

## SECTION .0500 - RECORD AND BOOKKEEPING REQUIREMENTS

### 04 NCAC 03M .0501 RECORDS TO BE MAINTAINED

(a) A licensee shall maintain or cause to be maintained a record of all cash, checks, or other monetary instruments received in connection with each mortgage loan application showing the identity of the payor, date received, amount, and purpose.

(b) A licensee shall maintain a record showing a sequential listing of checks written for each bank account relating to the licensee's business as a mortgage broker or mortgage lender, showing the payee, amount, date, and purpose of payment, including identification of the loan to which it relates. The licensee shall reconcile the bank accounts monthly. Financial records shall be kept in a manner to permit review by examiners.

(c) A licensed mortgage lender or mortgage broker shall maintain a current listing of all mortgage loan applications in an electronic, searchable, and sortable format that permits a review of information by the Commissioner.

(d) A licensed mortgage lender or mortgage broker shall create and retain a file for each mortgage loan application that contains the following, as applicable:

- (1) the applicant's name;
- (2) date the application was taken;
- (3) name of the person taking the application;
- (4) the executed application itself; and
- (5) if the loan was closed;
  - (A) the Closing Disclosure or HUD-1 Settlement Statement;
  - (B) the loan note;
  - (C) the deed of trust;
  - (D) all agreements or contracts with the applicant, including any commitment and lock-in agreements, and other information utilized in the origination of the mortgage loan; and
  - (E) all disclosures required by State or Federal law.

(e) A licensed mortgage servicer shall create and retain a file for each mortgage loan that it services that contains the following:

- (1) the borrower or borrowers names;
- (2) a copy of the original note and deed of trust;
- (3) a copy of any disclosures or notifications provided to the borrower required by State or Federal law;
- (4) a copy of all written requests for information received from the borrower and the servicer's response to the requests as required by State or Federal law;
- (5) a record of all payments received from the borrower that contains all information required to be provided to a borrower upon request under G.S. 45-93(2)b;
- (6) a copy of any bankruptcy plan approved in a proceeding filed by the borrower or a co-owner of the property subject to the mortgage;
- (7) a communications log, if maintained by the servicer, that documents all verbal communication with the borrower or the borrower's representative;
- (8) a record of all efforts by the servicer to comply with the duties required under G.S. 53-244.110(7) including all information utilized in the servicer's determination regarding loss mitigation proposals offered to the borrower;
- (9) a copy of all notices sent to the borrower related to any foreclosure proceeding filed against the encumbered property; and
- (10) records regarding the final disposition of the loan including a copy of any collateral release document, records of servicing transfers, charge-off information, or real estate owned disposition.

(f) A licensee shall maintain a record of samples of each piece of advertising relating to the licensee's business of mortgage lending or mortgage brokerage in North Carolina for a period of 12 months.

(g) A licensee shall maintain copies of all contracts, agreements, and escrow instructions to or with any depository institution, mortgage lender, mortgage servicer, mortgage broker, warehouse lender or other funding facility, servicer of mortgage loans, and investor, for a period of three years after expiration of the contract or agreement.

*History Note: Authority G.S. 53-244.105; 53-244.115; 53-244.118;  
Eff. April 1, 2003;  
Amended Eff. May 1, 2010; April 1, 2008;  
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