

**Office of Thrift Supervision**


Department of the Treasury

Managing Director, Examination and Supervision Policy

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July 31, 2007

MEMORANDUM FOR: Chief Executive Officers

FROM: Grovetta N. Gardineer 
Managing Director, Examination and Supervision Policy

SUBJECT: Examination Handbook Section 750 - Mortgage Banking

The Office of Thrift Supervision is issuing a new Examination Handbook Section 750, Mortgage Banking. The mortgage banking industry has dramatically evolved since 1994, when OTS issued former Sections 571 through 576. Since that time, many savings associations have developed separate mortgage banking subsidiaries or use affiliate mortgage banking organizations. Much of the mortgage loan production is also sold in the secondary market or securitized. Section 750 replaces Sections 571 through 576 and addresses the many changes in the mortgage banking industry and the risks present in such activity. Section 750 includes subsections that address key functions of the mortgage banking business including: production, secondary marketing, hedging, servicing, earnings, accounting, and capital. The section also includes a glossary, regulatory references, and the examination program. The guidance in this section and the examination program are effective immediately. ([See RB 37-20](#))

For further information, please contact your OTS regional office or William Magrini, Senior Project Manager, at (202) 906-5744.