027500486 | 30275 | Atlanta | > 90 days | 11/1/00 10/1/00 |
| 223 | 093-4798237 | 0012551230 | \$110,725 | 11/7/00 | 11/15/00 | 82 | 3027500486 | 30275 | Atlanta | > 90 days | 10/1/00 |
| 224 | 093-4808429 | 0012663134 | \$69,427 | 12/5/00 | 1/8/01 | 95 | 3027501111 | 30275 | Atlanta | Bankruptcy | 11/1/00 10/1/00 |
| 225 | 093-4819734 | 0012655569 | \$59,509 | 1/19/01 | 1/23/01 | 91 | 3027500486 | 30275 | Atlanta | > 90 days | 1/1/01 12/1/00 |
| 226 | 093-4826968 | 0010892495 | \$92,952 | 10/20/00 | 10/28/00 | 133 | 3027500486 | 30275 | Atlanta | > 90 days | 10/1/00 |
| 227 | 093-4849010 | 0013663158 | \$45,335 | 4/19/01 | 5/16/01 | 149 | 3027501951 | 30275 | Atlanta | > 90 days | 4/1/01 |
| 228 | 093-4870109 | 0013840004 | Adequate Documentation has been provided. | | | | | | | | |
| 229 | 093-4875998 | 0013903687 | \$108,202 | 5/17/01 | 5/25/01 | 118 | 3027500486 | 30275 | Atlanta | Current | 5/1/01 4/1/01 3/1/01 |
| 230 | 093-4911587 | 0014232805 | \$51,590 | 7/20/01 | 8/17/01 | 112 | 3027500474 | 30275 | Atlanta | REO | 7/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 231 | 093-4921990 | 0014303762 | \$78,764 | 6/15/01 | 6/25/01 | 84 | 3027501134 | 30275 | Atlanta | Current | 6/1/01 5/1/01 |
| 232 | 093-4955755 | 0015158033 | \$67,954 | 8/22/01 | 9/6/01 | 117 | 3027500474 | 30275 | Atlanta | > 30 days | 7/1/01 |
| 233 | 093-4966423 | 0014343925 | \$104,672 | 10/25/01 | 11/3/01 | 148 | 3027501945 | 30275 | Atlanta | > 30 days | 10/1/01 |
| 234 | 093-4999001 | 0015522329 | \$82,249 | 10/19/01 | 10/29/01 | 133 | 3027500474 | 30275 | Atlanta | > 90 days | 10/1/01 9/1/01 8/1/01 |
| 235 | 094-4059792 | 0006048011 | Adequate Documentation has been provided. | | | | | | | | |
| 236 | 094-4064824 | 0008973836 | \$82,222 | 5/4/00 | 5/12/00 | 176 | 3027500486 | 30275 | Atlanta | REO | 4/1/00 |
| 237 | 094-4093680 | 0001157601 | \$117,729 | 4/10/00 | 4/12/00 | 104 | 3027500486 | 30275 | Atlanta | Bankruptcy | 3/1/00 |
| 238 | 094-4100411 | 0010021863 | \$101,119 | 12/12/00 | 12/27/00 | 323 | 3027500486 | 30275 | Atlanta | Current | 11/1/00 |
| 239 | 094-4118992 | 0010216174 | \$65,866 | 8/17/00 | 8/24/00 | 170 | 3027500486 | 30275 | Atlanta | F/C | 8/1/00 7/1/00 |
| 240 | 094-4120836 | 0010246601 | \$56,970 | 10/24/00 | 11/6/00 | 180 | 3027500486 | 30275 | Atlanta | Current | 7/1/00 6/1/00 |
| 241 | 094-4152431 | 0010582906 | \$124,025 | 9/21/01 | 9/28/01 | 469 | 3027500486 | 30275 | Atlanta | SEE NOTE 1 | 9/1/01 5/1/01 4/1/01 |
| 242 | 094-4170441 | 0013262225 | \$76,460 | 4/26/01 | 5/21/01 | 220 | 3027500486 | 30275 | Atlanta | Current | 4/1/01 |
| 243 | 094-4253053 | 0013665690 | \$74,961 | 4/17/01 | 4/26/01 | 155 | 3027500486 | 30275 | Atlanta | Current | 4/1/01 |
| 244 | 094-4257627 | 0013712112 | \$121,677 | 8/24/01 | 9/8/01 | 245 | 3027500486 | 30275 | Atlanta | Current | 8/1/01 7/1/01 6/1/01 5/1/01 4/1/01 |
| 245 | 094-4259952 | 0013750682 | \$68,964 | 8/13/01 | 8/27/01 | 235 | 3027501968 | 30275 | Atlanta | Current | 2/1/01 |
| 246 | 094-4365148 | 0015446826 | \$109,137 | 7/27/01 | 8/8/01 | 63 | 3027501134 | 30275 | Atlanta | Current | 7/1/01 |
| 247 | 094-4377362 | 0015378037 | \$84,333 | 12/10/01 | 12/13/01 | 165 | 3027501945 | 30275 | Atlanta | Current | 9/1/01 8/1/01 |
| 248 | 098-0080097 | 0010998060 | \$49,374 | 10/25/00 | 11/1/00 | 125 | 3027500486 | 30275 | Atlanta | F/C | 10/1/00 9/1/00 |
| 249 | 101-8872342 | 0008417669 | \$74,734 | 5/30/00 | 6/6/00 | 190 | 3027500139 | 30275 | Atlanta | Current | 5/1/00 |
| 250 | 101-8960305 | 0003949120 | \$87,855 | 3/23/00 | 3/31/00 | 206 | 3027500139 | 30275 | Atlanta | SEE NOTE 1 | 1/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|-------------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 251 ^{^^} | 101-8989378 | 0004584223 | \$161,964 | 3/8/00 | 3/15/00 | 139 | 3027500139 | 30275 | Atlanta | Current | 2/1/00 1/1/00 |
| 252 | 101-8993711 | 0004654661 | \$106,125 | 12/2/99 | 12/7/99 | 65 | 3027500139 | 30275 | Atlanta | Bankruptcy | 11/1/99 |
| 253 | 101-9001881 | 0005115233 | \$77,263 | 3/27/00 | 4/6/00 | 180 | 3027500139 | 30275 | Atlanta | Bankruptcy | 3/1/00 2/1/00 1/1/00 |
| 254 ^{^^} | 101-9013728 | 0006645097 | \$115,944 | 1/5/00 | 1/28/00 | 96 | 3027500139 | 30275 | Atlanta | > 60 day | 12/1/99 |
| 255 | 101-9052773 | 0009204488 | \$66,948 | 1/20/00 | 1/25/00 | 84 | 3027500139 | 30275 | Atlanta | SEE NOTE 1 | 12/1/99 |
| 256 | 101-9093840 | 0002847531 | \$94,223 | 8/8/00 | 8/11/00 | 245 | 3027500139 | 30275 | Atlanta | > 30 days | 3/1/00 |
| 257 | 101-9104972 | 0006848816 | \$115,200 | 4/25/00 | 4/27/00 | 109 | 3027500139 | 30275 | Atlanta | > 60 day | 4/1/00 3/1/00 |
| 258 | 101-9108656 | 0008068025 | \$57,477 | 3/21/00 | 4/11/00 | 90 | 3027500139 | 30275 | Atlanta | SEE NOTE 1 | 2/1/00 |
| 259 | 101-9109310 | 0001156298 | \$86,508 | 7/19/00 | 7/26/00 | 204 | 3027500139 | 30275 | Atlanta | SEE NOTE 1 | 7/1/00 5/1/00 4/1/00 3/1/00 2/1/00 |
| 260 | 101-9111002 | 0006874226 | \$88,768 | 3/6/00 | 3/14/00 | 82 | 3027500139 | 30275 | Atlanta | Current | 2/1/00 |
| 261 | 101-9115266 | 0004747523 | \$93,231 | 4/20/00 | 4/25/00 | 113 | 3027500139 | 30275 | Atlanta | Claims | 4/1/00 |
| 262 | 101-9126325 | 0010021004 | \$52,872 | 6/12/00 | 6/16/00 | 144 | 3027500139 | 30275 | Atlanta | Current | 5/1/00 |
| 263 | 101-9129242 | 0010026144 | Adequate Documentation has been provided. | | | | | | | | |
| 264 | 101-9168281 | 0010195758 | \$84,956 | 8/17/00 | 8/22/00 | 184 | 3027500139 | 30275 | Atlanta | SEE NOTE 1 | 4/1/00 |
| 265 | 101-9172995 | 0010182772 | \$169,990 | 9/18/00 | 9/21/00 | 234 | 3027500139 | 30275 | Atlanta | F/C | 9/1/00 |
| 266 | 101-9176049 | 0011052446 | \$155,573 | 3/2/01 | 3/7/01 | 367 | 3027500139 | 30275 | Atlanta | Current | 2/1/01 1/1/01 9/1/00 |
| 267 | 101-9178952 | 0010252849 | \$98,984 | 8/2/00 | 8/7/00 | 159 | 3027500139 | 30275 | Atlanta | Current | 7/1/00 |
| 268 ^{^^} | 101-9203745 | 0010357036 | \$42,382 | 8/25/00 | 8/30/00 | 119 | 3027500139 | 30275 | Atlanta | Claims | 8/1/00 7/1/00 |
| 269 ^{^^} | 101-9207260 | 0010370450 | \$69,258 | 10/6/00 | 10/12/00 | 197 | 3027500139 | 30275 | Atlanta | > 90 days | 9/1/00 7/1/00 6/1/00 |
| 270 | 101-9226542 | 0010447464 | \$79,959 | 2/1/01 | 2/6/01 | 276 | 3027500139 | 30275 | Atlanta | Current | 1/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|-------------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 271 | 101-9299375 | 0010878353 | \$84,833 | 8/16/00 | 8/21/00 | 78 | 3027500139 | 30275 | Atlanta | Current | 8/1/00 |
| 272 | 101-9324985 | 0010982742 | \$76,600 | 2/12/01 | 2/15/01 | 115 | 3027500139 | 30275 | Atlanta | > 90 days | 1/1/01 12/1/00 |
| 273 ^{^^} | 101-9345463 | 0012249256 | \$138,855 | 1/2/01 | 1/24/01 | 167 | 3027501157 | 30275 | Atlanta | SEE NOTE 1 | 12/1/00 11/1/00 9/1/00 |
| 274 | 101-9363240 | 0012282570 | \$113,942 | 6/21/01 | 6/28/01 | 349 | 3027501157 | 30275 | Atlanta | Current | 2/1/01 |
| 275 | 101-9368464 | 0012304739 | \$68,721 | 10/11/00 | 10/16/00 | 90 | 3027500139 | 30275 | Atlanta | Current | 9/1/00 |
| 276 | 101-9392089 | 0012423893 | \$76,960 | 11/9/00 | 11/15/00 | 100 | 3027501157 | 30275 | Atlanta | Current | 10/1/00 |
| 277 | 101-9413382 | 0012429114 | \$122,819 | 5/11/01 | 5/22/01 | 310 | 3027500139 | 30275 | Atlanta | Current | 1/1/01 12/1/00 11/1/00 |
| 278 | 101-9443877 | 0012654869 | \$78,959 | 11/15/00 | 11/22/00 | 75 | 3027500139 | 30275 | Atlanta | Bankruptcy | 11/1/00 |
| 279 | 101-9483449 | 0013362074 | \$148,160 | 5/1/01 | 6/2/01 | 200 | 3027500139 | 30275 | Atlanta | Current | 12/1/00 |
| 280 | 101-9484996 | 0013371521 | \$85,966 | 12/21/00 | 12/27/00 | 83 | 3027500139 | 30275 | Atlanta | Current | 12/1/00 11/1/00 |
| 281 | 101-9513587 | 0013499074 | \$86,955 | 3/27/01 | 3/29/01 | 144 | 3027500139 | 30275 | Atlanta | F/C | 3/1/01 |
| 282 | 101-9514314 | 0013373691 | \$159,820 | 2/19/01 | 2/22/01 | 112 | 3027500139 | 30275 | Atlanta | Current | 1/1/01 |
| 283 | 101-9532419 | 0013642954 | \$113,960 | 2/14/01 | 5/7/01 | 79 | 3027500139 | 30275 | Atlanta | Current | 1/1/01 |
| 284 | 101-9555138 | 0013745492 | \$73,962 | 3/26/01 | 4/3/01 | 101 | 3027500139 | 30275 | Atlanta | > 90 days | 3/1/01 |
| 285 | 101-9612395 | 0013923636 | \$75,516 | 7/9/01 | 7/17/01 | 171 | 3027500139 | 30275 | Atlanta | Current | 6/1/01 5/1/01 |
| 286 | 101-9627558 | 0014026678 | \$132,914 | 6/25/01 | 7/3/01 | 140 | 3027500139 | 30275 | Atlanta | Bankruptcy | 4/1/01 |
| 287 | 101-9648427 | 0014020861 | \$124,014 | 12/3/01 | 12/7/01 | 291 | 3027500139 | 30275 | Atlanta | Current | 8/1/01 |
| 288 | 101-9733895 | 0014472492 | \$78,860 | 5/30/01 | 6/9/01 | 70 | 3027501843 | 30275 | Atlanta | F/C | 5/1/01 |
| 289 | 101-9818246 | 0015268303 | \$84,829 | 7/19/01 | 7/27/01 | 71 | 3027500139 | 30275 | Atlanta | Current | 7/1/01 |
| 290 | 101-9853493 | 0015371784 | \$89,195 | 11/2/01 | 11/8/01 | 122 | 3027501843 | 30275 | Atlanta | Current | 8/1/01 |
| 291 | 101-9857204 | 0015370075 | \$101,968 | 8/6/01 | 8/15/01 | 80 | 3027501843 | 30275 | Atlanta | F/C | 7/1/01 |
| 292 | 101-9899131 | 0015529241 | \$138,051 | 9/20/01 | 10/23/01 | 105 | 3027500139 | 30275 | Atlanta | Current | 9/1/01 8/1/01 |
| 293 | 101-9914222 | 0015579618 | \$119,019 | 9/10/01 | 9/24/01 | 73 | 3027500139 | 30275 | Atlanta | Current | 8/1/01 |
| 294 | 101-9915286 | 0015573603 | \$63,897 | 10/23/01 | 11/6/01 | 102 | 3027501843 | 30275 | Atlanta | > 30 days | 9/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 295 | 101-9921094 | 0015568090 | \$73,350 | 11/21/01 | 11/29/01 | 169 | 3027501157 | 30275 | Atlanta | Current | 10/1/01 |
| 296 | 101-9925080 | 0015611593 | \$114,959 | 10/2/01 | 10/12/01 | 85 | 3027500139 | 30275 | Atlanta | Current | 9/1/01 |
| 297 | 121-1766536 | 0003880945 | \$99,321 | 4/10/00 | 4/17/00 | 179 | 3027500299 | 30275 | Santa Ana | SEE NOTE 1 | 3/1/00 |
| 298 | 121-1774170 | 0008497752 | \$109,230 | 3/24/00 | 3/31/00 | 176 | 3027500299 | 30275 | Santa Ana | Claims | 3/1/00 2/1/00 |
| 299 | 121-1788367 | 0001481605 | \$79,877 | 2/22/01 | 2/26/01 | 394 | 3027500299 | 30275 | Santa Ana | Current | 2/1/01 |
| 300 | 121-1839055 | 0012589578 | \$74,213 | 4/20/01 | 4/26/01 | 217 | 3027500299 | 30275 | Santa Ana | Current | 3/1/01 2/1/01 |
| 301 | 121-1862926 | 0014108021 | \$105,477 | 1/30/02 | 2/20/02 | 337 | 3027500717 | 30275 | Santa Ana | Current | 12/1/01 9/1/01 8/1/01 |
| 302 | 121-1878236 | 0014349575 | \$87,633 | 6/14/01 | 6/14/01 | 76 | 3027500299 | 30275 | Santa Ana | Current | 5/1/01 |
| 303 | 132-1368173 | 0004335675 | \$57,669 | 12/7/99 | 12/10/99 | 89 | 3027500197 | 30275 | Atlanta | > 90 days | 11/1/99 |
| 304 | 132-1377508 | 0009181140 | \$63,902 | 3/27/00 | 3/31/00 | 133 | 3027500197 | 30275 | Atlanta | > 90 days | 2/1/00 |
| 305 | 132-1378727 | 0009459157 | \$83,871 | 1/21/00 | 1/27/00 | 84 | 3027500197 | 30275 | Atlanta | F/C | 12/1/99 |
| 306 | 132-1379203 | 0009643131 | \$57,911 | 8/10/00 | 8/15/00 | 224 | 3027500197 | 30275 | Atlanta | Current | 7/1/00 |
| 307 | 132-1385918 | 0010062446 | \$43,254 | 9/8/00 | 9/14/00 | 227 | 3027500197 | 30275 | Atlanta | > 90 days | 8/1/00 |
| 308 | 132-1388240 | 0010205938 | \$40,388 | 1/17/01 | 2/5/01 | 285 | 3027500197 | 30275 | Atlanta | Current | 1/1/01 12/1/00 |
| 309 | 132-1390419 | 0010294106 | \$44,990 | 11/28/00 | 12/5/00 | 263 | 3027500066 | 30275 | Atlanta | Bankruptcy | 11/1/00 10/1/00 9/1/00 |
| 310 | 132-1392455 | 0011092269 | \$52,918 | 6/17/01 | 6/25/01 | 474 | 3027500066 | 30275 | Atlanta | > 90 days | 2/1/01 1/1/01 12/1/00 |
| 311 | 132-1392613 | 0010374429 | \$54,915 | 2/12/01 | 2/16/01 | 314 | 3027500066 | 30275 | Atlanta | F/C | 12/1/00 11/1/00 10/1/00 |
| 312 | 132-1393132 | 0010393759 | \$42,907 | 1/10/01 | 1/16/01 | 246 | 3027500066 | 30275 | Atlanta | Current | 12/1/00 11/1/00 10/1/00 |
| 313 | 132-1404497 | 0010898435 | \$47,111 | 8/22/00 | 8/25/00 | 83 | 3027500066 | 30275 | Atlanta | > 90 days | 8/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|--|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 314 | 132-1411577 | 0012224895 | \$36,349 | 5/18/01 | 5/30/01 | 330 | 3027500066 | 30275 | Atlanta | Current | 4/1/01 12/1/00 |
| 315 | 132-1412890 | 0012293346 | \$52,918 | 4/11/01 | 4/19/01 | 252 | 3027500066 | 30275 | Atlanta | Current | 2/1/01 1/1/01 |
| 316 | 132-1424217 | 0012620928 | \$48,884 | 2/16/01 | 2/21/01 | 141 | 3027500066 | 30275 | Atlanta | > 90 days | 12/1/00 |
| 317 | 132-1431781 | 0013468475 | \$53,558 | 2/9/01 | 2/14/01 | 91 | 3027500066 | 30275 | Atlanta | > 90 days | 1/1/01 |
| 318 | 132-1431802 | 0011534369 | \$49,342 | 2/1/01 | 2/6/01 | 107 | 3027500066 | 30275 | Atlanta | Current | 1/1/01 12/1/00 |
| 319 | 132-1436369 | 0013475355 | \$115,944 | 9/7/01 | 9/21/01 | 295 | 3027501997 | 30275 | Atlanta | > 30 days | 7/1/01 |
| 320 | 132-1439532 | 0013779657 | \$90,709 | 6/13/01 | 10/29/01 | 164 | 3027500066 | 30275 | Atlanta | SEE NOTE 1 | 2/1/01 |
| 321 | 132-1442778 | 0013748751 | \$34,459 | 7/9/01 | 8/6/01 | 103 | 3027500066 | 30275 | Atlanta | Current | 6/1/01 |
| 322 | 132-1449015 | 0014121925 | \$56,535 | 9/6/01 | 9/19/01 | 177 | 3027500066 | 30275 | Atlanta | SEE NOTE 1 | 8/1/01 |
| 323 | 132-1454146 | 0014260814 | \$55,380 | 2/8/02 | 2/16/02 | 220 | 3027500066 | 30275 | Atlanta | Current | 1/1/02 12/1/01 11/1/01 10/1/01 |
| 324 | 132-1460663 | 0014509277 | \$52,530 | 7/6/01 | 7/23/01 | 60 | 3027500066 | 30275 | Atlanta | Current | 6/1/01 |
| 325 | 132-1461375 | 0014542997 | \$29,627 | 3/13/02 | 4/10/02 | 271 | 3027501997 | 30275 | Atlanta | Current | 1/1/02 |
| 326 | 132-1475356 | 0015443658 | \$79,170 | 8/7/01 | 9/13/01 | 62 | 3027502009 | 30275 | Atlanta | Current | 7/1/01 |
| 327 | 137-0059876 | 0008481582 | \$168,870 | 2/22/00 | 3/2/00 | 151 | 3027500066 | 30275 | Atlanta | > 60 day | 2/1/00 |
| 328 | 137-0139105 | 0004397477 | \$136,089 | 2/22/00 | 3/2/00 | 151 | 3027500066 | 30275 | Atlanta | Current | 2/1/00 1/1/00 12/1/99 |
| 329 | 137-0182972 | 0007402381 | \$99,847 | 1/13/00 | 1/19/00 | 80 | 3027500066 | 74649 | Atlanta | > 90 days | 12/1/99 |
| 330 | 137-0197688 | 0008953671 | \$138,076 | 1/24/00 | 2/1/00 | 95 | 3027500066 | 30275 | Atlanta | SEE NOTE 1 | 1/1/00 |
| 331 | 137-0283457 | 0005523741 | Adequate Documentation has been provided | | | | | | | | |
| 332 | 137-0308877 | 0010082246 | \$151,983 | 10/12/00 | 10/27/00 | 230 | 3027500066 | 30275 | Atlanta | Current | 9/1/00 |
| 333 | 137-0313463 | 0010092377 | \$71,119 | 1/24/01 | 1/31/01 | 317 | 3027500066 | 30275 | Atlanta | Current | 1/1/01 |
| 334 | 137-0314242 | 0010101459 | \$127,070 | 7/27/00 | 8/1/00 | 162 | 3027500066 | 30275 | Atlanta | SEE NOTE 1 | 7/1/00 6/1/00 5/1/00 4/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 335 | 137-0350712 | 0010319572 | \$96,505 | 10/12/00 | 10/17/00 | 216 | 3027500066 | 30275 | Atlanta | Current | 9/1/00 |
| 336 | 137-0368024 | 0010385581 | \$84,663 | 9/13/00 | 9/18/00 | 145 | 3027500066 | 30275 | Atlanta | SEE NOTE 1 | 8/1/00 7/1/00 |
| 337 | 137-0443892 | 0010633394 | \$143,814 | 8/29/00 | 9/1/00 | 98 | 3027500066 | 30275 | Atlanta | Current | 8/1/00 |
| 338 | 137-0474326 | 0010882801 | \$67,896 | 9/20/00 | 10/4/00 | 113 | 3027500066 | 30275 | Atlanta | Bankruptcy | 9/1/00 |
| 339 | 137-0483698 | 0010597078 | \$221,865 | 4/20/01 | 6/30/01 | 235 | 3027500066 | 30275 | Atlanta | SEE NOTE 1 | 1/1/01 12/1/00 11/1/00 |
| 340 | 137-0545206 | 0012425534 | \$119,716 | 1/29/01 | 2/1/01 | 153 | 3027500066 | 30275 | Atlanta | F/C | 1/1/01 12/1/00 |
| 341 | 137-0568548 | 0012568614 | \$168,870 | 1/5/01 | 1/10/01 | 137 | 3027500066 | 30275 | Atlanta | SEE NOTE 1 | 11/1/00 10/1/00 |
| 342 | 137-0609172 | 0013235924 | Adequate Documentation has been provided. | | | | | | | | |
| 343 | 137-0613929 | 0013672480 | \$82,772 | 6/15/01 | 6/22/01 | 168 | 3027500066 | 30275 | Atlanta | > 60 day | 6/1/01 |
| 344 | 137-0617025 | 0012642005 | \$114,059 | 1/26/01 | 2/12/01 | 108 | 3027500066 | 30275 | Atlanta | SEE NOTE 1 | 1/1/01 |
| 345 | 137-0687945 | 0013620794 | \$148,006 | 6/29/01 | 7/12/01 | 219 | 3027500066 | 30275 | Atlanta | > 90 days | 6/1/01 |
| 346 | 137-0700638 | 0013548508 | Adequate Documentation has been provided. | | | | | | | | |
| 347 | 137-0729415 | 0013818661 | \$157,465 | 6/5/01 | 6/13/01 | 182 | 3027500066 | 30275 | Atlanta | Current | 5/1/01 4/1/01 3/1/01 |
| 348 | 137-0740427 | 0013854344 | \$46,921 | 7/5/01 | 7/10/01 | 160 | 3027501997 | 30275 | Atlanta | > 90 days | 4/1/01 3/1/01 |
| 349 | 137-0784860 | 0014010599 | \$84,147 | 4/10/01 | 5/3/01 | 70 | 3027500066 | 30275 | Atlanta | Current | 3/1/01 |
| 350 | 137-0941158 | 0014539209 | \$162,298 | 8/21/01 | 8/21/01 | 133 | 3027501213 | 30275 | Atlanta | SEE NOTE 1 | 6/1/01 |
| 351 | 137-0943999 | 0015053457 | \$66,949 | 12/15/01 | 12/20/01 | 191 | 3027500066 | 30275 | Atlanta | Current | 8/1/01 |
| 352 | 137-1020308 | 0015153950 | \$81,500 | 10/24/01 | 10/30/01 | 177 | 3027501213 | 30275 | Atlanta | Current | 10/1/01 9/1/01 |
| 353 | 137-1034388 | 0015293533 | Adequate Documentation has been provided. | | | | | | | | |
| 354 | 137-1199321 | 0015811029 | \$175,421 | 11/15/01 | 12/12/01 | 121 | 3027501213 | 30275 | Atlanta | Current | 11/1/01 10/1/01 |
| 355 | 151-5794425 | 0007504251 | \$74,224 | 10/3/00 | 10/6/00 | 445 | 3027500355 | 30275 | Atlanta | Current | 9/1/00 |
| 356 | 151-5866273 | 0006063689 | \$91,922 | 1/18/00 | 1/21/00 | 82 | 3027500355 | 30275 | Atlanta | Current | 1/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 357 | 151-5887612 | 0009179821 | \$119,316 | 3/28/00 | 4/6/00 | 147 | 3027500355 | 30275 | Atlanta | > 90 days | 3/1/00 2/1/00 |
| 358 | 151-5890259 | 0009240003 | \$81,595 | 5/3/00 | 5/3/00 | 152 | 3027500355 | 30275 | Atlanta | > 90 days | 4/1/00 |
| 359 | 151-5892708 | 0009268442 | \$47,607 | 4/14/00 | 4/19/00 | 147 | 3027500355 | 30275 | Atlanta | Claims | 3/1/00 2/1/00 |
| 360 | 151-5897792 | 0009501172 | \$89,862 | 5/4/00 | 5/15/00 | 181 | 3027500355 | 30275 | Atlanta | Current | 4/1/00 |
| 361 | 151-5933253 | 0010043941 | \$64,900 | 9/13/00 | 9/18/00 | 231 | 3027500355 | 30275 | Atlanta | Current | 8/1/00 7/1/00 4/1/00 |
| 362 | 151-5934627 | 0010058279 | \$43,144 | 12/5/00 | 12/5/00 | 307 | 3027500883 | 30275 | Atlanta | > 90 days | 9/1/00 8/1/00 |
| 363 | 151-5936368 | 0010069300 | \$46,850 | 9/7/00 | 10/3/00 | 223 | 3027500355 | 30275 | Atlanta | Current | 8/1/00 7/1/00 6/1/00 |
| 364 | 151-5942000 | 0010111219 | \$40,286 | 2/14/01 | 2/16/01 | 366 | 3027500355 | 30275 | Atlanta | Current | 10/1/00 9/1/00 8/1/00 |
| 365 | 151-5948235 | 0010197895 | \$30,217 | 7/20/01 | 7/25/01 | 511 | 3027500883 | 30275 | Atlanta | F/C | 7/1/01 |
| 366 | 151-5954332 | 0010259703 | \$94,854 | 8/23/00 | 8/28/00 | 85 | 3027500355 | 30275 | Atlanta | Current | 7/1/00 |
| 367 | 151-5975014 | 0011134871 | \$94,568 | 6/19/00 | 6/22/00 | 83 | 3027500355 | 30275 | Atlanta | > 90 days | 6/1/00 |
| 368 | 151-5976770 | 0010424521 | \$122,597 | 1/8/01 | 3/12/01 | 290 | 3027500355 | 30275 | Atlanta | Current | 10/1/00 9/1/00 8/1/00 |
| 369 | 151-5980151 | 0011143831 | \$93,334 | 9/25/00 | 10/3/00 | 178 | 3027500355 | 30275 | Atlanta | > 90 days | 9/1/00 8/1/00 7/1/00 |
| 370 | 151-5980723 | 0010458891 | \$64,401 | 9/1/00 | 9/25/00 | 116 | 3027500355 | 30275 | Atlanta | Current | 8/1/00 7/1/00 |
| 371 | 151-5983590 | 0010427219 | \$104,141 | 1/4/01 | 1/9/01 | 279 | 3027500355 | 30275 | Atlanta | > 90 days | 12/1/00 11/1/00 |
| 372 | 151-6010737 | 0010668713 | \$79,246 | 7/18/00 | 7/21/00 | 64 | 3027500355 | 30275 | Atlanta | Current | 7/1/00 |
| 373 | 151-6020938 | 0011249166 | \$104,687 | 9/19/00 | 9/26/00 | 118 | 3027500355 | 30275 | Atlanta | Current | 9/1/00 |
| 374 | 151-6061824 | 0012299103 | \$74,930 | 4/19/01 | 4/26/01 | 252 | 3027500355 | 30275 | Atlanta | SEE NOTE 1 | 1/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 375 | 151-6107348 | 0013204805 | \$60,005 | 1/30/01 | 2/2/01 | 98 | 3027500355 | 30275 | Atlanta | F/C | 1/1/01 |
| 376 | 151-6120945 | 0013335732 | \$86,963 | 2/15/01 | 2/21/01 | 140 | 3027500355 | 30275 | Atlanta | Current | 2/1/01 |
| 377 | 151-6142015 | 0013486832 | \$40,580 | 4/17/01 | 4/23/01 | 172 | 3027500355 | 30275 | Atlanta | Current | 4/1/01 |
| 378 | 151-6150330 | 0011547270 | \$99,182 | 2/12/01 | 2/15/01 | 108 | 3027500355 | 30275 | Atlanta | Current | 1/1/01 12/1/00 |
| 379 | 151-6168366 | 0013759782 | \$56,413 | 5/7/01 | 6/9/01 | 157 | 3027502327 | 30275 | Atlanta | Current | 4/1/01 3/1/01 |
| 380 | 151-6184362 | 0013845987 | \$49,492 | 6/14/01 | 6/21/01 | 168 | 3027502327 | 30275 | Atlanta | > 90 days | 2/1/01 |
| 381 | 151-6189301 | 0014293146 | \$77,804 | 8/2/01 | 8/11/01 | 119 | 3027500355 | 30275 | Atlanta | F/C | 5/1/01 |
| 382 | 151-6190401 | 0013887229 | \$67,444 | 4/19/01 | 4/24/01 | 111 | 3027500355 | 30275 | Atlanta | Current | 4/1/01 3/1/01 |
| 383 | 151-6216118 | 0014048896 | \$31,505 | 8/23/01 | 9/4/01 | 146 | 3027501706 | 30275 | Atlanta | F/C | 6/1/01 |
| 384 | 151-6230067 | 0014183107 | \$34,541 | 7/27/01 | 8/1/01 | 93 | 3027500355 | 30275 | Atlanta | F/C | 7/1/01 6/1/01 |
| 385 | 151-6230581 | 0014186639 | \$49,455 | 7/31/01 | 8/8/01 | 118 | 3027500355 | 30275 | Atlanta | F/C | 7/1/01 |
| 386 | 151-6250114 | 0014301824 | \$86,229 | 10/15/01 | 10/23/01 | 213 | 3027501706 | 30275 | Atlanta | Current | 10/1/01 9/1/01 |
| 387 | 151-6268491 | 0014487037 | \$89,203 | 7/24/01 | 7/30/01 | 116 | 3027500355 | 30275 | Atlanta | Current | 7/1/01 6/1/01 |
| 388 | 151-6278923 | 0015058050 | \$92,547 | 7/23/01 | 7/30/01 | 88 | 3027500355 | 30275 | Atlanta | > 90 days | 7/1/01 6/1/01 |
| 389 | 151-6386704 | 0015677636 | \$92,671 | 12/4/01 | 12/12/01 | 158 | 3027502327 | 30275 | Atlanta | Current | 9/1/01 |
| 390 | 161-1810345 | 0004044764 | \$92,453 | 6/13/00 | 6/16/00 | 239 | 3027500253 | 30275 | Denver | Current | 5/1/00 3/1/00 |
| 391 | 161-1813913 | 0004544649 | \$71,411 | 5/25/00 | 6/1/00 | 238 | 3027500253 | 30275 | Denver | Current | 12/1/99 |
| 392 | 161-1815581 | 0005100946 | \$72,290 | 3/28/00 | 3/31/00 | 148 | 3027500253 | 30275 | Denver | SEE NOTE 1 | 3/1/00 2/1/00 |
| 393 | 161-1820598 | 0009064957 | \$43,922 | 2/1/00 | 2/4/00 | 89 | 3027500253 | 30275 | Denver | > 90 days | 1/1/00 |
| 394 | 161-1833789 | 0010422319 | \$59,969 | 2/6/01 | 2/20/01 | 272 | 3027500253 | 30275 | Denver | Current | 1/1/01 12/1/00 |
| 395 | 161-1838422 | 0010603405 | \$50,384 | 10/24/00 | 11/29/00 | 179 | 3027500253 | 30275 | Denver | > 90 days | 8/1/00 7/1/00 6/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 396 | 161-1846616 | 0012231676 | \$31,738 | 10/18/00 | 10/25/00 | 100 | 3027500253 | 30275 | Denver | Current | 10/1/00 9/1/00 |
| 397 | 161-1847010 | 0012250106 | \$89,264 | 12/7/00 | 12/18/00 | 111 | 3027500253 | 30275 | Denver | > 90 days | 11/1/00 |
| 398 | 161-1850900 | 0012366944 | \$73,620 | 2/15/01 | 3/1/01 | 169 | 3027500253 | 30275 | Denver | > 60 day | 2/1/01 1/1/01 12/1/00 11/1/00 10/1/00 |
| 399 | 161-1858541 | 0013175815 | \$102,947 | 12/19/00 | 1/3/01 | 102 | 3027501172 | 30275 | Denver | > 90 days | 12/1/00 |
| 400 | 161-1859439 | 0013220579 | \$82,457 | 7/13/01 | 7/16/01 | 235 | 3027500253 | 30275 | Denver | > 90 days | 6/1/01 |
| 401 | 161-1861376 | 0013661475 | \$76,960 | 1/30/01 | 3/8/01 | 81 | 3027500253 | 30275 | Denver | REO | 1/1/01 |
| 402 | 161-1872470 | 0013705777 | \$36,551 | 3/5/01 | 3/8/01 | 94 | 3027500253 | 30275 | Denver | Current | 2/1/01 |
| 403 | 161-1875714 | 0013749015 | \$56,187 | 4/16/01 | 4/30/01 | 77 | 3027500253 | 30275 | Denver | > 60 day | 4/1/01 |
| 404 | 161-1876125 | 0013703004 | \$62,968 | 4/6/01 | 4/18/01 | 105 | 3027500253 | 30275 | Denver | Current | 3/1/01 |
| 405 | 161-1886180 | 0014319974 | \$63,995 | 10/22/01 | 10/30/01 | 213 | 3027500253 | 30275 | Denver | Current | 9/1/01 |
| 406 | 161-1888878 | 0014467039 | \$87,624 | 7/30/01 | 8/7/01 | 67 | 3027501741 | 30275 | Denver | SEE NOTE 1 | 7/1/01 |
| 407 | 161-1908307 | 0015323256 | \$44,101 | 11/6/01 | 11/13/01 | 113 | 3027500253 | 30275 | Denver | Current | 10/1/01 9/1/01 |
| 408 | 161-1908517 | 0015659550 | \$86,012 | 10/8/01 | 10/29/01 | 104 | 3027501172 | 30275 | Denver | Current | 9/1/01 8/1/01 |
| 409 | 161-1912012 | 0015692221 | \$48,611 | 2/4/02 | 2/7/02 | 194 | 3027500253 | 30275 | Denver | Current | 1/1/02 |
| 410 | 181-1775272 | 0004205662 | \$38,369 | 2/1/00 | 2/4/00 | 144 | 3027500037 | 30275 | Denver | Current | 12/1/99 |
| 411 | 181-1779396 | 0005023122 | \$75,378 | 4/7/00 | 4/12/00 | 196 | 3027500037 | 30275 | Denver | Current | 1/1/00 12/1/99 |
| 412 | 181-1785799 | 0009443409 | \$69,939 | 6/20/00 | 6/23/00 | 189 | 3027500037 | 30275 | Denver | Current | 6/1/00 4/1/00 3/1/00 |
| 413 | 181-1796161 | 0010257087 | \$53,914 | 2/8/01 | 2/13/01 | 342 | 3027500962 | 30275 | Denver | > 30 days | 1/1/01 |
| 414 | 181-1796870 | 0010311199 | \$51,574 | 11/22/00 | 12/6/00 | 247 | 3027500962 | 30275 | Denver | REO | 11/1/00 10/1/00 9/1/00 7/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 415 | 181-1797109 | 0010317246 | \$61,452 | 2/13/01 | 2/20/01 | 330 | 3027500962 | 30275 | Denver | F/C | 1/1/01 12/1/00 |
| 416 | 181-1799492 | 0010431740 | \$44,549 | 6/27/00 | 6/29/00 | 89 | 3027500962 | 30275 | Denver | Bankruptcy | 6/1/00 |
| 417 | 181-1799571 | 0010427292 | \$70,915 | 4/25/01 | 8/27/01 | 372 | 3027500962 | 30275 | Denver | Current | 1/1/01 |
| 418 | 181-1801567 | 0010486728 | \$37,193 | 8/31/00 | 9/8/00 | 114 | 3027500962 | 30275 | Denver | F/C | 8/1/00 |
| 419 | 181-1805746 | 0007205719 | \$41,452 | 7/5/01 | 7/16/01 | 388 | 3027500962 | 30275 | Denver | > 60 day | 6/1/01 5/1/01 4/1/01 3/1/01 2/1/01 1/1/01 |
| 420 | 181-1815406 | 0012326427 | \$34,330 | 2/5/01 | 2/9/01 | 196 | 3027500962 | 30275 | Denver | Current | 1/1/01 12/1/00 |
| 421 | 181-1815963 | 0012339842 | \$30,291 | 2/14/01 | 2/21/01 | 177 | 3027500962 | 30275 | Denver | Current | 1/1/01 12/1/00 |
| 422 | 181-1820067 | 0012546750 | \$62,385 | 4/2/02 | 4/2/02 | 578 | 3027500962 | 30275 | Denver | Current | 2/1/02 1/1/02 12/1/01 11/1/01 10/1/01 |
| 423 | 181-1820100 | 0012561114 | \$104,325 | 2/14/01 | 2/21/01 | 181 | 3027501481 | 30275 | Denver | Current | 11/1/00 |
| 424 | 181-1822633 | 0012651014 | \$33,722 | 7/18/01 | 7/26/01 | 239 | 3027500962 | 30275 | Denver | Current | 2/1/01 1/1/01 |
| 425 | 181-1823947 | 0013219456 | \$87,715 | 12/15/00 | 1/2/01 | 106 | 3027500962 | 30275 | Denver | Current | 12/1/00 11/1/00 10/1/00 |
| 426 | 181-1831053 | 0013754544 | \$104,908 | 3/6/01 | 3/12/01 | 97 | 3027501758 | 30275 | Denver | Current | 2/1/01 1/1/01 |
| 427 | 181-1832917 | 0013664305 | \$45,623 | 2/13/01 | 2/21/01 | 88 | 3027500962 | 30275 | Denver | F/C | 1/1/01 |
| 428 | 181-1839477 | 0013951918 | Adequate Documentation has been provided. | | | | | | | | |
| 429 | 181-1848643 | 0014304166 | \$90,211 | 5/15/01 | 6/4/01 | 67 | 3027501481 | 30275 | Denver | > 60 day | 5/1/01 |
| 430 | 181-1860492 | 0015370661 | \$116,975 | 10/29/01 | 11/2/01 | 153 | 3027500962 | 30275 | Denver | > 60 day | 9/1/01 |
| 431 | 182-0623868 | 0005935911 | \$99,694 | 2/1/00 | 2/4/00 | 110 | 3027500037 | 30275 | Denver | > 30 days | 1/1/00 |
| 432 | 182-0629798 | 0008070419 | \$133,932 | 9/26/00 | 10/4/00 | 263 | 3027500037 | 30275 | Denver | Current | 6/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--------------------------------------|
| 433 | 182-0635061 | 0010499010 | \$87,255 | 6/27/00 | 6/29/00 | 61 | 3027501481 | 30275 | Denver | Current | 6/1/00 5/1/00 |
| 434 | 182-0637788 | 0010820975 | \$89,760 | 8/16/00 | 8/25/00 | 84 | 3027500962 | 30275 | Denver | Current | 8/1/00 |
| 435 | 182-0669456 | 0015479520 | \$101,500 | 8/31/01 | 9/7/01 | 92 | 3027501481 | 30275 | Denver | Current | 7/1/01 |
| 436 | 197-1363019 | 0005076351 | \$128,937 | 12/1/99 | 12/3/99 | 82 | 3027500116 | 30275 | Santa Ana | > 90 days | 11/1/99 |
| 437 | 197-1560139 | 0010140242 | \$143,814 | 8/17/00 | 8/23/00 | 127 | 3027500116 | 30275 | Santa Ana | > 30 days | 8/1/00 6/1/00 5/1/00 4/1/00 |
| 438 | 197-1749821 | 0012303616 | \$71,575 | 2/19/01 | 2/22/01 | 200 | 3027500116 | 30275 | Santa Ana | Current | 2/1/01 |
| 439 | 197-1791774 | 0012474995 | \$97,650 | 12/7/00 | 12/12/00 | 121 | 3027500116 | 30275 | Santa Ana | SEE NOTE 1 | 11/1/00 10/1/00 |
| 440 | 197-1844979 | 0013324355 | \$215,821 | 3/12/01 | 4/3/01 | 153 | 3027500116 | 30275 | Santa Ana | F/C | 2/1/01 |
| 441 | 197-1854880 | 0013355243 | \$118,750 | 5/11/01 | 5/23/01 | 226 | 3027500116 | 30275 | Santa Ana | F/C | 4/1/01 2/1/01 1/1/01 |
| 442 | 197-1862539 | 0013392634 | \$138,756 | 1/18/01 | 1/24/01 | 111 | 3027500116 | 30275 | Santa Ana | > 30 days | 12/1/00 |
| 443 | 197-1878602 | 0011477965 | \$90,182 | 6/25/01 | 7/2/01 | 237 | 3027500116 | 30275 | Santa Ana | Current | 6/1/01 |
| 444 | 197-2309798 | 0015706302 | \$156,785 | 9/19/01 | 9/24/01 | 71 | 3027500116 | 30275 | Santa Ana | Current | 9/1/01 |
| 445 | 197-2351647 | 0015905102 | \$212,005 | 10/17/01 | 10/23/01 | 75 | 3027501032 | 30275 | Santa Ana | Current | 9/1/01 |
| 446 | 201-2793521 | 0003727146 | \$61,454 | 2/4/00 | 2/9/00 | 140 | 3027500361 | 30275 | Denver | > 90 days | 1/1/00 12/1/99 |
| 447 | 201-2801611 | 0006107759 | \$105,146 | 3/13/00 | 3/21/00 | 167 | 3027500361 | 30275 | Denver | Claims | 2/1/00 1/1/00 |
| 448 | 201-2802016 | 0004311957 | \$66,963 | 4/6/00 | 4/12/00 | 211 | 3027500361 | 30275 | Denver | Current | 1/1/00 12/1/99 11/1/99 |
| 449 | 201-2810627 | 0003449485 | \$49,492 | 12/9/99 | 12/14/99 | 70 | 3027500361 | 30275 | Denver | Current | 11/1/99 10/1/99 |
| 450 | 201-2814201 | 0008701377 | \$60,469 | 2/22/00 | 2/29/00 | 120 | 3027500361 | 30275 | Denver | > 30 days | 2/1/00 |
| 451 | 201-2817765 | 0009275215 | \$79,000 | 6/30/00 | 7/12/00 | 238 | 3027500361 | 30275 | Denver | Current | 3/1/00 2/1/00 1/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 452 | 201-2818912 | 0009360694 | \$57,870 | 7/21/00 | 7/27/00 | 245 | 3027500361 | 30275 | Denver | Current | 6/1/00 5/1/00 4/1/00 |
| 453 | 201-2822170 | 0004359337 | \$51,574 | 3/21/00 | 3/24/00 | 113 | 3027500361 | 30275 | Denver | Claims | 2/1/00 |
| 454 | 201-2824658 | 0002792323 | \$43,541 | 7/19/00 | 7/25/00 | 222 | 3027500361 | 30275 | Denver | REO | 3/1/00 2/1/00 |
| 455 | 201-2829185 | 0005496955 | \$87,955 | 8/3/00 | 8/9/00 | 217 | 3027500361 | 30275 | Denver | Current | 6/1/00 5/1/00 4/1/00 3/1/00 |
| 456 | 201-2842130 | 0010271161 | \$78,459 | 11/27/00 | 11/29/00 | 255 | 3027500877 | 30275 | Denver | SEE NOTE 1 | 9/1/00 |
| 457 | 201-2844051 | 0010332344 | \$84,956 | 5/2/01 | 5/15/01 | 412 | 3027500361 | 30275 | Denver | > 90 days | 4/1/01 3/1/01 2/1/01 |
| 458 | 201-2845092 | 0010352961 | \$80,828 | 10/10/00 | 11/14/00 | 195 | 3027500361 | 30275 | Denver | Current | 9/1/00 |
| 459 | 201-2845188 | 0010356715 | \$55,930 | 2/6/01 | 3/7/01 | 328 | 3027500877 | 30275 | Denver | > 90 days | 1/1/01 12/1/00 |
| 460 | 201-2847461 | 0010115145 | \$76,982 | 8/3/00 | 8/7/00 | 125 | 3027500361 | 30275 | Denver | > 90 days | 5/1/00 |
| 461 | 201-2852399 | 0010354462 | \$95,551 | 12/4/00 | 12/7/00 | 255 | 3027500361 | 30275 | Denver | F/C | 6/1/00 |
| 462 | 201-2857837 | 0010587236 | \$61,656 | 8/22/00 | 8/28/00 | 119 | 3027500877 | 30275 | Denver | REO | 8/1/00 7/1/00 |
| 463 | 201-2862974 | 0010827277 | \$48,466 | 12/4/00 | 3/30/01 | 214 | 3027500361 | 30275 | Denver | Claims | 9/1/00 8/1/00 7/1/00 |
| 464 | 201-2863231 | 0010526671 | \$108,896 | 9/12/00 | 9/21/00 | 111 | 3027500361 | 74649 | Denver | > 90 days | 8/1/00 |
| 465 | 201-2865879 | 0010879849 | \$72,462 | 2/20/01 | 2/22/01 | 245 | 3027500361 | 30275 | Denver | F/C | 2/1/01 1/1/01 12/1/00 11/1/00 |
| 466 | 201-2878691 | 0010997344 | \$59,969 | 2/7/01 | 2/12/01 | 153 | 3027500361 | 30275 | Denver | > 90 days | 12/1/00 |
| 467 | 201-2881395 | 0012346805 | \$70,963 | 12/7/00 | 12/11/00 | 153 | 3027500361 | 30275 | Denver | F/C | 11/1/00 |
| 468 | 201-2882326 | 0013234323 | \$114,059 | 1/10/02 | 3/7/02 | 490 | 3027500361 | 30275 | Denver | Current | 12/1/01 11/1/01 |
| 469 | 201-2882798 | 0012372090 | \$124,025 | 10/20/00 | 10/25/00 | 81 | 3027501236 | 30275 | Denver | > 30 days | 10/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 470 | 201-2887267 | 0012662409 | \$119,939 | 6/5/01 | 9/24/01 | 294 | 3027500361 | 30275 | Denver | Current | 5/1/01 12/1/00 |
| 471 | 201-2893965 | 0012568093 | \$92,239 | 12/19/00 | 1/29/01 | 130 | 3027500361 | 30275 | Denver | Current | 12/1/00 11/1/00 10/1/00 |
| 472 | 201-2914566 | 0013653092 | \$63,476 | 9/18/01 | 9/27/01 | 274 | 3027500361 | 30275 | Denver | F/C | 8/1/01 7/1/01 |
| 473 | 201-2934481 | 0014101430 | \$127,988 | 10/5/01 | 10/19/01 | 231 | 3027501531 | 30275 | Denver | > 30 days | 9/1/01 4/1/01 |
| 474 | 201-2952751 | 0014514061 | \$87,310 | 6/19/01 | 7/16/01 | 81 | 3027501531 | 30275 | Denver | > 30 days | 6/1/01 5/1/01 |
| 475 | 201-2958284 | 0015132657 | \$71,435 | 1/2/02 | 1/8/02 | 259 | 3027502412 | 30275 | Denver | Current | 9/1/01 |
| 476 | 201-2959930 | 0015176464 | \$98,223 | 7/17/01 | 7/23/01 | 81 | 3027500390 | 30275 | Denver | Current | 7/1/01 |
| 477 | 201-2962590 | 0015351968 | \$69,020 | 11/20/01 | 11/28/01 | 186 | 3027502412 | 30275 | Denver | > 30 days | 11/1/01 9/1/01 |
| 478 | 201-2964693 | 0015274590 | \$91,248 | 12/10/01 | 12/17/01 | 217 | 3027502406 | 30275 | Denver | > 90 days | 11/1/01 |
| 479 | 201-2982826 | 0015610355 | \$80,365 | 10/18/01 | 10/26/01 | 117 | 3027500390 | 30275 | Denver | Current | 10/1/01 9/1/01 |
| 480 | 201-2983526 | 0015624166 | \$86,317 | 11/29/01 | 12/5/01 | 135 | 3027500390 | 30275 | Denver | F/C | 11/1/01 |
| 481 | 201-2984580 | 0015644255 | \$67,962 | 12/12/01 | 12/18/01 | 168 | 3027502412 | 30275 | Denver | Current | 11/1/01 |
| 482 | 202-0171339 | 0010002822 | \$99,362 | 11/2/00 | 11/7/00 | 282 | 3027500355 | 30275 | Denver | Current | 10/1/00 9/1/00 8/1/00 |
| 483 | 221-3054916 | 0009075177 | \$59,669 | 3/17/00 | 3/22/00 | 109 | 3027500168 | 30275 | Denver | > 30 days | 3/1/00 2/1/00 |
| 484 | 221-3084918 | 0004435319 | \$117,531 | 8/10/00 | 8/16/00 | 325 | 3027500168 | 30275 | Denver | SEE NOTE 1 | 2/1/00 |
| 485 | 221-3087532 | 0004566188 | \$50,485 | 12/20/99 | 12/28/99 | 81 | 3027500168 | 30275 | Denver | SEE NOTE 1 | 11/1/99 |
| 486 | 221-3088955 | 0004596185 | \$82,321 | 2/23/00 | 2/29/00 | 161 | 3027500168 | 30275 | Denver | Current | 2/1/00 1/1/00 |
| 487 | 221-3090154 | 0005125133 | \$60,968 | 3/3/00 | 3/8/00 | 154 | 3027500168 | 30275 | Denver | Current | 1/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|-------------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 488 ^{^^} | 221-3091324 | 0004715769 | \$40,388 | 4/17/00 | 4/20/00 | 157 | 3027500168 | 30275 | Denver | > 60 day | 4/1/00 3/1/00 2/1/00 1/1/00 |
| 489 ^{^^} | 221-3092450 | 0006019707 | \$118,940 | 5/5/00 | 5/10/00 | 196 | 3027500168 | 30275 | Denver | Claims | 4/1/00 3/1/00 2/1/00 1/1/00 |
| 490 | 221-3113124 | 0006862098 | \$78,850 | 3/24/00 | 3/29/00 | 95 | 3027500168 | 30275 | Denver | Claims | 3/1/00 2/1/00 |
| 491 | 221-3123360 | 0010050193 | \$48,112 | 5/9/00 | 5/12/00 | 95 | 3027500168 | 30275 | Denver | Claims | 4/1/00 |
| 492 | 221-3128499 | 0010180115 | \$89,954 | 8/17/00 | 8/22/00 | 170 | 3027500168 | 30275 | Denver | Current | 6/1/00 |
| 493 | 221-3129970 | 0010224020 | \$67,096 | 11/9/00 | 11/24/00 | 238 | 3027500735 | 30275 | Denver | > 30 days | 10/1/00 9/1/00 |
| 494 | 221-3136329 | 0010343804 | \$80,458 | 1/26/01 | 1/26/01 | 303 | 3027500735 | 30275 | Denver | Current | 12/1/00 |
| 495 | 221-3137041 | 0010355758 | \$109,100 | 10/30/00 | 11/2/00 | 217 | 3027500168 | 30275 | Denver | Current | 10/1/00 |
| 496 | 221-3141312 | 0010438166 | \$130,305 | 1/31/01 | 2/10/01 | 307 | 3027500168 | 30275 | Denver | SEE NOTE 1 | 12/1/00 11/1/00 |
| 497 | 221-3144529 | 0012344933 | \$74,961 | 3/16/01 | 3/27/01 | 239 | 3027500168 | 30275 | Denver | Current* | 3/1/01 |
| 498 | 221-3148009 | 0010276079 | \$58,225 | 7/3/01 | 7/13/01 | 397 | 3027500168 | 30275 | Denver | > 30 days | 6/1/01 5/1/01 4/1/01 3/1/01 2/1/01 1/1/01 |
| 499 | 221-3150127 | 0010602233 | \$62,467 | 6/7/01 | 6/19/01 | 378 | 3027500168 | 30275 | Denver | > 60 day | 1/1/01 |
| 500 | 221-3156317 | 0010857167 | \$69,964 | 10/30/00 | 11/14/00 | 147 | 3027500168 | 30275 | Denver | > 90 days | 10/1/00 9/1/00 8/1/00 |
| 501 | 221-3170007 | 0010937720 | Adequate Documentation has been provided. | | | | | | | | |
| 502 | 221-3178454 | 0012391579 | \$115,941 | 2/8/01 | 2/16/01 | 209 | 3027500168 | 30275 | Denver | Current | 1/1/01 12/1/00 11/1/00 10/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 503 | 221-3188904 | 0012631933 | \$50,226 | 12/1/00 | 12/8/00 | 93 | 3027500168 | 30275 | Denver | > 90 days | 11/1/00 10/1/00 |
| 504 | 221-3208102 | 0013507736 | \$87,355 | 4/16/01 | 4/20/01 | 164 | 3027500168 | 30275 | Denver | Current | 3/1/01 |
| 505 | 221-3221899 | 0013814322 | \$46,517 | 3/15/01 | 3/20/01 | 65 | 3027500168 | 30275 | Denver | > 30 days | 3/1/01 |
| 506 | 221-3233494 | 0014033823 | \$100,936 | 8/20/01 | 8/28/01 | 171 | 3027502038 | 30275 | Denver | Current | 8/1/01 7/1/01 6/1/01 |
| 507 | 221-3237121 | 0013978523 | \$64,452 | 6/21/01 | 7/2/01 | 122 | 3027500168 | 30275 | Denver | Current | 6/1/01 5/1/01 |
| 508 | 222-1500221 | 0004343190 | \$62,467 | 7/7/00 | 7/12/00 | 296 | 3027500168 | 30275 | Denver | Current | 4/1/00 2/1/00 |
| 509 | 222-1505110 | 0009397050 | \$65,966 | 2/15/00 | 2/22/00 | 88 | 3027500168 | 30275 | Denver | Claims | 2/1/00 |
| 510 | 222-1511315 | 0010244408 | \$36,697 | 7/12/00 | 7/19/00 | 132 | 3027500168 | 30275 | Denver | REO | 6/1/00 |
| 511 | 222-1512610 | 0010346047 | \$49,068 | 9/20/00 | 9/30/00 | 187 | 3027500168 | 30275 | Denver | Current | 9/1/00 7/1/00 |
| 512 | 222-1518738 | 0012383329 | \$74,961 | 1/22/01 | 2/5/01 | 175 | 3027500168 | 30275 | Denver | > 90 days | 10/1/00 |
| 513 | 222-1521369 | 0012272498 | Adequate Documentation has been provided. | | | | | | | | |
| 514 | 222-1522069 | 0012282265 | \$52,972 | 10/19/00 | 10/30/00 | 99 | 3027500168 | 30275 | Denver | > 90 days | 10/1/00 |
| 515 | 222-1531258 | 0013449921 | \$26,029 | 1/17/01 | 1/26/01 | 61 | 3027500168 | 30275 | Denver | SEE NOTE 1 | 12/1/00 |
| 516 | 222-1531938 | 0013506894 | Adequate Documentation has been provided. | | | | | | | | |
| 517 | 222-1532122 | 0013514815 | \$111,708 | 5/3/01 | 5/11/01 | 154 | 3027500168 | 30275 | Denver | > 30 days | 4/1/01 |
| 518 | 222-1540091 | 0014233118 | \$52,082 | 7/5/01 | 7/13/01 | 119 | 3027502038 | 30275 | Denver | Current | 6/1/01 |
| 519 | 222-1551252 | 0015549017 | \$63,995 | 1/23/02 | 1/30/02 | 209 | 3027500168 | 30275 | Denver | Current | 1/1/02 12/1/01 11/1/01 10/1/01 9/1/01 |
| 520 | 231-0680213 | 0009111634 | \$39,673 | 10/11/01 | 10/23/01 | 703 | 3027500218 | 30275 | Philadelphia | > 30 days* | 9/1/01 4/1/01 |
| 521 | 231-0692024 | 0010441830 | \$89,954 | 8/1/00 | 8/3/00 | 95 | 3027500218 | 30275 | Philadelphia | F/C | 6/1/00 |
| 522 | 231-0695299 | 0010508265 | \$45,436 | 1/18/01 | 1/22/01 | 220 | 3027500218 | 30275 | Philadelphia | > 90 days | 12/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 523 | 231-0704174 | 0012458469 | \$76,961 | 6/14/01 | 6/18/01 | 289 | 3027500218 | 30275 | Philadelphia | Current | 5/1/01 4/1/01 3/1/01 2/1/01 |
| 524 | 231-0732458 | 0015553431 | \$108,000 | 10/5/01 | 10/16/01 | 84 | 3027500218 | 30275 | Philadelphia | SEE NOTE 1 | 9/1/01 |
| 525 | 241-5662962 | 0008958068 | \$22,392 | 2/2/00 | 2/4/00 | 104 | 3027500014 | 30275 | Philadelphia | Bankruptcy | 1/1/00 12/1/99 |
| 526 | 241-5664511 | 0008997330 | \$84,869 | 1/19/00 | 1/21/00 | 85 | 3027500014 | 30275 | Philadelphia | > 90 days | 12/1/99 |
| 527 | 241-5681932 | 0008970337 | \$168,610 | 3/8/01 | 3/14/01 | 325 | 3027500014 | 30275 | Philadelphia | > 30 days | 2/1/01 1/1/01 |
| 528 | 241-5696391 | 0004946935 | \$99,449 | 5/31/00 | 6/2/00 | 153 | 3027500014 | 30275 | Philadelphia | > 90 days | 4/1/00 3/1/00 |
| 529 | 241-5736977 | 0010135739 | \$67,965 | 9/20/00 | 9/27/00 | 216 | 3027500014 | 30275 | Philadelphia | > 90 days | 9/1/00 8/1/00 |
| 530 | 241-5805804 | 0010486827 | \$98,978 | 12/6/00 | 12/7/00 | 196 | 3027500985 | 30275 | Philadelphia | > 30 days | 10/1/00 |
| 531 | 241-5811720 | 0010267383 | \$145,655 | 4/16/01 | 4/18/01 | 325 | 3027500985 | 30275 | Philadelphia | Current | 4/1/01 3/1/01 2/1/01 1/1/01 12/1/00 |
| 532 | 241-5835099 | 0010980886 | \$164,915 | 1/31/01 | 2/2/01 | 187 | 3027500985 | 30275 | Philadelphia | F/C | 1/1/01 |
| 533 | 241-5871412 | 0012438495 | \$68,464 | 12/7/00 | 12/27/00 | 111 | 3027500985 | 30275 | Philadelphia | Current | 11/1/00 |
| 534 | 241-5882473 | 0012546933 | \$138,725 | 11/20/00 | 11/30/00 | 91 | 3027500985 | 30275 | Philadelphia | Current | 11/1/00 10/1/00 |
| 535 | 241-5885384 | 0012551180 | \$127,135 | 11/8/01 | 11/13/01 | 434 | 3027500985 | 30275 | Philadelphia | Current | 9/1/01 7/1/01 5/1/01 |
| 536 | 241-5899109 | 0013182605 | \$119,939 | 4/25/01 | 5/2/01 | 208 | 3027500985 | 30275 | Philadelphia | > 90 days | 2/1/01 1/1/01 12/1/00 |
| 537 | 241-5921481 | 0013730593 | \$72,367 | 3/8/01 | 4/12/01 | 84 | 3027500985 | 30275 | Philadelphia | Current | 2/1/01 |
| 538 | 241-5934144 | 0013424650 | \$94,951 | 6/27/01 | 6/27/01 | 222 | 3027500985 | 30275 | Philadelphia | > 60 day | 6/1/01 5/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 539 | 241-5938718 | 0013462643 | \$134,428 | 2/21/01 | 2/26/01 | 124 | 3027500985 | 30275 | Philadelphia | Current | 1/1/01 12/1/00 |
| 540 | 241-6118519 | 0014464267 | \$113,012 | 9/5/01 | 9/7/01 | 160 | 3027501922 | 30275 | Philadelphia | Bankruptcy | 7/1/01 6/1/01 |
| 541 | 249-3881254 | 0008042749 | \$136,819 | 8/16/00 | 8/21/00 | 293 | 3027500014 | 30275 | Philadelphia | Current | 8/1/00 7/1/00 6/1/00 |
| 542 | 249-4238103 | 0015681190 | \$30,278 | 9/19/01 | 10/2/01 | 82 | 3027500985 | 30275 | Philadelphia | Current | 8/1/01 |
| 543 | 251-2388042 | 0009453234 | \$175,852 | 3/28/00 | 3/29/00 | 148 | 3027500218 | 30275 | Philadelphia | F/C | 2/1/00 1/1/00 |
| 544 | 251-2401514 | 0001141928 | \$74,642 | 5/8/00 | 5/10/00 | 111 | 3027500218 | 30275 | Philadelphia | Current | 4/1/00 |
| 545 | 251-2432158 | 0010319044 | \$209,893 | 10/24/00 | 10/26/00 | 182 | 3027500218 | 30275 | Philadelphia | SEE NOTE 1 | 10/1/00 9/1/00 8/1/00 7/1/00 6/1/00 |
| 546 | 251-2480082 | 0012406914 | \$48,599 | 11/24/00 | 12/7/00 | 77 | 3027500218 | 30275 | Philadelphia | > 90 days | 11/1/00 |
| 547 | 251-2484633 | 0012501433 | \$127,914 | 2/8/01 | 2/12/01 | 161 | 3027500218 | 30275 | Philadelphia | SEE NOTE 1 | 12/1/00 |
| 548 | 251-2540706 | 0013871975 | \$196,448 | 3/5/01 | 3/8/01 | 63 | 3027500218 | 30275 | Philadelphia | SEE NOTE 1 | 2/1/01 |
| 549 | 251-2558056 | 0014054621 | \$220,260 | 9/19/01 | 9/21/01 | 216 | 3027500218 | 30275 | Philadelphia | > 30 days | 9/1/01 |
| 550 | 251-2631950 | 0015530082 | \$137,810 | 10/22/01 | 10/25/01 | 129 | 3027501627 | 30275 | Philadelphia | > 90 days | 9/1/01 |
| 551 | 261-7204601 | 0004290540 | \$56,434 | 2/1/00 | 2/3/00 | 95 | 3027500507 | 30275 | Philadelphia | F/C | 12/1/99 |
| 552 | 261-7243772 | 0007715444 | \$22,159 | 11/16/01 | 12/3/01 | 805 | 3027500440 | 30275 | Philadelphia | Current | 10/1/01 9/1/01 8/1/01 7/1/01 |
| 553 | 261-7299648 | 0003968724 | \$54,550 | 3/1/00 | 3/2/00 | 176 | 3027500507 | 30275 | Philadelphia | Current | 1/1/00 |
| 554 | 261-7335094 | 0006692594 | \$104,908 | 1/11/00 | 1/11/00 | 97 | 3027500507 | 30275 | Philadelphia | SEE NOTE 1 | 12/1/99 |
| 555 | 261-7339680 | 0004473815 | \$53,170 | 5/24/00 | 5/30/00 | 153 | 3027500507 | 30275 | Philadelphia | > 90 days | 5/1/00 |
| 556 | 261-7347606 | 0009006941 | \$42,408 | 4/13/00 | 4/17/00 | 114 | 3027500507 | 30275 | Philadelphia | REO | 3/1/00 |
| 557 | 261-7411746 | 0010141877 | Adequate Documentation has been provided. | | | | | | | | |
| 558 | 261-7412564 | 0010179786 | \$139,785 | 9/22/00 | 9/26/00 | 218 | 3027500507 | 30275 | Philadelphia | Current | 7/1/00 6/1/00 |

Appendix C

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 559 | 261-7428121 | 0010318004 | \$55,336 | 2/9/01 | 2/13/01 | 326 | 3027500507 | 30275 | Philadelphia | Bankruptcy | 1/1/01 12/1/00 11/1/00 10/1/00 9/1/00 8/1/00 |
| 560 | 261-7441049 | 0011058419 | \$88,355 | 2/7/01 | 2/9/01 | 329 | 3027500507 | 30275 | Philadelphia | > 90 days | 12/1/00 10/1/00 |
| 561 | 261-7456609 | 0011094232 | \$122,646 | 12/22/00 | 1/16/01 | 240 | 3027500507 | 30275 | Philadelphia | Current | 12/1/00 11/1/00 10/1/00 9/1/00 |
| 562 | 261-7488262 | 0010915551 | \$64,598 | 5/7/01 | 5/22/01 | 334 | 3027500507 | 30275 | Philadelphia | Current | 3/1/01 |
| 563 | 261-7524563 | 0012382420 | \$84,956 | 4/24/01 | 5/7/01 | 207 | 3027500507 | 30275 | Philadelphia | F/C | 4/1/01 3/1/01 2/1/01 1/1/01 |
| 564 | 261-7546677 | 0011399029 | \$66,965 | 1/22/01 | 1/24/01 | 160 | 3027500507 | 30275 | Philadelphia | > 90 days | 1/1/01 12/1/00 11/1/00 |
| 565 | 261-7554565 | 0013196795 | \$59,073 | 7/24/01 | 7/26/01 | 161 | 3027500507 | 30275 | Philadelphia | > 90 days | 7/1/01 6/1/01 5/1/01 4/1/01 |
| 566 | 261-7564075 | 0013267513 | \$135,931 | 5/11/01 | 5/14/01 | 235 | 3027500507 | 30275 | Philadelphia | Current | 3/1/01 |
| 567 | 261-7576432 | 0013371711 | \$144,707 | 2/14/01 | 2/16/01 | 138 | 3027500507 | 30275 | Philadelphia | Current | 11/1/00 |
| 568 | 261-7601070 | 0013635800 | \$154,812 | 1/29/01 | 1/31/01 | 70 | 3027500507 | 30275 | Philadelphia | REO | 1/1/01 |
| 569 | 261-7606706 | 0013692934 | \$96,977 | 3/8/01 | 3/12/01 | 69 | 3027500507 | 30275 | Philadelphia | Current | 2/1/01 |
| 570 | 261-7611951 | 0013724265 | \$79,153 | 12/26/01 | 12/31/01 | 166 | 3027500507 | 30275 | Philadelphia | Current | 10/1/01 |
| 571 | 261-7613258 | 0013713763 | \$98,455 | 4/16/01 | 4/18/01 | 90 | 3027500507 | 30275 | Philadelphia | > 60 day | 4/1/01 |
| 572 | 261-7613499 | 0013733860 | \$96,317 | 2/19/01 | 2/21/01 | 68 | 3027500507 | 30275 | Philadelphia | Current | 2/1/01 |
| 573 | 261-7742473 | 0013961263 | \$103,677 | 10/9/01 | 10/15/01 | 183 | 3027500507 | 30275 | Philadelphia | > 60 day | 9/1/01 8/1/01 |
| 574 | 261-7840995 | 0015602063 | \$81,450 | 11/1/01 | 11/5/01 | 113 | 3027500507 | 30275 | Philadelphia | > 30 days | 10/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 575 | 261-7853874 | 0015836471 | \$149,611 | 2/8/02 | 2/22/02 | 211 | 3027502441 | 30275 | Philadelphia | > 30 days | 1/1/02 12/1/01 |
| 576 | 261-7862666 | 0015759632 | \$52,584 | 9/29/01 | 10/3/01 | 60 | 3027500507 | 30275 | Philadelphia | Current | 9/1/01 |
| 577 | 261-7867549 | 0015983026 | \$146,670 | 10/23/01 | 10/26/01 | 81 | 3027502429 | 30275 | Philadelphia | Current | 10/1/01 |
| 578 | 262-1271134 | 0002562130 | \$82,957 | 3/21/00 | 3/23/00 | 113 | 3027500507 | 30275 | Philadelphia | Current | 3/1/00 |
| 579 | 262-1272668 | 0002855278 | \$82,957 | 7/14/00 | 7/20/00 | 212 | 3027500507 | 30275 | Philadelphia | Current | 6/1/00 5/1/00 |
| 580 | 262-1288347 | 0010637379 | \$41,700 | 7/17/00 | 7/20/00 | 60 | 3027500507 | 30275 | Philadelphia | Bankruptcy | 7/1/00 |
| 581 | 262-1297227 | 0010935088 | \$123,978 | 5/29/01 | 6/12/01 | 292 | 3027500507 | 30275 | Philadelphia | Current | 5/1/01 3/1/01 2/1/01 |
| 582 | 262-1299745 | 0012426938 | \$110,985 | 1/4/01 | 1/8/01 | 157 | 3027500507 | 30275 | Philadelphia | Current | 12/1/00 |
| 583 | 263-3060600 | 0009264482 | \$89,454 | 3/16/00 | 3/20/00 | 107 | 3027500507 | 30275 | Philadelphia | Current | 3/1/00 |
| 584 | 263-3064190 | 0004609913 | \$82,822 | 9/19/01 | 9/21/01 | 666 | 3027500507 | 30275 | Philadelphia | SEE NOTE 1 | 9/1/01 6/1/01 |
| 585 | 263-3068012 | 0006999411 | \$50,485 | 5/17/00 | 5/19/00 | 155 | 3027500507 | 30275 | Philadelphia | Current | 3/1/00 |
| 586 | 263-3070666 | 0005458823 | \$73,812 | 9/14/00 | 9/14/00 | 262 | 3027500507 | 30275 | Philadelphia | Bankruptcy | 8/1/00 7/1/00 6/1/00 5/1/00 4/1/00 |
| 587 | 263-3079268 | 0010105922 | \$117,035 | 3/29/01 | 4/2/01 | 413 | 3027500507 | 30275 | Philadelphia | F/C | 12/1/00 11/1/00 |
| 588 | 263-3084120 | 0010251486 | \$79,346 | 9/25/00 | 9/28/00 | 214 | 3027500507 | 30275 | Philadelphia | REO | 7/1/00 |
| 589 | 263-3085342 | 0010278307 | \$54,397 | 12/5/00 | 12/5/00 | 265 | 3027500746 | 30275 | Philadelphia | Current | 9/1/00 8/1/00 |
| 590 | 263-3087308 | 0010317980 | \$65,951 | 4/11/01 | 4/13/01 | 383 | 3027500507 | 30275 | Philadelphia | Bankruptcy | 1/1/01 |
| 591 | 263-3103090 | 0010571651 | \$69,864 | 10/3/00 | 10/6/00 | 139 | 3027500507 | 30275 | Philadelphia | Current | 9/1/00 |
| 592 | 263-3109694 | 0010676666 | \$53,972 | 10/17/00 | 10/31/00 | 153 | 3027500507 | 30275 | Philadelphia | > 90 days | 10/1/00 7/1/00 |
| 593 | 263-3130701 | 0012330189 | \$111,926 | 3/21/01 | 3/23/01 | 205 | 3027500507 | 30275 | Philadelphia | SEE NOTE 1 | 11/1/00 10/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|-------------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 594 | 263-3135622 | 0012436960 | \$85,838 | 4/5/01 | 4/10/01 | 237 | 3027500507 | 30275 | Philadelphia | REO | 3/1/01 2/1/01 1/1/01 12/1/00 11/1/00 |
| 595 | 263-3141190 | 0012566402 | \$67,965 | 2/20/01 | 2/22/01 | 186 | 3027500507 | 30275 | Philadelphia | Current | 1/1/01 12/1/00 11/1/00 |
| 596 | 263-3167668 | 0013554084 | \$61,393 | 2/19/01 | 2/21/01 | 89 | 3027500507 | 30275 | Philadelphia | Current | 2/1/01 |
| 597 | 263-3174935 | 0013736095 | \$67,379 | 5/11/01 | 5/21/01 | 72 | 3027500507 | 30275 | Philadelphia | Current | 4/1/01 |
| 598 | 263-3215179 | 0014317002 | \$40,092 | 9/26/01 | 9/28/01 | 86 | 3027500507 | 30275 | Philadelphia | Current | 9/1/01 |
| 599 | 271-8157177 | 0008095796 | \$147,393 | 1/24/00 | 1/28/00 | 136 | 3027500492 | 30275 | Denver | Current | 1/1/00 12/1/99 11/1/99 |
| 600 | 271-8223332 | 0003564143 | \$76,943 | 6/7/00 | 6/12/00 | 194 | 3027500492 | 30275 | Denver | Current | 1/1/00 |
| 601 | 271-8223910 | 0009538158 | \$117,792 | 8/14/00 | 8/17/00 | 276 | 3027500405 | 30275 | Denver | Current | 7/1/00 6/1/00 5/1/00 4/1/00 3/1/00 2/1/00 |
| 602 | 271-8232284 | 0004973749 | \$72,300 | 3/23/00 | 3/28/00 | 111 | 3027500492 | 30275 | Denver | Current | 3/1/00 1/1/00 |
| 603 | 271-8233641 | 0004898193 | Adequate Documentation has been provided. | | | | | | | | |
| 604 | 271-8234726 | 0006777072 | \$141,947 | 6/2/00 | 6/9/00 | 175 | 3027500405 | 30275 | Denver | Current | 5/1/00 4/1/00 |
| 605 | 271-8246514 | 0010049336 | \$110,588 | 9/7/00 | 9/20/00 | 202 | 3027500405 | 30275 | Denver | Current | 8/1/00 5/1/00 |
| 606 | 271-8253147 | 0011049434 | \$138,855 | 12/5/00 | 1/2/01 | 319 | 3027500405 | 30275 | Denver | F/C* | 11/1/00 |
| 607 | 271-8264560 | 0011078771 | \$116,974 | 10/3/00 | 1/3/01 | 221 | 3027500492 | 30275 | Denver | Current | 8/1/00 |
| 608 ^{^^} | 271-8272572 | 0010420271 | \$30,291 | 8/9/00 | 8/15/00 | 79 | 3027500405 | 30275 | Denver | REO | 7/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 609 | 271-8273663 | 0011126182 | \$89,928 | 2/15/01 | 2/23/01 | 325 | 3027500492 | 30275 | Denver | SEE NOTE 1 | 1/1/01 12/1/00 11/1/00 |
| 610 | 271-8294079 | 0012004180 | \$65,440 | 8/15/01 | 8/22/01 | 455 | 3027500405 | 30275 | Denver | Current | 2/1/01 |
| 611 | 271-8303129 | 0010881902 | \$79,172 | 12/6/00 | 12/13/00 | 166 | 3027501265 | 30275 | Denver | Current | 11/1/00 10/1/00 |
| 612 | 271-8312301 | 0004994307 | \$131,902 | 8/15/00 | 8/18/00 | 77 | 3027500492 | 30275 | Denver | > 60 day | 8/1/00 |
| 613 | 271-8313438 | 0011275575 | \$148,262 | 8/15/00 | 8/21/00 | 76 | 3027500492 | 74649 | Denver | > 90 days | 8/1/00 |
| 614 | 271-8315603 | 0011260635 | \$134,917 | 3/7/01 | 3/15/01 | 285 | 3027500492 | 30275 | Denver | > 90 days | 2/1/01 |
| 615 | 271-8327971 | 0011114618 | \$125,920 | 1/3/01 | 1/3/01 | 194 | 3027500492 | 30275 | Denver | > 90 days | 12/1/00 11/1/00 |
| 616 | 271-8330471 | 0011330347 | \$115,231 | 1/3/01 | 1/3/01 | 141 | 3027500492 | 30275 | Denver | SEE NOTE 1 | 12/1/00 11/1/00 |
| 617 | 271-8334234 | 0011186111 | \$147,188 | 12/5/00 | 12/14/00 | 158 | 3027500492 | 30275 | Denver | SEE NOTE 1 | 10/1/00 9/1/00 |
| 618 | 271-8342218 | 0011208527 | \$110,736 | 11/8/00 | 11/21/00 | 117 | 3027500492 | 30275 | Denver | > 60 day | 10/1/00 |
| 619 | 271-8344855 | 0011339249 | \$107,924 | 1/17/01 | 1/30/01 | 170 | 3027500492 | 30275 | Denver | Current | 12/1/00 11/1/00 |
| 620 | 271-8345692 | 0011273737 | \$133,241 | 12/14/00 | 1/18/01 | 150 | 3027500492 | 30275 | Denver | SEE NOTE 1 | 11/1/00 |
| 621 | 271-8347011 | 0012541702 | \$99,449 | 11/9/00 | 12/1/00 | 70 | 3027501265 | 30275 | Denver | Current | 10/1/00 |
| 622 | 271-8414201 | 0011618618 | Adequate Documentation has been provided. | | | | | | | | |
| 623 | 271-8450822 | 0011820073 | \$119,500 | 8/23/01 | 8/28/01 | 160 | 3027500492 | 30275 | Denver | Current | 7/1/01 |
| 624 | 271-8476270 | 0015147341 | \$159,101 | 9/14/01 | 9/20/01 | 144 | 3027500405 | 30275 | Denver | Current | 6/1/01 |
| 625 | 271-8487789 | 0015271919 | \$48,327 | 10/16/01 | 10/19/01 | 169 | 3027502117 | 30275 | Denver | SEE NOTE 1 | 6/1/01 |
| 626 | 271-8529321 | 0014797906 | Adequate Documentation has been provided. | | | | | | | | |
| 627 | 271-8545960 | 0014771984 | \$172,702 | 12/10/01 | 12/13/01 | 131 | 3027500492 | 30275 | Denver | Current | 9/1/01 |
| 628 | 271-8554831 | 0014924666 | \$155,751 | 10/10/01 | 11/5/01 | 71 | 3027500492 | 30275 | Denver | Current | 9/1/01 |
| 629 | 281-2676284 | 0007691710 | \$64,967 | 2/3/00 | 2/8/00 | 153 | 3027500261 | 30275 | Atlanta | Current | 1/1/00 12/1/99 11/1/99 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|-------------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 630 | 281-2690099 | 0004161949 | \$76,605 | 9/12/00 | 9/15/00 | 350 | 3027500261 | 30275 | Atlanta | Current | 8/1/00 7/1/00 6/1/00 5/1/00 3/1/00 |
| 631 | 281-2690937 | 0004293478 | \$64,281 | 12/10/99 | 12/16/99 | 94 | 3027500261 | 30275 | Atlanta | > 90 days | 11/1/99 |
| 632 | 281-2701763 | 0009198326 | \$114,941 | 1/31/00 | 2/3/00 | 87 | 3027500261 | 30275 | Atlanta | REO | 1/1/00 |
| 633 | 281-2705815 | 0009461153 | \$62,967 | 2/21/01 | 3/2/01 | 448 | 3027500261 | 30275 | Atlanta | Current | 1/1/01 12/1/00 11/1/00 |
| 634 ^{^^} | 281-2711623 | 0010018885 | \$59,969 | 8/23/00 | 10/3/00 | 182 | 3027500261 | 30275 | Atlanta | Current | 8/1/00 7/1/00 6/1/00 5/1/00 4/1/00 |
| 635 | 281-2715421 | 0010114486 | \$51,973 | 9/19/00 | 9/22/00 | 172 | 3027500261 | 30275 | Atlanta | F/C | 7/1/00 |
| 636 | 281-2715631 | 0010119832 | \$109,944 | 8/23/00 | 8/28/00 | 208 | 3027500261 | 30275 | Atlanta | SEE NOTE 1 | 8/1/00 |
| 637 | 281-2718991 | 0010267359 | \$54,971 | 9/26/00 | 9/29/00 | 223 | 3027500261 | 30275 | Atlanta | > 90 days | 9/1/00 8/1/00 7/1/00 |
| 638 | 281-2719221 | 0010277333 | \$69,964 | 12/19/00 | 12/22/00 | 278 | 3027500609 | 30275 | Atlanta | > 90 days | 12/1/00 8/1/00 |
| 639 | 281-2720099 | 0010291128 | \$45,695 | 1/24/01 | 1/29/01 | 330 | 3027500261 | 30275 | Atlanta | > 90 days | 1/1/01 |
| 640 | 281-2723507 | 0010405546 | \$59,509 | 3/20/01 | 3/23/01 | 334 | 3027500261 | 30275 | Atlanta | > 90 days | 3/1/01 1/1/01 12/1/00 11/1/00 10/1/00 |
| 641 | 281-2727573 | 0010522332 | Adequate Documentation has been provided. | | | | | | | | |
| 642 | 281-2732538 | 0007203599 | \$101,948 | 8/21/00 | 8/24/00 | 87 | 3027500261 | 30275 | Atlanta | SEE NOTE 1 | 8/1/00 |
| 643 | 281-2734335 | 0010863132 | \$69,964 | 3/20/01 | 3/23/01 | 242 | 3027500261 | 30275 | Atlanta | > 30 days | 3/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|-------------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 644 ^{^^} | 281-2735297 | 0010886950 | \$75,961 | 11/30/00 | 12/5/00 | 183 | 3027500261 | 30275 | Atlanta | Bankruptcy | 11/1/00 10/1/00 9/1/00 8/1/00 |
| 645 | 281-2740995 | 0012237269 | \$76,772 | 12/12/00 | 12/15/00 | 176 | 3027500261 | 30275 | Atlanta | Current | 9/1/00 8/1/00 |
| 646 | 281-2744014 | 0012318184 | \$122,986 | 9/28/00 | 10/3/00 | 73 | 3027500261 | 30275 | Atlanta | F/C | 9/1/00 |
| 647 | 281-2745344 | 0012372967 | \$34,253 | 1/5/01 | 1/10/01 | 161 | 3027500261 | 30275 | Atlanta | > 90 days | 12/1/00 |
| 648 | 281-2751764 | 0012606042 | \$45,436 | 1/3/01 | 1/8/01 | 64 | 3027500261 | 30275 | Atlanta | > 30 days | 12/1/00 |
| 649 | 281-2754346 | 0013198478 | \$122,937 | 8/6/01 | 8/15/01 | 220 | 3027500261 | 30275 | Atlanta | Current | 7/1/01 6/1/01 5/1/01 |
| 650 | 281-2772572 | 0013686407 | \$50,485 | 2/15/01 | 2/21/01 | 72 | 3027500261 | 30275 | Atlanta | Current | 1/1/01 |
| 651 | 281-2774097 | 0013802707 | \$78,732 | 1/18/02 | 1/25/02 | 365 | 3027500261 | 30275 | Atlanta | Current | 8/1/01 |
| 652 | 281-2789339 | 0014274567 | \$73,693 | 8/23/01 | 9/6/01 | 146 | 3027501003 | 30275 | Atlanta | F/C | 8/1/01 |
| 653 | 281-2794208 | 0014458657 | \$58,537 | 1/21/02 | 1/28/02 | 252 | 3027501859 | 30275 | Atlanta | Current | 1/1/02 12/1/01 11/1/01 10/1/01 9/1/01 8/1/01 |
| 654 | 281-2797046 | 0014496343 | \$50,599 | 10/5/01 | 10/17/01 | 156 | 3027501859 | 30275 | Atlanta | Current | 8/1/01 7/1/01 |
| 655 | 281-2797811 | 0014545933 | \$26,731 | 11/15/01 | 11/26/01 | 161 | 3027500261 | 39276 | Atlanta | Current | 11/1/01 |
| 656 | 281-2801922 | 0014419295 | \$46,337 | 11/6/01 | 11/9/01 | 175 | 3027500261 | 30275 | Atlanta | Current | 10/1/01 8/1/01 |
| 657 | 281-2804600 | 0014257273 | \$63,917 | 10/8/01 | 10/19/01 | 164 | 3027501859 | 30275 | Atlanta | Current | 9/1/01 |
| 658 | 281-2812461 | 0014011043 | \$44,315 | 11/9/01 | 11/19/01 | 147 | 3027500261 | 39276 | Atlanta | Current | 10/1/01 9/1/01 |
| 659 | 281-2823283 | 0015657810 | \$71,379 | 1/17/02 | 1/25/02 | 191 | 3027501859 | 30275 | Atlanta | Current | 1/1/02 |
| 660 | 291-2674439 | 0010224491 | \$86,452 | 6/26/00 | 6/29/00 | 122 | 3027500962 | 30275 | Denver | F/C | 5/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 661 | 291-2676939 | 0010243129 | \$50,037 | 8/10/00 | 8/15/00 | 163 | 3027500962 | 30275 | Denver | > 90 days | 7/1/00 6/1/00 5/1/00 4/1/00 |
| 662 | 291-2684232 | 0010428597 | \$119,019 | 8/22/00 | 9/5/00 | 116 | 3027500962 | 30275 | Denver | > 60 day | 8/1/00 |
| 663 | 291-2704127 | 0010820355 | \$76,370 | 8/29/00 | 9/7/00 | 61 | 3027500962 | 30275 | Denver | F/C | 8/1/00 |
| 664 | 291-2710247 | 0012244190 | \$109,894 | 5/15/01 | 5/24/01 | 293 | 3027500962 | 30275 | Denver | > 30 days | 5/1/01 |
| 665 | 291-2726197 | 0012592192 | \$17,669 | 6/5/01 | 6/12/01 | 292 | 3027500962 | 30275 | Denver | > 90 days | 4/1/01 3/1/01 2/1/01 1/1/01 12/1/00 |
| 666 | 291-2727895 | 0012632501 | \$81,587 | 4/10/01 | 4/16/01 | 201 | 3027500962 | 30275 | Denver | Bankruptcy | 3/1/01 2/1/01 1/1/01 12/1/00 11/1/00 |
| 667 | 291-2729707 | 0012662250 | Adequate Documentation has been provided. | | | | | | | | |
| 668 | 291-2732968 | 0012537783 | \$88,922 | 2/9/01 | 2/14/01 | 164 | 3027500962 | 30275 | Denver | Current | 1/1/01 12/1/00 11/1/00 |
| 669 | 291-2745491 | 0013537337 | \$65,966 | 6/29/01 | 8/22/01 | 203 | 3027501758 | 30275 | Denver | > 90 days | 6/1/01 5/1/01 |
| 670 | 291-2754616 | 0013760749 | \$30,746 | 5/30/01 | 6/5/01 | 166 | 3027500962 | 30275 | Denver | Current | 5/1/01 |
| 671 | 291-2792109 | 0014483788 | \$96,232 | 11/8/01 | 11/14/01 | 210 | 3027500962 | 30275 | Denver | Current | 9/1/01 |
| 672 | 291-2824247 | 0015495641 | \$132,421 | 8/16/01 | 8/24/01 | 83 | 3027500962 | 30275 | Denver | Current | 8/1/01 |
| 673 | 291-2825128 | 0015523285 | \$118,983 | 10/10/01 | 11/5/01 | 103 | 3027501481 | 30275 | Denver | Current | 9/1/01 |
| 674 | 292-3803474 | 0005129978 | \$52,461 | 5/16/00 | 5/19/00 | 230 | 3027500037 | 30275 | Denver | SEE NOTE 1 | 5/1/00 4/1/00 3/1/00 |
| 675 | 292-3805712 | 0006033963 | \$44,782 | 5/25/00 | 6/1/00 | 206 | 3027500037 | 30275 | Denver | Current | 5/1/00 4/1/00 |
| 676 | 292-3807675 | 0008092686 | \$32,508 | 12/22/99 | 12/28/99 | 76 | 3027500037 | 30275 | Denver | REO | 12/1/99 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 677 | 292-3811595 | 0009003971 | \$32,815 | 9/14/00 | 9/26/00 | 223 | 3027500037 | 30275 | Denver | > 90 days | 8/1/00 7/1/00 |
| 678 | 292-3812187 | 0009068503 | \$82,957 | 2/23/00 | 3/2/00 | 117 | 3027500037 | 30275 | Denver | Current | 1/1/00 |
| 679 | 292-3828549 | 0001619840 | \$39,639 | 1/22/01 | 1/29/01 | 381 | 3027500037 | 30275 | Denver | SEE NOTE 1 | 1/1/01 |
| 680 | 292-3832940 | 0010036341 | \$58,969 | 9/7/00 | 9/15/00 | 227 | 3027500037 | 30275 | Denver | F/C | 8/1/00 |
| 681 | 292-3838575 | 0010129807 | \$89,954 | 3/14/01 | 3/26/01 | 286 | 3027500037 | 30275 | Denver | Current | 1/1/01 11/1/00 10/1/00 |
| 682 | 292-3842540 | 0010261915 | \$40,565 | 6/9/00 | 6/13/00 | 101 | 3027500962 | 30275 | Denver | > 90 days | 5/1/00 4/1/00 |
| 683 | 292-3849584 | 0010039071 | \$217,597 | 9/10/01 | 9/20/01 | 270 | 3027500962 | 30275 | Denver | Current | 3/1/01 |
| 684 | 292-3853181 | 0010449379 | \$66,739 | 8/17/00 | 8/30/00 | 111 | 3027500962 | 30275 | Denver | > 90 days | 8/1/00 7/1/00 |
| 685 | 292-3857227 | 0010502441 | \$28,663 | 7/20/00 | 7/29/00 | 81 | 3027500962 | 30275 | Denver | Claims | 7/1/00 6/1/00 |
| 686 | 292-3867979 | 0010674810 | \$78,487 | 8/4/00 | 8/10/00 | 81 | 3027500962 | 30275 | Denver | > 60 day | 7/1/00 |
| 687 | 292-3869730 | 0010837060 | \$98,190 | 12/5/00 | 12/12/00 | 200 | 3027500962 | 30275 | Denver | Claims | 8/1/00 |
| 688 | 292-3887836 | 0012294385 | \$53,955 | 3/21/01 | 6/27/01 | 252 | 3027500962 | 30275 | Denver | SEE NOTE 1 | 1/1/01 11/1/00 10/1/00 |
| 689 | 292-3907011 | 0013176995 | \$14,381 | 1/26/01 | 1/31/01 | 140 | 3027500962 | 30275 | Denver | > 90 days | 1/1/01 12/1/00 11/1/00 |
| 690 | 292-3908262 | 0013204540 | \$81,697 | 6/4/01 | 6/8/01 | 278 | 3027500962 | 30275 | Denver | SEE NOTE 1 | 5/1/01 4/1/01 3/1/01 |
| 691 | 292-3910345 | 0013242540 | \$102,947 | 1/17/01 | 1/30/01 | 110 | 3027500962 | 30275 | Denver | SEE NOTE 1 | 12/1/00 |
| 692 | 292-3920473 | 0013444609 | \$64,468 | 2/21/01 | 3/1/01 | 113 | 3027500962 | 30275 | Denver | > 30 days | 2/1/01 12/1/00 |
| 693 | 292-3924288 | 0013521182 | \$59,410 | 6/1/01 | 6/6/01 | 204 | 3027500962 | 30275 | Denver | > 90 days | 5/1/01 4/1/01 |
| 694 | 292-3926237 | 0013545553 | \$85,856 | 4/23/01 | 4/26/01 | 160 | 3027501758 | 30275 | Denver | > 30 days | 4/1/01 |
| 695 | 292-3933127 | 0013679725 | \$83,538 | 9/5/01 | 9/13/01 | 250 | 3027500962 | 30275 | Denver | > 30 days | 6/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 696 | 292-3942348 | 0013866769 | \$101,200 | 4/6/01 | 4/18/01 | 88 | 3027500962 | 30275 | Denver | > 30 days | 3/1/01 |
| 697 | 292-3961449 | 0014135727 | \$40,092 | 10/19/01 | 10/24/01 | 231 | 3027501758 | 30275 | Denver | Current | 7/1/01 6/1/01 |
| 698 | 292-3979739 | 0014421408 | \$89,117 | 10/16/01 | 10/23/01 | 190 | 3027500962 | 30275 | Denver | Current | 9/1/01 |
| 699 | 292-3986122 | 0014457626 | \$72,923 | 8/30/01 | 9/5/01 | 153 | 3027501758 | 30275 | Denver | F/C | 8/1/01 7/1/01 6/1/01 5/1/01 |
| 700 | 292-3988441 | 0014510267 | \$93,644 | 7/25/01 | 8/6/01 | 124 | 3027501481 | 30275 | Denver | > 30 days | 7/1/01 |
| 701 | 292-3998919 | 0015210792 | \$35,080 | 10/1/01 | 10/24/01 | 154 | 3027501764 | 30275 | Denver | Current | 9/1/01 8/1/01 7/1/01 6/1/01 |
| 702 | 292-4005229 | 0015299266 | \$138,406 | 7/30/01 | 8/8/01 | 66 | 3027501481 | 30275 | Denver | Current | 7/1/01 |
| 703 | 292-4014584 | 0015390727 | \$118,066 | 9/15/01 | 9/20/01 | 113 | 3027501481 | 30275 | Denver | Current | 8/1/01 |
| 704 | 292-4017923 | 0015475767 | \$81,357 | 10/26/01 | 11/1/01 | 140 | 3027501758 | 30275 | Denver | Current | 10/1/01 |
| 705 | 292-4031229 | 0015660434 | \$95,993 | 10/18/01 | 10/24/01 | 97 | 3027501758 | 30275 | Denver | > 90 days | 10/1/01 9/1/01 |
| 706 | 311-1646610 | 0013875869 | \$121,800 | 8/27/01 | 9/7/01 | 235 | 3027501980 | 30275 | Denver | Current | 8/1/01 7/1/01 |
| 707 | 321-2021035 | 0004433314 | \$139,929 | 1/4/00 | 1/19/00 | 117 | 3027500180 | 30275 | Denver | SEE NOTE 1 | 12/1/99 |
| 708 | 321-2037796 | 0010026763 | \$74,961 | 3/15/00 | 3/20/00 | 62 | 3027500180 | 30275 | Denver | Current | 3/1/00 |
| 709 | 321-2055226 | 0010458727 | \$94,951 | 8/8/00 | 8/14/00 | 103 | 3027500180 | 30275 | Denver | F/C | 7/1/00 6/1/00 |
| 710 | 321-2058382 | 0010071314 | \$113,068 | 2/22/01 | 3/1/01 | 240 | 3027500180 | 30275 | Denver | F/C | 2/1/01 1/1/01 12/1/00 11/1/00 10/1/00 |
| 711 | 321-2059893 | 0013263793 | \$22,009 | 5/20/01 | 5/23/01 | 184 | 3027501309 | 30275 | Denver | Current | 5/1/01 4/1/01 3/1/01 |
| 712 | 321-2063948 | 0012230090 | \$94,785 | 2/6/01 | 2/13/01 | 221 | 3027500180 | 30275 | Denver | Current | 1/1/01 12/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|------------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 713 | 321-2068656 | 0012376950 | \$50,861 | 2/28/01 | 3/6/01 | 229 | 3027500180 | 30275 | Denver | Current | 2/1/01 1/1/01 12/1/00 11/1/00 9/1/00 |
| 714 | 321-2073560 | 0012541611 | \$119,939 | 4/17/01 | 4/23/01 | 239 | 3027500180 | 30275 | Denver | Current | 3/1/01 |
| 715 | 321-2075975 | 0012530770 | \$104,946 | 2/1/01 | 2/21/01 | 167 | 3027500180 | 30275 | Denver | F/C | 12/1/00 10/1/00 |
| 716 | 321-2076702 | 0012638268 | \$114,941 | 12/15/00 | 1/18/01 | 78 | 3027500180 | 30275 | Denver | F/C | 12/1/00 |
| 717 | 321-2078676 | 0012621074 | Adequate Documentation has been provided. | | | | | | | | |
| 718 | 321-2080555 | 0013264536 | \$109,944 | 4/10/01 | 5/17/01 | 202 | 3027500180 | 30275 | Denver | Current | 1/1/01 |
| 719 | 321-2081182 | 0012656773 | \$83,957 | 3/5/01 | 3/22/01 | 172 | 3027500180 | 30275 | Denver | SEE NOTE 1 | 12/1/00 |
| 720 | 321-2089423 | 0013642418 | \$95,120 | 1/24/02 | 2/1/02 | 185 | 3027500180 | 30275 | Denver | Current | 12/1/01 11/1/01 |
| 721 | 321-2106442 | 0014304679 | \$50,115 | 7/30/01 | 8/3/01 | 123 | 3027501741 | 30275 | Denver | Current | 7/1/01 6/1/01 |
| 722 | 321-2120727 | 0015380967 | \$112,931 | 11/7/01 | 11/13/01 | 169 | 3027500253 | 30275 | Denver | Current | 10/1/01 9/1/01 |
| 723 [^] | 332-3364439 | 0004104030 | \$99,602 | 11/29/99 | 12/1/99 | 68 | 3027500116 | 30275 | Santa Ana | Bankruptcy | 11/1/99 |
| 724 | 332-3379768 | 0009060898 | \$78,107 | 1/11/00 | 1/14/00 | 81 | 3027500116 | 30275 | Santa Ana | Current | 12/1/99 |
| 725 | 332-3387163 | 0009278524 | \$132,925 | 6/6/00 | 6/8/00 | 197 | 3027500116 | 30275 | Santa Ana | Current | 5/1/00 |
| 726 | 332-3400434 | 0009503004 | \$67,587 | 3/9/00 | 3/14/00 | 70 | 3027500116 | 30275 | Santa Ana | Current | 2/1/00 |
| 727 | 332-3622901 | 0013981170 | \$97,470 | 9/27/01 | 10/4/01 | 176 | 3027500116 | 30275 | Santa Ana | > 30 days | 9/1/01 8/1/01 |
| 728 | 341-0676681 | 0010579449 | \$132,932 | 12/1/00 | 12/5/00 | 63 | 3027500218 | 30275 | Philadelphia | Current | 11/1/00 |
| 729 | 341-0682579 | 0010938124 | \$178,429 | 2/21/01 | 2/23/01 | 236 | 3027500218 | 30275 | Philadelphia | Bankruptcy | 2/1/01 |
| 730 | 341-0687127 | 0012280384 | \$41,954 | 2/9/01 | 2/13/01 | 193 | 3027500218 | 30275 | Philadelphia | Bankruptcy | 1/1/01 |
| 731 | 341-0691319 | 0012317517 | \$52,408 | 6/14/01 | 6/18/01 | 308 | 3027500218 | 30275 | Philadelphia | Bankruptcy | 5/1/01 4/1/01 3/1/01 2/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 732 | 341-0691325 | 0012474896 | \$72,454 | 4/12/01 | 4/17/01 | 245 | 3027500218 | 30275 | Philadelphia | REO | 2/1/01 1/1/01 12/1/00 11/1/00 10/1/00 |
| 733 | 341-0703400 | 0013671045 | \$89,954 | 7/18/01 | 7/20/01 | 230 | 3027502067 | 30275 | Philadelphia | Claims | 3/1/01 |
| 734 | 341-0730406 | 0015053523 | \$114,098 | 12/20/01 | 12/28/01 | 170 | 3027502050 | 30275 | Philadelphia | Current | 12/1/01 |
| 735 | 351-3716290 | 0006096721 | \$107,445 | 5/4/00 | 5/8/00 | 146 | 3027509990 | 30275 | Philadelphia | Current | 4/1/00 |
| 736 | 351-3718227 | 0007628670 | \$87,300 | 12/23/99 | 12/28/99 | 76 | 3027509990 | 30275 | Philadelphia | Current | 12/1/99 |
| 737 | 351-3724586 | 0007466675 | \$135,931 | 8/15/00 | 8/17/00 | 306 | 3027509990 | 30275 | Philadelphia | Current | 8/1/00 |
| 738 | 351-3724767 | 0009017674 | \$77,960 | 8/4/00 | 8/8/00 | 287 | 3027509990 | 30275 | Philadelphia | Current | 7/1/00 |
| 739 | 351-3740225 | 0002562163 | \$90,400 | 7/27/00 | 7/31/00 | 183 | 3027509990 | 30275 | Philadelphia | > 30 days | 5/1/00 |
| 740 | 351-3748083 | 0007605017 | \$64,966 | 6/20/00 | 6/22/00 | 138 | 3027509990 | 30275 | Philadelphia | Claims | 6/1/00 |
| 741 | 351-3753337 | 0004761433 | \$142,127 | 12/11/00 | 12/11/00 | 314 | 3027509990 | 30275 | Philadelphia | Current | 9/1/00 8/1/00 |
| 742 | 351-3779804 | 0010369114 | \$92,239 | 1/8/01 | 1/10/01 | 284 | 3027509990 | 30275 | Philadelphia | Current | 12/1/00 |
| 743 | 351-3795813 | 0010546372 | \$96,207 | 8/22/00 | 9/8/00 | 110 | 3027509990 | 30275 | Philadelphia | Current | 8/1/00 7/1/00 |
| 744 | 351-3814363 | 0010908630 | \$84,305 | 3/20/01 | 3/22/01 | 263 | 3027509990 | 30275 | Philadelphia | F/C | 10/1/00 |
| 745 | 351-3816551 | 0010940484 | \$94,449 | 9/17/01 | 9/21/01 | 444 | 3027509990 | 30275 | Philadelphia | Current | 9/1/01 8/1/01 7/1/01 6/1/01 5/1/01 4/1/01 |
| 746 | 351-3826769 | 0012251252 | \$99,182 | 10/19/00 | 10/23/00 | 97 | 3027509990 | 30275 | Philadelphia | > 30 days | 10/1/00 9/1/00 |
| 747 | 351-3832186 | 0012205332 | \$59,969 | 2/6/01 | 2/9/01 | 225 | 3027509990 | 30275 | Philadelphia | Bankruptcy | 12/1/00 11/1/00 10/1/00 |
| 748 | 351-3846422 | 0012518536 | \$63,972 | 12/26/00 | 1/4/01 | 130 | 3027509990 | 30275 | Philadelphia | > 30 days | 12/1/00 11/1/00 |
| 749 | 351-3850115 | 0012570909 | \$153,375 | 12/8/00 | 12/12/00 | 100 | 3027509990 | 30275 | Philadelphia | Current | 11/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--------------------------------------|
| 750 | 351-3851821 | 0012601118 | \$141,105 | 2/13/01 | 2/15/01 | 167 | 3027500956 | 30275 | Philadelphia | SEE NOTE 1 | 12/1/00 |
| 751 | 351-3860499 | 0013217799 | \$172,917 | 5/1/01 | 5/2/01 | 105 | 3027509990 | 30275 | Philadelphia | Current | 3/1/01 |
| 752 | 351-3860720 | 0013224662 | \$84,956 | 4/11/01 | 4/13/01 | 212 | 3027509990 | 30275 | Philadelphia | Current | 3/1/01 2/1/01 |
| 753 | 351-3861970 | 0013239728 | \$59,969 | 5/21/01 | 5/29/01 | 237 | 3027509990 | 30275 | Philadelphia | > 30 days | 5/1/01 |
| 754 | 351-3864750 | 0013279518 | \$136,125 | 1/9/01 | 1/11/01 | 109 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 12/1/00 |
| 755 | 351-3865914 | 0012633855 | \$65,966 | 1/3/02 | 1/8/02 | 482 | 3027509990 | 30275 | Philadelphia | Current | 12/1/01 11/1/01 |
| 756 | 351-3867077 | 0012424826 | \$108,944 | 4/6/01 | 4/17/01 | 203 | 3027509990 | 30275 | Philadelphia | Bankruptcy | 2/1/01 1/1/01 |
| 757 | 351-3967889 | 0015082936 | \$111,594 | 8/23/01 | 8/27/01 | 115 | 3027509990 | 30275 | Philadelphia | Current | 8/1/01 |
| 758 | 351-4018262 | 0015634108 | \$41,765 | 11/19/01 | 11/21/01 | 130 | 3027502277 | 39276 | Philadelphia | Current | 11/1/01 |
| 759 | 351-4029186 | 0015687502 | \$108,838 | 11/3/01 | 11/8/01 | 106 | 3027509990 | 30275 | Philadelphia | Current | 10/1/01 |
| 760 | 351-4029475 | 0015712888 | \$110,589 | 11/22/01 | 11/27/01 | 114 | 3027509990 | 30275 | Philadelphia | Current | 11/1/01 |
| 761 | 351-4040379 | 0015874571 | \$103,184 | 10/19/01 | 10/23/01 | 84 | 3027501895 | 30275 | Philadelphia | Current | 10/1/01 |
| 762 | 352-3874989 | 0004293692 | \$137,863 | 3/2/00 | 3/6/00 | 154 | 3027509990 | 30275 | Philadelphia | Current | 2/1/00 1/1/00 |
| 763 | 352-3938477 | 0002769578 | \$146,925 | 6/9/00 | 6/13/00 | 163 | 3027509990 | 30275 | Philadelphia | Current | 3/1/00 |
| 764 | 352-3949667 | 0005486881 | \$161,917 | 6/22/00 | 6/26/00 | 176 | 3027509990 | 30275 | Philadelphia | Current | 6/1/00 5/1/00 4/1/00 |
| 765 | 352-3952780 | 0005526967 | \$77,503 | 10/18/00 | 10/25/00 | 285 | 3027509990 | 30275 | Philadelphia | Current | 7/1/00 |
| 766 | 352-3995314 | 0010388346 | \$119,632 | 2/19/01 | 2/22/01 | 284 | 3027509990 | 30275 | Philadelphia | Current | 12/1/00 |
| 767 | 352-4010845 | 0010522852 | \$179,908 | 1/22/01 | 1/24/01 | 241 | 3027509990 | 30275 | Philadelphia | Current | 1/1/01 |
| 768 | 352-4026076 | 0010640746 | \$207,787 | 8/25/00 | 8/30/00 | 85 | 3027509990 | 30275 | Philadelphia | Current | 7/1/00 |
| 769 | 352-4056657 | 0012223962 | \$84,956 | 6/7/01 | 6/14/01 | 328 | 3027509990 | 30275 | Philadelphia | > 90 days | 12/1/00 |
| 770 | 352-4128252 | 0013359716 | \$114,059 | 4/17/01 | 4/19/01 | 165 | 3027509990 | 30275 | Philadelphia | > 90 days | 4/1/01 3/1/01 2/1/01 1/1/01 |
| 771 | 352-4136338 | 0013430780 | \$94,857 | 2/21/01 | 2/23/01 | 76 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 1/1/01 |
| 772 | 352-4162814 | 0013679634 | \$226,902 | 8/7/01 | 8/17/01 | 250 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 6/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|-----------------------------------|
| 773 | 352-4255288 | 0014319966 | \$182,700 | 7/25/01 | 7/27/01 | 61 | 3027502277 | 30275 | Philadelphia | > 30 days | 7/1/01 |
| 774 | 352-4260706 | 0014200737 | \$131,950 | 11/9/01 | 11/19/01 | 212 | 3027502277 | 30275 | Philadelphia | SEE NOTE 1 | 7/1/01 6/1/01 |
| 775 | 352-4385087 | 0015799885 | \$217,283 | 10/25/01 | 10/30/01 | 86 | 3027509990 | 30275 | Philadelphia | Current | 10/1/01 9/1/01 |
| 776 | 361-2410116 | 0010076446 | \$64,358 | 9/6/00 | 9/13/00 | 197 | 3027500378 | 30275 | Denver | SEE NOTE 1 | 6/1/00 4/1/00 |
| 777 | 361-2449842 | 0012426847 | \$128,142 | 3/13/01 | 3/20/01 | 225 | 3027500378 | 30275 | Denver | Current | 2/1/01 1/1/01 |
| 778 | 361-2474200 | 0013729801 | \$77,380 | 4/4/01 | 4/9/01 | 125 | 3027500378 | 30275 | Denver | Current | 3/1/01 2/1/01 |
| 779 | 371-2761147 | 0003442308 | \$96,951 | 11/26/99 | 11/30/99 | 80 | 3027500463 | 30275 | Philadelphia | REO | 11/1/99 |
| 780 | 371-2765943 | 0003879574 | \$36,753 | 1/24/00 | 2/4/00 | 129 | 3027500463 | 30275 | Philadelphia | > 90 days | 1/1/00 12/1/99 11/1/99 |
| 781 | 371-2769265 | 0004031019 | \$64,468 | 2/14/00 | 2/16/00 | 152 | 3027500463 | 30275 | Philadelphia | > 30 days | 1/1/00 |
| 782 | 371-2790738 | 0008978991 | \$54,971 | 2/17/00 | 2/22/00 | 93 | 3027500463 | 30275 | Philadelphia | Current | 2/1/00 |
| 783 | 371-2797027 | 0009453374 | \$63,567 | 8/10/00 | 8/14/00 | 237 | 3027500463 | 30275 | Philadelphia | Current | 7/1/00 |
| 784 | 371-2799720 | 0009541178 | \$83,457 | 3/2/00 | 3/6/00 | 79 | 3027500463 | 30275 | Philadelphia | SEE NOTE 1 | 2/1/00 |
| 785 | 371-2815694 | 0010106698 | \$54,971 | 12/19/00 | 12/22/00 | 270 | 3027500463 | 30275 | Philadelphia | Current | 12/1/00 |
| 786 | 371-2817882 | 0010191013 | \$64,000 | 10/10/00 | 11/14/00 | 204 | 3027500463 | 30275 | Philadelphia | Current | 8/1/00 |
| 787 | 371-2818603 | 0010205961 | \$52,972 | 3/27/01 | 3/29/01 | 377 | 3027500463 | 30275 | Philadelphia | Current | 10/1/00 |
| 788 | 371-2820029 | 0010252948 | \$44,632 | 8/2/00 | 8/7/00 | 153 | 3027500463 | 30275 | Philadelphia | > 90 days | 4/1/00 |
| 789 | 371-2820166 | 0010118693 | \$83,313 | 7/21/00 | 7/25/00 | 109 | 3027500463 | 74649 | Philadelphia | > 90 days | 7/1/00 6/1/00 |
| 790 | 371-2828357 | 0010371540 | \$46,421 | 9/12/00 | 9/14/00 | 137 | 3027500463 | 30275 | Philadelphia | > 30 days | 8/1/00 7/1/00 |
| 791 | 371-2834527 | 0010533917 | \$83,957 | 8/2/00 | 8/4/00 | 82 | 3027500463 | 30275 | Philadelphia | Current | 7/1/00 |
| 792 | 371-2844950 | 0010845444 | \$36,102 | 4/10/01 | 4/16/01 | 264 | 3027500463 | 30275 | Philadelphia | Current | 10/1/00 |
| 793 | 371-2860804 | 0012408159 | \$48,466 | 2/8/01 | 2/12/01 | 189 | 3027500463 | 30275 | Philadelphia | Current | 11/1/00 |
| 794 | 371-2867207 | 0012371514 | \$130,933 | 5/22/01 | 6/7/01 | 293 | 3027500463 | 30275 | Philadelphia | Current | 5/1/01 12/1/00 |
| 795 | 371-2867808 | 0012383691 | \$159,187 | 1/16/01 | 1/18/01 | 155 | 3027500463 | 30275 | Philadelphia | SEE NOTE 1 | 10/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 796 | 371-2887303 | 0013263918 | \$65,440 | 5/18/01 | 5/23/01 | 231 | 3027501446 | 30275 | Philadelphia | Current | 5/1/01 4/1/01 3/1/01 2/1/01 1/1/01 12/1/00 11/1/00 |
| 797 | 371-2887313 | 0013264726 | \$35,242 | 6/11/01 | 6/12/01 | 242 | 3027501446 | 30275 | Philadelphia | > 90 days | 5/1/01 4/1/01 3/1/01 2/1/01 |
| 798 | 371-2905471 | 0013558697 | \$60,124 | 6/15/01 | 6/18/01 | 162 | 3027502131 | 30275 | Philadelphia | Current | 2/1/01 |
| 799 | 372-2855922 | 0003818630 | \$67,737 | 3/20/00 | 3/29/00 | 164 | 3027500463 | 30275 | Philadelphia | Current | 1/1/00 12/1/99 |
| 800 | 372-2940862 | 0003221462 | \$42,053 | 2/1/00 | 2/17/00 | 64 | 3027500463 | 30275 | Philadelphia | F/C | 1/1/00 |
| 801 | 372-2952361 | 0004042685 | \$28,272 | 5/17/00 | 5/19/00 | 180 | 3027500463 | 30275 | Philadelphia | Current | 5/1/00 4/1/00 3/1/00 2/1/00 |
| 802 | 372-2957591 | 0008660680 | \$42,811 | 5/30/00 | 6/1/00 | 173 | 3027500463 | 30275 | Philadelphia | REO | 5/1/00 4/1/00 |
| 803 | 372-2958886 | 0008950552 | \$63,467 | 6/8/00 | 6/12/00 | 192 | 3027500463 | 30275 | Philadelphia | Current | 5/1/00 4/1/00 |
| 804 | 372-2969583 | 0004679932 | \$130,164 | 9/28/00 | 10/2/00 | 183 | 3027500463 | 30275 | Philadelphia | Current | 8/1/00 7/1/00 |
| 805 | 372-2973384 | 0005469747 | \$35,000 | 11/9/00 | 11/15/00 | 317 | 3027500463 | 30275 | Philadelphia | Current | 7/1/00 |
| 806 | 372-3025443 | 0012459111 | \$32,311 | 12/11/00 | 12/18/00 | 112 | 3027501446 | 30275 | Philadelphia | > 90 days | 11/1/00 10/1/00 |
| 807 | 372-3035349 | 0013195789 | \$79,459 | 2/1/01 | 2/16/01 | 125 | 3027500463 | 30275 | Philadelphia | Current | 1/1/01 12/1/00 |
| 808 | 372-3044760 | 0013401492 | \$68,000 | 2/20/01 | 2/22/01 | 116 | 3027500463 | 30275 | Philadelphia | Current | 2/1/01 |
| 809 | 372-3079849 | 0014258875 | \$47,609 | 10/22/01 | 10/27/01 | 157 | 3027501446 | 39276 | Philadelphia | > 30 days | 9/1/01 |
| 810 | 372-3085266 | 0014427009 | \$100,383 | 8/23/01 | 9/24/01 | 76 | 3027501446 | 30275 | Philadelphia | Current | 8/1/01 |
| 811 | 372-3109799 | 0015464282 | \$59,033 | 10/1/01 | 10/3/01 | 94 | 3027501446 | 30275 | Philadelphia | Current | 9/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 812 | 372-3169865 | 0014241467 | \$69,351 | 11/15/01 | 11/21/01 | 228 | 3027502131 | 30275 | Philadelphia | Current | 9/1/01 |
| 813 | 374-3132986 | 0007852395 | \$113,068 | 9/15/00 | 9/19/00 | 351 | 3027500043 | 30275 | Philadelphia | > 90 days | 9/1/00 8/1/00 7/1/00 5/1/00 4/1/00 |
| 814 | 374-3178647 | 0003740875 | \$56,534 | 1/20/00 | 2/7/00 | 132 | 3027500043 | 30275 | Philadelphia | Current | 1/1/00 |
| 815 | 374-3197051 | 0004263190 | \$229,883 | 5/17/00 | 5/22/00 | 191 | 3027500043 | 30275 | Philadelphia | SEE NOTE 1 | 4/1/00 3/1/00 |
| 816 | 374-3226821 | 0006043095 | \$117,004 | 1/5/00 | 1/10/00 | 84 | 3027500043 | 30275 | Philadelphia | F/C | 12/1/99 |
| 817 | 374-3253039 | 0009350307 | \$197,853 | 3/9/00 | 3/13/00 | 120 | 3027500043 | 30275 | Philadelphia | REO | 2/1/00 |
| 818 | 374-3288963 | 0005528963 | \$164,520 | 10/30/00 | 10/31/00 | 262 | 3027500463 | 30275 | Philadelphia | Current | 9/1/00 |
| 819 | 374-3325442 | 0010261733 | \$162,900 | 10/30/00 | 10/31/00 | 222 | 3027500043 | 30275 | Philadelphia | Current | 10/1/00 5/1/00 |
| 820 | 374-3330941 | 0011096310 | \$123,300 | 1/24/01 | 1/26/01 | 317 | 3027500463 | 30275 | Philadelphia | > 90 days | 1/1/01 11/1/00 9/1/00 |
| 821 | 374-3358956 | 0010519262 | \$127,935 | 1/8/01 | 1/9/01 | 209 | 3027501525 | 30275 | Philadelphia | Current | 12/1/00 11/1/00 10/1/00 9/1/00 8/1/00 |
| 822 | 374-3404877 | 0012206108 | \$247,956 | 3/16/01 | 3/21/01 | 261 | 3027500463 | 30275 | Philadelphia | F/C | 2/1/01 1/1/01 12/1/00 11/1/00 10/1/00 |
| 823 | 374-3417713 | 0012440152 | \$192,624 | 12/22/00 | 12/27/00 | 98 | 3027501525 | 30275 | Philadelphia | Current | 11/1/00 |
| 824 | 374-3459578 | 0013175914 | \$222,792 | 5/8/01 | 5/11/01 | 109 | 3027501525 | 30275 | Philadelphia | Current | 4/1/01 3/1/01 |
| 825 | 374-3462003 | 0013199823 | \$249,873 | 1/31/01 | 2/21/01 | 118 | 3027501525 | 30275 | Philadelphia | > 30 days | 1/1/01 |
| 826 | 374-3570994 | 0012662235 | \$173,542 | 2/23/01 | 2/27/01 | 106 | 3027501525 | 30275 | Philadelphia | SEE NOTE 1 | 2/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 827 | 381-5701406 | 0003793866 | \$88,704 | 9/29/00 | 10/11/00 | 331 | 3027500319 | 30275 | Atlanta | Current | 8/1/00 7/1/00 6/1/00 5/1/00 |
| 828 | 381-5731857 | 0007652456 | \$50,485 | 3/8/00 | 3/13/00 | 132 | 3027500319 | 30275 | Atlanta | Current | 2/1/00 |
| 829 | 381-5740530 | 0006083588 | \$76,461 | 8/4/00 | 8/10/00 | 270 | 3027500319 | 30275 | Atlanta | > 60 day | 7/1/00 6/1/00 3/1/00 2/1/00 |
| 830 | 381-5765975 | 0009481094 | \$94,844 | 4/21/00 | 4/28/00 | 161 | 3027500319 | 30275 | Atlanta | Current | 4/1/00 |
| 831 | 381-5787226 | 0006854202 | \$45,623 | 3/30/00 | 4/4/00 | 89 | 3027500319 | 30275 | Atlanta | F/C | 3/1/00 |
| 832 | 381-5791164 | 0001986322 | \$99,949 | 3/20/00 | 3/27/00 | 90 | 3027500319 | 30275 | Atlanta | Current | 3/1/00 2/1/00 |
| 833 | 381-5795195 | 0005564612 | \$89,264 | 5/23/00 | 5/31/00 | 165 | 3027500319 | 30275 | Atlanta | Current | 4/1/00 |
| 834 | 381-5796286 | 0006018485 | \$109,100 | 12/23/99 | 12/29/99 | 93 | 3027500319 | 30275 | Atlanta | Current | 12/1/99 11/1/99 |
| 835 | 381-5803676 | 0010051936 | \$50,269 | 7/7/00 | 7/14/00 | 148 | 3027500319 | 30275 | Atlanta | > 30 days | 6/1/00 |
| 836 | 381-5807576 | 0010083459 | \$79,246 | 10/17/00 | 10/24/00 | 260 | 3027500319 | 30275 | Atlanta | F/C | 9/1/00 8/1/00 |
| 837 | 381-5828025 | 0010089894 | \$59,767 | 11/3/00 | 12/5/00 | 248 | 3027500775 | 30275 | Atlanta | Current | 9/1/00 |
| 838 | 381-5833613 | 0010338010 | \$161,667 | 6/27/00 | 6/30/00 | 63 | 3027500319 | 30275 | Atlanta | Current | 6/1/00 |
| 839 | 381-5837453 | 0010371912 | \$53,409 | 8/2/00 | 8/15/00 | 104 | 3027500319 | 30275 | Atlanta | > 90 days | 7/1/00 |
| 840 | 381-5839743 | 0010392363 | \$61,968 | 10/3/00 | 10/13/00 | 148 | 3027500319 | 30275 | Atlanta | Current | 9/1/00 7/1/00 |
| 841 | 381-5863056 | 0010559078 | \$36,147 | 11/1/00 | 11/7/00 | 159 | 3027501288 | 30275 | Atlanta | > 90 days | 10/1/00 8/1/00 7/1/00 |
| 842 | 381-5891011 | 0010895274 | \$139,929 | 2/28/01 | 3/5/01 | 278 | 3027500319 | 30275 | Atlanta | Current | 1/1/01 12/1/00 11/1/00 10/1/00 |
| 843 | 381-5891982 | 0010904266 | \$73,338 | 10/24/00 | 11/4/00 | 146 | 3027501288 | 30275 | Atlanta | > 30 days | 10/1/00 9/1/00 |
| 844 | 381-5901601 | 0010984607 | \$89,725 | 2/27/01 | 3/2/01 | 242 | 3027500319 | 30275 | Atlanta | Current | 11/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 845 | 381-5903114 | 0010862308 | \$129,578 | 7/9/01 | 7/16/01 | 409 | 3027500319 | 30275 | Atlanta | Current | 2/1/01 1/1/01 |
| 846 | 381-5932910 | 0013305032 | \$78,354 | 2/19/01 | 2/21/01 | 143 | 3027500319 | 30275 | Atlanta | SEE NOTE 1 | 1/1/01 |
| 847 | 381-5936428 | 0012417440 | \$84,956 | 1/19/01 | 1/26/01 | 175 | 3027500319 | 30275 | Atlanta | SEE NOTE 1 | 1/1/01 |
| 848 | 381-5954481 | 0012518858 | \$86,968 | 1/29/02 | 2/11/02 | 468 | 3027500319 | 39276 | Atlanta | > 30 days | 1/1/02 12/1/01 11/1/01 9/1/01 8/1/01 |
| 849 | 381-5956611 | 0012614756 | \$82,957 | 4/19/01 | 4/24/01 | 168 | 3027500319 | 30275 | Atlanta | > 30 days | 4/1/01 3/1/01 |
| 850 | 381-5957958 | 0012619706 | \$120,010 | 12/19/00 | 12/28/00 | 118 | 3027500319 | 30275 | Atlanta | > 90 days | 11/1/00 |
| 851 | 381-5959732 | 0012639837 | \$88,768 | 3/12/01 | 3/14/01 | 178 | 3027500319 | 30275 | Atlanta | > 60 day | 2/1/01 |
| 852 | 381-5965767 | 0013195656 | \$89,954 | 1/9/01 | 1/13/01 | 113 | 3027501288 | 30275 | Atlanta | Current | 11/1/00 |
| 853 | 381-5967007 | 0013205091 | \$56,100 | 3/19/01 | 3/21/01 | 164 | 3027500319 | 30275 | Atlanta | Current | 3/1/01 2/1/01 |
| 854 | 381-5992132 | 0013402706 | \$52,972 | 3/7/01 | 3/9/01 | 135 | 3027502096 | 30275 | Atlanta | > 90 days | 1/1/01 |
| 855 | 381-6101471 | 0014256135 | \$127,893 | 9/17/01 | 10/10/01 | 199 | 3027500319 | 30275 | Atlanta | F/C | 8/1/01 7/1/01 6/1/01 |
| 856 | 381-6113224 | 0014331797 | \$34,459 | 7/23/01 | 7/30/01 | 104 | 3027501288 | 30275 | Atlanta | Current | 7/1/01 |
| 857 | 381-6179526 | 0015345267 | \$120,172 | 7/31/01 | 8/14/01 | 68 | 3027501288 | 30275 | Atlanta | SEE NOTE 1 | 7/1/01 |
| 858 | 401-0940988 | 0010188654 | \$103,847 | 1/16/01 | 1/19/01 | 307 | 3027500405 | 30275 | Denver | Current | 1/1/01 |
| 859 | 401-0941925 | 0010314193 | \$59,305 | 3/22/01 | 3/28/01 | 365 | 3027500405 | 30275 | Denver | Current | 3/1/01 |
| 860 | 401-0952957 | 0012650677 | \$53,972 | 2/5/01 | 2/9/01 | 157 | 3027500405 | 30275 | Denver | > 90 days | 1/1/01 12/1/00 |
| 861 | 401-0956505 | 0013462767 | \$36,266 | 2/16/01 | 2/23/01 | 91 | 3027502117 | 30275 | Denver | Current | 1/1/01 |
| 862 | 401-0967519 | 0015264914 | \$73,841 | 8/16/01 | 8/22/01 | 104 | 3027502117 | 30275 | Denver | Current | 8/1/01 |
| 863 | 411-3035092 | 0006902811 | \$127,924 | 2/16/00 | 2/18/00 | 124 | 3027500355 | 30275 | Philadelphia | > 60 day | 2/1/00 |
| 864 | 411-3100990 | 0005469358 | \$80,624 | 10/13/00 | 10/17/00 | 297 | 3027500355 | 30275 | Philadelphia | SEE NOTE 1 | 4/1/00 |
| 865 | 411-3119939 | 0010385144 | \$101,948 | 6/1/00 | 6/5/00 | 63 | 3027500355 | 30275 | Philadelphia | SEE NOTE 1 | 5/1/00 |
| 866 | 411-3143938 | 0010896900 | \$42,408 | 2/8/01 | 2/12/01 | 154 | 3027500355 | 30275 | Philadelphia | > 90 days | 12/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 867 | 411-3147322 | 0010955540 | \$63,599 | 4/10/01 | 4/25/01 | 223 | 3027500355 | 30275 | Philadelphia | Current | 2/1/01 1/1/01 12/1/00 11/1/00 10/1/00 |
| 868 | 411-3173809 | 0012631479 | \$123,482 | 11/7/00 | 11/13/00 | 75 | 3027500355 | 30275 | Philadelphia | Current | 10/1/00 |
| 869 | 411-3181210 | 0013277850 | \$99,182 | 3/5/01 | 3/12/01 | 157 | 3027500355 | 30275 | Philadelphia | SEE NOTE 1 | 2/1/01 |
| 870 | 411-3184491 | 0013336250 | \$94,223 | 1/2/01 | 1/4/01 | 71 | 3027500355 | 30275 | Philadelphia | F/C | 12/1/00 |
| 871 | 411-3208286 | 0013817812 | \$76,597 | 7/10/01 | 7/13/01 | 165 | 3027500355 | 30275 | Philadelphia | Current | 6/1/01 5/1/01 |
| 872 | 411-3251929 | 0015056344 | \$75,404 | 8/20/01 | 8/22/01 | 115 | 3027501321 | 30275 | Philadelphia | Current | 8/1/01 7/1/01 |
| 873 | 412-4333523 | 0003883246 | \$60,469 | 3/15/00 | 3/17/00 | 106 | 3027500355 | 30275 | Philadelphia | SEE NOTE 1 | 11/1/99 10/1/99 |
| 874 | 412-4345509 | 0004424297 | \$64,867 | 4/27/00 | 5/1/00 | 233 | 3027500355 | 30275 | Philadelphia | > 90 days | 2/1/00 1/1/00 |
| 875 | 412-4349677 | 0010055564 | \$97,342 | 8/15/00 | 8/17/00 | 197 | 3027500355 | 30275 | Philadelphia | Current | 5/1/00 |
| 876 | 412-4351188 | 0004664397 | \$141,780 | 12/7/99 | 12/9/99 | 68 | 3027500355 | 30275 | Philadelphia | > 30 days | 11/1/99 |
| 877 | 412-4365736 | 0009045774 | \$79,959 | 2/17/00 | 3/22/00 | 122 | 3027500355 | 30275 | Philadelphia | Current | 2/1/00 |
| 878 | 412-4377938 | 0002500502 | \$87,955 | 4/11/00 | 4/13/00 | 120 | 3027500355 | 30275 | Philadelphia | Current | 3/1/00 |
| 879 | 412-4379916 | 0004608295 | \$63,967 | 9/4/00 | 9/6/00 | 279 | 3027500355 | 30275 | Philadelphia | Current | 6/1/00 |
| 880 | 412-4392585 | 0010027951 | \$111,912 | 9/12/00 | 9/14/00 | 232 | 3027500355 | 30275 | Philadelphia | F/C | 8/1/00 7/1/00 6/1/00 5/1/00 4/1/00 |
| 881 | 412-4396625 | 0010072213 | \$87,181 | 7/4/00 | 7/6/00 | 130 | 3027500355 | 30275 | Philadelphia | Current | 6/1/00 5/1/00 |
| 882 | 412-4417311 | 0010410561 | \$78,458 | 2/8/01 | 2/12/01 | 321 | 3027500355 | 30275 | Philadelphia | F/C | 1/1/01 |
| 883 | 412-4417783 | 0010376978 | \$39,673 | 10/5/00 | 10/10/00 | 192 | 3027500355 | 30275 | Philadelphia | Current | 7/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 884 | 412-4423142 | 0010482628 | \$87,955 | 3/12/01 | 3/15/01 | 285 | 3027500355 | 30275 | Philadelphia | F/C | 1/1/01 12/1/00 11/1/00 10/1/00 9/1/00 |
| 885 | 412-4426727 | 0010525400 | \$86,503 | 6/15/00 | 6/20/00 | 62 | 3027500355 | 30275 | Philadelphia | > 60 day | 6/1/00 |
| 886 | 412-4438987 | 0010651974 | \$133,497 | 2/15/01 | 2/21/01 | 275 | 3027500355 | 30275 | Philadelphia | SEE NOTE 1 | 1/1/01 12/1/00 11/1/00 10/1/00 9/1/00 8/1/00 |
| 887 | 412-4444549 | 0010857266 | \$42,648 | 11/17/00 | 11/21/00 | 156 | 3027500355 | 30275 | Philadelphia | Current | 11/1/00 10/1/00 |
| 888 | 412-4463141 | 0012354015 | \$45,330 | 11/7/00 | 11/8/00 | 88 | 3027500355 | 30275 | Philadelphia | > 90 days | 10/1/00 |
| 889 | 412-4465369 | 0012281440 | \$150,523 | 9/15/00 | 9/19/00 | 63 | 3027500355 | 30275 | Philadelphia | > 90 days | 9/1/00 |
| 890 | 412-4469302 | 0012335634 | Adequate Documentation has been provided. | | | | | | | | |
| 891 | 412-4499260 | 0013303953 | \$82,457 | 3/2/01 | 3/8/01 | 156 | 3027500355 | 30275 | Philadelphia | > 30 days | 1/1/01 12/1/00 11/1/00 |
| 892 | 412-4510792 | 0013462031 | \$72,428 | 6/12/01 | 6/22/01 | 162 | 3027500355 | 30275 | Philadelphia | SEE NOTE 1 | 5/1/01 |
| 893 | 412-4537352 | 0013855119 | \$18,249 | 10/8/01 | 10/18/01 | 284 | 3027502327 | 30275 | Philadelphia | Current | 9/1/01 |
| 894 | 412-4590790 | 0015136682 | \$42,097 | 8/29/01 | 8/31/01 | 110 | 3027502327 | 30275 | Philadelphia | Current | 7/1/01 |
| 895 | 412-4592691 | 0015165012 | \$85,655 | 7/19/01 | 7/23/01 | 80 | 3027501321 | 30275 | Philadelphia | Current | 6/1/01 |
| 896 | 412-4595609 | 0013634761 | \$113,781 | 1/22/02 | 1/29/02 | 270 | 3027501321 | 30275 | Philadelphia | SEE NOTE 1 | 8/1/01 |
| 897 | 412-4615936 | 0015158876 | \$83,341 | 10/29/01 | 11/1/01 | 152 | 3027502327 | 30275 | Philadelphia | F/C | 10/1/01 9/1/01 |
| 898 | 412-4637931 | 0015511025 | \$92,449 | 9/17/01 | 9/19/01 | 76 | 3027500355 | 30275 | Philadelphia | Current | 9/1/01 |
| 899 | 412-4645649 | 0015562622 | \$84,333 | 10/3/01 | 10/10/01 | 76 | 3027501706 | 30275 | Philadelphia | Current | 9/1/01 |
| 900 | 412-4645705 | 0015366123 | \$108,300 | 10/25/01 | 10/30/01 | 106 | 3027502327 | 30275 | Philadelphia | Current | 10/1/01 |
| 901 | 413-3448487 | 0005999909 | \$46,615 | 3/27/01 | 3/29/01 | 540 | 3027500326 | 30275 | Philadelphia | Current | 12/1/00 |
| 902 | 413-3504849 | 0010321404 | \$75,211 | 1/31/01 | 2/2/01 | 322 | 3027500355 | 30275 | Philadelphia | Current | 8/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 903 | 413-3507924 | 0010353266 | \$142,326 | 4/16/01 | 4/18/01 | 388 | 3027500326 | 30275 | Philadelphia | SEE NOTE 1 | 3/1/01 2/1/01 1/1/01 12/1/00 |
| 904 | 413-3511987 | 0010429306 | \$104,295 | 10/24/00 | 10/27/00 | 130 | 3027500326 | 30275 | Philadelphia | > 90 days | 10/1/00 9/1/00 |
| 905 | 413-3579167 | 0013246327 | \$74,000 | 2/9/01 | 2/13/01 | 149 | 3027500326 | 30275 | Philadelphia | Current | 1/1/01 12/1/00 |
| 906 | 413-3585241 | 0013337274 | \$72,403 | 1/18/01 | 1/22/01 | 85 | 3027501321 | 30275 | Philadelphia | > 30 days | 1/1/01 12/1/00 |
| 907 | 413-3611148 | 0013743166 | \$60,862 | 2/21/01 | 3/16/01 | 84 | 3027501321 | 30275 | Philadelphia | > 90 days | 2/1/01 |
| 908 | 421-3574797 | 0003796059 | \$68,059 | 2/25/00 | 3/2/00 | 140 | 3027500106 | 30275 | Denver | Current | 1/1/00 |
| 909 | 421-3590407 | 0009327461 | \$83,809 | 8/21/00 | 8/30/00 | 285 | 3027500106 | 30275 | Denver | Current | 7/1/00 6/1/00 |
| 910 | 421-3592784 | 0009516303 | \$59,969 | 2/1/00 | 2/4/00 | 74 | 3027500106 | 30275 | Denver | > 90 days | 1/1/00 |
| 911 | 421-3597384 | 0002869261 | \$60,997 | 3/30/00 | 4/5/00 | 111 | 3027500095 | 30275 | Denver | Current | 3/1/00 |
| 912 | 421-3600369 | 0006855191 | \$117,030 | 10/11/00 | 10/24/00 | 301 | 3027500106 | 30275 | Denver | Current | 7/1/00 |
| 913 | 421-3607691 | 0010126241 | \$72,393 | 5/3/00 | 5/8/00 | 92 | 3027500106 | 30275 | Denver | > 90 days | 3/1/00 |
| 914 | 421-3609237 | 0010072551 | \$92,239 | 9/25/00 | 10/4/00 | 189 | 3027500106 | 30275 | Denver | Current | 6/1/00 |
| 915 | 421-3643507 | 0012246799 | \$34,713 | 5/8/01 | 5/17/01 | 258 | 3027500106 | 30275 | Denver | > 90 days | 1/1/01 |
| 916 | 421-3656351 | 0012523791 | \$52,583 | 4/19/01 | 5/25/01 | 98 | 3027500106 | 30275 | Denver | > 90 days | 4/1/01 3/1/01 |
| 917 | 421-3664551 | 0013236419 | Adequate Documentation has been provided. | | | | | | | | |
| 918 | 421-3668083 | 0013348644 | \$77,860 | 3/29/01 | 4/5/01 | 181 | 3027500106 | 30275 | Denver | > 30 days | 3/1/01 2/1/01 1/1/01 12/1/00 11/1/00 |
| 919 | 421-3673626 | 0013489455 | \$86,955 | 1/26/01 | 2/8/01 | 93 | 3027500106 | 30275 | Denver | Current | 1/1/01 12/1/00 |
| 920 | 421-3698482 | 0014284327 | \$28,551 | 7/2/01 | 7/11/01 | 105 | 3027502175 | 30275 | Denver | > 30 days | 6/1/01 |
| 921 | 421-3699488 | 0014194146 | \$63,995 | 8/15/01 | 8/21/01 | 147 | 3027500106 | 30275 | Denver | Current | 7/1/01 |
| 922 | 421-3712499 | 0012276630 | \$59,969 | 7/10/01 | 7/23/01 | 284 | 3027500106 | 30275 | Denver | > 90 days | 5/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 923 | 422-2369173 | 0005192414 | \$45,941 | 12/15/99 | 12/21/99 | 62 | 3027500095 | 30275 | Denver | > 90 days | 12/1/99 |
| 924 | 422-2374882 | 0009207457 | Adequate Documentation has been provided. | | | | | | | | |
| 925 | 422-2398519 | 0010540755 | \$68,931 | 12/14/00 | 12/27/00 | 227 | 3027500106 | 30275 | Denver | SEE NOTE 1 | 11/1/00 |
| 926 | 422-2402586 | 0010821775 | \$87,250 | 12/19/00 | 1/4/01 | 221 | 3027500106 | 30275 | Denver | Current | 12/1/00 |
| 927 | 422-2412026 | 0012339537 | \$61,468 | 3/2/01 | 3/14/01 | 220 | 3027501344 | 30275 | Denver | > 90 days | 10/1/00 |
| 928 | 422-2412820 | 0012373494 | Adequate Documentation has been provided. | | | | | | | | |
| 929 | 422-2415675 | 0012537866 | \$28,762 | 2/23/01 | 3/3/01 | 154 | 3027500106 | 30275 | Denver | > 90 days | 2/1/01 1/1/01 |
| 930 | 422-2416171 | 0012560678 | \$122,688 | 2/5/01 | 2/20/01 | 180 | 3027500106 | 30275 | Denver | Current | 1/1/01 |
| 931 | 422-2416664 | 0012586053 | \$71,963 | 11/27/00 | 12/8/00 | 88 | 3027500106 | 30275 | Denver | > 60 day | 11/1/00 |
| 932 | 422-2431031 | 0013808258 | \$69,964 | 3/5/02 | 3/12/02 | 441 | 3027502175 | 30275 | Denver | Current | 12/1/01 |
| 933 | 422-2438408 | 0014267793 | \$72,856 | 6/28/01 | 7/10/01 | 90 | 3027500106 | 30275 | Denver | F/C | 6/1/01 5/1/01 |
| 934 | 422-2444738 | 0015142961 | \$123,931 | 8/17/01 | 8/24/01 | 112 | 3027500106 | 30275 | Denver | Current | 7/1/01 |
| 935 | 422-2453609 | 0015532641 | \$92,072 | 11/19/01 | 11/29/01 | 112 | 3027500106 | 30275 | Denver | Current | 10/1/01 9/1/01 8/1/01 |
| 936 | 431-3427584 | 0010457240 | \$124,808 | 10/20/00 | 10/26/00 | 163 | 3027500151 | 30275 | Santa Ana | F/C | 9/1/00 8/1/00 7/1/00 |
| 937 | 431-3430100 | 0010498772 | Adequate Documentation has been provided. | | | | | | | | |
| 938 | 431-3455183 | 0011262359 | \$116,871 | 4/5/01 | 4/10/01 | 280 | 3027500151 | 30275 | Santa Ana | Current | 12/1/00 |
| 939 | 431-3457228 | 0012279253 | \$133,896 | 2/12/01 | 2/14/01 | 216 | 3027500151 | 30275 | Santa Ana | SEE NOTE 1 | 11/1/00 10/1/00 |
| 940 | 431-3462858 | 0012404695 | \$135,895 | 8/17/01 | 8/22/01 | 392 | 3027500151 | 30275 | Santa Ana | SEE NOTE 1 | 4/1/01 3/1/01 |
| 941 | 431-3468401 | 0012498507 | \$119,019 | 1/30/01 | 2/7/01 | 158 | 3027500151 | 30275 | Santa Ana | SEE NOTE 1 | 12/1/00 |
| 942 | 431-3482087 | 0013310701 | \$123,184 | 12/3/01 | 12/6/01 | 444 | 3027500151 | 30275 | Santa Ana | > 30 days | 11/1/01 10/1/01 8/1/01 6/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 943 | 431-3514984 | 0013979232 | \$45,373 | 8/2/01 | 8/8/01 | 125 | 3027502254 | 30275 | Santa Ana | > 30 days | 7/1/01 6/1/01 5/1/01 |
| 944 | 431-3578996 | 0015421985 | \$152,980 | 10/29/01 | 2/15/02 | 164 | 3027502260 | 30275 | Santa Ana | Current | 10/1/01 9/1/01 |
| 945 | 441-6096351 | 0003966777 | \$35,327 | 1/14/00 | 1/19/00 | 116 | 3027509990 | 30275 | Philadelphia | > 60 day | 12/1/99 |
| 946 | 441-6099227 | 0004036687 | \$94,952 | 1/12/00 | 1/14/00 | 113 | 3027509990 | 30275 | Philadelphia | > 90 days | 12/1/99 11/1/99 |
| 947 | 441-6100978 | 0004092771 | \$40,892 | 9/25/00 | 9/28/00 | 389 | 3027509990 | 30275 | Philadelphia | > 90 days | 9/1/00 8/1/00 7/1/00 6/1/00 5/1/00 4/1/00 |
| 948 | 441-6110725 | 0004365854 | \$72,863 | 3/21/00 | 3/23/00 | 174 | 3027509990 | 30275 | Philadelphia | Current | 1/1/00 |
| 949 | 441-6121331 | 0005063599 | \$94,223 | 12/16/99 | 12/17/99 | 78 | 3027509990 | 30275 | Philadelphia | Current | 12/1/99 11/1/99 |
| 950 | 441-6125595 | 0005981097 | \$54,632 | 3/30/00 | 4/3/00 | 147 | 3027509990 | 30275 | Philadelphia | Bankruptcy | 3/1/00 2/1/00 |
| 951 | 441-6134886 | 0008628125 | \$29,754 | 3/17/00 | 3/22/00 | 140 | 3027509990 | 30275 | Philadelphia | Current | 3/1/00 |
| 952 | 441-6140041 | 0008976821 | \$45,128 | 6/8/00 | 6/12/00 | 211 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 5/1/00 |
| 953 | 441-6143091 | 0009071564 | \$75,378 | 6/22/00 | 6/26/00 | 188 | 3027509990 | 30275 | Philadelphia | Current | 6/1/00 |
| 954 | 441-6151799 | 0006065908 | \$59,869 | 5/3/00 | 5/5/00 | 187 | 3027509990 | 30275 | Philadelphia | > 90 days | 2/1/00 1/1/00 12/1/99 |
| 955 | 441-6153550 | 0009328741 | \$58,970 | 4/7/00 | 4/10/00 | 162 | 3027509990 | 30275 | Philadelphia | > 90 days | 2/1/00 12/1/99 |
| 956 | 441-6157047 | 0009335068 | \$38,369 | 9/28/00 | 10/2/00 | 314 | 3027509990 | 30275 | Philadelphia | > 90 days | 9/1/00 |
| 957 | 441-6162710 | 0009337965 | \$119,939 | 3/20/00 | 3/22/00 | 122 | 3027509990 | 30275 | Philadelphia | Current | 2/1/00 |
| 958 | 441-6162733 | 0009503103 | \$89,954 | 1/2/01 | 1/5/01 | 363 | 3027509990 | 30275 | Philadelphia | Current | 12/1/00 |
| 959 | 441-6178126 | 0008068546 | \$88,768 | 3/28/00 | 3/29/00 | 105 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 3/1/00 |
| 960 | 441-6181522 | 0005466735 | \$17,990 | 8/2/00 | 8/4/00 | 93 | 3027509990 | 30275 | Philadelphia | > 90 days | 7/1/00 6/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|-------------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|-----------------------------------|
| 961 | 441-6185416 | 0002807550 | \$70,961 | 11/10/00 | 11/14/00 | 318 | 3027509990 | 30275 | Philadelphia | Current | 7/1/00 6/1/00 |
| 962 | 441-6185734 | 0005599584 | \$116,565 | 9/21/00 | 9/25/00 | 211 | 3027509990 | 30275 | Philadelphia | Current | 8/1/00 6/1/00 |
| 963 | 441-6190792 | 0005530894 | \$56,493 | 2/1/01 | 3/13/01 | 378 | 3027509990 | 30275 | Philadelphia | > 90 days | 10/1/00 |
| 964 | 441-6201729 | 0010111334 | \$72,962 | 2/9/01 | 2/14/01 | 337 | 3027509990 | 30275 | Philadelphia | Current | 9/1/00 |
| 965 | 441-6209801 | 0010226207 | \$49,760 | 6/20/00 | 6/23/00 | 112 | 3027509990 | 30275 | Philadelphia | > 90 days | 5/1/00 4/1/00 |
| 966 | 441-6213263 | 0010092955 | \$70,963 | 8/18/00 | 8/31/00 | 144 | 3027509990 | 30275 | Philadelphia | > 90 days | 8/1/00 7/1/00 6/1/00 |
| 967 | 441-6219345 | 0010288306 | \$77,460 | 5/15/01 | 5/17/01 | 410 | 3027509990 | 30275 | Philadelphia | Current | 12/1/00 11/1/00 |
| 968 | 441-6222192 | 0010321123 | \$59,508 | 9/1/00 | 9/13/00 | 126 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 8/1/00 |
| 969 | 441-6240217 | 0010491678 | \$49,392 | 12/19/00 | 12/21/00 | 218 | 3027509990 | 30275 | Philadelphia | Current | 11/1/00 |
| 970 ^{^^} | 441-6245322 | 0010532695 | \$34,969 | 10/16/00 | 10/19/00 | 146 | 3027509990 | 30275 | Philadelphia | > 90 days | 10/1/00 9/1/00 8/1/00 |
| 971 | 441-6246725 | 0010540136 | \$59,410 | 9/22/00 | 10/4/00 | 115 | 3027509990 | 30275 | Philadelphia | > 90 days | 9/1/00 8/1/00 7/1/00 |
| 972 | 441-6253942 | 0010591006 | \$103,050 | 8/14/00 | 8/16/00 | 108 | 3027509990 | 30275 | Philadelphia | > 90 days | 7/1/00 |
| 973 ^{^^} | 441-6254353 | 0010596294 | \$57,525 | 8/29/00 | 9/1/00 | 102 | 3027509990 | 74649 | Philadelphia | > 90 days | 8/1/00 |
| 974 | 441-6263848 | 0010663441 | Adequate Documentation has been provided. | | | | | | | | |
| 975 | 441-6267550 | 0010826949 | Adequate Documentation has been provided. | | | | | | | | |
| 976 | 441-6267675 | 0010521276 | \$50,485 | 11/3/00 | 11/20/00 | 128 | 3027509990 | 30275 | Philadelphia | Current | 10/1/00 9/1/00 8/1/00 |
| 977 | 441-6269197 | 0010834299 | \$54,550 | 1/24/01 | 1/26/01 | 113 | 3027509990 | 30275 | Philadelphia | Current | 1/1/01 |
| 978 | 441-6270198 | 0010833853 | \$83,313 | 12/6/00 | 12/11/00 | 159 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 11/1/00 |
| 979 | 441-6274148 | 0010877579 | \$33,722 | 3/6/01 | 3/8/01 | 202 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 11/1/00 10/1/00 9/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 980 | 441-6276184 | 0010657005 | \$55,871 | 9/18/00 | 10/5/00 | 108 | 3027509990 | 30275 | Philadelphia | F/C | 9/1/00 8/1/00 |
| 981 | 441-6284910 | 0010577831 | \$89,854 | 1/23/01 | 2/5/01 | 211 | 3027509990 | 30275 | Philadelphia | Current | 9/1/00 |
| 982 | 441-6288804 | 0010981900 | \$107,525 | 1/10/01 | 1/12/01 | 174 | 3027509990 | 30275 | Philadelphia | Current | 11/1/00 |
| 983 | 441-6293509 | 0013314968 | \$32,088 | 1/19/01 | 1/23/01 | 119 | 3027509990 | 30275 | Philadelphia | Current | 12/1/00 |
| 984 | 441-6294086 | 0012219374 | \$97,850 | 3/27/01 | 4/2/01 | 151 | 3027509990 | 30275 | Philadelphia | > 30 days | 3/1/01 2/1/01 1/1/01 |
| 985 | 441-6295125 | 0010335511 | \$124,233 | 3/13/01 | 3/15/01 | 258 | 3027509990 | 30275 | Philadelphia | SEE NOTE 1 | 2/1/01 1/1/01 |
| 986 | 441-6300487 | 0012264602 | \$35,889 | 3/14/01 | 3/21/01 | 222 | 3027509990 | 30275 | Philadelphia | Current | 2/1/01 1/1/01 12/1/00 |
| 987 | 441-6301884 | 0012273108 | \$48,970 | 3/30/01 | 4/2/01 | 242 | 3027509990 | 30275 | Philadelphia | F/C | 3/1/01 1/1/01 12/1/00 |
| 988 | 441-6302748 | 0010641280 | \$33,100 | 2/15/01 | 3/8/01 | 202 | 3027509990 | 30275 | Philadelphia | > 90 days | 12/1/00 11/1/00 10/1/00 9/1/00 |
| 989 | 441-6308060 | 0012282919 | \$67,940 | 2/23/01 | 2/27/01 | 214 | 3027509990 | 30275 | Philadelphia | Current | 1/1/01 |
| 990 | 441-6308938 | 0012284857 | \$26,756 | 12/14/00 | 12/18/00 | 136 | 3027509990 | 30275 | Philadelphia | Current | 10/1/00 9/1/00 |
| 991 | 441-6310245 | 0012458980 | \$28,057 | 6/15/01 | 6/19/01 | 302 | 3027509990 | 30275 | Philadelphia | > 90 days | 5/1/01 12/1/00 |
| 992 | 441-6315452 | 0012225223 | \$112,572 | 1/31/01 | 2/2/01 | 184 | 3027509990 | 30275 | Philadelphia | > 60 day | 1/1/01 12/1/00 |
| 993 | 441-6326671 | 0012455754 | \$60,608 | 3/19/01 | 3/21/01 | 203 | 3027509990 | 30275 | Philadelphia | Current | 11/1/00 |
| 994 | 441-6328319 | 0013290804 | \$60,992 | 7/24/01 | 9/6/01 | 326 | 3027509990 | 30275 | Philadelphia | F/C | 6/1/01 5/1/01 4/1/01 3/1/01 2/1/01 |
| 995 | 441-6329400 | 0012503546 | \$149,823 | 5/22/01 | 5/29/01 | 187 | 3027509990 | 30275 | Philadelphia | Current | 5/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--------------------------------------|
| 996 | 441-6344442 | 0012311742 | \$53,558 | 2/1/01 | 2/5/01 | 143 | 3027509990 | 30275 | Philadelphia | > 90 days | 1/1/01 |
| 997 | 441-6345687 | 0012402301 | \$58,517 | 12/7/00 | 12/11/00 | 97 | 3027509990 | 30275 | Philadelphia | Bankruptcy | 11/1/00 10/1/00 |
| 998 | 441-6345953 | 0012652954 | \$59,431 | 12/1/00 | 12/5/00 | 77 | 3027509990 | 30275 | Philadelphia | > 90 days | 11/1/00 |
| 999 | 441-6369762 | 0013360995 | \$89,928 | 2/12/01 | 2/14/01 | 138 | 3027509990 | 30275 | Philadelphia | Current | 1/1/01 |
| 1000 | 441-6370045 | 0013369806 | \$48,599 | 1/19/01 | 1/23/01 | 98 | 3027509990 | 30275 | Philadelphia | > 90 days | 1/1/01 12/1/00 |
| 1001 | 441-6372177 | 0013387642 | \$56,963 | 3/7/01 | 3/9/01 | 117 | 3027509990 | 30275 | Philadelphia | > 90 days | 1/1/01 |
| 1002 | 441-6379340 | 0013291174 | \$69,964 | 3/15/01 | 3/19/01 | 101 | 3027509990 | 30275 | Philadelphia | Current | 3/1/01 2/1/01 1/1/01 |
| 1003 | 441-6379639 | 0013435847 | \$58,969 | 1/26/01 | 1/30/01 | 84 | 3027509990 | 30275 | Philadelphia | Current | 1/1/01 |
| 1004 | 441-6395047 | 0013623947 | \$44,427 | 3/20/01 | 3/21/01 | 81 | 3027501895 | 30275 | Philadelphia | Current | 3/1/01 2/1/01 |
| 1005 | 441-6398621 | 0013648324 | \$35,339 | 5/8/01 | 5/11/01 | 158 | 3027501895 | 30275 | Philadelphia | Current | 4/1/01 |
| 1006 | 441-6416544 | 0013779566 | \$89,954 | 3/29/01 | 4/4/01 | 100 | 3027509990 | 30275 | Philadelphia | > 30 days | 3/1/01 2/1/01 |
| 1007 | 441-6423805 | 0013838511 | \$144,926 | 4/27/01 | 5/2/01 | 129 | 3027509990 | 30275 | Philadelphia | > 30 days | 4/1/01 3/1/01 2/1/01 |
| 1008 | 441-6423886 | 0013829452 | \$113,903 | 4/24/01 | 4/27/01 | 75 | 3027509990 | 30275 | Philadelphia | F/C | 4/1/01 |
| 1009 | 441-6424528 | 0013833884 | \$40,091 | 3/7/01 | 3/9/01 | 75 | 3027509990 | 30275 | Philadelphia | > 90 days | 2/1/01 |
| 1010 | 441-6428752 | 0013677166 | \$122,618 | 5/16/01 | 5/18/01 | 149 | 3027509990 | 30275 | Philadelphia | Current | 5/1/01 4/1/01 3/1/01 2/1/01 |
| 1011 | 441-6433883 | 0013907480 | \$45,003 | 9/25/01 | 9/28/01 | 263 | 3027509990 | 30275 | Philadelphia | Current | 9/1/01 |
| 1012 | 441-6447506 | 0014060057 | \$161,029 | 4/18/01 | 4/24/01 | 77 | 3027509990 | 30275 | Philadelphia | > 30 days | 3/1/01 |
| 1013 | 441-6452150 | 0014073472 | \$91,810 | 12/18/01 | 1/4/02 | 202 | 3027509990 | 30275 | Philadelphia | > 60 day | 10/1/01 |
| 1014 | 441-6454775 | 0014089452 | \$47,005 | 6/19/01 | 6/25/01 | 118 | 3027509990 | 30275 | Philadelphia | Current | 4/1/01 |
| 1015 | 441-6470102 | 0014213946 | \$35,080 | 7/5/01 | 7/11/01 | 72 | 3027509990 | 30275 | Philadelphia | Current | 6/1/01 |
| 1016 | 441-6511481 | 0014538409 | \$50,115 | 10/22/01 | 10/25/01 | 145 | 3027501895 | 39276 | Philadelphia | > 90 days | 9/1/01 8/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|-----------------------------------|
| 1017 | 441-6512514 | 0014542666 | \$93,532 | 9/29/01 | 10/4/01 | 152 | 3027509990 | 30275 | Philadelphia | Current | 9/1/01 8/1/01 7/1/01 |
| 1018 | 441-6527446 | 0015171796 | \$41,729 | 8/20/01 | 9/7/01 | 87 | 3027502277 | 30275 | Philadelphia | Current | 8/1/01 7/1/01 |
| 1019 | 441-6531043 | 0014317135 | \$56,453 | 10/15/01 | 10/18/01 | 168 | 3027509990 | 39276 | Philadelphia | Current | 10/1/01 9/1/01 |
| 1020 | 441-6532525 | 0015200017 | \$61,394 | 9/17/01 | 9/20/01 | 139 | 3027509990 | 30275 | Philadelphia | Current | 9/1/01 |
| 1021 | 441-6557999 | 0015371560 | Adequate Documentation has been provided. | | | | | | | | |
| 1022 | 441-6570552 | 0015462906 | \$65,482 | 11/5/01 | 11/8/01 | 144 | 3027501895 | 30275 | Philadelphia | Current | 10/1/01 |
| 1023 | 441-6573405 | 0015482342 | \$68,101 | 9/18/01 | 9/20/01 | 95 | 3027509990 | 30275 | Philadelphia | F/C | 9/1/01 |
| 1024 | 441-6579699 | 0015424583 | \$49,492 | 10/1/01 | 10/3/01 | 108 | 3027509990 | 30275 | Philadelphia | > 30 days | 9/1/01 |
| 1025 | 441-6580572 | 0015167109 | \$106,331 | 10/25/01 | 10/29/01 | 161 | 3027501895 | 30275 | Philadelphia | Current | 10/1/01 |
| 1026 | 441-6584256 | 0015502966 | \$39,284 | 9/27/01 | 10/3/01 | 104 | 3027509990 | 30275 | Philadelphia | Current | 9/1/01 |
| 1027 | 441-6587876 | 0015589625 | \$63,398 | 9/21/01 | 9/29/01 | 84 | 3027509990 | 30275 | Philadelphia | Current | 9/1/01 8/1/01 |
| 1028 | 441-6621394 | 0015821986 | \$54,568 | 12/21/01 | 12/26/01 | 143 | 3027509990 | 30275 | Philadelphia | Current | 12/1/01 |
| 1029 | 441-6633436 | 0015970858 | \$74,450 | 10/12/01 | 10/18/01 | 77 | 3027509990 | 30275 | Philadelphia | Current | 9/1/01 |
| 1030 | 442-2073114 | 0004039053 | \$76,000 | 3/13/00 | 3/16/00 | 194 | 3027500326 | 30275 | Philadelphia | SEE NOTE 1 | 2/1/00 1/1/00 12/1/99 |
| 1031 | 442-2075485 | 0004281135 | \$70,961 | 6/13/00 | 6/16/00 | 258 | 3027500326 | 30275 | Philadelphia | Current | 12/1/99 |
| 1032 | 442-2076229 | 0004386298 | \$43,316 | 3/3/00 | 3/6/00 | 155 | 3027500326 | 30275 | Philadelphia | > 90 days | 2/1/00 1/1/00 12/1/99 |
| 1033 | 442-2080360 | 0004456349 | \$70,964 | 12/13/99 | 12/15/99 | 74 | 3027500326 | 30275 | Philadelphia | Current | 11/1/99 |
| 1034 | 442-2081996 | 0005161609 | \$49,475 | 12/23/99 | 12/27/99 | 90 | 3027500326 | 30275 | Philadelphia | > 90 days | 12/1/99 |
| 1035 | 442-2085062 | 0008684037 | \$37,747 | 3/24/00 | 3/28/00 | 147 | 3027500326 | 30275 | Philadelphia | SEE NOTE 1 | 1/1/00 12/1/99 |
| 1036 | 442-2088285 | 0009142761 | \$55,581 | 6/7/00 | 6/28/00 | 169 | 3027500326 | 30275 | Philadelphia | F/C | 5/1/00 |
| 1037 | 442-2093452 | 0009732579 | \$98,949 | 1/24/01 | 1/26/01 | 377 | 3027500326 | 30275 | Philadelphia | Current | 10/1/00 |
| 1038 | 442-2097185 | 0006024772 | \$29,652 | 8/14/00 | 8/17/00 | 108 | 3027500326 | 30275 | Philadelphia | Current | 6/1/00 |
| 1039 | 442-2098201 | 0000210575 | \$41,758 | 9/29/00 | 10/2/00 | 256 | 3027500326 | 30275 | Philadelphia | F/C | 9/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 1040 | 442-2103012 | 0007667686 | Adequate Documentation has been provided. | | | | | | | | |
| 1041 | 442-2105801 | 0010194561 | \$34,217 | 1/24/01 | 1/26/01 | 315 | 3027500326 | 30275 | Philadelphia | F/C | 1/1/01 12/1/00 |
| 1042 | 442-2107571 | 0010244614 | \$54,908 | 6/26/00 | 6/28/00 | 119 | 3027500326 | 30275 | Philadelphia | Current | 6/1/00 |
| 1043 | 442-2108049 | 0010257293 | \$84,305 | 1/26/01 | 2/15/01 | 332 | 3027500326 | 30275 | Philadelphia | Current | 9/1/00 |
| 1044 | 442-2108633 | 0010282242 | \$75,874 | 11/3/00 | 11/7/00 | 214 | 3027500326 | 30275 | Philadelphia | > 60 day | 8/1/00 |
| 1045 | 442-2114391 | 0010431534 | \$53,558 | 7/18/00 | 7/20/00 | 105 | 3027500326 | 30275 | Philadelphia | Current | 7/1/00 6/1/00 |
| 1046 | 442-2115141 | 0005105309 | \$65,966 | 8/30/00 | 9/1/00 | 125 | 3027500326 | 30275 | Philadelphia | Current | 8/1/00 7/1/00 |
| 1047 | 442-2116538 | 0010480465 | \$74,961 | 8/25/00 | 8/29/00 | 140 | 3027500326 | 30275 | Philadelphia | > 90 days | 8/1/00 |
| 1048 | 442-2117874 | 0010517787 | \$35,238 | 7/24/00 | 7/26/00 | 61 | 3027500326 | 30275 | Philadelphia | F/C | 7/1/00 |
| 1049 | 442-2118647 | 0010536720 | \$63,967 | 12/6/00 | 12/13/00 | 198 | 3027500326 | 30275 | Philadelphia | Current | 11/1/00 10/1/00 9/1/00 |
| 1050 | 442-2120112 | 0010572170 | \$96,626 | 9/27/00 | 9/29/00 | 96 | 3027500326 | 30275 | Philadelphia | Current | 9/1/00 8/1/00 |
| 1051 | 442-2123472 | 0010495596 | \$95,941 | 6/19/01 | 6/22/01 | 406 | 3027500326 | 30275 | Philadelphia | SEE NOTE 1 | 3/1/01 2/1/01 1/1/01 |
| 1052 | 442-2124166 | 0010661544 | \$69,964 | 9/14/00 | 9/18/00 | 139 | 3027500326 | 30275 | Philadelphia | REO | 8/1/00 7/1/00 |
| 1053 | 442-2125779 | 0010542066 | \$46,951 | 12/7/00 | 12/12/00 | 174 | 3027500326 | 30275 | Philadelphia | > 90 days | 11/1/00 10/1/00 |
| 1054 | 442-2126115 | 0010854271 | \$42,912 | 9/26/00 | 9/28/00 | 99 | 3027500326 | 30275 | Philadelphia | > 90 days | 9/1/00 |
| 1055 | 442-2127144 | 0010874196 | \$64,369 | 6/13/01 | 7/10/01 | 348 | 3027500326 | 30275 | Philadelphia | Current | 5/1/01 4/1/01 3/1/01 2/1/01 1/1/01 12/1/00 |
| 1056 | 442-2127439 | 0010878783 | \$75,961 | 8/22/00 | 8/25/00 | 63 | 3027500326 | 30275 | Philadelphia | SEE NOTE 1 | 8/1/00 |
| 1057 | 442-2148711 | 0012621777 | \$23,166 | 12/18/00 | 12/20/00 | 109 | 3027500326 | 30275 | Philadelphia | Current | 12/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---------------------------------------|
| 1058 | 442-2153356 | 0013256227 | \$22,440 | 3/12/01 | 3/15/01 | 133 | 3027500326 | 30275 | Philadelphia | Current | 12/1/00 |
| 1059 | 442-2164579 | 0013539945 | \$54,971 | 2/28/01 | 3/6/01 | 98 | 3027501475 | 30275 | Philadelphia | Current | 2/1/01 |
| 1060 | 442-2166035 | 0013499942 | \$35,339 | 6/4/01 | 6/7/01 | 216 | 3027502198 | 30275 | Philadelphia | F/C | 5/1/01 4/1/01 |
| 1061 | 442-2169757 | 0013727219 | \$28,064 | 10/2/01 | 10/9/01 | 229 | 3027501475 | 39276 | Philadelphia | Current | 8/1/01 |
| 1062 | 442-2173200 | 0010969442 | \$31,070 | 4/19/01 | 4/23/01 | 104 | 3027501475 | 30275 | Philadelphia | > 60 day | 4/1/01 3/1/01 |
| 1063 | 442-2173319 | 0013819990 | \$47,159 | 5/9/01 | 5/11/01 | 103 | 3027500326 | 30275 | Philadelphia | > 30 days | 3/1/01 |
| 1064 | 442-2174599 | 0013848080 | \$24,956 | 9/24/01 | 9/26/01 | 208 | 3027502198 | 30275 | Philadelphia | > 90 days | 9/1/01 |
| 1065 | 442-2175043 | 0013808498 | \$85,956 | 5/1/01 | 5/4/01 | 123 | 3027500326 | 30275 | Philadelphia | F/C | 4/1/01 3/1/01 |
| 1066 | 442-2186942 | 0014268643 | \$29,067 | 10/18/01 | 10/23/01 | 203 | 3027502198 | 30275 | Philadelphia | Current | 10/1/01 9/1/01 8/1/01 7/1/01 |
| 1067 | 442-2199686 | 0015184450 | \$24,613 | 9/21/01 | 9/26/01 | 147 | 3027502198 | 30275 | Philadelphia | Current | 8/1/01 |
| 1068 | 442-2202082 | 0015256589 | \$104,176 | 8/6/01 | 8/10/01 | 75 | 3027501475 | 30275 | Philadelphia | Current | 7/1/01 |
| 1069 | 442-2202149 | 0015254055 | \$50,242 | 10/11/01 | 10/22/01 | 147 | 3027501475 | 30275 | Philadelphia | Current | 8/1/01 |
| 1070 | 442-2206908 | 0013952437 | \$79,373 | 11/1/01 | 1/25/02 | 164 | 3027500326 | 30275 | Philadelphia | Current | 9/1/01 |
| 1071 | 442-2220142 | 0015703325 | \$97,000 | 12/10/01 | 12/12/01 | 133 | 3027501475 | 30275 | Philadelphia | Current | 11/1/01 |
| 1072 | 442-2222280 | 0015753668 | \$119,059 | 9/10/01 | 9/13/01 | 74 | 3027501475 | 30275 | Philadelphia | Current | 8/1/01 |
| 1073 | 442-2224331 | 0015804701 | \$114,098 | 11/2/01 | 11/6/01 | 98 | 3027502198 | 30275 | Philadelphia | Current | 10/1/01 |
| 1074 | 461-3457786 | 0003963766 | \$69,939 | 9/6/00 | 9/14/00 | 376 | 3027500332 | 30275 | Atlanta | Bankruptcy | 7/1/00 6/1/00 5/1/00 |
| 1075 | 461-3462728 | 0004362828 | \$122,761 | 9/6/00 | 9/14/00 | 357 | 3027500332 | 30275 | Atlanta | Current | 8/1/00 |
| 1076 | 461-3474098 | 0005933783 | \$123,364 | 2/1/00 | 2/22/00 | 96 | 3027500332 | 30275 | Atlanta | Bankruptcy | 1/1/00 12/1/99 |
| 1077 | 461-3474907 | 0009275421 | \$53,672 | 11/28/00 | 12/6/00 | 364 | 3027500332 | 30275 | Atlanta | > 90 days | 11/1/00 |
| 1078 | 461-3476496 | 0009233222 | \$100,082 | 8/7/00 | 8/15/00 | 280 | 3027500332 | 30275 | Atlanta | REO | 4/1/00 3/1/00 2/1/00 |
| 1079 | 461-3479197 | 0008669285 | \$100,348 | 5/24/00 | 6/1/00 | 183 | 3027500332 | 30275 | Atlanta | > 90 days | 5/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 1080 | 461-3488160 | 0010063725 | \$59,112 | 10/26/00 | 11/2/00 | 272 | 3027500332 | 30275 | Atlanta | Current | 8/1/00 |
| 1081 | 461-3491152 | 0010189942 | \$97,850 | 7/21/00 | 7/27/00 | 157 | 3027500332 | 30275 | Atlanta | Current | 5/1/00 4/1/00 |
| 1082 | 461-3493022 | 0010241578 | \$96,603 | 2/13/01 | 2/15/01 | 368 | 3027500332 | 30275 | Atlanta | SEE NOTE 1 | 8/1/00 |
| 1083 | 461-3495125 | 0010288801 | \$57,970 | 10/4/00 | 10/16/00 | 208 | 3027500332 | 30275 | Atlanta | > 90 days | 9/1/00 |
| 1084 | 461-3497409 | 0010348175 | \$108,282 | 11/15/00 | 11/20/00 | 201 | 3027500332 | 30275 | Atlanta | > 30 days | 11/1/00 7/1/00 6/1/00 |
| 1085 | 461-3502879 | 0010463875 | \$75,205 | 10/5/00 | 10/16/00 | 175 | 3027500332 | 30275 | Atlanta | Claims | 9/1/00 8/1/00 |
| 1086 | 461-3508655 | 0010576601 | \$48,466 | 12/8/00 | 1/8/01 | 217 | 3027500332 | 30275 | Atlanta | REO | 11/1/00 10/1/00 |
| 1087 | 461-3509609 | 0010591964 | \$40,388 | 8/8/00 | 8/15/00 | 88 | 3027500332 | 30275 | Atlanta | > 30 days | 7/1/00 |
| 1088 | 461-3511532 | 0010436947 | \$60,674 | 6/23/00 | 6/29/00 | 70 | 3027500332 | 30275 | Atlanta | Current | 6/1/00 |
| 1089 | 461-3515916 | 0010532414 | \$64,581 | 8/21/00 | 8/25/00 | 122 | 3027500332 | 30275 | Atlanta | > 30 days | 8/1/00 7/1/00 |
| 1090 | 461-3517401 | 0010882140 | \$48,465 | 9/26/00 | 11/16/00 | 119 | 3027500332 | 30275 | Atlanta | Current | 9/1/00 |
| 1091 | 461-3518804 | 0010906915 | \$81,858 | 1/4/01 | 1/10/01 | 218 | 3027500332 | 30275 | Atlanta | > 30 days | 12/1/00 11/1/00 10/1/00 |
| 1092 | 461-3520207 | 0010938637 | \$84,611 | 2/9/01 | 2/14/01 | 224 | 3027500332 | 30275 | Atlanta | F/C | 1/1/01 |
| 1093 | 461-3520288 | 0010943223 | \$53,558 | 12/15/00 | 12/29/00 | 183 | 3027500332 | 30275 | Atlanta | > 90 days | 10/1/00 9/1/00 8/1/00 |
| 1094 | 461-3521537 | 0010971638 | \$93,231 | 12/6/00 | 12/12/00 | 173 | 3027501385 | 30275 | Atlanta | > 90 days | 11/1/00 10/1/00 |
| 1095 | 461-3524737 | 0012238374 | \$71,907 | 10/13/00 | 10/21/00 | 105 | 3027500332 | 30275 | Atlanta | Current | 9/1/00 |
| 1096 | 461-3528383 | 0012245692 | \$100,025 | 8/23/00 | 9/18/00 | 61 | 3027500332 | 30275 | Atlanta | SEE NOTE 1 | 8/1/00 |
| 1097 | 461-3530364 | 0012247227 | \$58,969 | 2/15/01 | 2/20/01 | 197 | 3027500332 | 30275 | Atlanta | Current | 1/1/01 |
| 1098 | 461-3531817 | 0012346821 | \$75,961 | 1/3/01 | 1/9/01 | 155 | 3027500332 | 30275 | Atlanta | Current | 12/1/00 |
| 1099 | 461-3532631 | 0013740923 | \$81,408 | 2/7/01 | 2/12/01 | 68 | 3027501385 | 30275 | Atlanta | Current | 1/1/01 |
| 1100 | 461-3538062 | 0012590667 | \$89,854 | 2/22/01 | 2/23/01 | 191 | 3027501385 | 30275 | Atlanta | Current | 2/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 1101 | 461-3538187 | 0012602173 | \$36,503 | 2/22/01 | 3/14/01 | 175 | 3027500332 | 30275 | Atlanta | > 30 days | 1/1/01 12/1/00 11/1/00 |
| 1102 | 461-3539363 | 0012630141 | \$72,463 | 3/8/01 | 3/13/01 | 192 | 3027501385 | 30275 | Atlanta | > 90 days | 1/1/01 |
| 1103 | 461-3542277 | 0012657557 | \$53,835 | 1/5/01 | 1/10/01 | 116 | 3027501385 | 30275 | Atlanta | Current | 12/1/00 |
| 1104 | 461-3543981 | 0013236856 | \$104,141 | 2/5/01 | 2/7/01 | 143 | 3027501385 | 30275 | Atlanta | Current | 12/1/00 |
| 1105 | 461-3546329 | 0013325824 | \$66,165 | 2/8/01 | 2/13/01 | 132 | 3027501385 | 30275 | Atlanta | F/C | 1/1/01 12/1/00 11/1/00 |
| 1106 | 461-3548756 | 0013383674 | \$61,965 | 1/17/01 | 1/23/01 | 103 | 3027501385 | 30275 | Atlanta | Current | 1/1/01 |
| 1107 | 461-3551160 | 0013448113 | \$65,460 | 1/12/01 | 1/17/01 | 74 | 3027500332 | 30275 | Atlanta | F/C | 12/1/00 |
| 1108 | 461-3551341 | 0013460423 | \$67,965 | 2/27/01 | 3/2/01 | 130 | 3027502219 | 30275 | Atlanta | Bankruptcy | 2/1/01 1/1/01 12/1/00 |
| 1109 | 461-3572886 | 0014109144 | \$75,776 | 11/1/01 | 12/4/01 | 247 | 3027500319 | 30275 | Atlanta | > 30 days | 8/1/01 7/1/01 5/1/01 |
| 1110 | 461-3576416 | 0014200877 | \$79,273 | 6/15/01 | 6/23/01 | 81 | 3027501288 | 30275 | Atlanta | Current | 6/1/01 |
| 1111 | 461-3579100 | 0014267686 | \$83,686 | 6/25/01 | 6/28/01 | 108 | 3027500319 | 30275 | Atlanta | > 60 day | 6/1/01 5/1/01 |
| 1112 | 461-3588913 | 0014352637 | \$117,161 | 7/16/01 | 8/14/01 | 109 | 3027501288 | 30275 | Atlanta | Current | 7/1/01 6/1/01 |
| 1113 | 461-3589403 | 0015069875 | Adequate Documentation has been provided. | | | | | | | | |
| 1114 | 461-3600681 | 0015938350 | \$71,872 | 11/29/01 | 12/6/01 | 119 | 3027502096 | 30275 | Atlanta | Current | 11/1/01 |
| 1115 | 461-3621392 | 0015833692 | \$94,395 | 12/18/01 | 12/26/01 | 140 | 3027501288 | 30275 | Atlanta | Current | 9/1/01 |
| 1116 | 471-0919712 | 0010064780 | \$45,436 | 12/15/00 | 12/15/00 | 315 | 3027500700 | 30275 | Denver | SEE NOTE 1 | 12/1/00 |
| 1117 | 471-0922060 | 0010368710 | \$82,817 | 6/18/01 | 7/16/01 | 420 | 3027500253 | 30275 | Denver | F/C | 6/1/01 |
| 1118 | 471-0922156 | 0010375384 | \$30,291 | 8/22/00 | 8/28/00 | 118 | 3027500253 | 30275 | Denver | Current | 8/1/00 7/1/00 6/1/00 |
| 1119 | 471-0935626 | 0013303029 | \$105,428 | 9/28/01 | 9/28/01 | 274 | 3027500253 | 30275 | Denver | > 90 days | 5/1/01 |
| 1120 | 471-0941126 | 0013846639 | \$111,943 | 4/16/01 | 8/17/01 | 115 | 3027500253 | 30275 | Denver | > 90 days | 4/1/01 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 1121 | 471-0943241 | 0014105456 | \$133,980 | 7/2/01 | 7/13/01 | 108 | 3027500253 | 30275 | Denver | Current | 6/1/01 5/1/01 |
| 1122 | 481-2139716 | 0003722733 | \$56,434 | 12/15/99 | 12/21/99 | 96 | 3027500319 | 30275 | Atlanta | Current | 12/1/99 11/1/99 |
| 1123 | 481-2195803 | 0012421525 | \$58,825 | 10/19/00 | 10/27/00 | 70 | 3027500319 | 30275 | Atlanta | > 90 days | 9/1/00 |
| 1124 | 481-2197176 | 0012504981 | \$89,254 | 6/15/01 | 6/23/01 | 263 | 3027500319 | 30275 | Atlanta | Current | 6/1/01 3/1/01 |
| 1125 | 481-2197623 | 0012522033 | \$76,960 | 4/25/01 | 5/9/01 | 271 | 3027501288 | 30275 | Atlanta | Current | 4/1/01 3/1/01 2/1/01 1/1/01 12/1/00 |
| 1126 | 481-2204730 | 0013298385 | \$75,930 | 2/9/01 | 2/13/01 | 147 | 3027500319 | 30275 | Atlanta | F/C | 12/1/00 11/1/00 |
| 1127 | 481-2225362 | 0014136477 | \$78,764 | 5/23/01 | 6/6/01 | 84 | 3027501288 | 30275 | Atlanta | > 30 days | 5/1/01 |
| 1128 | 481-2225680 | 0013855184 | \$61,514 | 9/19/01 | 10/12/01 | 194 | 3027500319 | 30275 | Atlanta | REO | 9/1/01 8/1/01 7/1/01 6/1/01 |
| 1129 | 481-2228930 | 0014250807 | \$38,512 | 10/1/01 | 10/12/01 | 196 | 3027501288 | 30275 | Atlanta | Current | 9/1/01 |
| 1130 | 481-2233510 | 0014443733 | \$90,081 | 1/31/02 | 2/8/02 | 307 | 3027502096 | 30275 | Atlanta | Current | 1/1/02 |
| 1131 | 481-2241415 | 0015264773 | \$54,072 | 10/23/01 | 10/31/01 | 173 | 3027500319 | 30275 | Atlanta | Current | 10/1/01 |
| 1132 | 481-2242824 | 0015119464 | \$91,787 | 2/22/02 | 4/1/02 | 308 | 3027502096 | 30275 | Atlanta | Current | 9/1/01 |
| 1133 | 482-3336404 | 0012336137 | \$65,866 | 12/20/00 | 1/2/01 | 156 | 3027500261 | 30275 | Atlanta | Current | 11/1/00 |
| 1134 | 482-3359052 | 0013449590 | \$71,463 | 5/2/01 | 5/14/01 | 189 | 3027500261 | 30275 | Atlanta | Current | 3/1/01 |
| 1135 | 482-3379308 | 0014035893 | \$133,800 | 8/23/01 | 8/23/01 | 106 | 3027501859 | 30275 | Atlanta | SEE NOTE 1 | 8/1/01 7/1/01 |
| 1136 | 482-3401890 | 0015189319 | \$53,165 | 7/2/01 | 7/11/01 | 73 | 3027501003 | 30275 | Atlanta | Bankruptcy | 6/1/01 |
| 1137 | 482-3409241 | 0015365901 | \$97,231 | 11/2/01 | 11/15/01 | 168 | 3027500261 | 30275 | Atlanta | Current | 10/1/01 9/1/01 |
| 1138 | 482-3415122 | 0015513872 | \$47,108 | 11/9/01 | 11/15/01 | 154 | 3027500261 | 30275 | Atlanta | Current | 10/1/01 9/1/01 |
| 1139 | 483-2744175 | 0004716254 | \$95,736 | 1/17/00 | 1/21/00 | 77 | 3027500390 | 30275 | Atlanta | > 90 days | 1/1/00 |

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|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 1140 | 483-2768194 | 0008067423 | \$62,967 | 8/30/00 | 9/7/00 | 222 | 3027500390 | 30275 | Atlanta | F/C | 8/1/00 5/1/00 |
| 1141 | 483-2777196 | 0010102713 | \$79,959 | 4/23/01 | 5/3/01 | 397 | 3027500390 | 30275 | Atlanta | Current | 4/1/01 1/1/01 12/1/00 11/1/00 |
| 1142 | 483-2836837 | 0012559167 | \$60,005 | 12/20/00 | 1/2/01 | 121 | 3027500390 | 30275 | Atlanta | > 90 days | 12/1/00 11/1/00 10/1/00 |
| 1143 | 483-2870051 | 0013715123 | \$99,853 | 3/19/01 | 3/22/01 | 112 | 3027501531 | 30275 | Atlanta | Current | 1/1/01 |
| 1144 | 483-2924222 | 0015235914 | \$67,943 | 7/26/01 | 8/6/01 | 85 | 3027500390 | 30275 | Atlanta | Current | 6/1/01 |
| 1145 | 483-2927099 | 0015265838 | \$90,086 | 7/27/01 | 8/6/01 | 84 | 3027502406 | 30275 | Atlanta | Current | 7/1/01 |
| 1146 | 483-2930791 | 0015311491 | \$109,633 | 11/30/01 | 12/7/01 | 183 | 3027500390 | 30275 | Atlanta | Current | 10/1/01 |
| 1147 | 491-6827208 | 0009169616 | \$48,599 | 5/8/00 | 5/11/00 | 192 | 3027500522 | 30275 | Denver | Current | 4/1/00 |
| 1148 | 491-6835959 | 0003942539 | \$98,686 | 3/9/00 | 3/14/00 | 101 | 3027500522 | 30275 | Denver | Bankruptcy | 2/1/00 |
| 1149 | 491-6848243 | 0007607591 | \$104,293 | 11/9/00 | 11/14/00 | 335 | 3027500522 | 30275 | Denver | Current | 9/1/00 |
| 1150 | 491-6848889 | 0008024101 | \$92,853 | 3/2/00 | 3/10/00 | 83 | 3027500522 | 30275 | Denver | Current | 2/1/00 |
| 1151 | 491-6863313 | 0009549536 | Adequate Documentation has been provided. | | | | | | | | |
| 1152 | 491-6865836 | 0010075307 | \$71,963 | 7/11/00 | 7/14/00 | 134 | 3027500522 | 30275 | Denver | > 30 days | 6/1/00 |
| 1153 | 491-6866571 | 0010084093 | Adequate Documentation has been provided. | | | | | | | | |
| 1154 | 491-6881816 | 0010262152 | \$37,193 | 6/29/00 | 6/29/00 | 125 | 3027500522 | 30275 | Denver | > 90 days | 6/1/00 |
| 1155 | 491-6891179 | 0010298305 | \$160,276 | 3/12/01 | 3/16/01 | 361 | 3027500522 | 30275 | Denver | Bankruptcy | 2/1/01 |
| 1156 | 491-6892521 | 0010329514 | \$95,215 | 10/26/00 | 11/6/00 | 225 | 3027500522 | 30275 | Denver | Current | 6/1/00 5/1/00 |
| 1157 | 491-6893288 | 0010355923 | \$100,948 | 8/30/00 | 9/6/00 | 149 | 3027500522 | 30275 | Denver | Current | 7/1/00 6/1/00 5/1/00 |
| 1158 | 491-6899239 | 0010406379 | \$81,825 | 9/19/00 | 9/29/00 | 172 | 3027500522 | 30275 | Denver | Current | 9/1/00 8/1/00 7/1/00 |
| 1159 | 491-6904062 | 0010437804 | \$47,456 | 7/12/00 | 7/24/00 | 92 | 3027500522 | 30275 | Denver | > 90 days | 6/1/00 |
| 1160 | 491-6911215 | 0010495125 | \$52,972 | 8/18/00 | 8/30/00 | 113 | 3027500522 | 30275 | Denver | Bankruptcy | 8/1/00 6/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 1161 | 491-6921110 | 0010584282 | \$112,291 | 11/2/00 | 11/14/00 | 189 | 3027500522 | 30275 | Denver | Current | 10/1/00 9/1/00 8/1/00 7/1/00 6/1/00 |
| 1162 | 491-6922802 | 0010520401 | \$42,609 | 2/6/01 | 2/16/01 | 292 | 3027500522 | 30275 | Denver | Current | 11/1/00 |
| 1163 | 491-6954247 | 0010979409 | \$121,838 | 9/1/00 | 9/8/00 | 65 | 3027500522 | 30275 | Denver | Current | 8/1/00 |
| 1164 | 491-6978818 | 0012336194 | \$80,058 | 1/31/01 | 2/10/01 | 198 | 3027500522 | 30275 | Denver | Current | 1/1/01 |
| 1165 | 491-6987310 | 0012421293 | \$72,357 | 4/1/01 | 4/23/01 | 110 | 3027500522 | 30275 | Denver | F/C | 2/1/01 |
| 1166 | 491-7000341 | 0013706312 | \$122,634 | 4/18/01 | 4/24/01 | 133 | 3027500522 | 30275 | Denver | > 30 days | 4/1/01 3/1/01 |
| 1167 | 491-7005276 | 0012598496 | \$63,967 | 3/7/01 | 3/12/01 | 187 | 3027500522 | 30275 | Denver | > 90 days | 1/1/01 11/1/00 |
| 1168 | 491-7017216 | 0013209200 | \$116,539 | 6/18/01 | 7/2/01 | 284 | 3027500522 | 30275 | Denver | Current | 2/1/01 1/1/01 |
| 1169 | 491-7043954 | 0013442645 | \$61,989 | 4/13/01 | 4/19/01 | 169 | 3027500522 | 30275 | Denver | Current | 3/1/01 2/1/01 1/1/01 12/1/00 |
| 1170 | 491-7046235 | 0013462130 | \$46,861 | 3/27/01 | 4/3/01 | 127 | 3027500522 | 30275 | Denver | > 90 days | 2/1/01 1/1/01 |
| 1171 | 491-7048735 | 0013487095 | \$154,934 | 2/26/01 | 3/5/01 | 101 | 3027500522 | 30275 | Denver | Current | 2/1/01 |
| 1172 | 491-7072763 | 0013750955 | \$73,620 | 6/12/01 | 6/21/01 | 188 | 3027500522 | 30275 | Denver | > 30 days | 5/1/01 4/1/01 3/1/01 2/1/01 |
| 1173 | 491-7078880 | 0013793047 | \$31,242 | 4/2/01 | 4/12/01 | 101 | 3027500522 | 30275 | Denver | Current | 3/1/01 2/1/01 |
| 1174 | 491-7081401 | 0013817564 | Adequate Documentation has been provided. | | | | | | | | |
| 1175 | 491-7162511 | 0015056146 | \$127,890 | 7/12/01 | 7/23/01 | 97 | 3027500513 | 30275 | Denver | Current | 6/1/01 |
| 1176 | 491-7197816 | 0015347537 | \$69,326 | 7/17/01 | 7/25/01 | 62 | 3027501656 | 30275 | Denver | Current | 7/1/01 |
| 1177 | 491-7241281 | 0015258379 | \$77,779 | 11/8/01 | 11/14/01 | 113 | 3027502464 | 30275 | Denver | Current | 10/1/01 9/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 1178 | 491-7243361 | 0015688872 | \$69,202 | 10/19/01 | 10/24/01 | 98 | 3027501656 | 30275 | Denver | Current | 10/1/01 9/1/01 |
| 1179 | 492-5671139 | 0003317195 | \$32,720 | 11/7/00 | 11/16/00 | 363 | 3027500522 | 30275 | Denver | REO | 10/1/00 |
| 1180 | 492-5711375 | 0004963492 | Adequate Documentation has been provided. | | | | | | | | |
| 1181 | 492-5749755 | 0002551554 | \$64,468 | 4/13/01 | 4/19/01 | 511 | 3027500522 | 30275 | Denver | Current | 3/1/01 1/1/01 12/1/00 11/1/00 10/1/00 |
| 1182 | 492-5765656 | 0005595939 | \$37,561 | 9/28/00 | 10/5/00 | 266 | 3027500522 | 30275 | Denver | > 90 days | 4/1/00 |
| 1183 | 492-5777762 | 0010118644 | \$113,057 | 4/17/01 | 4/23/01 | 442 | 3027500522 | 30275 | Denver | Current | 2/1/01 |
| 1184 | 492-5778830 | 0010124717 | \$77,860 | 9/21/00 | 10/2/00 | 237 | 3027500522 | 30275 | Denver | F/C | 9/1/00 5/1/00 4/1/00 |
| 1185 | 492-5779617 | 0010100154 | \$50,384 | 12/19/00 | 12/29/00 | 336 | 3027500522 | 30275 | Denver | Current | 11/1/00 |
| 1186 | 492-5786787 | 0009441635 | \$103,836 | 2/2/01 | 2/23/01 | 323 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 1/1/01 12/1/00 11/1/00 10/1/00 8/1/00 |
| 1187 | 492-5789249 | 0010289056 | \$137,829 | 12/19/00 | 12/29/00 | 291 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 12/1/00 |
| 1188 | 492-5795296 | 0010347011 | \$45,436 | 2/26/01 | 3/5/01 | 318 | 3027500522 | 30275 | Denver | > 90 days | 2/1/01 1/1/01 12/1/00 11/1/00 10/1/00 |
| 1189 | 492-5808410 | 0010225365 | \$100,920 | 12/6/00 | 12/6/00 | 254 | 3027500522 | 30275 | Denver | > 30 days | 9/1/00 |
| 1190 | 492-5822146 | 0010598779 | \$155,716 | 9/14/00 | 9/27/00 | 134 | 3027500522 | 30275 | Denver | Current | 8/1/00 |
| 1191 | 492-5828421 | 0010651438 | \$130,368 | 3/19/01 | 3/22/01 | 291 | 3027500522 | 30275 | Denver | Current | 2/1/01 |
| 1192 | 492-5829608 | 0010847929 | \$87,832 | 5/3/01 | 5/10/01 | 366 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 2/1/01 1/1/01 12/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--------------------------------------|
| 1193 | 492-5835054 | 0010862100 | \$79,401 | 10/20/00 | 10/30/00 | 147 | 3027500522 | 30275 | Denver | Current | 10/1/00 9/1/00 8/1/00 |
| 1194 | 492-5841201 | 0010552107 | \$84,305 | 9/8/00 | 9/20/00 | 99 | 3027500522 | 30275 | Denver | Bankruptcy | 8/1/00 |
| 1195 | 492-5848268 | 0010975803 | \$74,861 | 5/18/01 | 5/30/01 | 336 | 3027500522 | 30275 | Denver | > 90 days | 4/1/01 |
| 1196 | 492-5853330 | 0012219895 | \$68,464 | 1/15/01 | 2/2/01 | 199 | 3027500522 | 30275 | Denver | Current | 12/1/00 11/1/00 |
| 1197 | 492-5870742 | 0012354031 | \$72,862 | 6/15/01 | 6/25/01 | 322 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 12/1/00 |
| 1198 | 492-5872005 | 0010614212 | \$73,824 | 2/8/01 | 2/26/01 | 213 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 12/1/00 11/1/00 |
| 1199 | 492-5880762 | 0012466520 | \$96,207 | 11/20/00 | 11/28/00 | 118 | 3027500522 | 30275 | Denver | Current | 9/1/00 |
| 1200 | 492-5882842 | 0012511770 | \$28,272 | 3/23/01 | 4/5/01 | 217 | 3027500522 | 30275 | Denver | Current | 11/1/00 |
| 1201 | 492-5888924 | 0012574927 | \$94,223 | 1/4/01 | 1/17/01 | 139 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 12/1/00 11/1/00 |
| 1202 | 492-5898206 | 0012688594 | \$129,934 | 5/16/01 | 5/29/01 | 258 | 3027500522 | 30275 | Denver | Current | 5/1/01 4/1/01 3/1/01 2/1/01 |
| 1203 | 492-5904120 | 0012606257 | \$130,602 | 2/7/01 | 2/14/01 | 160 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 11/1/00 |
| 1204 | 492-5909259 | 0012691739 | \$83,957 | 1/21/02 | 1/28/02 | 497 | 3027500522 | 30275 | Denver | Current | 1/1/02 |
| 1205 | 492-5919069 | 0013390919 | \$68,435 | 3/23/01 | 4/4/01 | 161 | 3027500522 | 30275 | Denver | Current | 2/1/01 1/1/01 12/1/00 |
| 1206 | 492-5921316 | 0013414065 | \$99,849 | 2/16/01 | 3/22/01 | 112 | 3027500522 | 30275 | Denver | Current | 2/1/01 1/1/01 |
| 1207 | 492-5922420 | 0013423017 | \$131,135 | 6/21/01 | 6/30/01 | 234 | 3027500522 | 30275 | Denver | > 30 days | 6/1/01 2/1/01 |
| 1208 | 492-5924393 | 0013445861 | \$54,702 | 2/28/01 | 3/7/01 | 128 | 3027500522 | 30275 | Denver | Current | 12/1/00 |
| 1209 | 492-5925414 | 0013455472 | \$74,460 | 3/22/01 | 3/28/01 | 127 | 3027501685 | 30275 | Denver | Current | 3/1/01 |
| 1210 | 492-5928894 | 0013490495 | \$81,958 | 5/8/01 | 5/11/01 | 189 | 3027500522 | 30275 | Denver | Current | 12/1/00 |
| 1211 | 492-5929043 | 0013496112 | \$81,329 | 5/7/01 | 5/18/01 | 194 | 3027500522 | 30275 | Denver | Current | 2/1/01 |
| 1212 | 492-5971994 | 0013966544 | \$29,066 | 6/25/01 | 7/5/01 | 136 | 3027501656 | 30275 | Denver | > 90 days | 6/1/01 5/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 1213 | 492-5974173 | 0013998380 | \$152,137 | 9/21/01 | 10/1/01 | 127 | 3027500513 | 30275 | Denver | Current | 9/1/01 |
| 1214 | 492-6044905 | 0015288343 | \$65,964 | 8/20/01 | 9/20/01 | 94 | 3027501656 | 30275 | Denver | Current | 7/1/01 |
| 1215 | 492-6046339 | 0015187982 | \$77,388 | 10/24/01 | 11/6/01 | 134 | 3027501656 | 30275 | Denver | > 60 day | 9/1/01 |
| 1216 | 492-6079655 | 0015583727 | \$116,082 | 10/19/01 | 10/30/01 | 98 | 3027500513 | 30275 | Denver | > 30 days | 10/1/01 |
| 1217 | 492-6081251 | 0015601990 | \$147,436 | 1/10/02 | 1/28/02 | 164 | 3027500513 | 30275 | Denver | Current | 10/1/01 |
| 1218 | 492-6088692 | 0015641517 | \$66,374 | 9/27/01 | 10/5/01 | 63 | 3027500513 | 30275 | Denver | Current | 9/1/01 |
| 1219 | 493-6530399 | 0003985694 | \$21,204 | 12/15/99 | 12/21/99 | 93 | 3027500513 | 30275 | Denver | REO | 12/1/99 11/1/99 |
| 1220 | 493-6557420 | 0008606527 | Adequate Documentation has been provided. | | | | | | | | |
| 1221 | 493-6573358 | 0009365446 | \$42,987 | 8/24/00 | 8/31/00 | 203 | 3027500522 | 30275 | Denver | Current | 4/1/00 |
| 1222 | 493-6578130 | 0009683079 | \$63,967 | 8/21/00 | 8/28/00 | 276 | 3027500522 | 30275 | Denver | Current | 8/1/00 7/1/00 4/1/00 3/1/00 |
| 1223 | 493-6580741 | 0002635829 | \$84,957 | 3/17/00 | 3/22/00 | 123 | 3027500522 | 30275 | Denver | Current | 3/1/00 |
| 1224 | 493-6608164 | 0010111474 | \$65,466 | 8/21/00 | 8/29/00 | 200 | 3027500522 | 30275 | Denver | > 90 days | 8/1/00 |
| 1225 | 493-6613101 | 0010205284 | \$69,328 | 9/15/00 | 9/28/00 | 210 | 3027500522 | 30275 | Denver | > 90 days | 8/1/00 7/1/00 |
| 1226 | 493-6618302 | 0010273571 | \$80,995 | 11/20/00 | 11/28/00 | 265 | 3027500522 | 30275 | Denver | > 90 days | 10/1/00 |
| 1227 | 493-6621767 | 0010315117 | \$79,459 | 6/4/01 | 6/8/01 | 446 | 3027500522 | 30275 | Denver | > 90 days | 5/1/01 4/1/01 3/1/01 |
| 1228 | 493-6632514 | 0010343002 | Adequate Documentation has been provided. | | | | | | | | |
| 1229 | 493-6635851 | 0010402550 | \$108,009 | 2/9/01 | 2/13/01 | 322 | 3027500522 | 30275 | Denver | Current | 1/1/01 12/1/00 11/1/00 10/1/00 8/1/00 |
| 1230 | 493-6639882 | 0010336055 | \$72,051 | 8/25/00 | 9/6/00 | 119 | 3027500522 | 30275 | Denver | > 30 days | 8/1/00 7/1/00 6/1/00 |
| 1231 | 493-6642172 | 0010515666 | \$59,381 | 9/22/00 | 10/2/00 | 74 | 3027500522 | 30275 | Denver | > 90 days | 9/1/00 |

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| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 1232 | 493-6643444 | 0008367435 | \$61,350 | 10/23/00 | 11/3/00 | 151 | 3027500522 | 30275 | Denver | > 90 days | 10/1/00 9/1/00 7/1/00 |
| 1233 | 493-6660328 | 0010850097 | \$50,613 | 10/19/00 | 10/30/00 | 132 | 3027500522 | 30275 | Denver | Claims | 10/1/00 9/1/00 8/1/00 |
| 1234 | 493-6664957 | 0010911378 | \$85,956 | 10/13/00 | 10/23/00 | 123 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 9/1/00 8/1/00 |
| 1235 | 493-6669219 | 0010954147 | \$111,232 | 1/15/01 | 1/30/01 | 234 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 10/1/00 9/1/00 8/1/00 |
| 1236 | 493-6674435 | 0011998499 | \$48,599 | 9/14/00 | 9/28/00 | 77 | 3027500522 | 30275 | Denver | Current | 8/1/00 |
| 1237 | 493-6708279 | 0012524575 | \$111,147 | 4/4/01 | 4/10/01 | 233 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 3/1/01 2/1/01 |
| 1238 | 493-6724032 | 0012653069 | \$88,954 | 3/21/01 | 3/30/01 | 205 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 11/1/00 10/1/00 |
| 1239 | 493-6726430 | 0013238753 | \$75,961 | 4/19/01 | 4/25/01 | 216 | 3027501685 | 30275 | Denver | Current | 4/1/01 12/1/00 |
| 1240 | 493-6727617 | 0013217898 | \$53,972 | 7/16/01 | 7/25/01 | 290 | 3027500522 | 30275 | Denver | > 90 days | 7/1/01 6/1/01 5/1/01 |
| 1241 | 493-6736517 | 0013516224 | \$56,283 | 6/25/01 | 7/3/01 | 151 | 3027500522 | 30275 | Denver | Current | 6/1/01 5/1/01 4/1/01 3/1/01 |
| 1242 | 493-6737196 | 0013362926 | \$95,116 | 12/26/00 | 1/3/01 | 88 | 3027500522 | 30275 | Denver | Current* | 12/1/00 |
| 1243 | 493-6739673 | 0013387840 | \$93,727 | 1/3/01 | 1/12/01 | 90 | 3027500522 | 30275 | Denver | SEE NOTE 1 | 11/1/00 |
| 1244 | 493-6767855 | 0013735956 | \$72,112 | 3/6/01 | 3/12/01 | 96 | 3027500522 | 30275 | Denver | Bankruptcy | 2/1/01 |
| 1245 | 493-6770434 | 0013762612 | \$26,034 | 7/19/01 | 7/25/01 | 181 | 3027500522 | 30275 | Denver | Current | 7/1/01 6/1/01 5/1/01 4/1/01 3/1/01 |
| 1246 | 493-6839169 | 0015079445 | \$79,373 | 7/23/01 | 8/13/01 | 84 | 3027500513 | 30275 | Denver | > 30 days | 7/1/01 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|--|
| 1247 | 493-6843134 | 0015089121 | \$54,137 | 1/24/02 | 1/30/02 | 273 | 3027500513 | 30275 | Denver | Current | 9/1/01 8/1/01 |
| 1248 | 493-6882377 | 0015453608 | Adequate Documentation has been provided. | | | | | | | | |
| 1249 | 494-2590729 | 0004677381 | \$71,907 | 4/7/00 | 4/12/00 | 128 | 3027500378 | 30275 | Denver | Bankruptcy | 3/1/00 2/1/00 |
| 1250 | 494-2593912 | 0008071862 | \$96,950 | 3/28/00 | 3/31/00 | 102 | 3027500378 | 30275 | Denver | Current | 2/1/00 |
| 1251 | 494-2595761 | 0005575287 | Adequate Documentation has been provided. | | | | | | | | |
| 1252 | 494-2606952 | 0010298800 | \$32,311 | 10/6/00 | 10/18/00 | 203 | 3027500378 | 30275 | Denver | > 90 days | 9/1/00 8/1/00 |
| 1253 | 494-2614197 | 0010459659 | \$84,255 | 9/19/00 | 10/12/00 | 158 | 3027500378 | 30275 | Denver | > 90 days | 8/1/00 7/1/00 |
| 1254 | 494-2622640 | 0010656338 | \$22,717 | 8/18/00 | 8/30/00 | 84 | 3027500378 | 30275 | Denver | Current | 8/1/00 |
| 1255 | 494-2627696 | 0010932440 | \$50,473 | 1/8/01 | 1/18/01 | 222 | 3027500378 | 30275 | Denver | Current | 12/1/00 11/1/00 10/1/00 |
| 1256 | 494-2640303 | 0012380788 | \$39,832 | 11/15/00 | 11/22/00 | 124 | 3027500378 | 30275 | Denver | Current | 11/1/00 |
| 1257 | 494-2652426 | 0013235569 | \$63,067 | 7/26/01 | 7/31/01 | 289 | 3027500378 | 30275 | Denver | > 90 days | 7/1/01 6/1/01 |
| 1258 | 494-2654196 | 0013284914 | \$124,025 | 4/27/01 | 5/4/01 | 121 | 3027500378 | 30275 | Denver | > 60 day | 4/1/01 3/1/01 |
| 1259 | 494-2655678 | 0013321658 | \$84,305 | 5/11/01 | 5/18/01 | 228 | 3027500378 | 30275 | Denver | Current | 11/1/00 |
| 1260 | 494-2682384 | 0014118731 | \$88,301 | 4/10/01 | 4/16/01 | 67 | 3027501469 | 30275 | Denver | Current | 3/1/01 |
| 1261 | 494-2685091 | 0014171581 | \$63,995 | 5/25/01 | 6/4/01 | 86 | 3027500378 | 30275 | Denver | Current | 4/1/01 |
| 1262 | 494-2696593 | 0015075054 | \$50,599 | 7/20/01 | 7/27/01 | 93 | 3027500378 | 30275 | Denver | Current | 6/1/01 |
| 1263 | 494-2726319 | 0015791692 | \$77,388 | 12/5/01 | 12/11/01 | 146 | 3027501469 | 30275 | Denver | Current | 10/1/01 9/1/01 |
| 1264 | 495-5419210 | 0003878717 | \$29,258 | 2/23/00 | 3/1/00 | 162 | 3027500513 | 30275 | Denver | > 90 days | 2/1/00 1/1/00 12/1/99 11/1/99 |
| 1265 | 495-5443596 | 0004430963 | \$78,460 | 2/2/00 | 2/7/00 | 139 | 3027500513 | 30275 | Denver | SEE NOTE 1 | 1/1/00 12/1/99 |

Appendix C

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|---|
| 1266 | 495-5462015 | 0008701922 | \$68,435 | 1/27/00 | 2/1/00 | 90 | 3027500513 | 30275 | Denver | > 90 days | 1/1/00 12/1/99 |
| 1267 | 495-5465504 | 0008991911 | \$84,957 | 3/21/00 | 3/24/00 | 154 | 3027500513 | 30275 | Denver | Claims | 3/1/00 |
| 1268 | 495-5485334 | 0009482241 | \$122,937 | 6/2/00 | 6/9/00 | 196 | 3027500513 | 30275 | Denver | Current | 5/1/00 4/1/00 |
| 1269 | 495-5498951 | 0007606817 | \$42,145 | 5/23/00 | 5/31/00 | 154 | 3027500513 | 30275 | Denver | Current | 5/1/00 4/1/00 |
| 1270 | 495-5546462 | 0010319879 | \$33,926 | 7/27/00 | 8/3/00 | 85 | 3027500513 | 30275 | Denver | Current | 5/1/00 |
| 1271 | 495-5563737 | 0010496206 | \$64,966 | 2/23/01 | 3/23/01 | 282 | 3027500513 | 30275 | Denver | F/C | 2/1/01 1/1/01 12/1/00 11/1/00 10/1/00 |
| 1272 | 495-5595559 | 0010838704 | \$88,768 | 5/7/01 | 5/11/01 | 318 | 3027500513 | 30275 | Denver | REO | 4/1/01 3/1/01 |
| 1273 | 495-5595700 | 0010910784 | \$53,350 | 2/13/01 | 2/28/01 | 259 | 3027500513 | 30275 | Denver | > 90 days | 1/1/01 12/1/00 11/1/00 |
| 1274 | 495-5607043 | 0010996403 | Adequate Documentation has been provided. | | | | | | | | |
| 1275 | 495-5611441 | 0012230736 | \$60,140 | 2/22/01 | 3/1/01 | 160 | 3027500513 | 30275 | Denver | Current | 1/1/01 12/1/00 |
| 1276 | 495-5640743 | 0012464913 | \$54,694 | 11/21/00 | 11/28/00 | 89 | 3027500513 | 30275 | Denver | Claims | 11/1/00 |
| 1277 | 495-5642709 | 0012475661 | \$78,732 | 4/23/01 | 4/25/01 | 194 | 3027500513 | 30275 | Denver | Current | 4/1/01 |
| 1278 | 495-5661540 | 0012663514 | \$59,601 | 2/6/01 | 2/15/01 | 148 | 3027501656 | 30275 | Denver | REO | 1/1/01 12/1/00 |
| 1279 | 495-5668685 | 0013245485 | \$51,073 | 4/12/01 | 4/18/01 | 206 | 3027500513 | 30275 | Denver | > 90 days | 3/1/01 |
| 1280 | 495-5672848 | 0013288824 | \$49,591 | 10/19/01 | 10/29/01 | 406 | 3027500513 | 30275 | Denver | Current | 5/1/01 |
| 1281 | 495-5676118 | 0013310032 | \$59,509 | 6/4/01 | 6/13/01 | 241 | 3027500513 | 30275 | Denver | REO | 5/1/01 4/1/01 3/1/01 1/1/01 12/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 1282 | 495-5682419 | 0012692059 | \$117,178 | 9/10/01 | 9/22/01 | 350 | 3027500513 | 30275 | Denver | > 90 days | 8/1/01 7/1/01 |
| 1283 | 495-5869312 | 0015638356 | \$69,793 | 8/31/01 | 9/10/01 | 77 | 3027500513 | 30275 | Denver | Current | 8/1/01 |
| 1284 | 495-5883258 | 0013977087 | \$64,490 | 7/17/01 | 7/25/01 | 152 | 3027500513 | 30275 | Denver | Current | 7/1/01 6/1/01 |
| 1285 | 521-4640615 | 0012449922 | \$117,819 | 3/12/01 | 3/21/01 | 187 | 3027500174 | 30275 | Denver | > 30 days | 12/1/00 |
| 1286 | 531-0187310 | 0012572327 | \$73,398 | 12/12/00 | 12/14/00 | 118 | 3027500218 | 30275 | Philadelphia | > 30 days | 11/1/00 10/1/00 |
| 1287 | 531-0187600 | 0012636098 | \$114,594 | 5/18/01 | 5/23/01 | 252 | 3027500218 | 30275 | Philadelphia | > 30 days | 5/1/01 4/1/01 3/1/01 2/1/01 1/1/01 |
| 1288 | 531-0191090 | 0013978861 | \$146,239 | 6/1/01 | 6/5/01 | 79 | 3027500218 | 30275 | Philadelphia | Current | 5/1/01 |
| 1289 | 531-0191922 | 0014222285 | \$34,459 | 8/6/01 | 8/10/01 | 159 | 3027500218 | 30275 | Philadelphia | > 90 days | 7/1/01 |
| 1290 | 531-0191968 | 0014236293 | \$99,216 | 9/26/01 | 10/2/01 | 204 | 3027502050 | 30275 | Philadelphia | Current | 9/1/01 |
| 1291 | 531-0194290 | 0015244437 | \$156,618 | 10/12/01 | 10/16/01 | 140 | 3027501627 | 30275 | Philadelphia | > 90 days | 9/1/01 |
| 1292 | 541-5612023 | 0005161492 | \$86,456 | 1/11/00 | 1/20/00 | 102 | 3027500326 | 30275 | Philadelphia | Current | 12/1/99 |
| 1293 | 541-5634846 | 0009197591 | \$108,735 | 12/11/00 | 2/8/01 | 383 | 3027500326 | 30275 | Philadelphia | Current | 7/1/00 |
| 1294 | 541-5678535 | 0007606593 | \$103,910 | 11/30/00 | 11/30/00 | 304 | 3027500860 | 30275 | Philadelphia | SEE NOTE 1 | 7/1/00 |
| 1295 | 541-5686367 | 0010132496 | \$70,463 | 12/5/00 | 12/5/00 | 266 | 3027500860 | 30275 | Philadelphia | Claims | 11/1/00 |
| 1296 | 541-5703760 | 0010326270 | \$63,514 | 10/10/00 | 10/13/00 | 126 | 3027500326 | 30275 | Philadelphia | Current | 9/1/00 |
| 1297 | 541-5714127 | 0010411569 | \$83,214 | 7/25/00 | 7/27/00 | 113 | 3027500326 | 30275 | Philadelphia | Current | 7/1/00 |
| 1298 | 541-5717566 | 0010434645 | \$95,450 | 5/4/01 | 5/8/01 | 372 | 3027500326 | 30275 | Philadelphia | > 90 days | 4/1/01 3/1/01 2/1/01 1/1/01 12/1/00 11/1/00 |
| 1299 | 541-5790934 | 0012304978 | \$78,409 | 1/25/01 | 1/29/01 | 195 | 3027500326 | 30275 | Philadelphia | > 90 days | 1/1/01 |

Appendix C

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|---|
| 1300 | 541-5793188 | 0012323374 | \$107,209 | 1/24/02 | 2/12/02 | 518 | 3027500326 | 30275 | Philadelphia | Current | 1/1/02 12/1/01 11/1/01 10/1/01 9/1/01 |
| 1301 | 541-5793708 | 0012413019 | \$57,525 | 1/29/01 | 1/31/01 | 182 | 3027500326 | 30275 | Philadelphia | REO | 12/1/00 |
| 1302 | 541-5823504 | 0012608287 | \$94,325 | 2/1/01 | 2/6/01 | 125 | 3027500326 | 30275 | Philadelphia | Bankruptcy | 1/1/01 12/1/00 |
| 1303 | 541-5839005 | 0012646386 | Adequate Documentation has been provided. | | | | | | | | |
| 1304 | 541-5840265 | 0013286083 | \$154,448 | 2/12/01 | 2/14/01 | 143 | 3027500326 | 30275 | Philadelphia | Current | 1/1/01 |
| 1305 | 541-5860877 | 0012545828 | \$58,401 | 6/1/01 | 6/8/01 | 274 | 3027500326 | 30275 | Philadelphia | > 90 days | 5/1/01 4/1/01 3/1/01 2/1/01 1/1/01 |
| 1306 | 541-5878508 | 0013647755 | \$123,814 | 4/25/01 | 4/27/01 | 133 | 3027500326 | 30275 | Philadelphia | Current | 3/1/01 |
| 1307 | 541-5963693 | 0013711353 | \$64,401 | 10/17/01 | 10/26/01 | 110 | 3027500326 | 30275 | Philadelphia | > 30 days | 10/1/01 |
| 1308 | 541-5976096 | 0014470611 | \$71,435 | 7/31/01 | 8/2/01 | 77 | 3027500326 | 30275 | Philadelphia | Current | 7/1/01 |
| 1309 | 541-5996843 | 0015103054 | \$40,898 | 8/9/01 | 8/16/01 | 101 | 3027500326 | 30275 | Philadelphia | Current | 7/1/01 |
| 1310 | 541-6007359 | 0015204167 | \$163,415 | 10/17/01 | 10/22/01 | 145 | 3027501475 | 30275 | Philadelphia | F/C | 10/1/01 8/1/01 |
| 1311 | 541-6048239 | 0015236748 | \$84,671 | 9/20/01 | 9/25/01 | 87 | 3027500326 | 30275 | Philadelphia | Current | 8/1/01 |
| 1312 | 548-3650787 | 0013293477 | Adequate Documentation has been provided. | | | | | | | | |
| 1313 | 548-3658847 | 0013177266 | \$124,940 | 2/23/01 | 2/27/01 | 86 | 3027500985 | 30275 | Philadelphia | Current | 2/1/01 |
| 1314 | 561-6956775 | 0003352820 | \$153,937 | 12/9/99 | 12/13/99 | 98 | 3027500349 | 30275 | Santa Ana | F/C | 11/1/99 |
| 1315 | 561-6959380 | 0003894441 | \$54,916 | 4/28/00 | 5/3/00 | 240 | 3027500349 | 30275 | Santa Ana | > 30 days | 3/1/00 |
| 1316 | 561-6966034 | 0004212155 | Adequate Documentation has been provided. | | | | | | | | |
| 1317 | 561-6991290 | 0007040066 | \$155,195 | 2/3/00 | 2/3/00 | 104 | 3027500349 | 30275 | Santa Ana | > 90 days | 1/1/00 12/1/99 |
| 1318 | 561-6996479 | 0003752003 | \$85,448 | 2/23/00 | 2/23/00 | 89 | 3027500349 | 30275 | Santa Ana | > 90 days | 2/1/00 1/1/00 |
| 1319 | 561-6997705 | 0009251505 | \$124,149 | 2/3/00 | 2/3/00 | 86 | 3027500349 | 30275 | Santa Ana | > 90 days | 1/1/00 |
| 1320 | 561-7007483 | 0003795879 | \$100,000 | 2/11/00 | 2/14/00 | 73 | 3027500349 | 30275 | Santa Ana | Current | 1/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|-----------------------------------|
| 1321 | 561-7044650 | 0010351435 | \$129,269 | 7/19/00 | 7/25/00 | 75 | 3027500349 | 30275 | Santa Ana | > 90 days | 7/1/00 |
| 1322 | 561-7072639 | 0010737641 | \$70,325 | 7/27/00 | 8/1/00 | 90 | 3027500349 | 30275 | Santa Ana | Current | 7/1/00 6/1/00 |
| 1323 | 561-7082432 | 0010927572 | Adequate Documentation has been provided. | | | | | | | | |
| 1324 | 561-7150549 | 0013500590 | \$94,605 | 1/23/01 | 2/5/01 | 76 | 3027500349 | 30275 | Santa Ana | Current | 12/1/00 |
| 1325 | 561-7226659 | 0014411045 | \$167,779 | 7/13/01 | 7/18/01 | 102 | 3027500349 | 30275 | Santa Ana | Current | 6/1/01 |
| 1326 | 561-7240667 | 0014503734 | \$143,744 | 7/16/01 | 7/20/01 | 103 | 3027502260 | 30275 | Santa Ana | Current | 6/1/01 |
| 1327 | 561-7255728 | 0015188022 | Adequate Documentation has been provided. | | | | | | | | |
| 1328 | 561-7268688 | 0015065881 | Adequate Documentation has been provided. | | | | | | | | |
| 1329 | 561-7278837 | 0015306483 | \$152,556 | 8/22/01 | 9/20/01 | 93 | 3027500349 | 30275 | Santa Ana | Current | 8/1/01 |
| 1330 | 561-7290794 | 0015506173 | \$201,351 | 10/24/01 | 11/9/01 | 140 | 3027500349 | 30275 | Santa Ana | Current | 10/1/01 9/1/01 8/1/01 |
| 1331 | 561-7328746 | 0015871130 | \$195,271 | 11/9/01 | 11/15/01 | 107 | 3027500349 | 30275 | Santa Ana | Current | 10/1/01 9/1/01 |
| 1332 | 562-1714366 | 0009325382 | Adequate Documentation has been provided. | | | | | | | | |
| 1333 | 562-1751635 | 0013764469 | \$87,765 | 9/6/01 | 9/12/01 | 252 | 3027500349 | 30275 | Santa Ana | Current | 3/1/01 |
| 1334 | 562-1756938 | 0014041073 | \$60,473 | 11/30/01 | 2/15/02 | 260 | 3027502254 | 30275 | Santa Ana | > 30 days | 11/1/01 |
| 1335 | 569-0464570 | 0010050243 | \$99,796 | 8/31/00 | 9/7/00 | 212 | 3027500151 | 30275 | Santa Ana | > 90 days | 8/1/00 7/1/00 6/1/00 |
| 1336 | 569-0481839 | 0013416169 | \$113,068 | 4/18/01 | 4/25/01 | 184 | 3027500151 | 30275 | Santa Ana | Bankruptcy | 2/1/01 |
| 1337 | 571-0597079 | 0005513098 | \$69,400 | 10/19/00 | 10/23/00 | 269 | 3027500326 | 30275 | Philadelphia | REO | 7/1/00 |
| 1338 | 571-0598022 | 0010250413 | \$57,129 | 1/17/01 | 1/19/01 | 247 | 3027500326 | 30275 | Philadelphia | Current | 9/1/00 |
| 1339 | 571-0598101 | 0010258630 | \$42,812 | 12/5/00 | 12/5/00 | 257 | 3027500860 | 30275 | Philadelphia | > 90 days | 10/1/00 |
| 1340 | 571-0608816 | 0012549747 | \$84,556 | 4/11/01 | 4/13/01 | 212 | 3027500326 | 30275 | Philadelphia | F/C | 3/1/01 12/1/00 |
| 1341 | 571-0610934 | 0013245923 | \$78,459 | 3/21/01 | 3/29/01 | 145 | 3027501475 | 30275 | Philadelphia | F/C | 3/1/01 2/1/01 1/1/01 |

Appendix C

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|------------------------|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|--------------|-----------------------------|--|
| 1342 | 571-0613750 | 0013493143 | \$122,700 | 2/26/01 | 2/28/01 | 102 | 3027502202 | 30275 | Philadelphia | Bankruptcy | 2/1/01 1/1/01 |
| 1343 | 571-0622398 | 0014353387 | \$59,529 | 10/23/01 | 10/27/01 | 196 | 3027502202 | 30275 | Philadelphia | Current | 10/1/01 |
| 1344 | 571-0622830 | 0014442198 | \$45,675 | 9/27/01 | 10/1/01 | 161 | 3027502198 | 30275 | Philadelphia | Current | 9/1/01 8/1/01 7/1/01 6/1/01 |
| 1345 | 571-0625945 | 0015123417 | \$64,490 | 7/21/01 | 8/9/01 | 73 | 3027502198 | 30275 | Philadelphia | Current | 7/1/01 |
| 1346 | 581-2163105 | 0004452447 | \$67,397 | 3/2/00 | 3/7/00 | 168 | 3027500066 | 30275 | Denver | F/C | 12/1/99 |
| 1347 | 581-2163344 | 0004530283 | \$99,746 | 9/28/00 | 10/6/00 | 321 | 3027500066 | 30275 | Denver | Current | 9/1/00 8/1/00 7/1/00 6/1/00 5/1/00 4/1/00 |
| 1348 | 581-2173148 | 0009309287 | \$53,917 | 2/23/00 | 2/29/00 | 96 | 3027500066 | 30275 | Denver | > 90 days | 2/1/00 |
| 1349 | 581-2179633 | 0001421601 | \$117,792 | 8/29/00 | 9/5/00 | 221 | 3027500066 | 30275 | Denver | > 30 days | 8/1/00 7/1/00 6/1/00 5/1/00 4/1/00 |
| 1350 | 581-2184592 | 0010140457 | \$70,552 | 8/10/00 | 8/16/00 | 178 | 3027500066 | 30275 | Denver | Current | 4/1/00 |
| 1351 | 581-2194761 | 0010535078 | \$56,634 | 12/19/00 | 12/29/00 | 228 | 3027500066 | 30275 | Denver | > 90 days | 12/1/00 11/1/00 |
| 1352 | 581-2208361 | 0010980738 | \$86,367 | 4/26/01 | 5/3/01 | 295 | 3027500066 | 30275 | Denver | Current | 4/1/01 3/1/01 2/1/01 1/1/01 12/1/00 11/1/00 |
| 1353 | 581-2216220 | 0012418992 | \$74,884 | 1/29/01 | 2/2/01 | 192 | 3027500066 | 30275 | Denver | Current | 1/1/01 12/1/00 |
| 1354 | 581-2231552 | 0013398011 | \$48,415 | 1/29/01 | 2/6/01 | 98 | 3027501213 | 30275 | Denver | > 90 days | 1/1/01 12/1/00 |

| <i>OIG No.</i> | <i>FHA Case Number</i> | <i>Cendant Loan Number</i> | <i>Mortgage Amount</i> | <i>Date Submitted</i> | <i>Date Endorsed</i> | <i>Days from Closing to Submitted</i> | <i>Originating ID</i> | <i>Holder ID</i> | <i>HOC</i> | <i>Status as of 3/25/02</i> | <i>Due Date of Missed Payment</i> |
|----------------|------------------------|----------------------------|---|-----------------------|----------------------|---------------------------------------|-----------------------|------------------|------------|-----------------------------|-----------------------------------|
| 1355 | 581-2232899 | 0013468673 | \$84,869 | 7/30/01 | 8/9/01 | 213 | 3027500066 | 30275 | Denver | SEE NOTE 1 | 4/1/01 |
| 1356 | 581-2234802 | 0013534664 | \$107,117 | 6/7/01 | 6/14/01 | 189 | 3027501997 | 30275 | Denver | > 30 days | 5/1/01 4/1/01 |
| 1357 | 581-2241225 | 0013779574 | \$143,763 | 12/3/01 | 12/10/01 | 339 | 3027501997 | 30275 | Denver | Current | 11/1/01 |
| 1358 | 581-2241458 | 0013782644 | \$107,336 | 5/18/01 | 5/30/01 | 74 | 3027500066 | 30275 | Denver | Current | 5/1/01 4/1/01 |
| 1359 | 581-2245863 | 0013796339 | \$84,500 | 5/31/01 | 6/5/01 | 139 | 3027501213 | 30275 | Denver | F/C | 5/1/01 |
| 1360 | 581-2249350 | 0014013445 | \$52,034 | 9/25/01 | 10/1/01 | 200 | 3027501997 | 30275 | Denver | > 30 days | 8/1/01 |
| 1361 | 581-2264147 | 0014349096 | \$65,939 | 8/20/01 | 8/28/01 | 90 | 3027500066 | 30275 | Denver | Current | 8/1/01 7/1/01 |
| 1362 | 581-2269847 | 0014313167 | Adequate Documentation has been provided. | | | | | | | | |
| 1363 | 581-2270664 | 0014491435 | \$78,201 | 7/23/01 | 7/31/01 | 94 | 3027501997 | 30275 | Denver | Current | 7/1/01 |
| 1364 | 591-0891211 | 0014545529 | \$79,250 | 7/3/01 | 7/10/01 | 67 | 3027500122 | 30275 | Denver | Current | 6/1/01 |

LEGEND FOR STATUS:*Current--loan payments are current**Bankruptcy--borrower is in bankruptcy**>30 days--loan payments are between 30 and 59 days past due**>60 days--loan payments are between 60 and 89 days past due**>90 days--loan payments are more than 90 days past due**F/C--loan is in the foreclosure process, prior to REO (real estate owned)**REO--loan is Real Estate Owned, property's title has been transferred**Claim--loan has gone from REO to claim*

NOTE 1: Cendant responded to our draft finding by noting that 108 of the 1,364 loans have now been paid in full. We queried HUD's Single Family Data Warehouse, and found that as of August 31, 2002, the insurance has been terminated on 101 of these loans plus 34 additional loans. Cendant also provided documentation proving that 9 of these terminated loans were acceptable at the time of submission. Each of the 126 remaining terminated loans is marked "SEE NOTE 1". The mortgage amount on the 126 loans totals \$13,334,209. These loans are included in the 1,307 loans reported in the finding as having been improperly submitted for insurance, but they are omitted from the 1,181 loans for which we are seeking indemnification. There is no need for us to seek indemnification for these loans. Five other loans that Cendant indicated as paid-in-full still show an insurance status of active as of August 31, 2002. These are noted by an asterisk. Our recommendation for these loans is to terminate the insurance or obtain indemnification. ^^These 30 loans were also reported as improper late submissions by the Homeownership Center Quality Assurance Division during their review issued in 2002. One of the 30 is now paid in full.



Loan Processing Deficiencies Chart

| FHA Loan # | Inconsistent/ Unverified Income | Not enough assets to close | Gift funds not documented | Inadequate Ratios / Qualifiers | W-2 different name/address or not provided | Indications of Possible Fraud | TOTALS |
|--------------|---------------------------------------|----------------------------------|---------------------------------|--------------------------------------|--|--|--------|
| 182-0620769 | X | | | | | | 1 |
| 182-0630382 | X | | X | X | | | 3 |
| *182-0635061 | | X | | | | X | 2 |
| 182-0639136 | X | X | X | | | | 3 |
| 182-0644789 | X | X | X | | X | | 4 |
| 291-2608685 | X | X | X | | | | 3 |
| 291-2618046 | X | | | X | | | 2 |
| 291-2620345 | X | | | | | | 1 |
| 291-2629032 | X | X | X | | | | 3 |
| 291-2637386 | | | | | | | 0 |
| 291-2638982 | X | X | | | | | 2 |
| 291-2648497 | X | X | | | | | 2 |
| 291-2653366 | X | | | X | | | 2 |
| 291-2658702 | | | X | | | | 1 |
| 291-2658731 | X | X | | | | | 2 |
| 291-2663101 | X | | | | | | 1 |
| 291-2664113 | X | | | | | | 1 |
| 291-2664641 | | X | | X | | | 2 |
| 291-2666621 | | | X | | X | | 2 |
| *291-2676939 | | X | | | | | 1 |
| 291-2679600 | | | | | | | 0 |
| *291-2684232 | | X | X | X | | | 3 |
| 291-2685079 | | X | | | | | 1 |
| 291-2688660 | X | X | | | | | 2 |
| 291-2698855 | | | | | | | 0 |
| 291-2709675 | | X | | X | | | 2 |
| 291-2720918 | X | | | | | | 1 |
| 291-2724348 | X | X | | | | X | 3 |
| *291-2727895 | X | X | | X | | | 3 |
| 291-2732764 | X | | X | | X | | 3 |
| 292-3778958 | X | X | | | | | 2 |
| 292-3779720 | | X | X | | | | 2 |
| 292-3781555 | X | | | | | | 1 |
| 292-3782380 | X | | | | | | 1 |
| 292-3782397 | X | X | | | | | 2 |
| 292-3788541 | X | | | | | | 1 |
| 292-3792257 | X | X | | | | | 2 |
| 292-3792806 | | | | | | X | 1 |
| 292-3792972 | X | X | | | | | 2 |
| 292-3796469 | X | | | | | | 1 |
| 292-3800041 | | X | | X | | | 2 |
| *292-3803474 | X | X | X | | | | 3 |
| *292-3807675 | | | | | | X | 1 |

Appendix D

| FHA Loan # | Inconsistent/ Unverified Income | Not enough assets to close | Gift funds not documented | Inadequate Ratios / Qualifiers | W-2 different name/address or not provided | Indications of Possible Fraud | TOTALS |
|---------------|---------------------------------------|----------------------------------|---------------------------------|--------------------------------------|--|--|------------|
| *292-3811595 | | | X | | | X | 2 |
| 292-3813386 | X | | | | | | 1 |
| 292-3813392 | | X | | | | | 1 |
| 292-3815703 | X | X | | | | | 2 |
| 292-3817467 | X | | X | | | | 2 |
| 292-3818319 | X | X | | X | | X | 4 |
| 292-3822365 | | | | | | | 0 |
| *292-3832940 | | X | | | X | | 2 |
| 292-3835425 | X | | | | | | 1 |
| *292-3842540 | X | X | X | X | | X | 5 |
| 292-3848073 | X | | | | | | 1 |
| 292-3848333 | X | | | | | | 1 |
| 292-3848551 | | X | X | | | | 2 |
| *292-3857227 | | | | | | | 0 |
| 292-3864552 | X | X | X | | | | 3 |
| *292-3867979 | | X | X | X | | | 3 |
| *292-3869730 | X | | | | X | | 2 |
| 292-3870377 | | X | | | | X | 2 |
| 292-3871133 | X | | | X | | | 2 |
| 292-3873350 | | X | X | | | | 2 |
| 292-3874878 | | X | | | | | 1 |
| 292-3875640 | X | | | | | | 1 |
| 292-3876022 | | X | X | | | | 2 |
| 292-3879607 | | | | | | | 0 |
| 292-3881442 | X | | X | | | | 2 |
| 292-3888313 | | X | | | | | 1 |
| 292-3892293 | | | | | | | 0 |
| 292-3896129 | X | | | | | | 1 |
| 292-3899329 | X | | | | | | 1 |
| 292-3902848 | X | | | X | | | 2 |
| *292-3907011 | | | | X | | | 1 |
| 292-3910628 | | X | X | | | | 2 |
| 292-3917372 | | X | | | | | 1 |
| 292-3918303 | X | | | | | X | 2 |
| 292-3922626 | | | X | | X | | 2 |
| *292-3926237 | X | | | X | | | 2 |
| *292-3942348 | | X | | | | | 1 |
| TOTALS | 46 | 39 | 22 | 15 | 6 | 9 | 137 |

* Indicates loan included in Finding 1.

Narrative Case Presentations

FHA Case Number: 182-0620769

Insured Amount: \$99,949

Section of Housing Act: 203(b)

Date of Loan Closing: 09/09/99

Current Status: Reinstated by mortgagor who retains ownership; Prior: Default status after 10 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Cendant did not obtain a verification of employment. The borrower had been on this job for less than four months; therefore income stability was questionable.
 - o Auditee Comments: The borrower's income was properly verified as required by FHA guidelines. It is Cendant's policy to obtain a verification of employment prior to closing but the documentation for the verbal verification could not be located in the file. The income documentation supports the borrower's employment. The borrower's recent pay stub included her start date and 2-yr. tax returns and w-2s were retained in the file
 - OIG Evaluation of Auditee Comments: Cendant responded that it is their policy to obtain a verification of employment (VOE) prior to closing but the documentation for the verbal VOE could not be located in the file. A verification of employment is required by FHA guidelines. Therefore, the borrower's income was not properly documented.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written VOE and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal VOE, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal VOE, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A VOE confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 182-0630382

Insured Amount: \$48,970

Section of Housing Act: 203(b)

Date of Loan Closing: 02/29/00

Current Status: Servicing transferred or sold to another mortgagee, Prior: Default status after 12 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$1,316 per month. The pay stubs provided verified that the borrower's income was only \$1,144 per month in Social Security benefits and Aid to Families with Dependent Children. A portion of these benefits was for an 18-year-old dependent. The lender does not address how long this dependent will be eligible. Furthermore, one of the statements received from the Social Security Administration states that the payment is "disallowed or denied". The lender failed to address this issue also.
 - Auditee Comments: The income was properly verified as required by FHA guidelines. The income that is disclosed on the Mortgage Credit Analysis Worksheet is accurate. The Social Security benefits used as income were "grossed up" as permitted by FHA guidelines so that it is comparable to taxable income. The income is grossed up by 125 percent of the non-taxable income. The IG commented that "on one of the statements the benefits were disallowed or denied". The Social Security statements contain an explanation of the payment status codes. One of the payment status codes "N" means that "benefits disallowed or denied". All of the borrower's statements show a status code of "C01- Pay E Disabled". The "CO1" code is a valid code that the lender would not need to question. The income appears to be for the borrower's disability and food stamp income and not tied to the number of dependents so the lender would not need to determine how long the dependent would be eligible for benefits. Please see attached Social Security Statements.
 - OIG Evaluation of Auditee Comments: According to HUD Handbook 4155.1, Chapter 2-7, Section P, income can be "grossed up" by a percentage not to exceed that income's tax bracket. In this instance, the income can be grossed-up 15 percent to equal \$1,316. This income is based upon both disability benefits and TAF (Temporary Assistance to Families). According to the borrower, she can only claim TAF benefits if her seven children are under 18 and still in school. Therefore, as her children (ages 18, 15, 12, 11, 2, 1, and 10 months) turn 18 and complete high school, the borrowers benefits will be reduced. In addition, the history shows two payment status codes, N-Benefits Disallowed or Denied and C01-Pay E. It does appear that the current benefit of \$512 monthly is allowed.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to

repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. 2-7 L of this handbook says that income from government assistance programs is acceptable subject to documentation from the paying agency provided the income is expected to continue at least three years. If not expected to last at least three years, such income may be considered as a compensating factor. This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet after using the correct income amount were 38 percent and 48 percent. The compensating factors provided were 1) Low income housing (this is not considered a compensating factor), 2) Good residual (after closing, the borrower will only have \$540), and 3) Decent Credit (there were five accounts turned over to collections in the last five years).
 - Auditee Comments: The ratios for this loan are permitted under FHA guidelines and appropriate compensating factors are provided. The auditor noted that there were “insufficient compensating factors”. FHA guidelines do not require a minimum number of compensating factors and the following factors were used to approve this loan:
 - *Customer has the potential for increased earnings since the borrower is eligible for cost of living increases for the social security income.
 - *Decent credit –Borrower has 3 good accounts with no derogatory payments. All collection activity was more than 2 years old. All but one of the collection accounts was related to medical bills. Two collection accounts were paid including the non-medical which was under \$50 and considered minor. Please see attached credit report.
 - OIG Evaluation of Auditee Comments: The Mortgage Credit Analysis Worksheet (MCAW) did not list “potential for increased earnings” as a compensating factor. Cendant’s assertion that cost of living adjustments from social security is not consistent with HUD Handbook 4155.1, 2-13-I, which states that allowable compensating factors include “The borrower has potential for increased earnings, as indicated by job training or education in the borrower's profession.” A cost of living adjustment is designed merely to adjust for inflation. This cannot be considered additional disposable income. In addition, Cendant asserted that the borrower had “Decent Credit” consisting of “3 good accounts with no derogatory payments.” While this is true, the borrower also had 5 accounts turned over to collections. Cendant stated that they were all over 2 years old. The accounts were 03/1998 through 02/1999 and the loan closed 02/2000. Therefore, they were all less than 2 years old at the time of closing. Furthermore, Cendant stated that all but one of the accounts was medical, that the non-medical was less than \$50 and considered minor, and that two of those turned over to collections (including the non-medical) were subsequently paid. According to the credit report, none of those turned over to collections was less than \$50 and there is only proof that one of those (a medical account) was paid in full just prior to closing the loan. Also, there is no stipulation in HUD regulations stating

that it is acceptable for a borrower to maintain past due accounts of medical bills but not other types of accounts.

- Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that “The lender must compute two ratios: (1). Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented.” and “(2). Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated she would receive a gift of \$2,500, but only submitted an unsigned gift letter and the donor’s bank statement as documentation, but did not submit the required proof of transfer.
 - Auditee Comments: No gift documentation was required to be verified because the source of funds was not a gift. The source of funds was from an account on which the borrower was a co-signer with no limitation on the access to the funds. See attached bank statements.
 - OIG Evaluation of Auditee Comments: The funds documented on the bank statement that the borrower is using to close the loan include a deposit labeled “gift”. The source of this gift was not verified. The application states that the gift was from a man but the gift letter states that the gift is from a woman who co-owned the bank account that the funds were deposited into. Therefore, it is unclear whom the gift is actually from and the donor did not provide all the required documentation.
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 182-0635061

Insured Amount: \$87,255

Section of Housing Act: 203(b)

Date of Loan Closing: 04/27/00

Current Status: Reinstated by mortgagor who retains ownership, Prior: Default status after 1 payment.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$4,382.16, but the borrower did not provide any evidence of available funds.
 - Auditee Comments: Sufficient funds to close the loan were verified as required by FHA guidelines. The borrower needed \$354.79 to close as indicated on the HUD-1 Statement. In error, the Mortgage Credit Analysis Worksheet was not updated prior to closing. The bank statement included in the file provides evidence of a balance of \$1,782.66. Please see attached revised MCAW, final HUD-1, and the bank statement.
 - OIG Evaluation of Auditee Comments: Cendant provided a revised MCAW and a bank statement that was not included in the HUD case binder to verify that the borrower had the proper funds needed per the HUD-1 to close the loan. The bank statement is dated 09/17/1999, 7 months prior to the loan closing. Therefore, the lender did not know if the borrower had the funds to close near the time of closing. Further, the insurance application results indicate that assets available of \$4,382 were entered into Loan Prospector. The only Loan Prospector feedback certificate in the file indicates borrower reserves of \$4,370.80. In either case, Cendant did not document the assets used when the loan was approved.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

W-2 Different Name/Address or Not Provided:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. The W-2s are the employer's copy and the employer has a different state employer identification number from 1998 to 1999.
 - Auditee Comments: The information on the W-2s was consistent with other information in the file and would not have triggered additional investigation. The auditor noted that the W-2s were the employer copy and that the employer's state identification numbers did not match. There were no other inconsistencies with the income that would have caused the lender to question the validity of the W-2s. The federal employer number on the 1998

and 1999 W-2s are the same. The employer number could be different because the employer number changed due to a change in corporate ownership or a change in the employer numbering system for the state. See attached copies of the W-2s.

- OIG Evaluation of Auditee Comments: Cendant asserted that there were no other inconsistencies with the W-2s that would have prompted the lender to review them more thoroughly. We concur with this assertion.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. In addition to the suspicious W-2s provided, the lender pulled two different credit reports that were substantially different. The first, dated March 14, 2000, showed \$575 in monthly payments, while the second, dated March 17, 2000, showed \$1,059 in monthly payments. The March 17th credit report is under a different first name than the borrower.
 - Auditee Comments: The documentation in the file resolves any indicators of possible fraud. The W-2 information is explained above. The credit reports provide consistent information about the borrower. Credit reports were provided by two different credit reporting vendors for the same borrower. The “in-file” credit report from CBC Companies dated 3/14/00 was obtained in the name of Terry Miller. The “Full Factual” credit report from First American Credco revised 3/30/00 was obtained in the name of Tracey Miller but a footnote on the 3rd page of the report discloses that the “credit checked under borrower’s AKA of Terence”. It is common that an in-file credit report would be obtained and if more information was needed that a full factual credit report would be obtained. The full factual provided information that the credit was checked under the name of Terence which is a full name for Terry. The full factual often reveals that there are additional accounts listed under the borrower’s name since it obtains information from three credit repositories. Please note that Terry appeared to have joint accounts with another person as well as individual accounts. Please see attached credit reports.
 - OIG Evaluation of Auditee Comments: Cendant stated that there were two credit reports pulled, an in-file report and a full factual report, explaining that a full factual report would be used if more information were needed. However, the lender submitted the figures from the in file report to Loan Prospector, which failed to include the entire scope of debt provided by the full factual report. The lender also did not verify the name discrepancy (i.e.: if the full factual report indicated that the borrower’s full name is Terence, why were the loan documents not changed to reflect the proper name).
 - Violation: Indications of possible fraud were not resolved. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 states that “we expect the application package to contain sufficient documentation, to support the lender’s decision to approve the mortgage loan. When standard documentation does not provide enough information to support this decision, the lender must provide additional explanatory statements, consistent with other information in the application, to clarify or supplement the documentation submitted by the borrower.” HUD

Handbook 4000.4, Chapter 2 says it is the underwriter's responsibility to be aware of the warning signs that may indicate irregularities and to detect fraud. In other words, the lender should ensure that any indications of possible fraud are evaluated and that the appropriate steps are taken and adequate documentation is provided to resolve any discrepancies. This file did not contain adequate documentation that the lender attempted to resolve any discrepancies noted.

FHA Case Number: 182-0639136

Insured Amount: \$64,468

Section of Housing Act: 203(b)

Date of Loan Closing: 07/06/00

Current Status: Property Conveyed to Insurer, HUD incurred a loss of \$25,770. Prior: Default status after 0 payments.

Not enough assets to close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$1,978.46 and the borrower's bank statement had a negative balance.
 - o Auditee Comments: Sufficient funds to close were verified as required by FHA guidelines. Evidence of \$2,063.73 for closing was provided in the file. As indicated on the HUD-1 Settlement Statement, the borrower needed an additional \$959.73 for closing. The \$959.73 was paid out of a certified check for \$1,063.73 provided to the closing agent by the borrower at closing. The HUD-1 settlement statement disclosed that the real estate agent had received funds totaling \$1,000 in earnest money from the check dated 6/13/00 paid to the real estate broker for \$500 and the check dated 5/20 for \$500 paid to the real estate agent. The total funds delivered by the borrower were \$2,063.73. In error, the Mortgage Credit Analysis Worksheet was not updated. Please see attached HUD-1, certified check, copies of checks and a revised MCAW.
 - OIG Evaluation of Auditee Comments: Cendant provided documentation that the borrower remitted \$1,000 in escrow to the real estate agent. This leaves the amount due at closing of \$959.73. Cendant provided a copy of a Cashier's Check in the amount of \$1,063.73 to cover those costs but provided no indication of the source of these funds. The borrowers bank account balance had a negative amount in it at closing which indicates that the funds for closing did not originate with the borrower.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$5,557.72 per month (\$1,291.72 for the borrower and \$4,266 for the co-borrower). According to the verbal verification of employment, the co-borrower earned \$1,040 per month. Total monthly income was therefore \$2,331.72. Cendant did not obtain a verbal or written verification of employment for the borrower.

- Auditee Comments: The income was verified as required by FHA guidelines. The MCAW was not updated after the income information was received. It is Cendant's policy to obtain a verification of employment prior to closing but the documentation for the verbal verification could not be located in the file. The income for the co-borrower was lower at the new job and the MCAW was not corrected. The ratios for revised income are within FHA guidelines. See attached income documentation and revised MCAW.
 - OIG Evaluation of Auditee Comments: Cendant agreed with our calculation of the correct income and the missing verification of employment.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Gift funds not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive two gifts; one for \$81.77 and one for \$250. The borrower submitted two gift letters as documentation, but did not submit the required proof of transfer or proof of the donor's ability to pay.
 - Auditee Comments: NONE
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that "the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower." This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 182-0644789

Insured Amount: \$63,467

Section of Housing Act: 203(b)

Date of Loan Closing: 09/01/00

Current Status: Foreclosure Completed, there is no loss information available at this time. Prior: Default status after 0 payments.

Not enough Assets To Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$1,922.12. The borrower did not provide evidence she had the funds or gifts necessary to close the loan.
 - Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. Income on the Mortgage Credit Analysis Worksheet was \$4,834.16 per month. According to the written verification of employment, the borrower earns \$1,209 per month.
 - Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower’s capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower’s income ratios. Part 2-6 states, “the lender must verify the borrower's employment for the most recent two full years.” According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month’s pay stubs, 2 years’ W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month’s earnings, and most recent 2 years’ W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to

qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

W-2 Different Name/Address or Not Provided:

- **OIG Initial Finding:** Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. The borrower’s application lists a prior address that does not reconcile with that on the applicable W-2s. There is no indication that the lender attempted to resolve this discrepancy.
 - **Auditee Comments:** None
 - **OIG Evaluation of Auditee Comments:** N/A
 - **Violation:** W-2 information was not provided or was incorrect. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 Part E. states that “as an alternative to obtaining a Verification of Employment, the lender may choose to obtain from the borrower original pay stub(s) covering the most recent thirty-day period, along with original copies of the previous two years’ Internal Revenue Service W-2 forms.” This file did not contain a Verification of Employment, and therefore, should have contained two years’ Internal Revenue Service W-2 forms. HUD Handbook 4000.4 Rev-1, Single Family Direct Endorsement Program, Chapter 2-1 states that “A Direct Endorsement mortgagee must conduct its business operations in accordance with accepted sound mortgage lending practices, ethics and standards.” These forms should have been scanned for accuracy.

Gift Funds Not Documented:

- **OIG Initial Finding:** Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated she would receive two gifts; one for \$800 and one for \$955. The borrower submitted two gift letters as documentation, and a copy of \$800 in money orders purchased by one donor, but did not submit the required proof of transfer or proof of the donor’s ability to pay for the other gift.
 - **Auditee Comments:** None
 - **OIG Evaluation of Auditee Comments:** N/A
 - **Violation:** Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor’s withdrawal slip or cancelled check, along with the borrower’s deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower’s account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor’s name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 291-2608685

Insured Amount: \$38,369

Section of Housing Act: 203(b)

Date of Loan Closing: 07/15/99

Current Status: Property Conveyed to Insurer; HUD paid a claim of \$38,773, there is no loss information available at this time. Prior: Default status after 3 payments.

Not Enough Assets To Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$1,786.32, but the borrower only provided evidence of \$737.78 in assets.
 - o Auditee Comments: Sufficient funds to close were verified as required by FHA guidelines. The borrower only needed \$781.81 to close the loan as indicated on the HUD-1 Settlement Statement. Although the application indicated that the borrower was to receive a gift, it was not necessary. No gift funds were noted on the MCAW. In error, the Mortgage Credit Analysis Worksheet was not updated prior to closing. The auditors indicated that the file contained evidence of \$737.78 in assets. The difference of \$ 44.03 between verified funds and funds needed for closing could have been easily available from borrower's paycheck. Please see attached the HUD-1.
 - OIG Evaluation of Auditee Comments: Cendant stated that the borrower only needed \$781.81 to close per the HUD-1. This reduced figure is due, in part, to an earnest money deposit of \$1,350. The earnest money deposit exceeded 2 percent of the sales price and was not properly verified. The underwriter approved this loan with the information available to him or her at that time, which stated that the borrower needed \$1,786.32 to close and could only provide evidence of \$737.78 in assets.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. If the amount of the earnest money deposit exceeds 2 percent of the sales price, the lender must verify the deposit amount and the source of funds. Satisfactory documentation includes a copy of the borrower's cancelled check. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$1,721.55 per month. The pay stubs provided verified \$1,300 per month. Cendant did not obtain a verbal or written verification of employment. Cendant did not obtain the required explanation from the borrower for the gap in employment from October 1998 until January 1999.

- o Auditee Comments: Documentation in the file supported the income used. The borrower was qualified on \$1300 per month which is supported by two years W-2s and current paystubs. The resulting ratios should be 25.60 and 25.60 respectively which is within FHA guidelines. It is Cendant's policy to obtain a verbal verification prior to closing. Documentation of this verification could not be located in the file. In error, the Mortgage Credit Analysis Worksheet was not updated prior to closing. Please see attached W-2s, current paystubs and updated MCAW.
 - OIG Evaluation of Auditee Comments: Cendant agreed that they could support borrower income of \$1,300. Furthermore, they state that the borrower qualified for this loan based on the \$1,300 income figure. However, the Insurance Application Results worksheet, which should mirror the information used to obtain approval for the mortgage loan, states that the income used to qualify the borrower is \$1,722. Cendant also did not evidence the verification of employment or obtain an explanation for the recent gap in employment. Therefore, the lender did not properly verify the borrower's income.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive a gift of \$1,500, but the only documentation in the file was a blank gift letter.
 - o Auditee Comments: No gift documentation was required to be verified because the source of funds was not a gift.
 - OIG Evaluation of Auditee Comments: The borrower did not have sufficient funds to close the loan. The only assets documented were \$737.78 in a checking account. There is also an unverified earnest money deposit of \$1,350. There is incomplete gift letter documentation for a gift of \$1,500 in the file and the only bank statement in the file does not show enough assets to close.
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that "the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain

verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 291-2618046

Insured Amount: \$98,569

Section of Housing Act: 203(b)

Date of Loan Closing: 07/19/99

Current Status: Repayment; Prior: Default status after 0 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the application and on the Mortgage Credit Analysis Worksheet was \$3,305.84 per month. The pay stubs available verified \$2,932.80 per month.
 - o Auditee Comments: The income was properly verified as required by FHA guidelines. The income verified was \$3,505.57 per month. The borrower's income was calculated from the YTD earnings of \$21,033.42 including overtime, and a paycheck dated 7/9/99. The borrower has a history of receiving overtime as evidenced by his previous year 1040 earnings. The income was verified but the Mortgage Credit Analysis Worksheet was not updated in error. Please see attached MCAW, paystubs, verbal VOE and 1040.
 - OIG Evaluation of Auditee Comments: Cendant provided additional information not previously contained in the case binder that they state justifies using a higher monthly income based on overtime. However, to use overtime income, the lender must gather two years worth of supporting documentation to determine an average amount of overtime earned in a year. In this case, using the additional documentation provided, the base salary of \$16.92 equates to a monthly base salary of \$2,933. The pay stub also showed year to date overtime. To be able to include overtime income, the lender must adhere to the regulations regarding overtime found in HUD Handbook 4155.1, Chapter 2-7, Section A (see below). Cendant did not verify 2 full years overtime income nor did the underwriter document the reason for using the overtime over a shorter period of time.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." Part 2-7 A states that overtime and bonus income may be used if "the borrower has received such income for approximately the past two years and there are reasonable prospects of its continuance. The lender must develop an average of bonus or overtime income for the past two years and the employment verification must not state categorically that such income is not likely to continue. Periods of less than two years may be acceptable provided the underwriter adequately justifies and documents his or her reason for

using the income for qualifying purposes.” This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet were 25.99 percent and 39.17 percent. Had they used the correct income figure the ratios would have been 29 percent and 44 percent. There were no compensating factors listed because their ratio calculations were inaccurate.
 - o Auditee Comments: The ratios are consistent with FHA guidelines and no compensating factors are required. Using the revised income of \$3505.57 per month, the ratios are 24.52 and 36.93 respectively which are well within the guidelines. Please see attached updated MCAW.
 - OIG Evaluation of Auditee Comments: This is dependant upon the income used. Cendant’s ratios are adequate using the income including overtime. Our ratios are correct using income not including overtime. Since overtime was not adequately documented, it should not be included in the ratio calculations.
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that “The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented.” and “(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

FHA Case Number: 291-2620345

Insured Amount: \$51,380

Section of Housing Act: 203(b)

Date of Loan Closing: 07/15/99

Current Status: Servicing Transferred or Sold; Prior: Default status after 0 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$3,332.34 per month. The pay stubs available verified \$2,955.71 per month. There was no verification of employment.
 - o Auditee Comments: The income was properly verified as required by FHA guidelines. The income disclosed is accurate. The borrower's base pay as disclosed on both paychecks is \$769 per week. This amount multiplied by 52 and divided by 12 = \$3,332.33 per month. In addition, W-2s for 1997 and 1998 were in the file. It is Cendant's policy to obtain a verbal verification prior to closing as required when alternative documentation is used however documentation of this verification was not located in the file. Please see attached W-2s and paystubs.
 - OIG Evaluation of Auditee Comments: When we divided the year to date income by 5 and one half months, we determined that during the current year the average income was \$2,955.71. We compared this to the monthly income indicated by the two prior years' W-2s. These indicated a monthly income of \$2,000.19 for 1998 and \$1,907.54 for 1997. These are considerably lower monthly incomes than the 1999 figure. Therefore, to be conservative, we used \$2,955.71 rather than \$3,333.34. We will not, however, take issue with the lenders method of calculating income for this borrower. The lender did concede that the file did not contain the required verification of employment.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 291-2629032

Insured Amount: \$42,152

Section of Housing Act: 203(b)

Date of Loan Closing: 08/10/99

Current Status: Property conveyed to insurer; HUD incurred a loss of \$18,911. Prior: Default status after 9 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,374.75 and the borrower provided evidence of available funds of only \$16.18.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. Income on the Mortgage Credit Analysis Worksheet was \$1,602 per month. The Social Security statement provided verified \$1,182.20 per month. Further, the statement provided was for 1998, and this loan closed in August 1999. Cendant did not do any further verification of this income.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower’s capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower’s income ratios. Part 2-6 states, “the lender must verify the borrower's employment for the most recent two full years.” According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month’s pay stubs, 2 years’ W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month’s earnings, and most recent 2 years’ W-2(s). A Verification of

Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower provided a gift letter for \$2,800, but did not include proof of transfer or proof of the gift donor's ability to pay.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 291-2637386

Insured Amount: \$80,459

Section of Housing Act: 203(b)

Date of Loan Closing: 09/03/99

Current Status: Foreclosure completed; there is no loss information available at this time. Prior: Default status after 12 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain 2 years verification of employment. Cendant obtained retirement and Social Security benefits letters from the borrowers. Cendant should have obtained verification directly from the source, or through federal tax returns, rather than having the documentation pass through the borrowers.
 - o Auditee Comments: The income was properly verified as required by FHA guidelines. Retirement and Social Security income requires verification from the source. The borrower income was derived from a retirement fund and Social Security. The retirement fund income was documented by means of a fax directly from the retirement fund to Cendant. That amount is an automatic deposit into the bank account as indicated on the bank statement which confirms its receipt. The Social Security print out from the Social Security Administration is verification from the source. Its receipt is documented with the bank statement showing that the Social Security payment is also received by automatic deposit. Please see attached fax from Retirement Fund, banks statement showing the automatic deposits and print our for the Social Security office.
 - OIG Evaluation of Auditee Comments: Cendant stated that by verifying direct deposits into the borrowers bank account, that they have sufficiently documented the source of the funds. We agree with this assertion.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 291-2638982

Insured Amount: \$45,271

Section of Housing Act: 203(b)

Date of Loan Closing: 10/12/99

Current Status: Reinstated by mortgagor who retains ownership, Prior: Default status after 6 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the application and on the Mortgage Credit Analysis Worksheet was \$2,238.07 per month. The pay stubs available verified less than \$1,900 per month.
 - o Auditee Comments: The income was properly verified as required by FHA guidelines. The documentation in the file supports income of \$1,837.05 per month. The income was calculated at the conservative figure of \$1837.05 per month not including the additional pay for weekends (since there was no indication of what the borrower's schedule included). Using this income, it would provide ratios at 22.89 and 38.73 respectively, which complies with FHA guidelines. In error, the Mortgage Credit Analysis Worksheet was not updated to reflect this income. See attached updated MCAW and income information.
 - OIG Evaluation of Auditee Comments: Cendant modified the Mortgage Credit Analysis Worksheet (MCAW) to reflect the income in our finding. This loan was submitted to Loan Prospector (LP) with the higher income figure. The third and final LP feedback sheet in the file, dated 8/10/99, used an income of \$2,666.67 and the Insurance Application Results, dated 08/24/99, showed income of \$2,238. Neither of these income amounts is supported.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability. Furthermore, the non-purchasing spouse's name is on the retirement statement. These are co-owned assets that were used to close the loan. The lender has no way of knowing what portion of those assets the borrower has available to him nor what other debts of the non-purchasing spouse are to be paid out of those assets.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines. The HUD Handbook 4155.1, Rev—4, chg.1 Chapter 2-2, Part D states: “Nonpurchasing spouses: If required by state law in order to perfect a valid and enforceable first lien, the nonpurchasing spouse may be required to either sign the security instrument or documentation evidencing that he or she is relinquishing all rights to the property. If the nonpurchasing spouse executes the security instrument for such reasons, he or she is not considered a borrower for our purposes and need not sign the loan application. In all other cases, the nonpurchasing spouse is not to appear on the security instrument or otherwise take title to the property at loan settlement.” The spouse was not on the title to the property but signed the Deed of Trust to create a valid first lien. It was proper that the name did not appear on the loan application or the note. Assets to close which were co-owned by the non-purchasing spouse were verified as required by FHA guidelines. There are no additional FHA requirements to verify co-owned assets. Co-owners have equal access to 100 percent of the funds in the account.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the non-purchasing spouse should sign the Deed of Trust to create a valid first lien. We still take issue with the fact that the some of the assets are owned by the non-purchasing spouse. The borrower's name does not appear on the retirement account. The Loan Prospector feedback sheet in the file shows that the loan was approved with \$3,000 in retirement accounts. Therefore, we are changing this violation in the Finding and on Appendix D to reflect not enough assets to close.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

FHA Case Number: 291-2648497

Insured Amount: \$48,345

Section of Housing Act: 203(b)

Date of Loan Closing: 11/19/99

Current Status: Delinquent 90 days or more; Prior: Default status after 10 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,046.45 and the file did not have any asset information.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the application and on the Mortgage Credit Analysis Worksheet was \$1,900 per month. There were no pay stubs available to verify this income. The W-2 provided for 1998 had a yearly income of \$21,508.50 or \$1,792.37 per month. There was also no verification of current or previous employment.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violations: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states “the lender must verify the borrower's employment for the most recent two full years.” According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to

qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

W-2 Different Name/Address or Not Provided:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. The application stated that the borrowers previous addresses were at two locations that did not agree with the address where his W-2s were mailed.
 - o Auditee Comments: The W-2s were correct and consistent with other documentation in the file. The address on the W-2s matched the previous address disclosed on the credit report. This address was omitted from the application in error. Please see attached credit report and W-2s.
 - OIG Evaluation of Auditee Comments: Cendant provided documentation that showed the address on the W-2s was the same as the address listed on the credit report. We will drop this issue from our finding.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant did not verify the gift information provided by the borrower. The application listed \$3,000 as a gift from the borrower's brother. There was no documentation of this gift in the file.
 - o Auditee Comments: No gift documentation was required to be verified because the source of funds was not a gift. No gift funds were documented because the borrower indicated that they were not going to use gift funds, they had the cash at home. In error, the Mortgage Credit Analysis Worksheet was not updated. Please see attached notes.
 - OIG Evaluation of Auditee Comments: We concur that the borrower stated that they were not going to use the gift but were instead using money saved from earnings. We removed this item from our list of deficiencies.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 291-2653366

Insured Amount: \$44,632

Section of Housing Act: 203(b)

Date of Loan Closing: 11/05/99

Current Status: Property conveyed to insurer; HUD incurred a loss of \$26,965. Prior: Default status after 3 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$3,952.92 per month. The pay stubs provided verified \$3,684.42 per month (borrower's income of \$2,953.42 and co-borrower's income of \$731 per month). Cendant did not obtain a verbal or written verification of employment.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet after using the correct income calculations and the correct amount of monthly liabilities were 11 percent and 42 percent. There were no compensating factors because the original ratios calculated on the worksheet were within the guidelines.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that "The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29

percent may be acceptable if significant compensating factors are presented.” and “(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

FHA Case Number: 291-2658702

Insured Amount: \$92,105

Section of Housing Act: 203(b)

Date of Loan Closing: 11/23/99

Current Status: Partial reinstatement; Prior: Default status after 0 payments.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower provided a gift letter for \$6,500 and proof of transfer, but did not include proof of the gift donor's ability to pay.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that "the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower." This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 291-2658731

Insured Amount: \$79,959

Section of Housing Act: 203(b)

Date of Loan Closing: 12/09/99

Current Status: First Legal Action to Foreclose; Prior: Default status after 14 payments.

Not Enough Assets To Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$3,965.36 and the documentation provided supported \$2,671.12 in assets available to close the loan.
 - o Auditee Comments: Sufficient funds to close were verified as required by FHA guidelines. Sufficient funds to close the loan are documented in the file. The auditors confirmed that \$2,671.12 was supported by documentation in the file. The HUD-1 Statement disclosed that the borrower needed \$2,003.38 to close. In error, the Mortgage Credit Analysis Worksheet was not updated prior to closing. Please see attached HUD-1.
 - OIG Evaluation of Auditee Comments: Cendant provided evidence that the borrower had \$2,671.12 to close the loan and per the HUD-1 Settlement Statement, only needed \$2,003.38 to close. However, the loan was approved based on the figures provided on the Mortgage Credit Analysis Worksheet (MCAW). The MCAW indicated that the borrower needed \$3,965.36 to close. Additionally, the Loan Prospector feedback sheet shows the loan was approved with \$2,271.50 in reserves available after the payment of the downpayment and closing costs. Cendant did not verify the assets used on either of these documents.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. There was no written or verbal verification of employment from the employer.
 - o Auditee Comments: Income was verified as required by FHA guidelines. Alternative documentation in lieu of a Verification of Employment form includes a recent computer generated pay stub, with year-to-date earnings specified and 2 years' W2s which are in the file. It is Cendant’s policy to obtain a verbal verification of employment prior to closing but the documentation of it could not be located in the file. Please see attached W-2s and paystubs.

- OIG Evaluation of Auditee Comments: Cendant did not dispute that there was no verification of employment located in the file.
- Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 291-2663101

Insured Amount: \$64,866

Section of Housing Act: 203(b)

Date of Loan Closing: 01/12/00

Current Status: Foreclosure completed; there is no loss information available at this time. Prior: Default status after 8 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$2,726.88 per month. The year to date information on the pay stubs supports a total income of \$2,400 per month. They included the borrower's overtime in calculating income, however the 2 previous years W-2s indicate the borrower's monthly income including overtime was only \$2,231.42.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The auditors verified that \$2400 of documented income was retained in the file. Based on this income, the ratios are 23.11 percent and 49.11 percent respectively. The following compensating factors supported these ratios: 1. There is only a minimal increase in customer's housing expense. 2. The customer has substantial cash reserves after closing. 3. The customer has potential for increased earnings not using the rental or dividend incomes. Additionally, the auditor's conclusion that the borrower's W-2 income for previous year including overtime is less than the current year did not make a significant difference in the calculation of the income. The difference from one year to another is \$168.50, which at his current rate of pay accounts for 13.67 hours or 1.5 day's labor. Please see updated MCAW and earnings statements.
 - OIG Evaluation of Auditee Comments: Cendant agreed that the pay stubs reflect an income of \$2,400 and the ratios at that income level are 23 percent and 49 percent. The compensating factors that were given on the Mortgage Credit Analysis Worksheet (MCAW) are 1) Reserves Available, 2) High Credit Scores, and 3) Low Ratios. Cendant's response that the compensating factors are 1) Minimal Increase in Housing Expense (from \$237 to \$554), 2) Substantial Cash Reserves (\$3,000 in cash hid from his wife during their divorce), and 3) Potential for Increase Earnings. Regardless of any compensating factors, the fact remains that the loan was approved using an unsupported income amount. The most recent Loan Prospector Submission (#6) in the file used an income of \$3,326. The MCAW and the Insurance Application Results sheet, which should mirror those figures input into Loan Prospector, show an income of \$2,726. Neither of these income amounts is supported.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's

income ratios. Part 2-6 says “the lender must verify the borrower's employment for the most recent two full years.” According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month’s pay stubs, 2 years’ W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month’s earnings, and most recent 2 years’ W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. The application stated that the borrower’s previous address was at one location while the W-2s were mailed to a different address.
 - o Auditee Comments: The W-2s were consistent with other documentation in the file. The borrower’s address on the W-2s is “21413 Foliage Road” which was the borrower’s former address as indicated on the Circuit Court order regarding the dissolution of marriage. The borrower’s 10/29 paycheck is addressed to 21413 Foliage Rd. The paycheck dated 11/26 is addressed to 1826 Empire which is the address reflected as the previous address on the application. Included in the 11/26 paycheck is a section titled Important Notes which states: EFFECTIVE THIS PAY PERIOD YOUR ADDRESS HAS BEEN CHANGED. The borrower had been through a divorce and the W-2s reflected the address of his previous marital residence. The borrower also had a rental property (216 S. Byers) that was also a former address listed on the application. See attached W-2s, court order and paystubs.
 - OIG Evaluation of Auditee Comments: Cendant adequately explained the apparent address discrepancy. Therefore, we will remove this issue from the finding.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 291-2664113

Insured Amount: \$53,972

Section of Housing Act: 203(b)

Date of Loan Closing: 12/28/99

Current Status: Property conveyed to insurer, Prior: Default status after 9 payments, HUD paid a claim of \$58,349.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$2,704.80 per month. The year to date information on the pay stubs supports a total income of \$2,657.21 per month. There was no verification of employment from the employer or copies of W-2s.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 291-2664641

Insured Amount: \$61,493

Section of Housing Act: 203(b)

Date of Loan Closing: 02/05/00

Current Status: Paid in full, Prior: Default status after 11 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$5,522.48 and the borrower's bank statement only showed cash available of \$1,895.78. Although the title company confirmed \$3,600 in escrow, because it exceeded 2% of the sales price (\$1240), Cendant was required to verify the source of the funds, but did not.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. The application stated that the borrower's previous address was a location that did not agree with the W-2s.
 - o Auditee Comments: W-2s are supported by documentation in the file. The auditors commented that the application stated that the borrower's previous address was a location that did not agree with the W-2s. The previous address on the application matches the address on the W-2s (1731 Missouri). In addition, the landlord reference provides information about this address as well as other addresses that may have been used including a Minnesota address. Please see attached W-2s, application and landlord letter.
 - OIG Evaluation of Auditee Comments: Cendant adequately explained the apparent address discrepancy. Therefore, we will remove this issue from the finding.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet were 31.66 percent and 41.58 percent. There were no compensating factors.
 - o Auditee Comments: None

- OIG Evaluation of Auditee Comments: N/A
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that “The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented.” and “(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability. Furthermore, the non-purchasing spouse’s name is on the bank statement. These are co-owned assets that were used to close the loan. The lender has no way of knowing what portion of those assets the borrower has available to him nor what other debts of the non-purchasing spouse are to be paid out of those assets.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant’s assertion that the non-purchasing spouse is required to sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 291-2666621

Insured Amount: \$58,914

Section of Housing Act: 203(b)

Date of Loan Closing: 01/20/00

Current Status: Partial claim submitted; Prior: Default status after 10 payments.

W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain the required W-2s from the borrower. Cendant obtained a written verification of employment from his current employer covering one year. Cendant needed to document 2 full years employment.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: W-2 information was not provided or was incorrect. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 Part E. states that “as an alternative to obtaining a Verification of Employment, the lender may choose to obtain from the borrower original pay stub(s) covering the most recent thirty-day period, along with original copies of the previous two years' Internal Revenue Service W-2 forms.” This file did not contain a written Verification of Employment covering two years, and therefore, should have contained two years' Internal Revenue Service W-2 forms.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive a gift of \$300, but only submitted a partially completed gift letter as documentation.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 291-2676939

Insured Amount: \$50,037

Section of Housing Act: 203(b)

Date of Loan Closing: 02/29/00

Current Status: Delinquent 90 days or more; Prior: Default status after 3 payments.

Not Enough Assets To Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not insure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$1,514.06, but the borrower could only provide evidence of \$1,182.54.
 - o Auditee Comments: Sufficient funds to close were verified as required by FHA guidelines. The auditors noted that \$1,514.06 was required at closing. As indicated on the Mortgage Credit Analysis Worksheet, this was the amount required without including the escrow deposit made by the borrower. The auditors noted that evidence of assets of \$1,182.54 was retained in the file. In addition, the borrower also paid an escrow deposit of \$400 as disclosed on the sales contract. The verified assets and the escrow deposit equal \$1,582.00 which is more than the funds required to close the loan. Please see attached MCAW and sales contract.
 - OIG Evaluation of Auditee Comments: Cendant concurred with the auditor calculation that the assets verified equal \$1,182.54. Cendant further stated that the borrower provided evidence of an additional \$400 in escrow. However, this amount was included in the auditor's calculation of the \$1,182.54.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Indicators of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The processor recorded a verbal verification of employment. The party that verified this employment was also in our sample as having a defaulted loan. There is no evidence that the lender attempted to verify the verification of employment through other means.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. It would not be possible for us to know in advance that anyone contacted to verify employment was going to default on their loan with us.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that this is not an issue that the lender would have pursued.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 291-2679600

Insured Amount: \$51,943

Section of Housing Act: 203(b)

Date of Loan Closing: 03/02/00

Current Status: Delinquent 90 days or more; Prior: Default status after 5 payments

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on discrepancies. The borrower's address on the W-2 and pay stubs was different from the address given on the Residential Loan Application.
 - o Auditee Comments: The W-2s are consistent with other documentation in the file. The address on the loan application was 208 North Roney St. The address on the 401K account statements is also 208 North Roney St. This address was verified independently on the credit report which indicates it was reported as his address as of January 1999. The address on the W-2s is 2830 East 11th Street. This address was verified independently on the credit report as of June 1998. Please see attached 401K statement and credit report.
 - OIG Evaluation of Auditee Comments: Cendant adequately explained the apparent address discrepancy. Therefore, we will remove this issue from the finding.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the non-purchasing spouse should sign the Deed of Trust to create a valid first lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 291-2684232

Insured Amount: \$119,019

Section of Housing Act: 203(b)

Date of Loan Closing: 04/28/00

Current Status: Reinstated by mortgagor; Prior: Default status after 6 payments

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The Mortgage Credit Analysis Worksheet stated that the total due at closing was \$5,340.51, but the borrower's file does not provide proof of transfer for the \$6,000 gift listed on the Residential Loan Application.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet calculations were 16.02 percent and 42.34 percent; after recalculation, the ratios were 16.02 percent and 44.62 percent. Acceptable ratios are 29 percent and below, and 41 percent and below. The MCAW did not have adequate compensating factors. Good income and the gift of \$6000 were listed as the compensating factors; neither of these are listed as acceptable compensating factors in HUD Handbook 4155.1, Section 5 "Borrower Qualifying", Subsection 2-13 "Compensating Factors".
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that "The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented." and "(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio

exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. Cendant did obtain a gift letter for \$6,000 and verify the deposit of the gift funds to the borrower’s account, but did not verify that the donor was the one who provided the funds.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 291-2685079

Insured Amount: \$57,617

Section of Housing Act: 203(b)

Date of Loan Closing: 04/28/00

Current Status: Property conveyed to insurer; HUD paid a claim of \$59,179; there is no loss information available at this time. Prior: Default status after 10 payments.

Not Enough Assets To Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing was \$1,828.31, but the borrower could only provide evidence of \$1,765.96. In addition, the bank statements provided were only for a partial month.
 - o Auditee Comments: Sufficient funds to close the loan were verified as required by FHA guidelines. The source of funds for closing was from her 1999 1040 return showing a refund in the amount of \$5211.00 more than what would be required by the original or a revised Mortgage Credit Analysis Worksheet. The auditors confirmed that the borrower provided evidence of \$1,765.96 in the file. In error, the MCAW was not updated to reflect a change in the funds required for closing. The attached HUD-1 disclosed that at closing the borrow needed to provide \$1,102.07 in addition to funds she had previously paid - \$300 deposit of escrow money, \$375 paid outside of closing to Cendant for the appraisal. These funds total \$1,779.07. Please see attached HUD-1,1999 1040 return and Agreement of Sale evidencing \$300 in escrow money received.
 - OIG Evaluation of Auditee Comments: According to the documentation in the file, the borrower had \$1,765.96 in a checking and a savings account and needed \$1,828.31 to close the loan. Cendant provided additional documentation stating that the borrower did have enough funds to close. Cendant provided an IRS form faxed on 02/26/2002 from "US Tax Inc" which showed that the borrower received a tax refund of \$5,211. There is no indication on what date those funds were received by the borrower, so we do not know if the funds were reflected on the bank statements provided (i.e.: were they received and spent before the bank statement was printed). Cendant stated that they had erroneously neglected to update the Mortgage Credit Analysis Worksheet (MCAW) to reflect lower closing costs. The closing costs required by the revised MCAW total \$1,779.07. This amount is still greater than the amount verified in the borrowers checking and saving accounts. Cendant states that the borrower previously paid \$300 in an earnest money deposit and \$375 for a credit report. There is no indication when these funds were paid to determine if the bank statement balances are before or after these payments. Furthermore, the lender did not obtain bank statements indicating the balances for the current and previous months. One account covered a period of two days and the other account covered a period of 12 days. Therefore, the assets required to close are not verified properly.

- Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

FHA Case Number: 291-2688660

Insured Amount: \$33,320

Section of Housing Act: 203(b)

Date of Loan Closing: 04/17/00

Current Status: Property conveyed to insurer; HUD incurred a loss of \$11,775. Prior: Default status after 8 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$2,505.29 per month. The pay stubs available verified \$2,338.53. A verification of employment was not obtained.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The income disclosed on the Mortgage Credit Analysis Worksheet was supported by the borrower's salary and bonus income. It is Cendant's policy to obtain a VOE or alternative documentation of employment. It appeared that a copy of the VOE obtained prior to closing could not be located in the file. In a post closing audit of the file, a VOE was obtained which verified employment since 1996. Please see attached VOE, W-2s and paystubs.
 - OIG Evaluation of Auditee Comments: Cendant stated that the income figure was based on bonus income as well as regular income. To use bonus or overtime income, the lender must establish a trend analysis based on income received over the last two years. In this case, the borrower earned \$25,167.34 in 1998, \$28,978.22 in 1999, and \$6,136.26 year to date in 2000. The average of this income for 26.5 months is only \$2,274.79 per month. The lender also acknowledged that a verification of employment could not be located in the file. While the lender has provided one after the date of closing, there should have been one available for the underwriter to review prior to closing the loan.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. Chapter 2-7 A states that overtime or bonus income may be used to qualify if the borrower has received such income for approximately the past two years and there are reasonable prospects of its continuance. The lender must develop an average of bonus income and the employment verification must not state categorically that such

income is not likely to continue. An earnings trend must also be established for either source of income. This loan did not contain the necessary income verification documentation.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability. Furthermore, the non-purchasing spouse is the only name on the bank statement. These are assets in the name of the borrower's spouse that were used to close the loan. The lender has no way of knowing what portion of those assets the borrower has available to him nor what other debts of the non-purchasing spouse are to be paid out of those assets.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: Cendant did not dispute this issue, however, we concur with Cendant's earlier assertion that the non-purchasing spouse is required to sign the Deed of Trust to create a valid lien. Therefore, we will re-categorize this issue as an asset problem and eliminate the non-purchasing spouse issue from the finding.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

FHA Case Number: 291-2698855

Insured Amount: \$49,445

Section of Housing Act: 203(b)

Date of Loan Closing: 05/23/00

Current Status: Repayment; Prior: Default status after 0 payments.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the non-purchasing spouse should sign the Deed of Trust to create a valid first lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 291-2709675

Insured Amount: \$34,330

Section of Housing Act: 203(b)

Date of Loan Closing: 08/11/00

Current Status: Reinstated by mortgagor; Prior: Default status after 5 payments

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$1,240.05 and the borrower's bank statement only showed cash available of \$1,081.52.
 - o Auditee Comments: Sufficient funds to close the loan were verified as required by FHA guidelines. Sufficient funds of \$1,240.05 were documented in the file. The borrower's bank statement showed cash available of \$1,081.52. The borrower had already paid \$500 in earnest money. The bank statement balance and the earnest money deposit totaled \$1,581.52. Please see attached HUD-1, reprinted MCAW and bank statements.
 - OIG Evaluation of Auditee Comments: Cendant stated that the bank balance in addition to the earnest money is sufficient to close the loan. The bank statement showing \$1,081.52 was dated 5/25/00. The sales contract addendum, says that buyer's \$500 in earnest money will be placed in an account within 24 hours of the seller's acceptance of the agreement. The seller signed the document on 6/6/00. A subsequent bank document shows the balance forward of \$1,081.52 from which a \$500 check posted on 6/9/00, leaving a balance of \$581.52. The bank statement and earnest money combined to \$1,081.52, which was less than the loan was approved with. Additionally, the one-month bank statement provided did not indicate that any deposits of income were made. The only deposit was of the \$1,000 gift.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet were 24.58 percent and 48.36 percent. The compensating factors were: 1) Housing debt going down (The previous housing expense incorrectly included \$175 in other housing expenses. With this amount removed, the borrowers payment actually increased by \$62.34) 2) Solid work history for a 22 year old (The lender only verified 18 months of employment) 3) Not using spouses income (There is no indication that the spouse has any income).

- o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that “The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented.” and “(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability. Furthermore, the non-purchasing spouse’s name is on the bank statement. These are co-owned assets that were used to close the loan. The lender has no way of knowing what portion of those assets the borrower has available to him nor what other debts of the non-purchasing spouse are to be paid out of those assets. In addition, the one-month’s bank statement provided did not indicate that any deposits of income were made. The only deposit made was for the \$1,000 gift.
- o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant’s assertion that the non-purchasing spouse is required to sign the Deed of Trust to create a valid lien. Therefore, we will only consider this issue as an asset problem and eliminate the non-purchasing spouse issue from the finding.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 291-2720918

Insured Amount: \$60,734

Section of Housing Act: 203(b)

Date of Loan Closing: 07/31/00

Current Status: Repayment; Prior: Default status after 2 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$2,790.70 per month. The pay stubs provided verified that the borrower's and co-borrower's income as only \$2,387.95 per month. Cendant did not obtain a verbal or written verification of employment.
- o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

FHA Case Number: 291-2724348

Insured Amount: \$50,473

Section of Housing Act: 203(b)

Date of Loan Closing: 08/29/00

Current Status: Property conveyed to insurer; HUD paid a claim of \$56,639; there is no loss information available at this time. Prior: Default status after 1 payment.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,854.67 and the only asset documentation contained in file was a money order for \$2,350 from the seller to the borrower's wife.
 - o Auditee Comments: Sufficient funds to close the loan were verified as required by FHA guidelines. The asset documentation in the file included a letter of explanation from the borrower that explained that cash on hand of \$2,350 was given to the title company. The reason it was "cash on hand", was that the Borrower's spouse had preceded her husband to Missouri where they wanted their permanent residence to be located. The letter from the borrower explains that they had not yet opened their bank accounts and had provided the money to the title company in cash. In addition, the HUD-1 discloses that the \$2,350 was provided by the buyer and there is a copy of the check from the title company in the file. Please see attached borrower's letter of explanation, money order, HUD-1, and system notes regarding borrower's source of funds.
 - OIG Evaluation of Auditee Comments: We concur with Cendant that the borrower provided evidence of \$2,350 in escrow. That was not enough, however, to cover the \$2,854.67 needed for closing per the MCAW.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$1,587 per month. The pay stubs available verified \$1,874.70. This amount includes a \$60 COLA that is subject to change dependent upon locale. A verification of employment was not obtained.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The file contained two years of W-2s and a recent paystub supporting income of \$1,587 per month. It is Cendant's policy to obtain a verbal verification of employment prior to closing but the documentation could not be located in the file. The Borrower was

qualified with a more conservative income figure of \$1,587.00 excluding the COLA because we did not have information about the extra pay to which he would be entitled to when he was re-assigned after training. The ratios with this income were 19.80 percent and 21.16 percent which meet FHA guidelines. Please see attached W-2s, and paystub.

- OIG Evaluation of Auditee Comments: We agree with Cendant that the borrower qualified with a more conservative income figure. Cendant did not dispute that they failed to obtain a verification of employment.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The borrower submitted a pay stub as evidence of employment issued by the United States Marine Corps. The borrower was previously stationed in Pennsylvania. There is no evidence that his employment with the Marines will continue after he moves to Missouri. In addition, the funds given by the seller to the borrower's wife were not explained.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. The borrower was assigned in Pennsylvania for a short time to complete his training. The borrowers had made a decision to make their permanent residence in Missouri. FHA guidelines recognize that a borrower's family may decide to live in a state other than a state where a base is located particularly if the active military member may be assigned to a remote duty station. It requires that one of the borrowers' occupy the property as a principal residence for the majority of a calendar year. See FHA Handbook 4155.1, Rev-4, CHG-1, Section 1.2. The auditor commented that that "the funds given by the seller to the borrower's wife were not explained". The agreement of sale confirms that the borrower paid the seller \$100 in cash for the deposit of earnest money. It appears the borrower provided the funds to the seller in cash as well who remitted it to the title company in the form of a cashier's check. Please see the attached HUD-1 which indicates that the funds were provided by the buyer.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the family of an active duty military member may choose to live in a different state than the member him/herself. As Cendant stated, one of the borrower's must occupy the property as a principal residence for the majority of a calendar year. However, the documentation provided by Cendant states that the borrower would not be occupying the home for the majority of the year. He is the sole borrower on this loan; his wife is not a co-borrower. The lender did not provide evidence that the \$100 in escrow came

from the borrower. The receipt states that the seller paid it for the borrower, but not where the money came from. The exception that we noted above pertains to the money order for \$2,350 from the seller to the buyer.

- Violation: Indications of possible fraud were not resolved. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 states that “we expect the application package to contain sufficient documentation, to support the lender’s decision to approve the mortgage loan. When standard documentation does not provide enough information to support this decision, the lender must provide additional explanatory statements, consistent with other information in the application, to clarify or supplement the documentation submitted by the borrower.” HUD Handbook 4000.4, Chapter 2 states that it is the underwriter’s responsibility to be aware of the warning signs that may indicate irregularities and to detect fraud. In other words, the lender should ensure that any indications of possible fraud are evaluated and that the appropriate steps are taken and adequate documentation is provided to resolve any discrepancies. This file did not contain adequate documentation that the lender attempted to resolve any discrepancies noted.

FHA Case Number: 291-2727895

Insured Amount: \$81,587

Section of Housing Act: 203(b)

Date of Loan Closing: 09/21/00

Current Status: First legal action to foreclose; Prior: Default status after 4 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,453.32 and the documentation provided supported \$1,879.57 in assets available to close the loan. Cendant did not obtain the required bank statements.
 - o Auditee Comments: Sufficient funds to close were verified as required by FHA guidelines. The auditor states that the Mortgage Credit Analysis Worksheet required \$2,453.32 to close the loan. Documentation of assets in the file totaled \$29,470.42. The borrower received a gift for \$1200 which is documented by a gift letter and a check. The borrower's leave and earnings statement indicates that the balance in her Retirement fund as of 7/15/2000 is \$26,390.85. In addition, the bank deposit slip shows a balance of \$1,879.57. See attached gift letter, check, LES statement and bank deposit.
 - OIG Evaluation of Auditee Comments: Cendant stated that the borrower documented a \$1,200 gift, \$1,879.57 in a deposit account, and \$26,390.85 in a retirement account. The borrower did not provide adequate bank statements and all we know is that as of 09/15/2000 she had a balance of \$1,879.57. Presumably, this includes the gift that was given to her on 08/31/2000. The retirement fund cannot be used because the borrower did not show the required evidence of redemption.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. Part K says that for IRAs and Keough accounts, evidence of redemption is required. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$2,885.11 per month. The pay stubs available verified \$2,754.27 per month. There was no verification of employment.
 - o Auditee Comments: Income was verified as required by FHA guidelines. Two years of W-2s are in the file along with the most recent paystubs. It is Cendant's policy to verbally verify employment prior to closing but the documentation could not be found in the file. The verified income was slightly lower than the income listed on the MCAW which was not updated. The ratios with the lower income would have been slightly

higher and still permitted with compensating factors. The LES disclosed that the borrower had been employed with the Social Security Administrations since 1978. See attached W-2s, paystubs and LES.

- OIG Evaluation of Auditee Comments: Cendant concurs that the actual income is less than the income shown on the Mortgage Credit Analysis Worksheet (MCAW) as approved by the underwriter. Cendant did not dispute that the file did not contain a verification of employment.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet were 26.82 percent and 51.88 percent. There were no compensating factors provided.
 - o Auditee Comments: The ratios are consistent with FHA guidelines using permissible compensating factors are required. The following compensating factors were considered in making this loan. Documentation regarding these factors could not be located in the file. Borrower has job stability. Working for Social Security as per date on her LES since 1978. Ability to save as evidenced in her Retirement balance. Substantial cash reserves after closing as evidenced in her retirement balance.
 - OIG Evaluation of Auditee Comments: Cendant agrees that documentation concerning compensating factors could not be found in the file. After reviewing the factors Cendant now states that they used, we found that while the borrower does have a stable work history, this is not one of the allowable compensating factors. We don't believe an involuntary retirement deduction evidences a person's ability to save.
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that "The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented." and "(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio

exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

FHA Case Number: 291-2732764

Insured Amount: \$44,632

Section of Housing Act: 203(b)

Date of Loan Closing: 09/28/00

Current Status: Foreclosure completed; HUD paid a claim of \$48,621.46; there is no loss information available at this time. Prior: Default status after 1 payment.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant did not properly calculate the borrower's monthly income. The borrower's gross monthly income listed on the Mortgage Credit Analysis Worksheet was \$4,363.77 (\$2,344.44 for the borrower and \$2,019.33 for the co-borrower). The borrower's income was verified by Cendant to be \$1,218.44, therefore, monthly income was overstated by \$1,126.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain all of the required documentation to verify the employment of the borrowers and did not follow up on discrepancies on the W-2s. The Federal Housing Administration requires written verification of employment and a W-2 for two years for loans that score refer. This loan scored refer, but a verbal verification of employment was obtained for the co-borrower. Cendant did not obtain the 1998 W-2 for the co-borrower. In addition, the borrower's address and last name on the W-2, was different from the address and last name given on the Residential Loan Application.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: W-2 information was not provided or was incorrect. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 Part E. states that "as an alternative to

obtaining a Verification of Employment, the lender may choose to obtain from the borrower original pay stub(s) covering the most recent thirty-day period, along with original copies of the previous two years' Internal Revenue Service W-2 forms.” This file did not contain a written Verification of Employment, therefore, it should have contained two years’ Internal Revenue Service W-2 forms. HUD Handbook 4000.4 Rev-1, Single Family Direct Endorsement Program, Chapter 2-1 states that “A Direct Endorsement mortgagee must conduct its business operations in accordance with accepted sound mortgage lending practices, ethics and standards.” These forms should have been scanned for accuracy.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. Cendant did not obtain a gift letter for the \$800 gift listed on the Residential Loan Application.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 292-3778958

Insured Amount: \$49,095

Section of Housing Act: 203(b)

Date of Loan Closing: 08/20/99

Current Status: Foreclosure completed; there is no loss information available at this time. Prior: Default status after 13 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,919.71, but the borrower only provided evidence of \$5.08 in assets.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. Cendant did not obtain a verbal or written verification of employment.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower’s capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower’s income ratios. Part 2-6 says “the lender must verify the borrower's employment for the most recent two full years.” According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month’s pay stubs, 2 years’ W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month’s earnings, and most recent 2 years’ W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 292-3779720

Insured Amount: \$118,027

Section of Housing Act: 203(b)

Date of Loan Closing: 07/27/99

Current Status: Reinstated by mortgagor; Prior: Default status after 13 payments

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The Mortgage Credit Analysis Worksheet stated that the total due at closing was \$5,943.00, but the borrower's bank document listed an available balance of \$4,776.12. Cendant did not obtain complete bank statements.
 - o Auditee Comments: Sufficient funds to close the loan were verified as required by FHA guidelines. The bank statement in the file verified a balance of \$4,776.02 prior to closing. The HUD-1 settlement statement indicated that the borrower only needed \$4429.93 to close. In error, the Mortgage Credit Analysis Worksheet was not updated to reflect the revised figures. See attached bank statement and updated MCAW.
 - OIG Evaluation of Auditee Comments: While the borrower did have the necessary funds to close the loan, the underwriter did not know that when they approved the loan. The information on the Mortgage Credit Analysis Worksheet (MCAW) requires \$5,943 to close and the borrower could only provide evidence of \$4,776.12. The lender approved this loan using Loan Prospector. There was no Loan Prospector feedback sheet in the file, but the Insurance Application Results sheet shows that the loan was approved with \$5,976 in assets.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. A gift of \$1,200 was included in the "Assets" section of the Residential Loan Application, but a gift letter was not provided.
 - o Auditee Comments: No gift information was required to be verified because the source of funds was not a gift. As indicated above, the borrower had sufficient funds in their bank account so gift funds were not needed.
 - OIG Evaluation of Auditee Comments: As stated above, the lender approved this loan using Loan Prospector, by inputting that the borrower had \$5,976 in assets. This is the equivalent of the \$4,776.12 in the deposit account plus the \$1,200 gift that was not supported.

- Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not document in the file any explanation for an unusual item in the appraisal. The appraisal disclosed a prior sale of the subject property on July 9, 1999 for \$119,000 per the lender/client.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. The appraisal was ordered by us on 6/28. The date of the appraiser’s “inspection and valuation” was 7/9/99 is noted on page 2 of the appraisal. Next to the date are the letter “AV” which appear to disclose the date the appraisal valuation was completed. The appraisal valuation form discloses that it was completed on 7/9/99 and is attached to the appraisal. There is no other indication on the appraisal of a sale date of 7/9/99 and appears to be a misunderstanding of the information provided by the appraiser. Please see attached appraisal.
 - OIG Evaluation of Auditee Comments: We concur with Cendant’s assertion that the sale date listed by the appraiser is actually the appraisal date.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3781555

Insured Amount: \$52,914

Section of Housing Act: 203(b)

Date of Loan Closing: 08/06/99

Current Status: Property conveyed to insurer; HUD incurred a loss of \$23,161.00. Prior: Default status after 9 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain all of the required documentation to verify the employment of the borrower and co-borrower. There was no verification of employment for either borrower. Cendant did not obtain W-2s or verification of prior student status for the co-borrower.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: W-2 information was not provided or was incorrect. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 Part E. states that “as an alternative to obtaining a VOE, the lender may choose to obtain from the borrower original pay stub(s) covering the most recent thirty-day period, along with original copies of the previous two years' IRS W-2 forms.” This file did not contain a Verification of Employment, and therefore, should have contained two years' Internal Revenue Service W-2 forms.

FHA Case Number: 292-3782380

Insured Amount: \$95,451

Section of Housing Act: 203(b)

Date of Loan Closing: 07/30/99

Current Status: Delinquent 90 days or more; Prior: Default status after 4 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$5,306.66 per month. The pay stubs provided verified \$5,588.17 per month. It is not clear, however, if the borrower works two 40 hour per week jobs. No verifications of employment were obtained. Cendant did not obtain the co-borrower's W-2s.
 - o Auditee Comments: Income was verified as required by FHA guidelines. W-2s and 1040s were provided as documentation in the file. The borrower's income was recalculated. B1= \$4299.44 (State \$3619.13 and Deaconess \$ 680.31). The income documentation supported that the borrower had a history of income from two jobs which is permitted under FHA guidelines. The 2nd job year to date indicates that it is part time. Borrower 2 \$1035.57 for Delmar Gardens. Total income for both borrowers is \$5335.01. In error, the MCAW was not updated. There was a positive change in the monthly income from \$5,306.66 disclosed on the MCAW (\$5,306.66) \$5335.01. It is Cendant's policy to obtain a verbal verification of employment prior to closing. Documentation of this verification could not be located in the file. Please see attached W-2s, tax returns and paystubs.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's income calculations, however, the lender was not able to provide the required verification of employment or the co-borrower's W-2s.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to

qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The borrower provided pay stubs indicating that she worked two jobs, both at approximately 40 hours per week. There is no indication that the lender attempted to clarify this situation.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. The borrower is a nurse and working two jobs - one full time job and one part time job as evidenced by the YTD earnings on paystubs. She earned little more than \$5,000 in 6 months at her second job, which is not out of the ordinary for someone in the nursing profession. Please see attached paystubs.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the borrower had income from a part time job.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3782397

Insured Amount: \$96,451

Section of Housing Act: 203(b)

Date of Loan Closing: 07/30/99

Current Status: Delinquent 90 days or more; Prior: Default status after 9 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Analysis Worksheet was \$1,411.20 and the file did not have any asset information.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower’s investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. Income on the application and on the Mortgage Credit Analysis Worksheet was \$4,378.40 per month. The pay stubs available verified \$3,613.16. There was no verification of employment (VOE) or copies of W-2s.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The verified monthly base pay was \$3,613.16 as verified by the auditor. This income is supported by documentation in the file that includes paystubs and W-2s. It is Cendant’s policy to obtain a verbal verification of employment prior to closing but documentation was not located in the file. The borrower also received child support income of \$ 747.50 per month. This income is derived from child support payments documented by court printouts of \$650 per month. Since child support is non-taxable income, \$650 is increased by 115 percent to treat it in an equivalent manner to taxable income. The documented monthly income in the file totals \$4,360.66. The ratios based on this income are 19.89 percent and 32.02 percent. These ratios fall within FHA guidelines. Please see attached revised MCAW, paystubs, W-2s and court order.
 - OIG Evaluation of Auditee Comments: We concur with Cendant’s assertion that the borrower received child support income of \$650 per month (\$748 grossed up) and that her total income was \$4,360.66 per month. Cendant provided the missing W-2s. Cendant did not dispute that the VOE was missing from the file. .
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family

Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

FHA Case Number: 292-3788541

Insured Amount: \$45,512

Section of Housing Act: 203(b)

Date of Loan Closing: 08/26/99

Current Status: First legal action to foreclose; Prior: Default status after 11 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$3,269.77 per month. The pay stubs provided verified \$2,354.68 (\$222.12 for the borrower and \$2,094.68 for the co-borrower) per month.
 - o Auditee Comments: Income was verified as required by FHA Guidelines. Using the borrower's paystub, her income was calculated using a conservative figure of 15 hours per week instead of 20. Using 20 hours, her income is \$446.00 per month. The auditor confirmed that paystubs in the file supported the co-borrower's income of \$2094.68. The monthly combined income is \$2540.68. In addition, the co-borrower submitted proof of a second income from his employer (lawn maintenance) with proof of 2-yr. history. Using an average of the 2-yr history, monthly income from that job is \$713.12. The total of all income is \$3253.80. Please see attached copies of income documentation.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the proper documentation was provided to support the co-borrower's income of \$2,094.68 and an additional income from a second job (at the same company) of \$713.12. The lender calculated the borrowers income as \$446 (based upon 20 hours per week). The lender relied on the 20 hour per week figure provided by a telephone interview with the borrowers employer. The written verification of employment, however, expressly states that the borrower averages 11 hours per week. In addition, the borrower's pay stub contains year to date information that indicates that for the last six months, the borrower earned \$1,332.75, or the equivalent of \$222.12 per month. We agree that the lender provided documentation to support the second income of the co-borrower; however the lender calculated the borrower's income erroneously.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan

Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 292-3792257

Insured Amount: \$119,939

Section of Housing Act: 203(b)

Date of Loan Closing: 08/27/99

Current Status: Reinstated by mortgagor who retains ownership, Prior: Default status after 8 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing according to information on the Mortgage Credit Analysis Worksheet was \$3,073.67, but the borrower only provided evidence of \$1,124.17 in his checking account.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Not enough evidence of sufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. Income on the Mortgage Credit Analysis Worksheet was \$4,285.72 per month. The pay stubs provided verified this amount, equivalent to approximately \$52,000 per year. However, the year before the borrower only made approximately \$20,000 per year. There was no verification of employment obtained.
 - o Auditee Comments: Income was verified as required by FHA guidelines. Documentation in the file supports the income disclosed on the MCAW. The borrower’s income as per paystubs and the MCAW are from Year 1999 for approximately \$52,000 per year. The previous year’s income (1998) appears to be approximately \$20,000 per year but the Income Tax Summary Worksheet in the file show that the borrower earned \$42,069 in 1998 and \$19,508 in 1997. The borrower submitted three years of tax returns and W-2s with income from several sources. Some of these sources were not reflected on the application however the w-2’s and tax returns are equal. It is Cendant’s policy to obtain a verbal verification of employment but the documentation could not be located in the file. Please see attached MCAW, W-2s, tax returns and paystubs.
 - OIG Evaluation of Auditee Comments: We concur with Cendant’s assertion that the borrower received income from many sources and the W-2’s and tax statements provide documentation of the income used. Cendant agreed that they did not document a Verification of Employment.

- Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. The wages on the W-2's do not equal the amount of wages reported on the tax returns.
 - o Auditee Comments: W-2 information was consistent with other documentation in the file. Please see the explanation provided above regarding the W-2s.
 - OIG Evaluation of Auditee Comments: Cendant provided additional W-2s to validate the amount recorded on the tax returns.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3792806

Insured Amount: \$39,379

Section of Housing Act: 203(b)

Date of Loan Closing: 10/04/99

Current Status: Foreclosure completed; there is no claim or loss information available at this time. Prior: Default status after 9 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain all of the required documentation to verify the employment of the borrower. The verification of employment only confirmed 11 months employment, and there was no W-2 obtained for the borrower.
 - o Auditee Comments: Income was verified as required by FHA guidelines. Proper documentation to support income was provided. The borrower provided two years W-2s with a recent paystub in addition to the VOE for current job which was for 11 months. Please see attached W-2s, VOE and paystub signed by employer.
 - OIG Evaluation of Auditee Comments: Cendant provided additional documentation to verify income.
 - Violation: Removed from Finding 2; Appendix D adjusted to adjusted to reflect change.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to adjusted to reflect change.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not document in the file resolution of possible fraud indicators. The bank statements showed the borrower's new address prior to the closing date. Also, the borrower received a gift of \$1200 from his brother-in-law, although the sales contract called for that same amount to come from the seller.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. The bank statement is the same as the address on the application on Karen Drive. The property address is on Alice. The gift was received and per the HUD 1

settlement statement, the seller paid \$1019.64 in the borrower's closing costs as required by the contract. Please see attached bank statement, application, gift documentation and HUD-1.

- OIG Evaluation of Auditee Comments: Cendant provided a copy of a bank statement with the same address as the borrower's previous address. However, the bank statement for the account that was opened 09/13/99 was the same address as the subject property on the application. This was almost a month prior to closing.
 - Violation: Indications of possible fraud were not resolved. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 states that "we expect the application package to contain sufficient documentation, to support the lender's decision to approve the mortgage loan. When standard documentation does not provide enough information to support this decision, the lender must provide additional explanatory statements, consistent with other information in the application, to clarify or supplement the documentation submitted by the borrower." HUD Handbook 4000.4, Chapter 2 states that it is the underwriter's responsibility to be aware of the warning signs that may indicate irregularities and to detect fraud. In other words, the lender should ensure that any indications of possible fraud are evaluated and that the appropriate steps are taken and adequate documentation is provided to resolve any discrepancies. This file did not contain adequate documentation that the lender attempted to resolve any discrepancies noted.

FHA Case Number: 292-3792972

Insured Amount: \$119,839

Section of Housing Act: 203(b)

Date of Loan Closing: 08/27/99

Current Status: Delinquent 90 days or more; Prior: Default status after 11 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$5,465.20, but the borrower did not provide evidence of any assets.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Not enough evidence of sufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. Income on the Mortgage Credit Analysis Worksheet was \$3,850 per month. There were no pay stubs provided. The borrower provided his offer of employment, which showed the amount listed on the MCAW was overstated. The income will actually be \$3,083.33, because they cannot count the car allowance as income except in certain circumstances. Cendant failed to establish income stability, as they are using income from a job that had not yet begun. Cendant did not obtain a “Verification of Employment” directly from the employer or prior employer.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower’s capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower’s income ratios. Part 2-6 says that “the lender must verify the borrower's employment for the most recent two full years.” According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month’s pay stubs, 2 years’ W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a

verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 292-3796469

Insured Amount: \$59,969

Section of Housing Act: 203(b)

Date of Loan Closing: 09/07/99

Current Status: Servicing transferred or sold to another mortgagee, Prior: Default status after 17 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$1,547 per month. The pay stubs provided verified \$1,426 per month. Cendant did not obtain a verification of employment.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The Mortgage Credit Analysis Worksheet disclosed accurate monthly income of \$1,547. This income is supported by documentation in the file. The regular wages were calculated from \$714 per pay multiplied by 26 pay periods and divided by 12 months. The monthly figure is \$1,547. It is Cendant's policy to obtain a verbal verification of employment prior to closing but documentation was not located in the files. The file contained the most recent paystubs and last three years W-2's. Please see attached paystubs and W'2s.
 - OIG Evaluation of Auditee Comments: Cendant justified the income amount used, however, Cendant did not provide evidence of a verification of employment.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet using the correct income calculations were 39 percent and 39 percent. There were no compensating factors.
 - o Auditee Comments: The ratios are consistent with FHA guidelines. The ratios with the monthly income of \$1,547 are 36.5 percent and 36.5 percent. These ratios are permitted by FHA guidelines if there are limited recurring expenses. The Mortgage Credit Analysis worksheet discloses that there are "0" recurring expenses. Additionally, as a

compensating factor, the borrower had in excess of \$5,400 in his bank account but needed only \$2,548 to close the loan leaving the borrower with substantial residual. Please see attached MCAW and bank statement.

- OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the ratios and compensating factors are adequate.

- Violation: Removed from Finding 2; Appendix D adjusted to reflect the change.

FHA Case Number: 292-3800041

Insured Amount: \$79,859

Section of Housing Act: 203(b)

Date of Loan Closing: 09/15/99

Current Status: Repayment; Prior: Default status after 13 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$4,549, but the borrower only provided evidence of \$4,043.81 in assets.
 - o Auditee Comments: Sufficient assets were verified as required by FHA guidelines. The auditor confirmed that \$4,043.81 of assets was documented in the file. In error the MCAW was not updated prior to closing to disclose that the borrower only needed \$3,750.04 in assets to close the loan based on changes at the closing table as evidenced by the HUD-1. Assets of \$4,043.81 were verified sufficient to cover the assets required. Please see attached revised MCAW and HUD-1.
 - OIG Evaluation of Auditee Comments: Cendant approved this loan based on estimated closing costs of \$4,549. At the time the loan was approved, the lender did not have evidence that the borrower would have the funds available for closing.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet were 34.70 percent and 57.29 percent. The compensating factors were 1) overall good credit (borrower used credit counseling and still had many late pays), 2) good earnings potential (there is no evidence that the borrower will substantially increase income in the future), 3) no dependants (not an acceptable compensating factor), and 4) assets OK (did not verify assets).
 - o Auditee Comments: The ratios are consistent with FHA guidelines using permissible compensating factors. The ratios were supported by the following compensating factors: Credit score is 635 – acceptable. CCCS was in 94-95 with no evidence that there is serious recent derogatory credit. A lender reviews the most recent 2-year history to evaluate credit. The compensating factor that relates to earnings is justified by the fact that the borrower is in a new job that is earning her a substantially higher salary.

Borrower had \$1207.68 in reserves. In error, the MCAW was not updated to reflect these factors. Please see attached MCAW and copy of the credit report.

- OIG Evaluation of Auditee Comments: Cendant stated that as a compensating factor, the borrower's credit is acceptable. Cendant's Junior Underwriting Training Program Part 1 (p.57) states that a credit report score that is between 659 and 620 is considered high risk. While the credit problems may have been over two years old, the credit score is not high enough to be considered a compensating factor. In addition, the lender maintains that the "good earnings potential" is justified because the borrower just got a new job with higher earnings. This does not necessarily indicate higher future earnings. These higher earnings were reflected in the income calculations used to approve the loan. Finally, the lender stated that the borrower had \$1,207.68 in reserves. According to Cendant's calculations, after closing, the borrower will only have \$293.77 in reserves.
- Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that "The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented." and "(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented." This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

FHA Case Number: 292-3803474

Insured Amount: \$52,461

Section of Housing Act: 203(b)

Date of Loan Closing: 09/29/99

Current Status: Terminated-Paid in full; Prior: Default status after 16 payments

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The Mortgage Credit Analysis Worksheet stated that the total due at closing was \$1,587.41, but the borrower's file provides no support for the \$2,000 in savings listed on the Residential Loan Application. In addition, the Mortgage Credit Analysis Worksheet stated that \$3,269 had been paid in earnest money, but because this exceeded 2 percent of the sales price (\$1,058), Cendant should have verified these funds.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain all of the required documentation to verify the employment of the borrower. There was no W-2 obtained for the co-borrower. Cendant did not document any verification of employment.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of

Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on discrepancies. The borrower's address and last name on the 1997 W-2 was different from the address and last name given on the Residential Loan Application and 1998 W-2.
 - o Auditee Comments: W-2 information was consistent with other documentation in the file. One of the names used is her maiden name. This information is consistent with the 1040s that were submitted. 1040s and W-2s were submitted under the same social security number for this borrower. Please see attached 1040s and W-2s.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the borrower's previous W-2s were from her unmarried name.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Gift Funds Not Documented:

- OIG Initial Finding: The Loan Prospector approval certification in the file shows that the loan was submitted with \$5,000 in gift funds. The file contains no gift letter or evidence of transfer.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that "the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower." This file did not contain all the necessary documentation required when a borrower is using gift funds.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: We concur with Cendant's earlier assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3807675

Insured Amount: \$32,508

Section of Housing Act: 234(c)

Date of Loan Closing: 10/07/99

Current Status: Property conveyed to insurer; HUD paid a claim of \$32,278.37; there is no loss information available at this time. Prior: Default status after 6 payments.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The borrower submitted W-2's that appeared to have an altered social security number. The borrower claims no dependents but the employer's verification of employment mentioned a previous maternity leave a year before. In 1998 the borrower had 3 very low paying jobs and now claims to be a lawyer with a salary of almost \$40,000 per year. There is no evidence that the lender attempted to resolve these issues.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. The social security number appears to be typed in on the Budget W-2. All social security numbers are the same on application, paystubs, w-2's and the credit report. Credit report also confirms that she was employed with Budget. There was no need to ask additional information about the borrower's dependent. Even though the borrower may have been on maternity leave, it would not be proper for the lender to ask if her pregnancy went full term. In addition, questions of this nature could be interpreted as violating the federal Equal Credit Opportunity Act. The borrower stated that her job was with the United Lawyers Association as a Field Counselor. Her letter regarding her change in employment explains the change in jobs. She indicated that she had taken a job more suited to her educational background. In an effort to authenticate the letter in file, the counselor called and spoke to someone who verified the borrower's employment. Please see attached credit report, W-2s, verification letters and paystubs.
 - OIG Evaluation of Auditee Comments: The borrower's Social Security number appears to have been altered on the W-2 document from Budget. The lender stated that it is acceptable because this number is the same as the Social Security number on the application, pay stubs, the prior W-2s, and the credit report. We agree with this assertion, but maintain that the altered Social Security number on the W-2 indicates that the W-2 potentially does not belong to the borrower and that the borrower might have altered it to add her social security number. The credit report states that the borrower worked at Budget, but it does not verify that the W-2 provided is legitimate and reflective of the borrower's actual earnings. We do agree, however with the assertion that it would not have been proper for the lender to inquire about the status of the borrower's dependents. Additionally, we agree that the lender verbally verified employment with the current employer.
 - Violation: Indications of possible fraud were not resolved. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-

to-Four-Family Properties, Chapter 3-1 states that “we expect the application package to contain sufficient documentation, to support the lender's decision to approve the mortgage loan. When standard documentation does not provide enough information to support this decision, the lender must provide additional explanatory statements, consistent with other information in the application, to clarify or supplement the documentation submitted by the borrower.” HUD Handbook 4000.4, Chapter 2 states that it is the underwriter’s responsibility to be aware of the warning signs that may indicate irregularities and to detect fraud. In other words, the lender should ensure that any indications of possible fraud are evaluated and that the appropriate steps are taken and adequate documentation is provided to resolve any discrepancies. This file did not contain adequate documentation that the lender attempted to resolve any discrepancies noted.

FHA Case Number: 292-3811595

Insured Amount: \$32,815

Section of Housing Act: 203(b)

Date of Loan Closing: 02/04/00

Current Status: Delinquent 90 days or more; Prior: Default status after 6 payments

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. Cendant did obtain a gift letter for \$1,000, but the name on the gift letter was not the same name listed on the Residential Loan Application as the gift provider, the second page of the gift letter with the signatures was not in the file, and proof the donor provided the funds was not obtained.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant Mortgage Corp. did not resolve all discrepancies in the file. The co-borrower's social security number was corrected on the application, but then the correct social security number was not used on any other documents. The credit report was obtained using the incorrect social security number. Using the correct social security number is essential for obtaining the co-borrower's credit history and determining all debts to use for calculating ratios.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Indications of possible fraud were not resolved. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 states that “we expect the application package to contain sufficient documentation, to support the lender's decision to

approve the mortgage loan. When standard documentation does not provide enough information to support this decision, the lender must provide additional explanatory statements, consistent with other information in the application, to clarify or supplement the documentation submitted by the borrower.” HUD Handbook 4000.4, Chapter 2 states that it is the underwriter’s responsibility to be aware of the warning signs that may indicate irregularities and to detect fraud. In other words, the lender should ensure that any indications of possible fraud are evaluated and that the appropriate steps are taken and adequate documentation is provided to resolve any discrepancies. This file did not contain adequate documentation that the lender attempted to resolve any discrepancies noted.

FHA Case Number: 292-3813386

Insured Amount: \$47,844

Section of Housing Act: 203(b)

Date of Loan Closing: 11/16/99

Current Status: Reinstated by mortgagor; Prior: Default status after 13 payments

W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. His W-2s had an address that differed from the address stated on the application. In addition, Cendant did not obtain written or verbal verification of employment.
 - o Auditee Comments: The W-2 information was consistent with other documentation in the file. The auditor noted that the W-2 address differed from the address stated on the application. The address on the 1997 W-2 was Rt.11 Box 664 . All other addresses in the file including the filed tax return MP-1040 referred to Rt. 11 Box 649 which is consistent with the address on the application. It is Cendant's policy to obtain a verbal verification of employment prior to closing but documentation could not be located in the file. Please see attached W-2s, paystubs and 1040.
 - OIG Evaluation of Auditee Comments: We concur that the address issue on the W-2s is most likely an error. However, Cendant was not able to provide a verification of employment. We reclassified this as a deficiency in income verification.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 292-3813392

Insured Amount: \$50,484

Section of Housing Act: 203(b)

Date of Loan Closing: 11/08/99

Current Status: Foreclosure completed; there is no loss information available at this time. Prior: Default status after 9 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,289.41, but the borrower only provided evidence of \$1,782.65 in a checking account which the borrower co-owns with another party.
 - o Auditee Comments: Sufficient funds were verified as required by FHA guidelines. The borrower needed \$1,834.15 for closing as evidenced by the final HUD-1 Settlement Statement. In error, the MCAW was not updated prior to closing. The auditor confirmed that \$ 1,782.65 of assets were verified in the file. The additional \$51.50 could have easily been paid from the borrower's payroll check at the time of closing. Since the bank account in which the funds were verified was a joint account, either owner of the account may use any and all funds. Please see attached HUD-1.
 - OIG Evaluation of Auditee Comments: The lender approved this loan based on the borrower having \$1,782.65 available to close a loan with closing costs of \$2,289.41. The lender states that the borrower actually only needed \$1,834.15 to close, but the loan was inappropriately approved using the higher amount. In either case, the borrower did not evidence having all the funds required to close.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

FHA Case Number: 292-3815703

Insured Amount: \$97,198

Section of Housing Act: 203(b)

Date of Loan Closing: 10/29/99

Current Status: Foreclosure started; Prior: Default status after 10 payments

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The Mortgage Credit Analysis Worksheet stated that the total due at closing was \$5,826.85, but the borrower's bank document listed an available balance of \$1,437.68. The borrower received gift funds of \$2,000 after the statement closing date, still leaving him with insufficient funds to close the loan.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain all of the required documentation to verify the employment of the borrower and co-borrower. Cendant did not obtain W-2s for the borrower. According to the Loan Prospector documentation guidelines, the absence of W-2s is only acceptable if the employer verifies employment greater than 2 years, the borrower is not self-employed or commissioned, qualifying monthly income calculated using current base pay only, and borrower signs Internal Revenue Service Form 8821 for previous two years. Cendant calculated the monthly income by using overtime income. The bankruptcy filing had indicated "husband works according to weather".
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of

Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: We concur with Cendant's earlier assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3817467

Insured Amount: \$71,963

Section of Housing Act: 203(b)

Date of Loan Closing: 12/15/99

Current Status: Terminated-Paid in full; Prior: Default status after 8 payments

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain all of the required documentation to verify the employment of the borrower. Cendant accepted the employment offer letter as verification of employment. Cendant did not obtain a written or verbal verification of employment directly from the employer.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The borrower was qualified with job offer letter as permitted by FHA guidelines and was required to submit her first paystub to confirm she started the job as documented in the file. The borrower was working at the location for a temp agency when she was offered the job. Please see attached letter and paystub.
 - OIG Evaluation of Auditee Comments: Cendant provided appropriate documentation to confirm the amount of income used to qualify the borrower, however, they failed to provide a verification of employment. The job offer letter did not come directly from the employer to Cendant; the borrower provided it.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

W-2 Problem:

- OIG Initial Finding: Cendant did not follow-up on discrepancies. The borrower's address varied on the W-2s and was different from the current and prior addresses given on the Residential Loan Application.

- o Auditee Comments: W-2 information was consistent with other documentation in the file. The only address that does not appear on the application but appears on a w-2 is 20 Mintert Manor Dr., which also appears on her Firststar Trust Co. IRA account statement. This does not appear to be fraudulent. Please see attached IRA Statement.
 - OIG Evaluation of Auditee Comments: We concur that the W-2 information appears to be supported by other documentation.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. Cendant did obtain a gift letter for \$2,500, but did not verify the transfer of the gift funds.
 - o Auditee Comments: No gift documentation was required to be verified because the source of funds was not a gift. Gift funds were not needed to close. The borrower had sufficient assets without a gift. The auditor confirmed that the MCAW required assets of \$3,300.13. The IRA statement indicated that the borrower had \$3,967.53 of assets. See attached IRA account statement.
 - OIG Evaluation of Auditee Comments: The lender did not obtain the required evidence of redemption to validate the amount of funds in the IRA. Therefore, the gift documentation is still required but could not be provided by the lender.
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 292-3818319

Insured Amount: \$109,936

Section of Housing Act: 203(b)

Date of Loan Closing: 11/19/99

Current Status: Partial reinstatement; Prior: Default status after 8 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$3,300.13 and the borrower provided evidence of available funds of only \$2,981.59 in a retirement account. It is unclear how much of that total is the vested amount available to the borrower.
 - o Auditee Comments: Sufficient funds were verified as required by FHA guidelines. Although the borrower indicated that the source of funds was from the sale of a previous home, they also provide documentation of retirement funds. Typically 75 percent or more of the account is available for withdrawal which means that \$2,236.19 was available from that account. As indicated on the HUD-1 Statement, the borrower only needed \$2,137.57 to close. We conditioned for the HUD-1 from that sale as a “do not disburse” condition to the closing agent. But the documentation could not be located in the file. In addition the seller contribution was \$1,900. And a lender’s contribution of \$134.06 was also documented at closing. See attached HUD-1 and account information.
 - OIG Evaluation of Auditee Comments: The underwriter approved the loan based on closing costs of \$3,300.13 and available assets of \$9,104. There is only support for \$2,981.59 in assets. The closing costs per the HUD-1 were lower than the available assets, but the lender still inappropriately approved the loan based on unsupported numbers.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. Income on the Mortgage Credit Analysis Worksheet was \$5,139.72 per month. The one pay stub for the borrower provided verified \$480.17 per month. There were no pay stubs available for the co-borrower. There was no verification of employment for either borrower.
 - o Auditee Comments: Income was verified as required by FHA guidelines. A paystub in the file for the co-borrower disclosed that the YTD income was \$47,253.37 and monthly his income is \$ 4974.63. Two years W-2s for each borrower were available in the file. It

is Cendant's policy to obtain verbal verification of employment prior to closing but documentation could not be located in the file. See attached income documentation.

- OIG Evaluation of Auditee Comments: Cendant provided additional documentation to verify the income amount for the borrower and the co-borrower. However, the lender did not provide a verification of employment.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet were 22 percent and 59.87 percent. There were no compensating factors.
 - o Auditee Comments: The ratios are consistent with FHA guidelines using permissible compensating factors are required. The compensating factor is that the borrower has the potential for increased earnings as indicated by job training or education in the borrower's profession. In error, the MCAW was not updated with this information.
 - OIG Evaluation of Auditee Comments: There is nothing in the file to even indicate what the borrower's profession is, nor what the potential is for increased earnings.
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that "The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented." and "(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented." This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The borrower submitted two W-2s for the same employer but they had two different state identification numbers.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. The issue of different state employer ID #'s would not seem to be an area in which a document might be altered. There would be no benefit to the borrower to alter this number. The IRS ID number is the same on both w-2s. See attached.
 - OIG Evaluation of Auditee Comments: Our issue with the two W-2s having different employer identification numbers was not a concern that the borrower might have altered the ID number, but a concern that inconsistent documentation was not followed up on. It potentially indicates that the borrower altered someone else's W-2 to attempt to disguise it as his own. Therefore, the lender did not review this issue in enough detail to determine that it was not a fraudulent document.
 - Violation: Indications of possible fraud were not resolved. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 states that "we expect the application package to contain sufficient documentation, to support the lender's decision to approve the mortgage loan. When standard documentation does not provide enough information to support this decision, the lender must provide additional explanatory statements, consistent with other information in the application, to clarify or supplement the documentation submitted by the borrower." HUD Handbook 4000.4, Chapter 2 states that it is the underwriter's responsibility to be aware of the warning signs that may indicate irregularities and to detect fraud. In other words, the lender should ensure that any indications of possible fraud are evaluated and that the appropriate steps are taken and adequate documentation is provided to resolve any discrepancies. This file did not contain adequate documentation that the lender attempted to resolve any discrepancies noted.

FHA Case Number: 292-3822365

Insured Amount: \$25,787

Section of Housing Act: 203(b)

Date of Loan Closing: 12/22/99

Current Status: Reinstated by mortgagor; Prior: Default status after 8 payments

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3832940

Insured Amount: \$58,969

Section of Housing Act: 203(b)

Date of Loan Closing: 01/24/00

Current Status: Foreclosure started, Prior: Default status after 6 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$3,519.88, but the borrower only provided evidence of \$2,646.74. Of that amount, the borrower co-owns \$648.06 of those assets with another party.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. One of the W-2s had the wrong social security number on it. There is no indication that the lender attempted to resolve this discrepancy.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: W-2 information was not provided or was incorrect. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 Part E. states that “as an alternative to obtaining a Verification of Employment, the lender may choose to obtain from the borrower original pay stub(s) covering the most recent thirty-day period, along with original copies of the previous two years' Internal Revenue Service W-2 forms.” This file did not contain a Verification of Employment, and therefore, should have contained two years' Internal Revenue Service W-2 forms. HUD Handbook 4000.4 Rev-1, Single Family Direct Endorsement Program, Chapter 2-1 states that “A Direct Endorsement mortgagee must conduct its business operations in accordance with accepted sound mortgage lending practices, ethics and standards.” These forms should have been scanned for accuracy.

FHA Case Number: 292-3835425

Insured Amount: \$69,964

Section of Housing Act: 203(b)

Date of Loan Closing: 02/03/00

Current Status: Repayment; Prior: Default status after 11 payments

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain all of the required documentation to verify the employment of the borrower. Copies of the borrower's 1997 and 1998 tax returns were obtained, but neither were signed copies. Cendant did not obtain the borrower's W-2 forms. Cendant qualified the borrower by using overtime income, even though the borrower had only been on the job since April 22, 1999. Income at this job is significantly greater than his previous employment.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The borrower's current and previous income/employment was verified via Processor's certification in the file. A recent paystub with YTD earning was also provided. The borrower also provided an explanation for the increased salary. He went from a HVAC technician to a Commercial Refrigeration Technician. Overtime income was properly used because the borrower has a history of receiving it as verified by the previous employer. Please see attached processor's certifications and paystubs.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the documentation provided is adequate to verify the borrower's overtime income and increased earnings. However, the borrower qualified for this loan based on an income of \$2,728 and the documentation only supports \$2,518 in monthly income (year to date \$16,369.10 divided by 6-1/2 months on the current job). The Loan Prospector feedback sheet in the file shows the loan scored "accept" using income of \$2,728.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to

qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 292-3842540

Insured Amount: \$40,565

Section of Housing Act: 203(b)

Date of Loan Closing: 02/29/00

Current Status: Partial reinstatement; Prior: Default status after 0 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$1,227.64. The borrower submitted a gift letter for that amount, but did not provide evidence that he ever obtained those funds.
 - o Auditee Comments: Sufficient funds were verified as required by FHA guidelines. The amount needed by the borrower was reduced at closing to \$688.64 as indicated on the HUD-1 Settlement Sheet. In error, the Mortgage Credit Analysis Worksheet was not updated prior to closing to reflect the seller contribution. In addition to the \$688.64 due at closing, the borrower paid \$500 in earnest money deposit as well as \$375 to the lender prior to closing. The seller contributed \$845.31. The auditor noted that a gift letter was retained in the file for \$1,227.64. Please see attached HUD-1.
 - OIG Evaluation of Auditee Comments: The lender approved this loan based on the borrower needing \$1,227.64 to close the loan. There was not sufficient evidence of the required assets to cover this amount available in the file. The lender states that the borrower actually only needed \$688.64 to close, but the borrower did not provide evidence for funds in that amount.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower’s investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. Income on the Mortgage Credit Analysis Worksheet was \$1,161.34 per month. The pay stubs provided supported \$984.49 per month. The income used by Cendant was based on 40 hours per week, but the two pay stubs provided show the borrower averaged 31.8 hours per week.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The Borrower’s YTD income as per the paystub for period ending 1/28 is \$1,439.50 which reflects his monthly income. In error, the Mortgage Credit Analysis Worksheet was not updated to reflect this income. The pay for that period included 74.61 hour while the previous pay ending date 1/14 is for 71.33 hours. The processor’s certification confirms the borrower’s start date, status of his future employment, which is “good”, and the fact

that he averages 40 hours per week. One of these two paystubs shows an average of 35.66 hours. It also shows the borrower was out sick 24 hours, which would account for the shorter hours worked. Therefore, a conservative figure was used to calculate this income since the income was calculated on fewer than 40 hours per week. Please see attached

- o paystubs, processors certification and MCAW.
 - OIG Evaluation of Auditee Comments: The \$1,439.50 income figure is based on 3 two-week pay periods. Using this method, the accurate income figure would be \$1,439.50 divided by six weeks, multiplied by 52 weeks, and divided by 12 months to arrive at an average monthly income of \$1,039.64.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet after using the correct income amount were 38 percent and 44 percent. The compensating factors provided were 1) Ratios in line (this is not a compensating factor because if the ratios were in line, there would be no need for compensating factors) and 2) Good work history (the processor called borrower's employer and included a note that stated "confirmed start date, future employment is good, and always works at least 40 hours per week." This does not address the issue of previous work history).
- o Auditee Comments: The ratios were consistent with FHA guidelines and no compensating factors are required. With the corrected income of \$1439.50 and corrected expense the ratios are now 26.08 percent and 27.15 percent respectively which are well within guidelines. In error, the Mortgage Credit Analysis Worksheet was not updated. Please see attached MCAW.
 - OIG Evaluation of Auditee Comments: Using the corrected income from above, the ratios are 36.11 percent and 42.37 percent. There are no compensating factors available.
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that "The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29

percent may be acceptable if significant compensating factors are presented.” and “(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive a gift of \$1,227, but only submitted a gift letter as documentation and did not submit the required proof of transfer or proof of the donor’s ability to pay.
 - o Auditee Comments: No gift documentation was required to be verified because the source of funds was not a gift. A gift letter is in the file, however these funds were not required for closing so additional documentation was not required.
 - OIG Evaluation of Auditee Comments: The lender approved this loan based on a gift in the amount of the required closing costs of \$1,227.64. The documentation for this gift was not in the file.
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The borrower stated on the application that he lived in the subject property for over a year before he purchased the property. There is no indication that the lender attempted to clarify this situation.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. The borrower disclosed that his previous and current address was the same address as the subject property. No proceeds from the rental transaction were used in the purchase transaction so there was no need to question the fact the he may have been living in the residence. It is evident that the borrower received mail at the address as

indicated in the attached notes that show the application package was delivered to that address. Please see attached notes.

- OIG Evaluation of Auditee Comments: The borrower indicated on his application that he owned the residence for which he or she was applying for a mortgage to purchase. The lender did not verify that the information on the application was correct.
 - Violation: Indications of possible fraud were not resolved. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 states that “we expect the application package to contain sufficient documentation, to support the lender's decision to approve the mortgage loan. When standard documentation does not provide enough information to support this decision, the lender must provide additional explanatory statements, consistent with other information in the application, to clarify or supplement the documentation submitted by the borrower.” HUD Handbook 4000.4, Chapter 2 states that it is the underwriter’s responsibility to be aware of the warning signs that may indicate irregularities and to detect fraud. In other words, the lender should ensure that any indications of possible fraud are evaluated and that the appropriate steps are taken and adequate documentation is provided to resolve any discrepancies. This file did not contain adequate documentation that the lender attempted to resolve any discrepancies noted.

FHA Case Number: 292-3848073

Insured Amount: \$64,966

Section of Housing Act: 203(b)

Date of Loan Closing: 04/11/00

Current Status: Servicing transferred or sold to another mortgagee, Prior: Default status after 10 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$7,325.42 for the borrower and \$36,627.10 for the co-borrower. It is assumed that these are yearly amounts. That is the equivalent of \$3,662.71 per month. Cendant obtained pay stubs for one borrower, which indicates that borrower earns \$2,258.50 per month.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The borrower submitted three paystubs covering the period 1/16/00 through 2/12/00. The income averaged using median hours @ 36.5 would be \$3,490 per month. There is no co-borrower on this loan. In error, the Mortgage Credit Analysis Worksheet was not updated to reflect this change. See attached paystub and MCAW.
 - OIG Evaluation of Auditee Comments: The borrower actually submitted 4 pay stubs which, using that method, indicate average weekly hours worked of 32. Therefore, his monthly income is \$3,072 and the lender approved this loan based on inflated income figures.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

W-2 Problem

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information on the W-2s submitted by the borrower was correct. The borrower's application lists a prior address in a city in MO that is different from the city on the W-2's.
 - o Auditee Comments: W-2 information was consistent with other documentation in the file.. The address on the 1999 w-2 matches the address on the borrower's driver's license. It was also independently verified as a previous address on the credit report. It does not match the application, however, borrower was living in a rental property and it appears that he was having his mail sent to his previous address. See attached W-2s, driver's license and credit report.
 - OIG Evaluation of Auditee Comments: Cendant provided documentation to explain the situation concerning the borrower's address.
 - Violation: Removed from Finding 2: Appendix D adjusted to reflect change.

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain the required documentation on the non-purchasing spouse. Income for the non-purchasing spouse is included on the Mortgage Credit Analysis Worksheet and the borrower's application states that he is married. However, there is no information provided on the spouse at all. The lender cannot use a non-purchasing spouse's income to qualify the borrower for a mortgage loan.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: We concur with Cendant's previous assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2: Appendix D adjusted to reflect change.

FHA Case Number: 292-3848333

Insured Amount: \$44,427

Section of Housing Act: 203(b)

Date of Loan Closing: 03/31/00

Current Status: Repayment; Prior: Default status after 4 payments

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain all of the required documentation to verify the employment of the borrowers. There was no 1998 W-2s obtained for the co-borrower. There was no evidence of verification of employment for the co-borrower.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: W-2 information was not provided or was incorrect. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 Part E. states that “as an alternative to obtaining a Verification of Employment, the lender may choose to obtain from the borrower original pay stub(s) covering the most recent thirty-day period, along with original copies of the previous two years' Internal Revenue Service W-2 forms.” This file did not contain a Verification of Employment, and therefore, should have contained two years' Internal Revenue Service W-2 forms. HUD Handbook 4000.4 Rev-1, Single Family Direct Endorsement Program, Chapter 2-1 states that “A Direct Endorsement mortgagee must conduct its business operations in accordance with accepted sound mortgage lending practices, ethics and standards.” These forms should have been scanned for accuracy.

FHA Case Number: 292-3848551

Insured Amount: \$71,963

Section of Housing Act: 203(b)

Date of Loan Closing: 03/10/00

Current Status: Property conveyed to insurer, HUD incurred a loss of \$16,304; Prior: Default status after 4 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,475.52, but the borrower did not provide any bank statements or support for the \$1,500 gift.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive a gift of \$1,500, but only submitted a gift letter as documentation and did not submit the required proof of transfer or proof of the donor's ability to pay. There is a receipt of deposit, but no verification that the money was deposited into the borrower's account.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This

file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 292-3857227

Insured Amount: \$28,663

Section of Housing Act: 203(b)

Date of Loan Closing: 04/30/00

Current Status: Property conveyed to insurer; HUD paid a claim of \$29,583.91, the amount of the loss is not known at this time. Prior: Default status after 1 payment.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$2,946 per month. The pay stubs provided verified that the borrower's income is only \$1,430 per month.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The income used to qualify the borrowers was \$1,430. The ratios reflected on the MCAW were accurate at 19.45 percent and 19.45 percent. A systems error caused another income figure to drop on the form. In error, the Mortgage Credit Analysis Worksheet was not updated when the systems error was corrected. Please see attached MCAW, paystubs and W-2s.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the loan was approved based on the borrower's income of \$1,430.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive a gift of \$1,400, but only submitted a gift letter as documentation and did not submit the required proof of transfer or proof of the donor's ability to pay.
 - o Auditee Comments: Gift information was obtained as required by FHA guidelines. A complete gift letter disclosed that a gift of \$1,400 was given to the borrower. There is also a letter from the Realtor confirming receipt of those funds. The HUD-1 discloses that \$1,400 was received in earnest money. FHA guidelines state "If the [gift] funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received the funds from the donor for the amount of the gift." Additionally there is a processor's certification that he spoke to the title company who said that they had the certified funds in their account. Please see attached letter, HUD-1, gift letter, realtor letter and processor's certification.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the gift was adequately documented.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3864552

Insured Amount: \$62,467

Section of Housing Act: 203(b)

Date of Loan Closing: 04/28/00

Current Status: Servicing transferred or sold to another mortgagee, Prior: Default status after 1 payment.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,792.30, but the borrower only provided evidence of \$29.10 in savings and \$655.70 in checking.
 - o Auditee Comments: Sufficient funds were verified as required by FHA guidelines. The assets to close came primarily from borrower's 1999 tax refund of \$1,957.00. Her bank account balance prior to receipt of the tax refund was \$339.42 in checking and was automatically deposited into her account as indicated on the tax return. The balance request showed the same amount of the deposit and the account balance on 4/18/2000 as \$2225.39. Please see attached tax returns, bank account statement and balance request.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the borrower provided evidence of \$2,225.39 to apply towards closing costs of \$2,792.30. However, the borrower still did not have sufficient funds to close the loan, as indicated on the MCAW.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$3,666.67 per month. The pay stubs provided verified \$2,000 per month. Cendant did not obtain a written or verbal verification of employment.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The borrower has a ten-year-old child and has provided the documentation that she receives \$724 per month child support. The borrower's effective monthly income is \$2724. In error, the Mortgage Credit Analysis Worksheet was not updated. The borrower submitted two years 1040's and W-2s along with recent paystub with YTD earnings in lieu of the VOE. The ratios are 20.83 percent and 30.55 percent respectively which are well within guidelines. See attached income and court documentation.

- OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the loan was approved based on the appropriate income amount. However, the lender failed to obtain a verification of employment.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. The W-2s were sent to a name different from that on the loan application; however, there is no indication that the lender attempted to determine if this is the borrower.
 - o Auditee Comments: W-2 information was consistent with documentation in the file. The employment documentation and divorce decree reflected the same social security number. The borrower's name is one that it is easy to see that could be misspelled but all other documentation was consistent with the information provided on the application. See attached documents.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the W-2 misspelling was an error.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower provided a gift letter for \$2,000, but did not include proof of transfer or proof of the gift donor's ability to pay.
 - o Auditee Comments: Gift documentation was not required. No gift funds were needed to close as the borrower used her tax return to complete the transaction.
 - OIG Evaluation of Auditee Comments: According to the Mortgage Credit Analysis Worksheet (MCAW), the borrower needed \$2,792.30 to close the loan. Even with the asset information provided by Cendant of \$2,225.39, the borrower did not provide evidence of enough funds to close the loan absent the gift.
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that "the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not

deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

Indications of Potential Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The bank statements provided had the same first name as the borrower, while the W-2s were in the name of someone with the same last name. There is no indication that these were the borrower’s documents or that the lender attempted to resolve this discrepancy.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. Please refer to response above under W-2 discussion. The other name appears to be her maiden name as evidenced on the credit report.
 - OIG Evaluation of Auditee Comments: We concur with Cendant’s assertion that name discrepancies can be explained by misspellings and / or the borrower’s maiden name.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3867979

Insured Amount: \$78,487

Section of Housing Act: 203(b)

Date of Loan Closing: 05/15/00

Current Status: Foreclosure Started, Prior: Default status after 3 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,551.01, but the borrower could only provide evidence of \$1,067.13.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower’s investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet were 42.22 percent and 43.42 percent. The compensating factors provided were 1) Low monthly debt (If the debt were low, her ratios would also be low), 2) Stable income (The borrower has been on the job less than two years. There is not enough information to make that determination), and 3) Potential for increased income, overtime available (There is no support for this statement in the file).
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that “The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented.” and “(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are

presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive a gift of \$1,800, but only submitted a gift letter as documentation and did not submit the required proof of transfer or proof of the donor’s ability to pay.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

FHA Case Number: 292-3869730

Insured Amount: \$98,190

Section of Housing Act: 203(b)

Date of Loan Closing: 05/19/00

Current Status: Property conveyed to insurer; HUD incurred as loss of \$27,666.00. Prior: Default status after 4 payments

Inconsistent/Unverified Income/W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not obtain all of the required documentation to verify the employment of the borrower. Cendant did not obtain a verbal or written verification of employment, W-2s, or tax returns.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation. W-2 information was not provided or was incorrect. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 Part E. states that "as an alternative to obtaining a Verification of Employment, the lender may choose to obtain from the borrower original pay stub(s) covering the most recent thirty-day period, along with original copies of the previous two years' Internal Revenue Service W-2 forms." This file did not contain a written Verification of Employment, and therefore, should have contained two years' Internal Revenue Service W-2 forms.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability. Furthermore, the non-purchasing spouse's name is on the bank statement. These are co-owned assets that were used to close the loan. The lender has no way of knowing what portion of those assets the borrower has available to him nor what other debts of the non-purchasing spouse are to be paid out of those assets.

- o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We agree with Cendant's assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3870377

Insured Amount: \$35,606

Section of Housing Act: 203(b)

Date of Loan Closing: 06/14/00

Current Status: Modification; Prior: Default status after 8 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$1,077.52 and the borrower provided evidence of available funds of only \$588.70, which is co-owned with another person.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower’s income. Income on the Mortgage Credit Analysis Worksheet was \$1,470 per month. The Social Security statements provided verified \$1,132 per month. Cendant obtained the Social Security benefits letter from the borrowers through their realtor. Cendant should have obtained verification directly from the source, or through federal tax returns, rather than having the documentation pass through the borrowers.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The income disclosed on the Mortgage Credit Analysis Worksheet is accurate. Income was documented in the file. The borrower has social security income and social services income that is documented with the aware letter and bank statements the verify proof of deliver. The co-borrower has a social security award letter documenting income and a bank statement verifying the proof of deliver. Please note that non-taxable income is grossed up by 15 percent so that is treated comparably to taxable income. Please see attached income documentation.
 - OIG Evaluation of Auditee Comments: With the additional documentation provided by Cendant, we concur with their assertion that the borrower’s income is verified at the higher amount.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet using the correct income calculations were 31percent and 34 percent. The only compensating factor listed on the worksheet was conservative use of credit. HUD Handbook 4155.1 states an acceptable compensating factor is if the borrower has demonstrated a conservative attitude toward use of credit and an ability to accumulate savings. The borrower did not demonstrate savings, and the borrower's credit report shows monthly payments of \$787 and 1 outstanding judgment.
 - o Auditee Comments: The ratios are consistent with FHA guidelines and no compensating factors are required. Based on the income discussion above, the ratios on the MCAW are 24.01 percent and 26.73 percent respectively well within guidelines. See attached MCAW.
 - OIG Evaluation of Auditee Comments: With the additional documentation provided by Cendant, we concur with their assertion that the borrower's income is verified at the higher amount. Therefore, the ratios are within acceptable guidelines.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The borrower submitted a signed explanation for lack of credit, but it was written and signed by someone other than the borrower. The bank statement is in the name of someone other than the borrowers.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Indications of possible fraud were not resolved. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 states that "we expect the application package to contain sufficient documentation, to support the lender's decision to approve the mortgage loan. When standard documentation does not provide enough information to support this decision, the lender must provide additional explanatory statements, consistent with other information in the application, to clarify or supplement the documentation submitted by the borrower." HUD Handbook 4000.4, Chapter 2 states that it is the underwriter's responsibility to be aware of the warning signs that may indicate irregularities and to detect fraud. In other words, the lender should ensure that any indications of possible fraud are evaluated and that the appropriate steps are taken and adequate documentation is provided to resolve any discrepancies. This file did not contain adequate documentation that the lender attempted to resolve any discrepancies noted.

FHA Case Number: 292-3871133

Insured Amount: \$68,964

Section of Housing Act: 203(b)

Date of Loan Closing: 06/22/00

Current Status: Servicing transferred or sold; Prior: Default status after 5 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Only one pay stub was provided.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The file contained income documentation including the borrower's two year W-2s in addition to the paystub. The bank statement also provides evidence of two automatic deposits from her employer's payroll system for \$700. Please see attached income documentation.
 - OIG Evaluation of Auditee Comments: The documentation required by FHA for income includes the most recent year-to-date pay stub documenting 1 full month's earnings. Cendant could only provide one pay stub covering a two week-period.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios, when recalculated using the information on the Mortgage Credit Analysis Worksheet, were 37.22 percent and 53.7 percent. There were no compensating factors listed.
 - o Auditee Comments: The ratios are consistent with FHA guidelines and no compensating factors are required. The borrower had additional income from child support and maintenance. The court order is in the file. The total amount is paid the court and is \$700 per month. Using the additional income, the ratios are 25.58 percent and 36.95 percent respectively which is within guidelines. In error, the Mortgage Credit Analysis Worksheet was not updated.
 - OIG Evaluation of Auditee Comments: The borrower included documentation of child support and alimony to be included in income. However, to use these figures,

the borrower must demonstrate receipt of those funds for one full year. Because the lender did not document 12 months of receipt of funds, they cannot use the child support or alimony income to qualify the borrower. Therefore, the ratios are still too high.

- Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that “The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented.” and “(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

FHA Case Number: 292-3873350

Insured Amount: \$62,286

Section of Housing Act: 203(b)

Date of Loan Closing: 05/31/00

Current Status: Foreclosure completed; there is no loss information available at this time. Prior: Default status after 5 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing was \$1,884.61, but the borrower could only provide evidence of \$1,223.57 in two checking accounts.
 - o Auditee Comments: Sufficient assets were verified as required by FHA guidelines. The auditor verified that assets of \$1,223.57 were documented in the file. In addition, the borrower paid \$500 in earnest money not included in the bank statement. The HUD-1 discloses proof of receipt of the deposit. In addition, there were seller paid closing costs. The borrower did not need gift funds. In error, the Mortgage Credit Analysis Worksheet was not updated prior to closing. Please see attached HUD-1 and MCAW.
 - OIG Evaluation of Auditee Comments: The borrower did not evidence the required amount of \$1,884.61.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive a gift of \$2,000, but only submitted a gift letter as documentation and did not submit the required proof of transfer or proof of the donor's ability to pay.
 - o Auditee Comments: Gift documentation was not required because the source of funds was not a gift. Based on the information regarding sufficient funds to close provided above, a gift was not required.
 - OIG Evaluation of Auditee Comments: When the loan was approved, it was based upon the information that the borrower had funds in the form of a gift and those funds were not verified.
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include

obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant’s assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The borrower submitted several forms with different signatures. Furthermore, on many of these, his name was misspelled. There is no evidence that the lender attempted to resolve this discrepancy.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. The auditor stated “ The borrower submitted several forms with different signatures.” A review of all of the documents in the file shows that the signatures for the borrower are virtually identical. We were unable to identify the issue noted by the examiner.
 - OIG Evaluation of Auditee Comments: We concur with Cendant that the signatures are similar on the documents provided.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3874878

Insured Amount: \$64,964

Section of Housing Act: 203(b)

Date of Loan Closing: 06/09/00

Current Status: Partial claim submitted; Prior: Default status after 6 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$3,826.19. The borrower did not provide any evidence of assets other than an unverified letter from his employer indicating a bonus of \$2,300.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower's investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

FHA Case Number: 292-3875640

Insured Amount: \$39,770

Section of Housing Act: 234(c)

Date of Loan Closing: 05/26/00

Current Status: Property conveyed to insurer; HUD paid a claim of \$41,822, there is no loss information available at this time. Prior: Default status after 8 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$2,079.78 per month. The pay stubs available verified \$2,416.83 per month. This higher amount was the average of his first 5 weeks pay on this new job. Cendant did not obtain verification of employment.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The verification of employment was in the file but did not appear to be in the submission package. In reading the calculation tape used to complete the MCAW, it appears that the error was made by averaging the paystubs and dividing by 6 weeks instead of 5 and then completing the calculation, thus giving the lower monthly income. The borrower actually made more per month. The file also contains alternative documentation in lieu of a Verification of Employment form includes a recent computer generated pay stub, with year-to-date earnings specified and 2 years W-2s. See attached income documentation.
 - OIG Evaluation of Auditee Comments: We do not take issue with the income calculation. The lender did provide a verification of employment, however it was provided after the closing and could not have been considered in the approval decision.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

W-2 Problem:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify that the information provided on the W-2s submitted by the borrower was correct. The borrower provided W-2s for three employers each year for two years, but the application only had one of those employers listed.

- o Auditee Comments: W-2 information was consistent with documentation in the file. The borrower's previous primary employer was Banta & Stude. It appears that he had a part time job as well working for Bryan Foundations. The only other W-2 is from the Construction Worker's Welfare fund, which appears to be a benefit provided by his union. He was employed full time with Banta & Stude for the previous two years. Even if he worked part time hours in his primary job, the W-2s provide proof that he was employed for at least 2 years with them. See attached w-2s.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that they verified 2 years employment.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on indications of possible fraud. The borrower's application stated that he is single, but he received a gift from his mother-in-law. The bank statement provided also showed what appears to be a spouse as having access to the account.
 - o Auditee Comments: There were no fraud indicators in the file at the time the loan was processed. The application was not updated to reflect that the borrower is married. A marital waiver was located in the file as well as borrower's filing status on W-2s married. However, there is also a note in the file that Borrower and wife have filed for divorce, but that it would it will not be final until after closing. See attached.
 - OIG Evaluation of Auditee Comments: We concur that the lender verified the borrower's marital status.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3876022

Insured Amount: \$69,328

Section of Housing Act: 203(b)

Date of Loan Closing: 07/05/00

Current Status: Foreclosure started; Prior: Default status after 3 payments

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,894.91. The borrower did not provide any evidence of assets other than a letter from the borrower's wife stating they do not have any bank accounts.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. A gift of \$3,000 was included in the "Assets" section of the Residential Loan Application, but a gift letter was not provided.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that "the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower." This file did not contain all the necessary documentation required when a borrower is using gift funds.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3879607

Insured Amount: \$54,471

Section of Housing Act: 203(b)

Date of Loan Closing: 07/05/00

Current Status: Reinstated by mortgagor; Prior: Default status after 2 payments.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability. Furthermore, the non-purchasing spouse's name is on the bank statement. These are co-owned assets that were used to close the loan. The lender has no way of knowing what portion of those assets the borrower has available to him nor what other debts of the non-purchasing spouse are to be paid out of those assets.
 - o Auditee Comments: None.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's previous assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change

FHA Case Number: 292-3881442

Insured Amount: \$28,564

Section of Housing Act: 703(b)

Date of Loan Closing: 08/07/00

Current Status: Partial reinstatement; Prior: Default status after 4 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$1,172 per month. According to the written verification of employment, the borrower earns \$522.66 per month.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive a gift of \$1,000, but did not submit a gift letter, proof of transfer, or proof of the donor's ability to pay. There was a note in the file that stated that the gift donor was on vacation and would provide the information upon his return. The lender failed to obtain the required information from the borrower after the donor returned from vacation.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that "the lender must document the transfer

of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant’s previous assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change

FHA Case Number: 292-3888313

Insured Amount: \$65,956

Section of Housing Act: 203(b)

Date of Loan Closing: 07/20/00

Current Status: First legal action to foreclose, Prior: Default status after 4 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$1,995.36, but the borrower could only provide evidence of 1,811.86 in available assets, including a bank print-out showing \$1,611.86. This was not, however, a bank statement nor was there a valid explanation for a deposit of \$1,484.71 made the day before the statement was printed.
 - o Auditee Comments: Sufficient funds were verified as required by FHA guidelines. The HUD-1 Settlement Sheet disclosed the borrower needed \$1304.28 to close. \$1811.86 was documented in the file. The bank printout was faxed directly to us from the bank and is an acceptable form for the bank statements as long as the bank information is included and it is signed or stamped by a bank employee. Also, the borrower's explanation for the large deposit is in the file. Please see attached HUD-1 and borrower explanation.
 - OIG Evaluation of Auditee Comments: While the closing costs were lower, at the time the loan was approved, approval was based on the borrower having only \$1,811.86 to close a loan with closing costs of \$1,995.36. According to the Loan Prospector feedback sheet, the loan was approved with \$657 in reserves after payment of closing costs. According to the Insurance Application Results sheet, the loan was approved with \$4,000 in assets. The borrower's documentation did not support either of those figures.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$4,881.43 per month. The pay stubs provided supported \$2,214.77 per month.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The income figure of \$2,214.77 was verified. In error, the Mortgage Credit Analysis Worksheet was not updated. The ratio calculation using this income was reflected accurately on the

MCAW at 28.91 percent and 29.41 percent respectively. These are well within the guidelines. See revised MCAW.

- OIG Evaluation of Auditee Comments: We agree that the borrower was approved based on the correct income figure.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3892293

Insured Amount: \$53,972

Section of Housing Act: 203(b)

Date of Loan Closing: 07/31/00

Current Status: Delinquent 90 days or more; Prior: Default status after 6 payments.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet after using the correct amount of monthly liabilities were 12.13 percent and 51.39 percent. There were no compensating factors because the original ratios calculated on the MCAW were within the guidelines.
 - o Auditee Comments: The ratios were consistent with FHA guidelines and no compensating factors were required. The borrower was required to bring proof of payment on the First Credit account with the \$88 payment. The loan closed and the proof was not sent to us. However adding this amount into the monthly debt, the figure would be \$1,065 per month and the ratios would then be 11.99 percent and 38.26 percent respectively. This would be well within the guidelines and no need for compensating factors would exist. Please see attached revised MCAW.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the additional monthly payment would not increase the ratios substantially.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust but not on the Note. Therefore, the non-purchasing spouse has a right to the asset but no responsibility for the liability.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3896129

Insured Amount: \$ 97,950

Section of Housing Act: 203(b)

Date of Loan Closing: 9/5/00

Current Status: Partial reinstatement; Prior: Default status after 2 payments

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrowers' income. Income on the Mortgage Credit Analysis Worksheet was \$11,973.48 per month. Income on the Residential Loan Application totaled \$4,723.48 per month for the two co-borrowers; this amount was supported by pay stubs and written verification of employment. No income information was provided on the worksheet or the Residential Loan Application, and no income documents were obtained, for the primary borrower. Cendant used income of a co-borrower, but did not obtain a credit report for that borrower. The co-borrower's liabilities and credit history are to be considered in the determination of creditworthiness.
 - o Auditee Comments: The income was verified as required by FHA guidelines. The income figure used to calculate the Mortgage Credit Analysis Worksheet was consistent with the income of \$4,723.48 confirmed by the auditor. Due to a systems error, the original stated income printed on the MCAW even after the income had been updated in the system although the ratios calculated based on the income of \$4,723.48. In error, the MCAW was not updated after the systems issue was corrected. The co-borrower's credit report was in the file but not in the submission package. See attached MCAW and credit report.
 - OIG Evaluation of Auditee Comments: We disagree with Cendant's use of the co-borrower's income. Her monthly debts of \$562 were not included in the liabilities considered in approving the loan; therefore, it was inappropriate to include her income.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. According to Loan Prospector documentation requirements, acceptable loans must have a verbal Verification of Employment, most recent year to date pay stub documenting one full month's earnings, and most recent 2 years' W-2(s). A Verification of Employment confirming 2-year employment history, only base pay used to

qualify, and Internal Revenue Service form 8821 can be substituted for the W-2(s). This loan did not contain the necessary income verification documentation.

FHA Case Number: 292-3899329

Insured Amount: \$129,934

Section of Housing Act: 203(b)

Date of Loan Closing: 08/11/00

Current Status: Servicing transferred or sold; Prior: Default status after 4 payments

Inconsistent Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. The borrower changed jobs 3 weeks before closing. Cendant obtained a verbal verification from the borrower's new employer. This verification did not include the start date or the pay amount. The loan was based on monthly income from his prior job.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Poor Credit:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan despite the high level of credit risk, based on the co-borrower's credit report scores. The co-borrower's credit report scores were 596, 536 and 507.
 - o Auditee Comments: The credit score for the co-borrower was consistent with FHA guidelines and did not represent a high level of risk. The median credit score for the co-borrower was 673 not 536 as indicated by the auditors. In addition, he had assets in his retirement account with a balance of \$18,454.54. Please see attached credit report.
 - OIG Evaluation of Auditee Comments: Cendant stated that the co-borrower's credit scores were higher than we reported. We inadvertently labeled the person with the credit problems as the co-borrower instead of the borrower.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3902848

Insured Amount: \$81,697

Section of Housing Act: 203(b)

Date of Loan Closing: 09/25/00

Current Status: Property conveyed to insurer; HUD incurred a loss of \$16,935. Prior: Default status after 5 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$12,600.08, but the borrower could only provide evidence of \$1,323.89 in a checking account. These assets were co-owned with another party. The lender has no way of knowing what portion of those assets the borrower has available to him nor what other debts of the non-purchasing spouse are to be paid out of those assets.
 - o Auditee Comments: Sufficient funds were verified as required by FHA guidelines. The assets to close were from the sale of the borrower's previous home. The loan was conditioned for the HUD 1 settlement statement from that sale which took place on the same day with total proceeds of \$19,879.74. As per the separation agreement, the borrower retained 60 percent which is \$11,927.90. In addition, the auditor confirmed there were \$1,323.89 in checking account assets. The MCAW required assets of \$12,600.08 and \$13,251.79 is documented in the file. Please see attached HUD-1 and separation agreement.
 - OIG Evaluation of Auditee Comments: Cendant provided adequate documentation to support the funds needed to close.
 - Violation: Removed from Finding 2; Appendix D updated to reflect change.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$10,878.24 per month. According to the written verification of employment, the borrower earns \$49,999 per year, or \$4,166.58 per month.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 says "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent

pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet were 18 percent and 57 percent. These ratios excluded the mortgage payment on the borrower's current home; had it been included, the second ratio would have been 81%. The compensating factors provided were 1) Reducing housing expense (Housing expense went from \$966 to \$740. However, the borrower was only required to make half of that house payment, her ex-husband was making the other half. Therefore, her housing expense actually increased from \$498 to \$740 per month), 2) Excellent reserves (There is no support for the funds it will take to close the loan, not to mention any reserves that will be available after the loan closes), 3) Not max financing (Regardless of the percentage amount of financing, her ratios indicate that she will not have the funds available to make her mortgage payment), and 4) Present property being sold (There is no support provided that the house had been sold).
 - o Auditee Comments: The ratios were consistent with FHA guidelines with compensating factors. The following compensating factors supported the ratios: 1) Reserves used were from bank account and the sale of the previous home. 2)The borrower's housing expense was reduced. Since the borrower's former husband was on the previous home loan, the assumption was made that our borrower was only responsible for half of the housing expense. As per the terms of the separation agreement in the file, the borrower was responsible for all of the expenses relating to the marital (previous) home. That housing expense was higher than our loan. 3)The present property was sold as evidenced by the HUD 1 is in the file. 4) The borrower made a large down payment toward the purchase of the property. The loan to value at closing was 88.88 percent which is lower than the loan to value on most FHA loans.
 - OIG Evaluation of Auditee Comments: We disagree with Cendant's assertion that the compensating factors are adequate. 1) Reducing Housing Expense – per the divorce decree, the borrower paid \$502.50 toward the monthly mortgage payment of the previous residence. The new monthly payment is \$750.96. Therefore, it is not reduced. The lender stated that the borrower is responsible for the full expenses of the house, but those relate to utilities and such, not the mortgage payment. 2) Excellent Reserves – after closing the borrower only had \$651.71 in reserves (\$13,251.79 supported assets less \$12,600.08 needed to close). 3) Not Max Financing – we concur that the borrower did not finance the maximum amount, but feel that this is not an adequate compensating factor. 4) Present Property Being Sold – the lender did provide evidence that the property was sold, but this only brings the total debt to income ratio down from 81 percent to 57 percent, when 41 percent is the maximum acceptable.
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that “The lender must compute two ratios:

(1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented.” and “(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented.” This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

FHA Case Number: 292-3907011

Insured Amount: \$14,381

Section of Housing Act: 203(b)

Date of Loan Closing: 09/08/00

Current Status: Delinquent 90 days or more; Prior: Default status after 1 payment

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet were 21.15 percent and 33.40 percent. Cendant excluded from its debt to income calculation a monthly payment of \$70 on an account balance of \$490, on the basis of there being less than 10 months remaining. However, HUD requires debts lasting less than ten months to be counted if the amount of the debt affects the borrower's ability to make the mortgage payment during the months immediately after loan closing; this is especially true if the borrower will have limited or no cash assets after loan closing. This borrower had no cash after closing and monthly Social Security disability benefits of \$532 per month, so this debt did affect the borrower's finances. The re-calculated ratios, when the additional \$70 monthly debt was included, were 21.15 percent and 44.84 percent. The compensating factors provided were 1) ratios in line (if ratios were in line, compensating factors would not be needed); 2) conservative use of debt (HUD allows a compensating factor of "The borrower has demonstrated a conservative attitude toward the use of credit and an ability to accumulate savings". This borrower has not accumulated any savings.); and social security grossed up 115 percent (Disability payments have already been "grossed up" for the income figure used to calculate the ratios. This is not a compensating factor to justify when the ratios are still too high).
 - o Auditee Comments: The ratios are consistent with FHA guidelines and no compensating factors are required. The borrower's ratios are consistent with FHA guidelines. It is not uncommon for an underwriter to add compensating factors as a matter of habit, however the concern that the \$70 payment was omitted with a balance of \$490 is not significant. The "high balance" on that account, as per the credit report was \$490. The "Current balance" as of the date of the credit report was \$350. There were only 5 payments left on that account. Since the borrower's first payment was two months away from the closing date, she would have only had 3 payments. It was reasonable to assume that if the borrower current housing expense was \$175 and her housing obligation was decreasing to \$129 per month, that she would have continued to make her payments on a grossed up income of \$611.80 per month. See attached credit report.
 - OIG Evaluation of Auditee Comments: We agree with Cendant's assertion that the borrower had a balance remaining on the questionable account of \$350 (or 5 months of payments) and that the borrower would only make 3 payments after closing before the debt is paid in full. However, that \$70 payment, coupled with the borrowers existing debt of \$75 and the new mortgage payment of \$129.43, is over 44 percent of

her income. This fixed debt amount of \$274.43 could be quite burdensome to a person that only nets \$532 per month. The compensating factor used states that the borrower's current housing expense is decreasing. As we discussed with Cendant during our audit, the \$175 that Cendant uses as a standard for previous housing expense is not allowable. The borrower's housing expense is actually increasing.

- Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that "The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented." and "(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented." This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

FHA Case Number: 292-3910628

Insured Amount: \$60,068

Section of Housing Act: 203(b)

Date of Loan Closing: 09/15/00

Current Status: Repayment; Prior: Default status after 4 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$2,732.62, but the borrower could only provide evidence of \$1,315 in his bank account. The bank information was from an account inquiry, not the required complete bank statements. An earnest money deposit of \$1,500 was listed on the worksheet and the application, but there was no verification of these funds. The earnest money deposit exceeded 2 percent of the \$60,100 sales price.
 - o Auditee Comments: Sufficient funds were verified as required by FHA guidelines. The funds required for closing were \$2,732.62. The auditor confirmed that the borrower's bank statements verified \$1,315. The borrower received \$2,000 in gift funds. Total available assets were \$3,315.00. The borrower closed with gift funds which is documented by the gift letter and donor's ability to give the gift located in the file. Part of the gift funds appear to be shown as Upfront MIP premium line 206 of the HUD 1 Settlement Statement in error. The title company should have labeled this as "gift" funds, however it is still a credit. Earnest money was documented in the checking account and the seller verified receipt of it in the Agreement of Sale. The savings account printout complies with FHA requirements provided that it came directly from the bank via fax, includes all of the bank's information and the borrower's name and account number is on it. If a balance is needed between statement dates, it is necessary to get a printout to document the balance. Please see attached documentation.
 - OIG Evaluation of Auditee Comments: The \$1,315.81 that the borrower documented as of 09/13/00 includes the \$2,000 gift the donor claims was transferred on 09/01/00. Without a full month bank statement, as required, the lender is unable to determine if the funds were transferred to the borrower. The funds required were \$2,732.62, but the documentation only evidences \$1,315.
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. If the amount of the earnest money deposit exceeds 2 percent of the sales price, the lender must verify the deposit amount and the source of funds. Satisfactory documentation includes a copy of the borrower's cancelled check. This file did not contain adequate evidence of the funds needed to close.

Gift Funds Not Documented:

- OIG Initial Finding: A gift letter for \$2,000 was included but the required proof of transfer of funds was not provided.
 - o Auditee Comments: Gift information in the file complied with FHA requirements. See explanation in assets to answer.
 - OIG Evaluation of Auditee Comments: The gift letter was documented with the exception of the transfer of funds. Without a full month bank statement, as required, the lender is unable to determine if the funds were transferred to the borrower.
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that “the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower.” This file did not contain all the necessary documentation required when a borrower is using gift funds.

Nonpurchasing Spouse:

- OIG Initial Finding: Cendant Mortgage Corp. incorrectly had the non-purchasing spouse sign the security instrument. The non-purchasing spouse is included on the Deed of Trust. Although she also signed the Note, it is still improper because her income, liabilities, and credit were not considered in the underwriting of the loan. Furthermore, the non-purchasing spouse's name is on the bank statement. These are co-owned assets that were used to close the loan. The lender has no way of knowing what portion of those assets the borrower has available to him nor what other debts of the non-purchasing spouse are to be paid out of those assets.
 - o Auditee Comments: The non-purchasing spouse properly signed the Deed of Trust to waive their homestead interest in the property and create a valid first lien as permitted and required by FHA guidelines.
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that the non-purchasing spouse must sign the Deed of Trust to create a valid lien.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3917372

Insured Amount: \$79,664

Section of Housing Act: 203(b)

Date of Loan Closing: 10/12/00

Current Status: Terminated-paid in full. Prior: Default status after 3 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$3,902.94, but the borrower could only provide evidence of \$3,400 in escrow.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that “all funds for the borrower’s investment in the property must be verified.” The lender must insure that the borrower has sufficient funds available to close the loan. This file did not contain adequate evidence of the funds needed to close.

FHA Case Number: 292-3918303

Insured Amount: \$134,931

Section of Housing Act: 203(b)

Date of Loan Closing: 11/29/00

Current Status: Foreclosure Completed, no claim or loss information available at this time.
Prior: Default status after 0 payments.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Cendant did not obtain the required verbal or written verification of employment.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Indications of Possible Fraud:

- OIG Initial Finding: Cendant did not follow-up on discrepancies until after the loan had been endorsed. The W-2s were not completely filled out. The borrower's previous address on the application was different from the addresses on all other documentation.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: Indications of possible fraud were not resolved. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 states that "we expect the application package to contain sufficient documentation, to support the lender's decision to approve the mortgage loan. When standard documentation does not provide enough information to support this decision, the lender must provide additional explanatory statements, consistent with other information in the application, to clarify or supplement the documentation submitted by the borrower." HUD Handbook 4000.4, Chapter 2 states that it is the underwriter's responsibility to be aware of the warning signs that may indicate irregularities and to detect fraud. In other words, the lender should ensure that any indications of possible fraud are

evaluated and that the appropriate steps are taken and adequate documentation is provided to resolve any discrepancies. This file did not contain adequate documentation that the lender attempted to resolve any discrepancies noted.

FHA Case Number: 292-3922626

Insured Amount: \$52,566

Section of Housing Act: 203(b)

Date of Loan Closing: 10/31/00

Current Status: Delinquent 90 days or more; Prior: Default status after 0 months

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. Cendant did obtain a gift letter for \$3,000, but did not document proof of transfer of the gift funds.
 - o Auditee Comments: The gift was documented as required by FHA guidelines. A gift letter is in the file along with copies of two cashier's checks totaling \$791.66, which is what the borrower needed to close per the HUD 1. Please see attached documentation.
 - OIG Evaluation of Auditee Comments: Cendant provided additional documentation to verify the gift, however, there was no proof of receipt as would be evidenced on a bank statement.
 - Violation: Gift information was not adequate. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 Part C states that "the lender must document the transfer of the funds from the donor to the borrower. Acceptable procedures include obtaining a copy of the donor's withdrawal slip or cancelled check, along with the borrower's deposit slip or bank statement showing the deposit. If the funds are not deposited to the borrower's account prior to closing, the lender must obtain verification the closing agent received funds from the donor for the amount of the gift. The file must also contain a gift letter specifying the dollar amount, signed by the donor and the borrower, stating no repayment is required, and showing the donor's name, address, telephone number, and relationship to the borrower." This file did not contain all the necessary documentation required when a borrower is using gift funds.

W-2 Problem:

- OIG Initial Finding: Cendant did not follow-up on discrepancies. The borrower's address on the W-2 and pay stubs was different from the address given through the landlord and employment verifications and the loan application.
 - o Auditee Comments: None
 - OIG Evaluation of Auditee Comments: N/A
 - Violation: W-2 information was not provided or was incorrect. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 3-1 Part E. states that "as an alternative to obtaining a Verification of Employment, the lender may choose to obtain from the borrower original pay stub(s) covering the most recent thirty-day period, along

with original copies of the previous two years' Internal Revenue Service W-2 forms.” This file did not contain a written Verification of Employment, and therefore, should have contained two years' Internal Revenue Service W-2 forms. HUD Handbook 4000.4 Rev-1, Single Family Direct Endorsement Program, Chapter 2-1 states that “A Direct Endorsement mortgagee must conduct its business operations in accordance with accepted sound mortgage lending practices, ethics and standards.” These forms should have been scanned for accuracy.

FHA Case Number: 292-3926237

Insured Amount: \$85,856

Section of Housing Act: 203(b)

Date of Loan Closing: 11/14/00

Current Status: Forbearance; Prior: Default status after 3 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$4,536.80, but the borrower could only provide evidence of \$303 in a checking account.
 - o Auditee Comments: Sufficient funds to close were verified as required by FHA guidelines. The borrower was qualified with a gift, however at some point prior to the closing the donor and borrower signed a Promissory Note. Payment would not commence until 2002 so the payment was not included in the debt ratio. There is a bank generated balance query in the file. Please see attached documentation.
 - OIG Evaluation of Auditee Comments: Cendant provided additional documentation to support the assets stated.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

Inconsistent/Unverified Income:

- OIG Initial Finding: Cendant Mortgage Corp. did not properly verify the borrower's income. Income on the Mortgage Credit Analysis Worksheet was \$1,884.64 per month. The pay stubs provided verified that the borrower's income was only \$1,757.81 per month. Cendant did not obtain a verification of employment.
 - o Auditee Comments: Income was verified as required by FHA guidelines. The borrower was qualified with overtime and bonus income. Two years W-2s are in the file. It is Cendant's policy to obtain a verbal verification of employment but the documentation of the verification obtained at the time of closing could not be located. In a subsequent review of the file, a VOE was obtained and placed in the file. Please see attached documentation.
 - OIG Evaluation of Auditee Comments: Cendant provided the requested verification of employment dated July 25, 2002 to verify employment for a loan closing 11/14/00. According to this VOE, the employer verified monthly income to be the exact amount used to qualify the borrower 2 years ago. This amount includes bonus and overtime income. To use bonus and overtime pay, the lender must show a two-year earnings trend. This borrower earned \$17,720.67 in 1998, \$19,055.39 in 1999, and \$16,961.74 year to date as of October 1, 2000. This total of \$55,737.7 averaged over 33 months is only \$1,689.02 per month. Without a current verification of employment, the lender should not use bonus or overtime income.
 - Violation: Income was not verified. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family

Properties, Chapter 2, requires that the lender establish the borrower's capacity to repay the mortgage debt. Income from a source that cannot be verified, is not stable, or will not continue should not be used when calculating the borrower's income ratios. Part 2-6 states, "the lender must verify the borrower's employment for the most recent two full years." According to Chapter 3, income verification must be done through a written Verification of Employment and the most recent pay stub, or 1 month's pay stubs, 2 years' W-2(s), a verbal Verification of Employment, and Internal Revenue Service form 8821. This loan did not contain the necessary income verification documentation.

Inadequate Ratios/Qualifiers:

- OIG Initial Finding: Cendant Mortgage Corp. approved the loan for closing with ratios that were too high and insufficient compensating factors. The ratios on the Mortgage Credit Analysis Worksheet after using the correct income amount were 37 percent and 48 percent. The compensating factors provided were 1) Not using child support income (Even with child support, ratios are still 31 percent and 40 percent.), 2) Minimal consumer debt (An acceptable compensating factor is if the borrower has demonstrated a conservative attitude toward use of credit and an ability to accumulate savings. The borrower did not demonstrate savings.), and 3) Good job stability (There was no verification of employment to determine the length of the borrower's employment. Therefore, a judgment cannot be made on the borrower's job stability).
- o Auditee Comments: Ratios were consistent with FHA guidelines with compensating factors. In error, the Mortgage Credit Analysis Worksheet was not updated to reflect the following compensating factors: 1) Job stability as evidenced with two years W-2's; 2) Minimal consumer debt – savings as evidenced by her 401K statement; 3) Not using child support – With child support the ratios would be 31/40 respectively – with housing ratio being slightly higher than the "suggested maximum guideline".
 - OIG Evaluation of Auditee Comments: We concur with Cendant's assertion that two years W-2s verify job stability. We agree that the borrower is not using child support income and that, with that income, the ratios are reduced. However the ratios are still higher than guidelines even with the child support income.
 - Violation: Loans closed with ratios that were too high. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-12 states that "The lender must compute two ratios: (1) Mortgage payment expense to effective income. If the total mortgage payment does not exceed 29 percent of gross effective income, the relationship of the mortgage payment to income is considered acceptable. A ratio exceeding 29 percent may be acceptable if significant compensating factors are presented." and "(2) Total fixed payment to effective income. If the total mortgage payment and all recurring charges do not exceed 41 percent of gross effective income, the relationship of total obligations to income is considered acceptable. A ratio exceeding 41 percent may be acceptable if significant compensating factors are presented." This file contained ratios that were above the acceptable limit without providing adequate compensating factors.

Gift Funds Not Documented:

- OIG Initial Finding: Cendant Mortgage Corp. did not verify the gift information provided by the borrower. The borrower stated he would receive a gift of \$4,300, but only submitted a gift letter as documentation and did not submit the required proof of transfer or proof of the donor's ability to pay.
 - o Auditee Comments: No gift documentation was required. Borrower was qualified with a gift, however at some point prior to the closing the Donor and Borrower signed a Promissory Note. Payment would not commence until 2002 so the payment was not included in the debt ratio. There is a bank generated balance query in the file. Please see attached.
 - OIG Evaluation of Auditee Comments: Cendant provided additional documentation to support the assets stated.
 - Violation: Removed from Finding 2; Appendix D adjusted to reflect change.

FHA Case Number: 292-3942348

Insured Amount: \$101,200

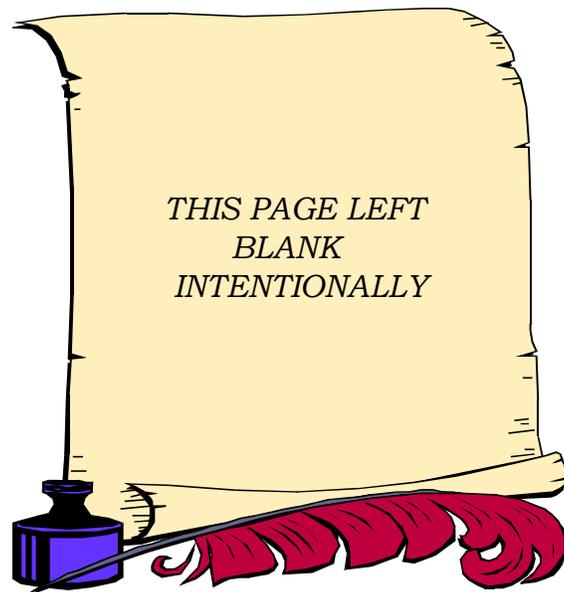
Section of Housing Act: 203(b)

Date of Loan Closing: 01/08/01

Current Status: Reinstated by mortgagor; Prior: Default status after 0 payments.

Not Enough Assets to Close:

- OIG Initial Finding: Cendant Mortgage Corp. did not ensure that the borrower had sufficient funds to close the loan. The total due at closing per the Mortgage Credit Analysis Worksheet was \$4,912.25. The borrower's asset documentation showed availability of \$5,475.04 (\$3,775.62 in a 401K account, \$50.75 in savings, and \$1,648.67 in a checking account). However, the checking account showed 5 large deposits totaling \$4,100 in the two months of checking account statements, with no explanation for the source of these funds. In addition, in these same 2 months, the borrower had 3 returned item fees.
 - o Auditee Comments: Sufficient funds were verified as required by FHA guidelines. The borrower's assets to close were from a 401K account and a checking account. The borrower's pay was automatically deposited into his credit union account and the deposits which were all less than \$1,000 with one exception, were made twice a month coinciding with his pay cycle. His average net paycheck was \$1300, so the transfer of funds in a similar amount is not suspicious. The returned check fees were actually overdraft fees for ATM withdraws over his limit. Please see attached documentation.
 - OIG Evaluation of Auditee Comments: The lender needed to verify that the borrower had \$4,912.25. The information provided by Cendant only verified \$4,221.50 (\$3,775.62 in a 401K account, \$50.75 in savings, and \$395.13 in checking. The checking account statement provided by Cendant in their comments supercedes the one previously provided that stated that the checking account balance was \$1,648.67).
 - Violation: Insufficient funds to close the loan. HUD Handbook 4155.1 REV-4, Chg.1, Mortgage Credit Analysis for Mortgage Insurance on One-to-Four-Family Properties, Chapter 2-10 states that "all funds for the borrower's investment in the property must be verified." The lender must insure that the borrower has sufficient funds available to close the loan. If there is a large increase in an account, or the account was opened recently, an explanation and evidence of source of funds must be obtained by the lender. This file did not contain adequate evidence of the funds needed to close.



Auditee Comments

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September 26, 2002

BY UPS NEXT DAY AIR

Roger E. Neisen
Regional Inspector General for Audit
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Dear Mr. Neisen:

We are pleased to provide you with Cendant Mortgage's response to the draft audit report of the Office of Inspector General (OIG) dated July 16, 2002. As you are aware, Cendant has benefited from the hard work of the OIG in preparing the draft report, which sets forth the OIG's concerns with certain of Cendant's FHA lending practices. We also appreciate the time you and your colleagues spent with us face to face in Washington, DC on September 20, 2002, where we responded in broad terms to the draft report and reviewed our FHA loan quality initiatives.

This letter sets forth in detail our response to each of the concerns and the two Findings in the draft audit report and describes the corrective action that Cendant has taken and is taking to ensure these issues do not surface in the future.

Cendant is committed to achieving best in class status in the origination of FHA-insured mortgage loans, and we believe that we have the business model, management team, and mission focus necessary to achieve this result. We already were well on our way to strengthening and improving our policies and procedures in the FHA lending area prior to the issuance of the draft audit report, and have been working closely with the HUD Philadelphia Home Ownership Center (HOC) to improve our process, controls and the quality of our FHA loan originations.

Cendant is pleased to be one of HUD's major business partners in the FHA single-family mortgage insurance program. We have enjoyed a positive relationship with HUD and would like to resolve this matter in a spirit of full cooperation. We understand the importance of complying

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with HUD's rules and regulations and remain fully committed to demonstrating this understanding through our loan origination practices.

Overview of Office of Inspector General Draft Audit Report

The OIG draft audit report was issued for review and comment on July 16, 2002. The audit period covered by the report was August 1, 1999 through September 30, 2001.

The draft audit report identified what it described as several "significant weaknesses" in management control. In addition, there were two draft OIG's Findings in the audit report: (1) "Cendant Improperly Submitted Late Requests for Endorsement;" and (2) "Controls Over Loan Originations Need Improvement." In draft Finding (1), the OIG stated that Cendant submitted 1,364 loans for FHA insurance endorsement more than 60 days after closing when the borrowers had delinquent payments prior to submission. In draft Finding (2), the OIG stated that Cendant did not adhere to prudent lending practices when processing any of the 80 defaulted loans examined by OIG.

Cendant's Response to the Draft Audit Report and Findings

Cendant has had and continues to improve its strict management controls over the quality of its FHA loan originations.

As described during our meeting with the OIG in Washington, DC and at our meeting and subsequent written submission to the Philadelphia HOC in April, 2002, Cendant has taken the following steps, among others, to improve and strengthen its FHA loan origination procedures:

AUS Scoring Evolution. As early as January, 2001, Cendant adopted the use of Fannie Mae's more conservative DU scoring system as the exclusive automated scoring aid in its evaluation of the creditworthiness of FHA loan applicants.

Executive QC Committee. Beginning in January, 2002, Cendant formalized its quality control review process, a highlight of which was the formation of an Executive Quality Control Committee comprised of all senior managers of Cendant and presided over, personally, by our Chief Operating Officer and me.

Social Security Number Fraud Checks. Cendant now requires a social security number fraud check for all FHA loan applicants prior to sending out its application packages.

Fraud Prevention Education. Cendant created a comprehensive fraud prevention training program in January, 2001. Over 2,000 Cendant employees have attended this program, to date, and the training is mandatory for all new Cendant employees.

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Underwriting Approval Before Release of Loan Packages to Closing. Beginning in September 2001, Cendant placed trained Underwriters on selected FHA loan processing teams to carefully review all conditions prior to loan closing and ensure that no loan is sent to the closing table with unsatisfied pre-closing conditions. All teams have been covered since May 2002.

Suspension of Loan Processing. Loan packages are “suspended” rather than “conditioned” while awaiting complete pre-closing documentation, including but not limited to documentation of the source of assets listed on the 1003 application and a fully completed gift letter in proper form. In addition, FHA loan files are specifically rather than generically conditioned before being sent to processing. For example, proof that an applicant’s 401(k) plan has been liquidated to obtain required funds is specified as a condition rather than merely requiring proof of source of funds.

Post-closing Underwriting Evaluation. “Batting Average” audits of a sample of closed FHA loans are conducted by underwriters post-closing to assure that closing conditions are being properly satisfied and documented.

Cendant also has made major management personnel changes in its senior ranks, including appointing as its Chief Operating Officer its former Chief Financial Officer who has 22 years of financial experience, including 12 years in auditing and internal controls with Deloitte & Touche; appointing as its Senior Vice President for Sales and Operations (responsible for loan registration and processing) an individual with 17 years of underwriting experience in the mortgage industry and who serves as a Member of the Fannie Mae Underwriting Advisory Board; appointing as its Senior Vice President for Secondary Marketing and Underwriting a veteran with 20 years of risk management experience in the mortgage industry and a former staff auditor at KPMG Peat Marwick; and appointing as its Vice President for Loan Control and Completion (responsible for FHA loan insurance submission) a 30 year veteran of the mortgage business who is a Certified Mortgage Banker and Past Chair of the national MBA Loan Administration Committee.

An important goal of all of these changes is to empower our employees to respond confidently to questions from FHA loan applicants knowing that they have the expertise to make a sound decision fully consistent with all applicable FHA requirements.

As a result of all of these changes and new controls, current year FHA loan origination volume has decreased substantially compared with last year’s, at the same time as overall loan origination volume substantially has increased. See Appendix #1. Cendant will not and does not originate FHA loans for applicants who are not qualified to have them, as these results, and those of our ongoing quality reviews, make clear.

With respect to the two Findings of the OIG draft audit report, we note the following.

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As Cendant committed to the Philadelphia HOC in April 2002, Cendant presently submits over 97% of its closed FHA loans for insurance within 60 days of closing. To achieve that result, Cendant tightened and streamlined all of its loan submission procedures; retrained all of its specialists on correct submission requirements; developed daily reporting routines; and decreased the workload of its specialists in this area from 41 closed loans to 23 per person per month. Cendant also revised its late submission letter template to explain clearly the reason for late submission and to note expressly that the required payment ledger was attached.

Under these circumstances, the late submission issues highlighted in this draft finding will never occur again. We discuss our submissions processes and procedures in more detail in the attached Appendix #2.

Cendant reviewed the payment histories of all 1,364 loans that the OIG draft audit report noted had been submitted more than 60 days after closing when the borrowers had had delinquent payments prior to submission. (We note that 20,122 loans in total were submitted for FHA insurance during this same audit period.)

Our review of the 1,364 loans cited by the OIG revealed the following.

53 loans had satisfactory payment histories at the time of submission for insurance ("eligible loans"). Additional details concerning those loans are found at Appendix #3.

263 loans, in fact, had a subsequent payment history of at least 6 consecutive months of on-time payments. Accordingly, had Cendant waited for these six timely consecutive payments to have been made, rather than submitting before all six payments were made, these loans would have met all applicable insurance requirements ("acceptable loans"). Additional details concerning those loans are found at Appendix #4.

108 loans have been paid in full and are no longer insured by the FHA. Additional details concerning those loans are found at Appendix #5.

With respect to the remaining 940 loans, we propose two categories of indemnification: our records indicate that 174 of these loans have been, or are presently, in default (See Appendix #6). Cendant will indemnify HUD for any losses it may incur with respect to these loans. Our records indicate that the remaining 767 loans are not in default. Cendant proposes to indemnify HUD for any losses it may incur with respect to any of these loans that default within two years of the date of endorsement, regardless of reason.

Please note that the number of acceptable, eligible and paid-in-full loans has changed slightly from the report we delivered at our face to face meeting last week. In the case of the acceptable loans, 9 of the original 64 have been moved to the paid in full column and 2 are included in the default indemnification. Likewise in the case of acceptable loans, 8 have been

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moved to the paid in full column and 6 are included in the default category. We also moved one loan, after further review, from the number of remaining loans to the acceptable loans category.

As for the second draft Finding, that highlights certain loan origination and processing issues, we note the following.

Cendant requires extensive mandatory training of all Cendant employees involved in the loan registration and processing areas, including training on specific issues that are raised by Cendant's Quality Control group and through other audits. Such training has focused on, among other subjects, gift documentation; the purpose and proper completion of required FIA forms; asset documentation; and verbal VOs. Our training encompasses classroom work (and testing), power point presentations, job aids, an update to extensive on-line resources, underwriting guidelines, and policy and procedure handbooks. We discuss this control environment created by the interface between Underwriting and our processing areas in more detail in Appendix #7.

Cendant also vigorously monitors the work of our loan registration, processing and closing personnel. Our Senior Vice President personally reviews and authorizes, if appropriate, all underwriting exceptions; weekly reviews all loan packages as to which there is an indication that the social security number of the applicant is invalid; weekly reviews and reports on trends involving loan quality; weekly reviews "Batting Average" reports on loan quality with affected loan processors; and monthly receives and reviews reports from senior managers on their progress in completing assigned special projects to improve loan quality. In addition, 50% of a supervisor's incentive pay is now tied directly to the quality of the FHA loans originated.

Moreover, Cendant has placed onto each FHA loan processing team underwriters who control the clearing of all conditions and who are directly responsible for preventing loans from closing prematurely. Weekly reports track "unallowed" condition clearing (under 2% currently), which allows Cendant to take immediately disciplinary action against the appropriate loan processors. In addition, an IT "block" has been inserted into the loan processing system that prevents loan processors from arranging for the closing of any loan without the prior approval of the underwriter. Specially trained Cendant employees also have been hired to review all HUD-1s prior to disbursement of funds to assure proper documentation of the minimum required 3% investment.

Finally, all loans with "red flag" indicators of potential fraud or failure to adhere to all Cendant requirements are reviewed by the Senior Vice President and investigated in depth by our experienced Quality Control experts. Their results are reported to our Human Relations Department for disciplinary action and, as appropriate, findings are reported to HUD.

With respect to the second Finding, we carefully reviewed each of the 80 defaulted loans cited in the draft OIG draft audit. Our review revealed the following.

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Seventy-five percent of the individual audit findings with respect to these 80 loans are explained upon a review of loan file documentation. That results in 38 of the 80 cited loans having no unresolved findings remaining following this review. Additional details about these loans and findings may be found in Appendix #8. Cendant will indemnify HUD for any losses it may incur with respect to the 42 loans with unresolved findings remaining.

Specifically, of the 15 "fraud indicator" findings cited in the draft OIG audit report, 12 of are fully explained and supported by documentation in the relevant loan files.

Of the 17 findings of improper non-purchasing spouse signatures on the mortgage or security instrument, 14 required this signature in order to establish a valid first lien secured by the property under state law, and that practice expressly is permitted by HUD in its relevant underwriting requirements and Handbook. All 14 of these loans involve property in Missouri, which is a "homestead" state. Missouri law requires a non-purchasing spouse not on title to the property to sign the mortgage or security instrument in order to establish the required lien on the property. The relevant HUD Handbook expressly recognizes and authorizes this practice, and neither Cendant nor HUD, under these circumstances, considers the non-purchasing spouse to be a loan applicant or borrower. Accordingly, a non-purchasing spouse in Missouri is not subject to FHA underwriting requirements and is not required to sign the loan application.

Of the 18 findings in the OIG draft audit report specifying different or missing names or addresses on W-2 forms, 12 are fully explained and supported by documentation in the file.

Of the 18 findings citing inadequate credit ratios or compensating factors, 13 fully conform to all applicable FHA underwriting guidelines.

Of the 25 findings citing inadequate gift fund documentation, 12 are fully supported by documentation in the file.

Of the 39 findings of insufficient assets to close, 21 of the cited loan files contained documentation evidencing sufficient assets.

Of the 50 findings of inconsistent or unverified incomes, 33 of the cited loan files included appropriate documentation of the income upon which the underwriting decision was based.

Conclusion

We trust that after you review this letter and appendices, and after considering the presentation we made during our September 20 to meeting, you will be convinced of Cendant's

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commitment to our partnership with HUD and to strict compliance with all FHA loan origination requirements.

We are offering to enter into indemnification agreements where it is justified, as described above and in the appendices. As you will note, if all the offers to indemnify HUD are accepted, Cendant would be providing indemnification protection to HUD for a total of 216 mortgage loans. This would be in addition to the 129 mortgage loans for which Cendant previously offered to indemnify HUD to resolve very similar issues during the same audit period with the HUD Philadelphia HOC.

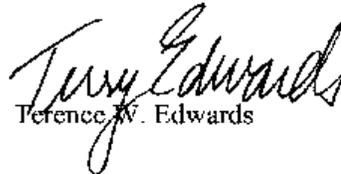
In considering our approach to indemnification, please be assured that it has never been and will never be our intent to shift losses to FHA by delaying a submission for insurance or originating any loans without all required documentation or otherwise not in conformity with all applicable FHA requirements. Where Cendant has made errors that have or will result in default and loss to the FHA, Cendant has offered to indemnify HUD against all such losses.

Simply stated, Cendant does not and will not submit any loans for FHA insurance that do not fully comply with all FHA requirements. Cendant has the systems, know-how, training and controls, along with a comprehensive Quality Control and review process, to ensure full compliance with all applicable FHA requirements.

We ask the OIG reconsider its draft audit report and findings in view of our presentation during our meeting and this letter and its appendices. We also respectfully ask that HUD refer the final OIG Report to the Philadelphia HOC so that a global resolution of all issues related to this audit period for Cendant Mortgage may be resolved through appropriate loan level indemnifications and other Philadelphia HOC requirements.

Finally, we would welcome a return visit by the Office of Inspector General to review and audit our considerable achievements to date, and those we are implementing on an ongoing basis.

Cendant Mortgage Corporation



Terence W. Edwards

enclosures

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Appendix #2

Summary of On Time Submissions Process Controls

The on time submission of complete and properly documented FHA loans for endorsement is of paramount importance to Cendant. Submissions and file reviews are handled by our government file completion team. In January 2002, Judy Kent assumed the leadership role in this control unit. Judy has more than 30 years experience in the mortgage business, including 22 years managing mortgage operations.

When we met with the HUD Philadelphia HOC in April 2002, we committed to having 97% of our FHA June closings submitted on time. We are pleased to report that the actual result for June closings is 97.47%, and the actual result for July closings is 97.3%. We believe our processes, training, systems, policies, procedures, culture, reporting, quality control, management and personnel are now best-in-class with respect to making timely, complete and accurate loan submissions for FHA insurance. What follows is a summary of how we achieved this status:

Beginning in June 2001, our Government file completion leadership group conducted an in-depth process study to identify opportunities to tighten the timeframe from the time a new loan is set-up after closing until submission and to ensure the highest quality of each submission. As a result of this initiative, we restated the objective/mission that every FHA file will be accurately submitted for insurance within 59 days after closing; we retrained file completion specialists on how to review critical documents (e.g., form 92900, final inspections, case number issues, original appraisal issues, and photos); we conducted bi-weekly meetings for managers and supervisors to review aging pipelines (Attachment #1); we coordinated our efforts with the Government loan quality project, which had been underway since the beginning of 2001 and whose purpose was to reduce processing and submission errors through operational process improvements; we rewrote the late letter template to ensure compliance with FHA guidelines and retrained all specialists on late letter and payment history requirements (Attachment #2); and we created a new payment-monitoring report for delinquent loans to automate the checking for six months of on-time payments (Attachment #3).

By September 2001 we had already begun to notice substantial improvement in our on time submissions. It was at this time that we began providing FHA loan quality feedback reports to our operations staff. The "Top Ten Report," which we continue to use today, is part of our monthly executive quality control Committee reports and provides information on the top 10 outstanding FHA conditions on closed loans that are not satisfied by closing and could cause a loan to be submitted late or not to be submitted at all.

The Government Loan Quality project team has used these reports to target the top processing errors. As evidence that this quality control feedback is having a positive impact, the missing Homebuyer Summary and missing builder documents, which were on the Top 10 list in September 2001, have dropped off the list with the June 2002 closings.

At the beginning of this year, we began to focus on reducing the number of days from closing to new-loan setup. At that time, it took 23 days before the Loan Completion staff could begin the file review/submission process for a particular loan. At the end of the review we had reduced the time frame by nearly half to 14 days. We have also established internal deadlines for curing critical errors and reduced the time it takes to copy the submission package from 8 days to 24 hours by outsourcing.

In March 2002, we added twenty specialist to the government file completion teams to reduce loans per person from 41 closings per specialist per month in July 2001 to 23 closings per specialist per month in July 2002, thereby ensuring that excessive employee work loads would not be the cause of submission errors.

Recently, we reorganized the government file completion department to combine file review and FHA submissions in the same job. This enables the reviewer to see FHA connection edits, which reduces subsequent errors. We also retrained all file completion specialists on critical steps in submitting loans to FHA, once again emphasizing the Form 92900, late letters and payment histories, Homebuyer Summaries, builder documents and appraisal photos. We began producing weekly suspense reports by specialist and by team so that supervisors could provide coaching to the particular specialist that is submitting loans with errors. We also improved daily submission reports to aid supervisors in identifying all loans that are approaching the 60 day submission deadline mark and began weekly supervisor review of all "tough" loans that are waiting for documentation for submission (Attachment #4).

In addition to the attached reports and documents, we are submitting a copy of our current comprehensive training manual along with our orange government loan file and checklist (Attachment #5)

In summary, we are now submitting in excess of 97% of FHA loans for endorsement within 59 days of closing, and we have ample training, reports, and quality controls in place to track loans throughout this process. In many cases the remaining 2-3% have deficiencies that will prevent the loans from ever being submitted. In other cases where a required document comes in late, we have the necessary controls in place to monitor that the requisite number of on time payments have been made before the loan is submitted for endorsement. This addresses one of the recommendations made by the Office of Inspector General to ensure that Cendant has developed and implemented control procedures that provide assurance that its employees are following proper procedures to satisfy HUD's requirements for late endorsement of loans. We believe we have demonstrated that these controls and procedures are effectively in place not only to satisfy

late endorsement requirements but to ensure that all of our submissions are on time, complete, and accurate.

Appendix #7

Summary of Underwriting and Processing Controls

Government loan quality is of paramount importance to Cendant in all phases of loan processing, from registration to closing. Effective January 2002, Donna Van Osten assumed responsibility for this operational area. She has spent 15 or her 17 years in the mortgage business in credit policy, underwriting and quality control. She immediately began interfacing with Joe Suter, who after spending 20 years in mortgage risk management and beginning his career in public accounting, has assumed responsibility for underwriting and quality control. Together, Joe and Donna have completed a significant first phase of process reengineering to ensure that all FHA loans are processed in full compliance with FHA requirements.

The single biggest process change in terms of dedication of resources, scope and positive impact is the introduction of junior underwriters on all processing teams as of May 2002. The purpose of these underwriters is to ensure that all pre-closing conditions, which itemize the FHA closing documentation requirements specified by the DE underwriter for a particular loan, are satisfied before a loan package is sent to the closing agent. Judy Kent's area, as previously stated, is responsible for retrieving conditions satisfied at closing or post-closing. Junior underwriters report up through Joe's, not Donna's, underwriting team. None of their compensation is tied to loan volume. After comprehensive training, junior underwriters are placed on processing teams and all of their work is reviewed by supervisors/lead underwriters for a period of 60 days before they are permitted to clear any outstanding pre-closing conditions. As further control, lead underwriters review closed loans that are approved by the staff of DE underwriters, along with conditions cleared by the junior underwriters, and provide real time quality feedback to the underwriters.

On the front end, Cendant's controls have also been significantly enhanced. At time of automated scoring of a loan, loans scoring "refer" are sent to an underwriting team before advancing to the processing area. Other "accept" loans are "suspended" instead of "conditioned for" when pre-closing documentation is incomplete. By suspending all FHA loans without sufficient source of assets listed on the 1003 and those without a fully completed gift letter on the correct form, and by making conditions specific, Cendant has significantly improved the quality of loans sent to processing in the areas of assets and gifts, in particular. All loans pass through an underwriter after processing, regardless of the automated underwriting score. Also, all FHA appraisals are reviewed by appraisal underwriters prior to closing. Please see a copy of our process map on Attachment #_____.

The thorough documentation of our own loan packages does not depend solely on underwriters/junior underwriters. Processors themselves go through comprehensive

training programs at time of hire and continuous, mandatory training throughout their careers at Cendant. Training during the past six months included gift documentation, government forms, asset documentation, proper use of internet bank statements, interpreting AUS scorecard findings, verbal VOE's and construction/builder documentation. Core courses include fraud training and training on self-employed borrowers, project (condo) approval and automated underwriting. Cendant employs various forms of training programs: classroom work, power point presentations, job aids and on-line programs to name a few. The FHA sales manual, applicable written policies and procedures, and HUD's guidelines all reside on the internet.

To ensure that customer service and volume stresses are never addressed at the expense of quality, supervisor incentive pay is put at risk 50% for documentation quality. Processors who violate procedures, including those who forward to a closing table loans that have not been approved by a junior underwriter, are disciplined, and supervisors are specially trained on how to handle these types of disciplinary actions.

Processors receive quality control feedback from underwriters in the form of "batting averages." These quality "batting averages" are based on the number of conditions submitted to the junior underwriter where the documentation initially provided is deemed acceptable to clear the condition. Reports are sent to the processing areas for review by individual team members and their supervisors. A sample of 100 closed loans are reviewed monthly based on an audit deficiency report generated by Judy Kent's area to determine if the deficiencies are underwriting related. Reports are sent to the processing areas for review by individual team members and their supervisors. Results from this post-closing audit and the "batting averages" themselves are also shared with members of the Executive QC Committee at their monthly meetings. Other monitoring activities are further outlined in our cover letter.

In summary, Cendant now has the training, controls, policies and procedures in place to ensure best-in-class loan origination and quality. The most recent "batting average" results indicate nearly 99% accuracy by the processing teams even before the junior underwriters and government loan completion teams conduct their review and collect remaining closing conditions prior to loan submission. One of the recommendations of the Inspector General is to ensure that Cendant has developed and implemented an effective quality control plan to prevent files from being submitted without the appropriate documentation. We believe that we have clearly demonstrated that these controls and procedures are effectively in place to achieve this result.

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