

---

# Real Estate Owned and Repossessed Assets

## Questionnaire

---

Yes No

---

### GENERAL QUESTIONNAIRE

- |     |   |                          |                          |
|-----|---|--------------------------|--------------------------|
| 1.  | Does the institution give proper notification to the borrower prior to foreclosure or repossession?                                     | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.  | Does the institution promptly foreclose or repossess to minimize the risk of loss?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.  | Does the institution hold valid title to REO?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.  | Does the institution review REO it acquires by deed in lieu of foreclosure for encumbrances of prior liens?                             | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.  | Does the institution appraise real estate it acquires subsequent to its acquisition?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.  | Does the institution use a current appraisal to establish the asking price of property?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7.  | Are there maintenance procedures in effect to ensure that properties will retain their market value?                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 8.  | Are procedures in effect to ensure that the institution maintains and updates hazard insurance as necessary?                            | <input type="checkbox"/> | <input type="checkbox"/> |
| 9.  | Does the institution maintain separate subsidiary records and files for each parcel showing items capitalized, expenses, rentals, etc.? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. | Does the institution reconcile subsidiary ledgers for the individual properties to the general ledger at least monthly?                 | <input type="checkbox"/> | <input type="checkbox"/> |
|     | By whom? _____  |                          |                          |
| 11. | Does the institution control rental income received from REO?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. | Do any unbonded agents collect rents and/or manage properties?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. | Does the board of directors periodically review the status of each REO parcel and repossessed asset?                                    | <input type="checkbox"/> | <input type="checkbox"/> |
|     | How frequently? _____   |                          |                          |
| 14. | Does an officer that reports to the board of directors approve sales of REO and other repossessed assets?                               | <input type="checkbox"/> | <input type="checkbox"/> |

