

Mortgage Broker Compliance Framework Checklist

AML, BSA & Loan File Quality Control (QC)

A guide for compliance offices, brokers, and operations team.

Includes: QC checklist + AML review blueprint

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Executive Summary

Mortgage compliance expectations keep rising across borrower documentation, state and federal disclosures, and anti-money laundering oversight. This guide turns two core internal assets into a practical, defensible framework you can use to reduce audit risk, improve file quality, and document your compliance posture in a way that stands up to investor and regulator scrutiny.

Who this guide is for

Mortgage brokers, lenders, compliance officers, operations leaders, and QC teams who want a clear, repeatable process for (1) loan file QC and (2) AML/BSA compliance program readiness.

What you'll get inside

- A structured **Loan File Quality Control** checklist you can use in pre-funding and post-closing reviews.
- An **AML/BSA program blueprint** organized to match how independent third-party reviews are commonly structured.
- A 30-day implementation plan to operationalize this inside your team.

Important Disclaimer

This document is provided for informational and educational purposes only and does not constitute legal advice, regulatory advice, or compliance certification. Mortgage regulations vary by jurisdiction and may change over time. Organizations should consult with qualified legal counsel, compliance professionals, or regulatory advisors before implementing any compliance program, policies, or procedures referenced in this guide. Mortgage Defense Solutions makes no guarantees regarding regulatory outcomes or audit results based on the use of this material.

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How to Use This Guide

Use this in three passes:

- 1 Pass 1 (Fast scan):** Identify obvious gaps and missing documentation in loan files.
- 2 Pass 2 (Program review):** Map your AML/BSA procedures to the blueprint sections and note what is missing or undocumented.
- 3 Pass 3 (Make it defensible):** Assign owners, set a cadence for QC and monitoring, and document decisions.

Pro tip: Make your compliance auditable

Loan File Quality Control Checklist

The checklist below is adapted from a borrower/loan officer scoring sheet and is intended to support consistent file reviews across loan types and states.

Recommended cadence: Pre-funding, post-closing, and quarterly sampling. Track recurring misses to identify training needs or process fixes.

Core documentation & disclosures

- | | |
|---|---|
| 1003 INITIAL SIGNED | GOVERNMENT ID |
| 4506-T/C | HAZARD INSURANCE REQUIREMENT |
| AFFILIATED BUSINESS DISCLOSURE | HOMEOWNERS COUNSELING |
| <input type="checkbox"/> AML | HOMEOWNERS TOOL KIT |
| <input type="checkbox"/> AMORTIZATIOION | HMDA HUD ADDENDUM |
| <input type="checkbox"/> ANTI-STEERING | INTENT TO PROCEED |
| <input type="checkbox"/> ARM DISCLOSURE | LOAN ESTIMATE |
| <input type="checkbox"/> APPRAISAL ANALYSIS | MORTGAGE FRAUD & FBI |
| <input type="checkbox"/> BORROWERS CERTIFICATION & AUTHORIZATION NOTE | |
| <input type="checkbox"/> BORROWERS CONSENT TAXES | NOTICE OF FURNISHING NEGATIVE INFORMATION |
| <input type="checkbox"/> BORROWER COMPLIANCE | OCCUPANCY & FINANCIAL STATEMENT |
| <input type="checkbox"/> BROKER FEE | PRIVACY POLICY |
| <input type="checkbox"/> CLOSING DISCLOSURE | PURCHASE AGREEMENT |
| <input type="checkbox"/> CHANE of CIRCUMSTANCE | RESPA SERVICING DISCLOSURE |
| <input type="checkbox"/> ECOA | RIGHT TO RECEIVE APPRAISAL |
| <input type="checkbox"/> E-CONSENT | SETTLEMENT SERVICE PROVIDER LIST |
| <input type="checkbox"/> FACT ACT (CREDIT SCORE DISCLOSURE) | SOCIAL SECURITY NUMBER CERTIFICATION/CARD |
| | TITLE |
| <input type="checkbox"/> FAIR CREDIT REPORTING ACT | <input type="checkbox"/> PATRIOT ACT INFORMATION DISCLOSURE |
| <input type="checkbox"/> FHA IDENTITY OF INTEREST | |

Obviously, not everything above applies to every loan, but this is a checklist you should mandate operational for every loan, whether it is funded or denied. If your lender has denied a loan, or the borrower has withdrawn an application, you must send out an adverse action form. This can be done via email.

Also, we analyze the specific state in which the loan was made to ensure that all applicable state regulations have been met. Remember when it comes to state or federal law, the more specific or more onerous takes precedence. We ensure your compliance with all loan requirements.

AML/BSA Compliance Program Blueprint

Independent third-party AML/BSA program reviews commonly follow a consistent structure. Use the outline below to organize your policies, evidence, and controls into an auditable package.

Blueprint Section	What to document (examples)
1. Executive Summary	High-level risks, key controls, and overall conclusions.
2. Scope of Review	What was reviewed (period, systems, processes) and what was excluded.
3. Company Risk Profile Assessment	Products, customer types, geographies, volumes; risk scoring methodology.
4. Governance & Oversight	Compliance officer role, reporting, escalation, leadership oversight.
5. Written AML/BSA Policies & Procedures	Current policies, version control, procedures by workflow step.
6. Customer Identification Program (CIP)	ID collection/verification steps, exceptions, documentation standards.
7. Customer Due Diligence (CDD) & Enhanced Due Diligence (EDD)	Risk-based customer profiling; EDD triggers and approvals.
8. Transaction Monitoring & Suspicious Activity Reporting	Monitoring rules, review cadence, escalation and SAR decisioning.
9. OFAC Compliance	OFAC screening workflow, match handling, evidence retention.
10. Training Program	Training cadence, attendance logs, testing results, role-based modules.
11. Independent Testing Requirement	Testing schedule, scope, remediation tracking, management sign-off.
12. Recordkeeping & Documentation	Retention policy, audit logs, secure storage, access controls.
13. Vendor & Third-Party Risk Management	Vendor inventory, due diligence, reports, contractual controls.
14. Findings & Risk Ratings	Finding definitions, severity scoring, root causes, corrective actions.
15. Overall Program Rating	Program rating method and summary of readiness.
16. Appendix	Templates, logs, evidence samples, and supporting materials.

30-Day Implementation Plan

Timeline	What to do
Week 1: Baseline	Pick a representative file sample. Run the QC checklist. Inventory current AML/BSA docs and evidence.
Week 2: Close the big gaps	Update written procedures. Add missing templates/logs (training log, CIP steps, escalation notes).
Week 3: Make it repeatable	Assign owners, set cadence (monthly QC sampling, quarterly training, annual independent testing).
Week 4: Validate & document	Perform a mock review against the AML blueprint. Record remediation actions and management sign-off.

Want an independent compliance review?

Mortgage Defense Solutions can run an AML/BSA program assessment and loan file QC audit, deliver a prioritized remediation plan, and provide documentation that supports audit readiness.

Next Step

Schedule a Compliance Risk Assessment at mortgagedefensesolutions.com or call 704-574-0364