Washington Release Agency FAQs

The Washington system release primarily focuses on making functionality changes, additions, and adjustments to accommodate the new mortgage examination standards developed by the Mortgage Examination Standards Working Group, which is under the superintendence of the Non-Depository Supervisory Committee. The functionality of this release will be made available to users on March 4, 2024.

The information below assists agencies in answering important questions about the effect of the release on current system functionality and its users.

1. **When will the new mortgage standards be available for my agency to use?**
    The new mortgage standards will be available with the Washington Release on March 4 for all agencies to use.

2. **What are the highlights of the changes that are coming with the release?**
    Primarily, a new set of mortgage exam standards Information Requests (IRs) will replace the set of standards that are currently in the system, as updated by the Working Group and other state agencies during the 60-day regulator-only comment period that occurred last summer.

    The new set of standards consist of (IRs) organized into four Exam Programs that cover 10 Mortgage Call Report (MCR) Peer Groups (i.e., Residential Mortgage Lender, Residential Mortgage Lender, Residential Mortgage Servicer, Residential Mortgage Master Servicer). Each Exam Program is tailored to the applicable mortgage business activities and has a set of core and non-core/expanded IRs categorized by Areas for Review (AFRs).

    We are leveraging system functionality to implement the work programs (i.e., the system's badge feature). This feature will generate a small badge on the SAs that use the work programs and its key AFRs. In addition, a new filter process will be implemented for state-specific mortgage IRs. This means that agency users, with the support of CSBS and the Working Group, will go through an assessment before adding these types of IRs in SES.

3. **Can you give more information about the new filter process that is being implemented?**
    The Working Group, with support of the NDSC and the SRR Board of Managers, determined that there are too many duplicative and redundant state-specific IRs in SES. Currently, the vast majority of IRs in SES are state-specific. This process is being implemented to maintain the standardization of the exam information housed in SES, and to avoid future duplications and redundancies in mortgage exams. On March 4, agencies will submit a request in SES should they need to add a state-specific IR to the SES Library. CSBS will support the agency with a comparison of the request with the standard IRs. The custom IR feature in the system has not changed and will be available for agency use in their examinations.

4. **What will happen to the state-specific IRs that are currently in SES?**
    The state-specific IRs will not be immediately removed from the system. They will remain in the Library to provide agencies time to review which state-specific IRs need to be retired from the

system, and which ones need to remain. CSBS will work closely with each agency to help them with their assessments.

5. **Will other state-specific IRs in SES be affected with the new release?**
The new process will apply to mortgage state-specific IRs only. The current workflow to add IRs will remain in effect for other industry types.

6. **What will happen to the current exam standard IRs that are in the system?**
The current standards will no longer be available in the library for insertion during the scope of an exam starting March 4. However, exams where the scope was defined before March 4, will not be affected by the new change in the system and will remain as is.

7. **What about the exam procedures?**
The exam procedures will not be affected by the new standard IRs. There is a plan in the near future to have the procedures better standardized and refined. However, any new changes implemented in SES during an upcoming system release, and users will receive ample notice before these changes are made.

8. **Will any exam that has the scope defined with the current standard in SES, or closed exams be affected by the new standard IRs or have the mortgage work program badge?**

No, these will not be affected, and the mortgage related work program badges will NOT apply retroactively.

9. **Does the initiation of an exam change with the new mortgage standard IRs?**

In short, no. From a functionality perspective, the way an exam is initiated will not change. However, some enhancements have been made that will allow for more efficiencies during the scope of an exam.

10. **What is the relationship between Work Programs to Supervisory Activities in the system?**

SES continues to build relationships between different workflows in the system. Now, you will see there are mortgage related Work Programs in the library. Each work program will be linked to one or more business type(s), business activities, and Areas for Review (AFRs). On an individual SA, if the scope of the SA contains at least one business type or activity in common to a work program, that SA will be allowed to have the work program badge.

11. **Can my SA have multiple work programs or none at all?**

Yes, when defining the scope of the SA the system will automatically populate applicable work program badges that the SA can have. You will be able to decide which work program(s) you want that particular SA to have or if you don't want the SA to have any associated work programs. To ensure no work programs are associated to the SA, you must select "Manually Select Business Activities and AFRs."

12. **If I have existing SAs in-flight, how will those be impacted with the new mortgage standard IRs?**

If there was an SA which was active and scope was defined and marked as complete before March 4, then those SAs will have the old mortgage standards even if those standards are no longer in the library. Only those SAs that are initiated, and scope is define on or after March 4 that will have the new mortgage standards.

13. **Will company users be impacted by the new mortgage standard IRs?**

If the company is using their QuickIR feature (which is a repository where they can view the standards that are in the system) and has at least one response associate to a standard Information Request, they will be sent a single notification when all old standards are removed from the system.

The system will not delete its responses associated to QuickIR but rather mark those responses as retired. If there was an active SA before March 4, then company users will be able to associate an old QuickIR response to an old mortgage standard IR. If a new SA is initiated on or after March 4 and sent to the company with the new mortgage standards, then the company will only be allowed to associate any new QuickIR response related to the new standard.