



**NMLS Number 2250**

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# Fair Lending Policy

**Tel: 877-978-1216**

**18 Padanaram Rd Danbury, CT 06811**

**Tel: 203-743-9985**

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## **CHAPTER 1 INTRODUCTION**

Pryisma Lending Group, LLC (PRYSMA) is committed to doing its part to ensure fair, equitable, and nondiscriminatory access to credit for both individuals and communities, by providing mortgage loan lending and brokerage services to applicants and borrowers on an equal basis, under the appropriate license or registration type applicable to the jurisdictions in which PRYSMA is authorized to provide such services, and to comply with all applicable Federal and State Consumer Finance laws and regulations.

It is PRYSMA's policy to treat all of its applicants and borrowers consistently and in compliance with Fair Lending Laws, throughout the loan process, from application to closing, including post-closing, as may be applicable to the transaction. In connection with the organization's fair lending philosophy and its obligation under law, PRYSMA has established an effective compliance management system, including effective fair lending compliance management systems, which are adapted to its business strategy and operation.

PRYSMA engages in careful monitoring for compliance with fair lending laws to manage fair lending risk and to mitigate against inadvertent or deliberate noncompliance. Accordingly, PRYSMA's management leads by example, and ensure the appropriate training to ensure employee compliance, and employs effective vendor management systems to ensure that third parties that provide services to PRYSMA are compliant with required fair lending laws.

## **CHAPTER 2 FAIR LENDING LAWS OVERVIEW**

The legal aspects of fair lending are contained in several federal and state laws. The purpose of these laws is to ensure that fair and equal treatment is provided to consumers of financial lending products and services, covered under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (§ 1013(c)(2)(D) of Public Law 111203), such as the Equal Credit Opportunity Act (ECOA) (15 U.S.C. § 1691f), the Home Mortgage Disclosure Act (HMDA) (12 U.S.C. § 2807) and The Truth in Lending Act (TILA) (15 U.S.C. § 1602).

The Dodd-Frank Act outlines the fair lending purpose following statutes:

1. ECOA – to “facilitate enforcement of fair lending laws and enable communities, governmental entities, and creditors to identify business and community development needs and opportunities of women-owned, minority-owned, and small businesses” (Dodd-Frank Act § 1071);
2. HMDA – to require mortgage lenders to collect and report additional data fields (Dodd-Frank Act § 1094); and
3. TILA – to “prohibit . . . abusive or unfair lending practices that promote disparities among consumers of equal credit worthiness but of different race, ethnicity, gender, or age” (Dodd-Frank Act § 1403).

The ECOA and its implementing regulation, Regulation B, the HMDA, and its implementing Regulation C, and TILA, and its implementing Regulation Z, prohibit

discrimination in any aspect of a credit transaction. The prohibited bases of discrimination under the ECOA are the following:

The ECOA prohibits discrimination based on:

- Race or color
- Religion
- National origin
- Sex
- Marital status
- Age (provided the applicant has the capacity to contract)
- The applicant's receipt of income derived from any public assistance program
- The applicant's exercise, in good faith, of any right under the Consumer Credit Protection Act.

In addition to the fair lending laws indicated above, The Fair Housing Act (FHAct)(24 CFR 100) prohibits discrimination in all aspects of "residential real-estate related transactions," including but not limited to:

- Making loans to buy, build, repair, or improve a dwelling
- Purchasing real estate loans
- Selling, brokering, or appraising residential real estate
- Selling or renting a dwelling.

The FHAct prohibits discrimination based on:

- Race or color
- National origin
- Religion
- Sex
- Familial status (defined as children under the age of 18 living with a parent or legal custodian, pregnant women, and people securing custody of children under 18)
- Handicap/Disability

Under both the ECOA and the FHAct, it is unlawful for a lender to discriminate on a prohibited basis in a residential real-estate-related transaction. Under one or both of these laws, PRYSMA may not, because of a prohibited factor:

- Fail to provide information or services or provide different information or services regarding any aspect of the lending process, including credit availability, application procedures, or lending standards;
- Discourage or selectively encourage applicants with respect to inquiries about or applications for credit

- Refuse to extend credit or use different standards in determining whether to extend credit
- Vary the terms of credit offered, including the amount, interest rate, duration, or type of loan
- Use different standards to evaluate collateral
- Treat a borrower differently in servicing a loan or invoking default remedies
- Use different standards for pooling or packaging a loan in the secondary market.

Under the FHAct, a lender shall not express, orally or in writing, a preference based on prohibited factors, or indicate that it will treat applicants differently on a prohibited basis. A violation may still exist even if a lender treated applicants equally. A lender may not discriminate on a prohibited basis because of the characteristics of:

- An applicant, prospective applicant, or borrower
- A person associated with an applicant, prospective applicant, or borrower (for example, a co-applicant, spouse, business partner, or live-in aide)
- The present or prospective occupants of either the property to be financed or the characteristics of the neighborhood or other area where property to be financed is located.

The FHAct requires lenders to make reasonable accommodations for a person with disabilities when such accommodations are necessary to afford the person an equal

## **STATE LAW**

Various state laws also govern Fair Lending, including New York Executive Law § 296-a, which makes it an unlawful discriminatory practice for any creditor to discriminate on the basis of race, creed, color, national origin, age, sex, marital status, disability, sexual orientation, or military status; to use any form of application for credit or use or make any record or inquiry which expresses, directly or indirectly, any limitation, specification, or discrimination as to a prohibited basis; to make any inquiry of an applicant concerning his or her capacity to reproduce, or his or her use or advocacy of any form of birth control or family planning; to refuse to consider sources of an applicant's income or to subject an applicant's income to discounting, in whole or in part, because of a prohibited basis or childbearing potential; or to discriminate against a married person because such person neither uses nor is known by the surname of his or her spouse.

## **CHAPTER 3 PURPOSE**

The purpose of PRYSMA's fair lending policy is to ensure fair, equitable, and nondiscriminatory access to credit for both individuals and communities; to ensure that management and staff can identify fair lending risks, and can mitigate and prevent such risks of abusive or unfair lending practices that promote disparities among consumers of equal credit worthiness on any unlawful or prohibited discriminatory basis.

## **CHAPTER 4 ACCOUNTABILITY AND MONITORING**

### **A. STRUCTURAL ORGANIZATION**

PRYSMA's commitment to fair lending is reflected in its belief in the shared responsibility for compliance with fair lending laws at every level of the organization.

The Managing Members are responsible for approving, adopting, and implementing the Fair Lending Plan.

- **Luiz Serva** is designated as PRYSMA's Chief Compliance Officer
- **Monica Serva** is designated as PRYSMA's Chief Lending Officer

PRYSMA's Management is responsible for ensuring that PRYSMA's business practices comply with its Fair Lending Plan in the following ways:

- (i) Communicating PRYSMA's fair lending policies to the applicable business unit management;
- (ii) Allocating, on an ongoing basis, sufficient resources to ensure the successful implementation of this Plan;
- (iii) Obtaining input and guidance from its Compliance Counsel on significant business decisions that have potential fair lending impact; and
- (iv) Monitoring results and recommending corrective action where necessary.

PRYSMA's Chief Compliance Officer implements the policies outlined in this Plan in the following ways:

- (i) Monitoring implementation of and adherence to the fair lending policies and procedures;
- (ii) Reviewing and addressing fair lending complaints;
- (iii) Monitoring, as appropriate, PRYSMA's loan application and underwriting process as well as its pricing policies;
- (iv) Reviewing, on a regular basis, the fair lending plan to determine that it still accurately reflects the procedures followed by PRYSMA and conforms to federal and state law;
- (v) Maintaining training materials to keep current with changes in the law, regulation, and judicial interpretation; and
- (vi) Providing, at least semi-annually, updates on fair lending issues to all PRYSMA employees involved in the loan origination or servicing process.

### **B. TRAINING**

The Compliance Counsel conducts training for all new and current employees. All new employees will receive a copy of this Plan during that training. Training for new employees includes correctly and adequately describing prohibited bases under the Equal Credit Opportunity Act, Regulation B, the Home Mortgage Disclosure Act, Regulation C, TILA, Regulation Z, and applicable state laws.

PRYSMA will establish a training program to give all lending and public contact employee exposure to the federal laws with which they will deal as an employee of PRYSMA, especially those personnel with responsibility for processing and/or underwriting a mortgage or consumer loan.

The goal of the training program will be to assist employee to better understand the federal fair lending laws that govern financial institutions offering consumer and mortgage loans. The program will:

- (i) Provide a basic understanding of these laws.
- (ii) Discuss how PRYSMA incorporates these laws into specific practices.
- (iii) Define the role of each affected employee in the implementation of these practices.
- (iv) Provide ongoing awareness training to ensure that PRYSMA's fair lending policy and procedures are being adhered to.

### **C. MARKETING**

The Compliance Officer reviews and must approve, prior to distribution, all marketing strategies directed to any protected class applicants or minority communities to ensure compliance with fair lending laws. The Compliance Officer also periodically reviews such existing marketing strategies to confirm that they remain in compliance with fair lending laws.

#### **I. Prohibited Advertising Practices**

PRYSMA is prohibited from using any words, phrases, symbols, or forms that might convey discriminatory preferences or limits when advertising consumer or residential property loans. This includes overt or tacit discrimination based on race, color, religion, sex, handicap, family status, or national origin.

The following practices are considered discriminatory and may not be used in PRYSMA's advertising:

- Limit marketing and advertising to a specific geographic area within PRYSMA's field of customers.
- Use language selectivity (such as using only English in an area where the majority of the members or potential members are non-English-speaking).
- Exclude some media.
- Use billboard advertising that is placed only in certain demographic areas.
- Limit distribution of brochures within a selected zip code zone.
- Exclude specific types of human models in advertising for residential property loans.

## **CHAPTER 5 FAIR LENDING POLICY AND LOAN PROCESS**

PRYSMA is aware that the risk of unfair lending practices exists in the entire loan process. PRYSMA is committed to implementing training and policies that protect against discriminatory practices at every level of the loan process, from application to post-closing and delivery of the loan on the secondary market, and to taking immediate corrective action should fair lending discrimination occur. For example, if fair lending deficiencies are observed or appear in an employee's job evaluation, the employee will receive additional training or counseling in an effort to correct the deficiency. If the deficiency persists, the employee will be subject to additional corrective action, including termination.

### **A. UNDERWRITING AND PRICING**

Where PRYSMA acts as creditor on a transaction, it establishes or adopts underwriting guidelines reduced to writing by policy and procedure, to promote and ensure consistency in the treatment of all classes of applicants. The guidelines address all aspects of the underwriting process, including collateral standards, credit, income, source of funds, debt ratios, income documentation and other factors relevant to the underwriting analysis and credit decision.

PRYSMA will offer borrowers the best available products for which the borrower qualifies based on his/her creditworthiness, documented income and ability to repay the loan requested.

Loan applications that are rejected by PRYSMA are referred to underwriters or credit analysts for a second review prior to formal denial of credit.

### **B. REFINANCING**

This plan's principles of fair lending policy apply throughout the loan process, and PRYSMA is committed to implementing policies, procedures, employee training, and management oversight to ensure equitable treatment of all debtors. PRYSMA's policies include responding to consumer inquiries, concerns, and complaints in a timely, fair, and consistent manner.

### **C. MONITORING**

PRYSMA implements monitoring processes that review the lending practices of the institution as a whole as well its various departments, and individuals within the departments. PRYSMA's monitoring program focuses on detecting deficiencies and ensuring that PRYSMA's personnel understand their duties and responsibilities under this plan and are carrying them out. The Compliance Officer performs regular audits of loan files to monitor data integrity for funded and non-funded loans.

### **D. RECORD RETENTION**

The following lending records will be retained in PRYSMA for a period of 5 years:

- (i) Loan applications along with processing details

- (ii) Real estate appraisals
- (iii) Adverse action notices
- (iv) Written statements alleging discrimination

## **CHAPTER 6 REGULATION B: EQUAL CREDIT OPPORTUNITY ACT POLICY**

### **A. PROHIBITED ACTIVITY**

No officer, employee, or other agent of PRYSMA shall discourage any applicant from applying for or seeking credit on the grounds of any prohibited basis. All applications, whether individual or business, written or oral, in person or by telephone, will be similarly and fairly evaluated fairly. All application evaluation systems used by PRYSMA will not discriminate among applicants by using any of the prohibited bases as variables. Further, PRYSMA will not discriminate on the basis of any of the prohibited factors in any aspect of the loan application, servicing, or collection process.

As required by the ECOA and the Fair Housing Act, PRYSMA may not, on a prohibited basis:

- Fail to provide information or services or provide different information or services regarding any aspect of the lending process, including credit availability, application procedures, or lending standards.
- Discourage or selectively encourage applicants with respect to inquiries about an application for credit.
- Refuse to extend credit or use different standards in determining whether to extend credit.
- Vary the terms of credit offered, including the amount, interest rate, duration, or type of loan.
- Use different standards to evaluate collateral.
- Treat a borrower differently in servicing a loan or invoking default remedies.
- Use different standards for pooling or packaging loans in the secondary market.
- Express, orally or in writing, a preference for or against protected applicants.
- Discriminate because of a person associated with a credit application.
- Discriminate because of the present or prospective occupants of the area where property to be financed is located.



## **B NOTIFICATION REQUIREMENTS**

PRYSMA is required to notify one of the applicants on the credit application of PRYSMA's decision, favorable or adverse, with respect to a completed application within 30 days of receipt of the completed application at PRYSMA. If any applicant has not furnished PRYSMA with all of the information requested on the application or that is normally received for the type of credit being requested, the application will be considered incomplete and the applicant will be notified within 30 days that additional information will be needed. A notice of favorable or adverse action will be provided.

### **I Notification of Favorable Action**

Notification is to be given in the form of a notice of the loan approval and/or disbursement of the loan proceeds.

### **II Notification of Adverse Action**

Notification is to be given to the applicant in a written notice containing a statement of the action taken, the name and address of PRYSMA, the ECOA notice contained in paragraph 1002.9(b)(1) of Regulation B, and one of the following:

- A statement of the specific reasons for the action taken
- Disclosure of the applicant's right to receive such a statement within 30 days of the applicant's request (in the latter event, the applicant's request must be received within 60 days of the adverse action notice)
- The name, address, and telephone number at which the statement of specific reasons for the adverse action may be requested

### **III Incomplete Applications**

If an application does not contain all the information needed to make a credit decision and PRYSMA does not choose to deny the application on this basis, PRYSMA will provide the applicant with a notice within 30 days after receipt that the application is incomplete. This notice must contain, at a minimum, the following:

- An itemized list of the information needed to complete the application
- A reasonable time frame for providing the information
- A notice that failure to provide the additional information will result in PRYSMA not considering the application for credit

## **CHAPTER 7 REGULATION C: HOME MORTGAGE DISCLOSURE ACT POLICY**

The Home Mortgage Disclosure Act (HMDA), which Congress enacted in 1975, requires certain financial institutions to collect, record, report, and disclose information about their mortgage lending activity. Regulation C implements HMDA and sets out specific requirements for the collection, recording, reporting, and disclosure of mortgage lending information.

The data-related requirements in HMDA and Regulation C serve three primary purposes:

- i. To help determine whether financial institutions are serving their communities' housing needs;
- ii. To assist public officials in distributing public investment to attract private investment; and
- iii. To assist in identifying potential discriminatory lending patterns and enforcing antidiscrimination statutes.

### **A. Amendment of HMDA/2015**

On October 15, 2015, the Consumer Financial Protection Bureau (CFPB) issued a final rule (2015 HMDA Rule) amending Regulation C. The 2015 HMDA Rule implements the Dodd-Frank Act amendments and makes other changes to Regulation C. The following outlines the summary of the 2015 HMDA Rule, which will be applicable to PRYSMA for loans originated in 2017, subject to reporting in 2018.

#### **I. HMDA 2015 Rule Summary of Changes**

##### **i. Uniform Loan-Volume Threshold for Institutional Coverage**

- a. Modifies which institutions are subject to Regulation C and adopts a uniform loan volume threshold for depository and nondepository institutions.
- b. Excludes institutions that did not originate at least 25 closed-end mortgage loans in each of the two preceding calendar years or at least 100 open-end lines of credit in each of the two preceding calendar years from institutional coverage.

##### **ii. Dwelling-Secured Transaction Test**

- a. Changes Regulation C's transactional coverage from a purpose-based test to a dwelling-secured test for consumer-purpose loans and applications.

- b. Maintains a purpose-based test and adds a dwelling-secured test for business-purpose loans and applications.
- c. Broadens the exclusion for agricultural-purpose loans and applications.

**iii. Covered Open-End Lines of Credit**

- a. Requires covered institutions that originated at least 100 covered open-end lines of credit in each of the two preceding calendar years to collect, record, and report data for open-end lines of credit secured by a dwelling, unless the lines of credit are otherwise excluded.
- b. A business-purpose line of credit is excluded, unless it is secured by a dwelling and is a home purchase loan, home improvement loan, or refinancing.

**iv. Covered Preapproval Requests**

- a. Changes Regulation C's transactional coverage for preapproval requests.
- b. Includes preapproval requests that are approved but not accepted within the scope of covered preapproval requests.
- c. Excludes requests for open-end lines of credit, reverse mortgages, and loans to be secured by multifamily dwellings from the scope of covered preapproval requests.

**v. Additional and Modified Data Points**

- a. Adds and Modifies Data Points. Additional data points include, but are not limited to:
  - applicant or borrower age
  - credit score
  - automated underwriting system information
  - unique loan identifier
  - property value
  - application channel
  - points and fees
  - borrower-paid origination charges
  - discount points
  - lender credits
  - loan term
  - prepayment penalty
  - nonamortizing loan features
  - interest rate
  - loan originator identifier.

vi. **Rate Spread Will Be Collected, Recorded, and Reported for a Broader Range of Loans**

vii. **Collection and Reporting Of Information Regarding Ethnicity, Race, and Sex**

- a. Requires covered institutions to report when they collect information about an applicant's or borrower's ethnicity, race, and sex based on visual observation or surname.
- b. Allows applicants and borrowers to self-identify using ethnicity and race subcategories.

viii. **Data Submission Process Requires Electronic Submission of HMDA Data Using New Procedures**

ix. **Quarterly Reporting**

- a. Adds a quarterly reporting requirement for larger-volume reporters.

**B. DEFINITIONS**

*Application* – an oral or written request for a home purchase loan, home improvement loan, or a refinancing that is made in accordance with the procedures established by PRYSMA for the type of credit requested.

*Dwelling* – a residential structure (whether or not attached to real property) located in a state of the United State of America, the District of Columbia, or the Commonwealth of Puerto Rico. The term includes an individual condominium unit, cooperative unit, mobile home or manufactured home and multi-family units.

*Home purchase loan* – a loan secured by and made for the purpose of purchasing a dwelling. A home purchase loan includes investment and rental purposes as well as combined construction to permanent loans, and the permanent financing that replaces a construction-only loan.

*Refinancing* – means a new obligation that satisfies and replaces an existing obligation, involving either a home purchase or home improvement loan, by the same borrower. Both the existing loan and the new loan must be secured by a dwelling but it need not be the same dwelling. PRYSMA must report the loan as a refinance even if the original purpose of the dwelling secured loan was not a consumer purpose loan.

**C. COLLECTION OF GOVERNMENT MONITORING INFORMATION**

Government monitoring information (GMI) refers to the loan applicant demographic data creditors must collect under Regulation B, which implements the Equal Credit Opportunity Act (ECOA), and Regulation C, which implements the Home Mortgage Disclosure Act (HMDA), when consumers apply for certain mortgage loans.

**The table below compares the information creditors must collect under Regulations B and C.**

<b>GMI DATA COLLECTION CHART</b>		
<b>Data Required</b>	<b>Regulation B</b>	<b>Regulation C</b>
Ethnicity	X	X
Race	X	X
Sex	X	X
Marital status	X	
Age	X	

**The table below compares the Loan Types that Require GMI Data Collection under Regulations B and C.**

<b>Loans That Require GMI DATA COLLECTION COMPLIANCE</b>		
	<b>Regulation B</b>	<b>Regulation C</b>
Loans subject to GMI	<p>Purchase or refinance loans secured by a dwelling that is, or will be, applicant’s principal residence</p> <p>An application for a home equity line of credit is not subject to GMI requirements unless it is readily apparent when the application is taken that the primary purpose of the line is for the purchase or refinancing of a principal dwelling</p>	<p>Purchase and refinance loans secured by a dwelling and home-improvement loans; reporting is optional for HELOCs</p>
Home-purchase loan	Not defined in Regulation B	A loan secured by and made for the purpose of purchasing a dwelling
Dwelling	Dwelling means a residential structure that contains one to	A residential structure (whether or not attached to real property);

**Loans That Require GMI DATA COLLECTION COMPLIANCE**

	<b>Regulation B</b>	<b>Regulation C</b>
	four units, whether or not that structure is attached to real property. The term includes, but is not limited to, an individual condominium or cooperative unit and a mobile or other manufactured home.	the term includes an individual condominium unit, cooperative unit, or mobile or manufactured home.
Home-improvement loan	Not applicable; GMI not required to be collected	<p>A loan secured by a lien on a dwelling that is for the purpose (whole or part) of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located, or</p> <p>A nondwelling-secured loan that is:</p> <ul style="list-style-type: none"> <li>• for the purpose (whole or part) of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located, and</li> <li>• classified by the financial institution as a home-improvement loan</li> </ul>
Home equity line of credit (HELOC)	Not applicable; GMI not required to be collected	An open-end credit plan secured by a dwelling as defined in Regulation Z
Refinancing	An existing obligation is satisfied and replaced by a new obligation undertaken by the same borrower. A creditor that receives	A new obligation that satisfies and replaces an existing

**Loans That Require GMI DATA COLLECTION COMPLIANCE**

	<b>Regulation B</b>	<b>Regulation C</b>
	<p>an application to refinance an existing extension of credit made by that creditor for the purchase of the applicant’s dwelling may request the monitoring information again but is not required to do so if it was obtained in the earlier transaction</p>	<p>obligation by the same borrower, in which for coverage purposes:</p> <ul style="list-style-type: none"> <li>• the existing obligation is a home-purchase loan (as determined by the lender, for example, by reference to available documents; or as stated by the applicant), and</li> <li>• both the existing obligation and the new obligation are secured by first liens on dwellings</li> </ul> <p>For reporting purposes, both the existing obligation and the new obligation are secured by liens on dwellings.</p>

**The table below shows future HMDA data collection required as of 2017/reporting as of 2018 under section 1094 of the Dodd-Frank Act**

<b>New HMDA Fields Required by the Dodd-Frank Act</b>	
Applicant/Borrower Age	Application channel
Credit score	Loan NMLS Number
Loan term	Non-amortizing loan feature
Prepayment penalty term	Property’s parcel number
Property value	Rate spread for all loans
Term of introductory rate period	Total origination points and fees

### **New HMDA Fields Required by the Dodd-Frank Act**

Discount Points	Borrower Paid origination charges
Interest Rate	Rate spread for all loans
Unique Loan Identifier	Automated Underwriting System
Discount Points	Borrower Paid origination charges
Lender Credits	

**NOTE: These new data collection requirements become effective requirements for collection in 2017 and for reporting in 2018:**

**NOTE:** In publishing the 2015 HMDA final rule on October 28, 2016, CFPB modified the title of the sample data collection form currently known as “Information for Government Monitoring Purposes” to “Demographic Information of Applicant and Co-Applicant.”

#### **D. GOVERNMENT MONITORING INFORMATION DATA UNDER CURRENT HMDA Rule**

All reportable data will be recorded within thirty (30) calendar days after the end of each calendar quarter. PRYSMA employees will collect the following required data for each reportable loan:

- An identifying number for the loan or loan application;
- The date the application was received;
- The type of loan or application
- The property type to which the loan or application relates;
- The purpose of the loan or application;
- The owner-occupancy status of the property based on the loan or application;
- The amount of the loan or the amount applied for;
- Whether the application is for a preapproval and whether it resulted in a denial or in an origination;
- The type of action taken;
- The date action was taken;
- The location of the property that relates to the application;
- The ethnicity, race, and sex of the applicant and each co-applicant;
- The gross annual income relied on in making the credit decision for transactions involving a 1-4 family dwelling;
- The type of entity purchasing a loan the institution originates or purchases and then sells within the same calendar year;



- Loan pricing rate spread information;
- HOEPA status; and,
- Lien status.

#### **E. REPORTING REQUIREMENTS**

PRYSMA will submit its HMDA LAR, accompanied by its Transmittal Sheet, to its supervisory agency by March 1 following the calendar year covered by the data. The Licensing Compliance Supervisor will ensure that all documentation has met the appropriate signatory requirements.

#### **F. AUDIT**

PRYSMA, through Risk Management/Compliance, will facilitate the audit of HMDA data as necessary and provide documentation as to when and how the audit was performed, any findings, and a plan of action for correction. This audit will be conducted on at least an annual basis. The audit findings will be provided to Management within a reasonable time period after completion.

#### **G. RECORD RETENTION**

PRYSMA will retain its full (unmodified) HMDA LAR for at least three (3) years for potential examination purposes. A modified copy of the HMDA LAR will also be available for three (3) years and each FFIEC disclosure statement will be available for five (5) years as required for public inspection. These documents will be retained by Risk Management/Compliance in a retrievable, electronic format.

#### **H. POLICY REVIEW**

This policy will be reviewed and updated to comply with any changes or revisions to existing regulations that may affect the policy. The Chief Lending Officer and Chief Compliance Officer will assume responsibility for this compliance review and revision process. Additionally, the Managing Members shall review the policy on an annual basis to ensure that the policy is current and that procedures of its implementation are in place and are adequate.

#### **SENIOR MANAGEMENT APPROVAL**

This policy reflects current fair lending requirements including current HMDA and applies to all PRYSMA covered mortgage products and loan transactions. The HMDA 2015 Rule Changes referenced in the foregoing shall be incorporated to this policy as of **January 3, 2017**. PRYMA's Management has approved this Fair Lending Policy as reasonably designed to ensure fair, equitable, and nondiscriminatory access to credit for both individuals and communities, and to achieve PRYSMA Management's ongoing compliance with the foregoing and all applicable laws, regulation, rules and guidelines.

- **Management's Last Policy Review: January 3, 2017**