

Correspondent Lending Seller Guide

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CERTAINTY | INGENUITY | ADVANTAGE

Computershare

Loan Services

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Introduction to Computershare Loan Services Correspondent Lending

About the Company

Premier Domestic-based Mortgage Services Provider

Specialized Loan Servicing LLC (dba Computershare Loan Services), (hereinafter, "Computershare Loan Services," the "Company" or the "Purchaser") has served the mortgage industry as a preferred mortgage services provider since 2003.

Through its multiple divisions – fulfillment services, correspondent lending, document services, settlement services, loan servicing, contract underwriting and due diligence services – Computershare Loan Services offers the people, technology and processes to support its Clients' origination, servicing and loan purchase operations.

Computershare Loan Services helps Clients improve operational execution, access and execute in the secondary market, enhance their customer relationships and increase their residential mortgage loans' performance throughout the entire mortgage life-cycle.

From large-scale, centralized operations centers, the company provides services to financial institutions of all sizes on a national basis. With tens of millions of transactions processed through its expansive service offering, Computershare Loan Services offers the vision, expertise and innovation on which financial institutions can rely.

Computershare Loan Services operates as a private company and is licensed to conduct business in 50 states and the District of Columbia.

Computershare Loan Services is:

- An Approved Fannie Mae Seller/Servicer (Federal National Mortgage Association or FNMA)
- An Approved Freddie Mac Seller/Servicer (Federal Home Loan Mortgage Corporation or FHLMC)
- A Ginnie Mae Approved Single Family Issuer (Government National Mortgage Association or GNMA)
- Approved with FHA (Federal Housing Administration)
- Approved with VA (United States Department of Veterans Affairs)
- Approved with USDA (United States Department of Agriculture)

As an approved lending institution with the above agencies, Computershare Loan Services is able to offer a wide variety of Mortgage Loan Programs and services. In addition, Computershare Loan Services offers a suite of Non-Agency (Non-Conforming or Jumbo) Mortgage Loan Programs to suit Clients' needs.

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Computershare Loan Services Seller Guide

Highest Systems Availability

With geographically diverse, large-scale facilities and data centers, Computershare Loan Services offers the highest level of systems availability, data security and exceptional service to Clients nationally. We provide the scale, experience and security you need through our expansive mortgage services offering.

Compliance Confidence

We understand that compliance and risk mitigation are top priorities. Our singular focus on the residential mortgage industry has generated an unparalleled knowledge of Clients' compliance and risk management needs.

Computershare Loan Services has positioned itself to be fully SAFE Act compliant; requiring necessary employees to obtain mortgage loan originator licenses, as specified, per state and federal regulations. Computershare Loan Services' staff is competent, trained on current regulatory issues and poised for licensing, as necessary.

Computershare Loan Services is also a licensed loan servicer and is Fair Debt Collection Act compliant. To comply with such approvals and state regulations, Computershare Loan Services is committed to having best-in-class policies and procedures, monitoring state/federal regulations and conducting quality control reviews to determine compliance.

Computershare Loan Services is licensed and regulated as a lender, servicer and national title agent. Clients utilizing our fulfillment services can rely upon Computershare Loan Services to address all relevant mortgage compliance and licensing requirements, saving you time and money and helping you protect your bottom line.

Computershare Loan Services operates in accordance with the provisions of the Fair Housing Act and the Equal Credit Opportunity Act. In addition, it is our policy to comply with all state and local laws which may provide greater protection. Computershare Loan Services does not discriminate against anyone on the basis of race; color; religion; creed; national origin; sex; marital status; familial status; sexual orientation; age (provided the applicant has the capacity to enter into a binding agreement); medical history; handicap; disability; physical condition; military status; gender identity; any past exercise of right under the Consumer Credit Protection Act, the Service members Civil Relief Act (SCRA), or any other consumer protection act; that all or part of an applicant's income derives from any public assistance program; or any other basis prohibited by law.

About this Correspondent Lending Seller Guide

The purpose of Computershare Loan Services Correspondent Lending Seller Guide (hereinafter, "Seller Guide" or "Guide"), is to provide information that will assist the Correspondent Seller (hereinafter, the "Correspondent," the "Seller," or the "Lender") with transactions, from application to loan purchase. The Guide includes information on how to become an approved Computershare Loan Services Correspondent, requirements for acceptable loans, delivery requirements, and details pertaining to Computershare Loan Services' underwriting policy.

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Computershare Loan Services Seller Guide

Additionally, this Guide sets forth the general information, policies and procedures, terms and conditions, and Mortgage Loan Program requirements, which are applicable to all Mortgage Loan purchase transactions conducted between Computershare Loan Services and its approved Correspondent Sellers.

With respect to Mortgage Loans sold to Computershare Loan Services, and in addition to the Computershare Loan Services Correspondent Agreement and any other agreements between Computershare Loan Services and the Correspondent, each Correspondent is bound by all provisions of this Guide and is responsible for adhering to all requirements contained in this Guide, as well as Agency guidelines, as applicable, available on individual agency websites.

All policies, programs and products are subject to change at any time.

Agreement between Computershare Loan Services and Correspondent

This Guide; Manuals, Product Profiles, Job Aids, Guidelines, Program Announcements, and other material that is referenced in this Guide but posted elsewhere on the Computershare Loan Services Correspondent website; the Computershare Loan Services Correspondent Agreement (hereinafter, "Correspondent Agreement"), including exhibits and addenda thereto; along with the Commitment Confirmation and Wire Detail/Purchase Advice together constitute the agreement between Computershare Loan Services and each Correspondent and are collectively referred to in this Guide and other places as the "Agreement" or alternatively as the "Agreement documents." The Agreement governs the business relationship between Computershare Loan Services and a Correspondent and governs the sale of residential Mortgage Loans (hereinafter, "Mortgage Loans") by a Correspondent to Computershare Loan Services.

By signing the Computershare Loan Services Correspondent Agreement, Correspondents are bound by the requirements of this Guide; including Manuals, Product Profiles, Job Aids, Guidelines, Program Announcements, and other material that is referenced in this Guide but posted elsewhere on the Computershare Loan Services [Correspondent Lending](#) website; along with the Commitment Confirmation and Wire Detail/Purchase Advice.

The terms of the business relationship between Computershare Loan Services and Correspondents are generally set forth in the following key documents, which are components of the Agreement.

1. **Correspondent Agreement, including addenda and/or exhibits**
 - a. A standard form agreement between a Correspondent and Computershare Loan Services setting forth the basis and standard terms of the business relationship, including any addenda and/or exhibits
2. **Correspondent Lending Seller Guide (Guide), including reference material**
 - a. This Guide, as amended from time to time – Manuals, Product Profiles, Job Aids, Guidelines, Program Announcements and other material that is referenced in this Guide but posted elsewhere on the Computershare Loan Services Correspondent website

The specific terms of a Mortgage Loan sale by the Correspondent to Computershare Loan Services are additionally set forth in two key transaction documents, which are components of the Agreement:

1. **Commitment Confirmation**

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- a. Documentation of a commitment agreement by Computershare Loan Services to purchase one or more Mortgage Loans from Correspondent under a Best Efforts Lock (Lock Confirmation), Mandatory Forward Delivery (Mandatory Trade Confirmation), or Bulk Trade (Bulk Trade Confirmation), subject to the requirements and conditions described therein, including without limitation the eligibility of each Mortgage Loan for the program it is delivered into and accuracy of data provided by Correspondent
2. Wire Detail/Purchase Advice
 - a. The document advising Correspondents of a Mortgage Loan purchase transaction and setting forth the key terms and conditions of that purchase

Computershare Loan Services Correspondent Lending Seller Guide Incorporated by Reference

The parties expressly understand and agree that this Guide; including, but not limited to Manuals, Product Profiles, Job Aids, Guidelines, Program Announcements, and other material that is referenced in this Guide but posted elsewhere on the Computershare Loan Services [Correspondent Lending website](#), is incorporated into the Correspondent Agreement by reference and forms a critical and inseparable part thereof. In effect, this Guide (including documents referenced in this Guide) is an extension of the Correspondent Agreement.

Conflicts among Agreement Documents

In the event of any conflict, inconsistency or ambiguity between the terms and conditions of:

1. The Correspondent Agreement, including its exhibits, and this Guide, the terms of the Guide will control
2. Addenda to the Correspondent Agreement, and this Guide, the terms of the Correspondent Agreement addenda will control only to the extent there is language in that document specifically addressing future document conflicts and stating that the addendum controls
3. The Correspondent Agreement, including exhibits and addenda thereto, the Guide and a Commitment Confirmation, the terms of the Commitment Confirmation will control, absent Suspension or Termination of the Correspondent for Cause
4. The Commitment Confirmation and the Wire Detail/Purchase Advice, the Wire Detail/Purchase Advice will control
5. The Correspondent Agreement, including exhibits and addenda thereto, the Guide, the Commitment Confirmation, and the Wire Detail/Purchase Advice, the terms of the Wire Detail/Purchase Advice will control, absent Suspension or Termination of Correspondent for Cause

Change Management Notification – Updates and Revisions

Computershare Loan Services reserves the right to update all material, including, but not limited to this Guide, Manuals, Product Profiles, Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines, Job Aids, Forms, etc., from time-to-time and incorporates relevant new and revised policies and procedures, as well as information pertaining to state and federal regulations.

Computershare Loan Services will provide written notification of changes to Correspondent by the following means:

- Distributing to Correspondent by email

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- Posting in Program Announcements section of Computershare Loan Services [Correspondent Lending website](#)

Changes are effective immediately, upon posting, to the Computershare Loan Services [Correspondent Lending website](#), unless the Program Announcements indicate a different effective date. Program Announcements provide detailed and current information pertaining to each particular new, revised, or additional policy and/or procedure.

As this Guide and other material are updated only periodically, it is the responsibility of the Correspondent to refer to Program Announcements for new and revised information, daily.

The most recent updates and revisions; since the posting of the prior version; are dated (under section header) and highlighted in gray.

Capitalized Terms

All capitalized terms used and not otherwise defined in the Correspondent Agreement **have the meanings assigned to such terms in this Guide, as amended and supplemented from time to time. See the [Glossary](#)** section of this Guide for definitions.

Computershare Loan Services Website and eOriginator

Computershare Loan Services Website

Correspondents may access Computershare Loan Services' [Correspondent Lending](#) website 24x7 via the following link: <https://www.computershareloanservices.com/us/business/origination-solutions/correspondent-lending>

The website includes a wealth of information and resources, including but not limited to [Program Announcements](#), Product Profiles, Manuals, Job Aids, Forms, contact information, access to [eOriginator](#), etc.

eOriginator

Correspondents have 24x7 access to our robust [eOriginator](#) system, a best-in-class tool that features a powerful automated pricing engine and product eligibility platform; interactive means to lock loans; easy Mortgage Loan File image upload capabilities; ability to review and clear conditions and manage your pipeline. It is a paperless environment that provides complete transparency so your financial institution can rest assured its loan transactions are receiving immediate attention.

For step-by-step procedures on how to use [eOriginator](#), refer to 'Delegated Training Manual' or 'Non-delegated Training Manual' posted under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

Correspondents designate at least one individual in their company as Site Administrator for [eOriginator](#). The Site Administrator is responsible for setting up and maintaining Users for the Correspondent.

Computershare Loan Services Website and eOriginator Terms and Conditions of Use

Terms and Conditions of Use of the Computershare Loan Services website (herein after "website") and [eOriginator](#):

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By accessing the website or [eOriginator](#) you agree to be bound by the terms and conditions of use set forth below (the "Terms and Conditions"). The Terms and Conditions are subject to change at Computershare Loan Services' sole discretion. Any changes will be incorporated into the Terms and Conditions and posted to the website from time to time. If you do not agree with the Terms and Conditions (or any changes thereto), please do not access the website or [eOriginator](#). Please read these terms and conditions carefully.

The information contained on the website and on the [eOriginator](#) is intended for use by mortgage professionals only, and by accessing the website or the [eOriginator](#), you are representing to Computershare Loan Services that you are a mortgage professional.

Unauthorized use of Computershare Loan Services websites and systems, including but not limited to unauthorized entry into Computershare Loan Services systems, misuse of passwords, or misuse of any information posted to a site, is strictly prohibited.

You acknowledge that Computershare Loan Services may disclose and transfer any information that you provide through the website or [eOriginator](#) to: (i) Computershare Loan Services' affiliates, agents or information providers; (ii) any other person or entity with your consent; (iii) any party we have a duty to disclose to, or are compelled to disclose to by law or regulation; or (iv) any third parties as required in the normal course of business, including without limitation vendors (including without limitation pricing services), government agencies, contractors, secondary market investors and counterparties, insurers, guarantors, loan servicers, and other service providers. You consent to the transmission, transfer or processing of such information to, or through, any country in the world, as we deem necessary or appropriate, and by using and providing information through the website or [eOriginator](#) you agree to such transfers. Use of the website or [eOriginator](#), including any patterns or characteristics concerning your interaction with it, may be monitored, tracked and recorded. Anyone using the website or [eOriginator](#) expressly consents to such monitoring, tracking and recording.

You agree not to attempt to access the website or log on to [eOriginator](#) from any country under sanctions by any agency of the government of the United States or any state or jurisdiction in the United States, including the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury. Information regarding which countries are under sanctions may be obtained on the U.S. Department of the Treasury website. Any attempt access the website or log on to [eOriginator](#) from one of these countries may result in your access being restricted and/or terminated.

Copyright Notices

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Trademark Notices

Featured words or symbols, used to identify the source of goods and services, may be the trademarks of their respective owners.

Website and eOriginator Content and Materials

The information on the website and [eOriginator](#) is for information purposes only. It is believed to be reliable, but Computershare Loan Services does not warrant its completeness, timeliness or accuracy. The information on the website and the [eOriginator](#) is not intended as an offer or solicitation for the purchase of any security or any financial instrument.

The information and materials contained on the website and [eOriginator](#), and the terms and conditions of the access to and use of such information and materials, are subject to change without notice. Products and services described, and associated fees, charges, interest rates, and balance requirements may differ among geographic locations. Not all products and services are offered at all locations.

The Computershare Loan Services general website may have separate and/or additional terms and conditions from the Terms and Conditions governing access to the website and the [eOriginator](#). In the event of a conflict, the additional terms and conditions will govern for those sections or pages. In addition, certain portions or pages of the website or [eOriginator](#) may be subject to additional disclosures and disclaimers. In the event of a conflict between those disclosures and disclaimers, and these terms and conditions, the additional disclosures and disclaimers will govern for those portions or pages.

You agree that (i) you will not engage in any activities related to the website or [eOriginator](#) that are contrary to applicable law, regulation or the terms of any agreements you may have with Computershare Loan Services or its affiliates, and (ii) where the website or [eOriginator](#) requires identification for access or to perform transactions or processes, you will establish commercially reasonable security procedures and controls to limit access to your password or other identifying information to authorized individuals.

Computershare Loan Services or its suppliers may discontinue or make changes in the information, products or services described herein at any time without prior notice to you and without any liability to you. Any dated information is published as of its date only, and Computershare Loan Services does not undertake any obligation or responsibility to update or amend any such information. Computershare Loan Services reserves the right to terminate any or all website offerings or transmissions without prior notice to the user. By offering information, products and services via the website or the [eOriginator](#), no distribution or solicitation is made by Computershare Loan Services to any person to use the website or [eOriginator](#) or such information, products or services in jurisdictions where the provision of the website or [eOriginator](#) and such information, products or services is prohibited by law.

Potential Disruption of Service

Access to the website or [eOriginator](#) may from time to time be unavailable, delayed, limited or slowed due to, among other things:

- Hardware failure, including among other things failures of computers (including your own computer), servers, networks, telecommunication lines and connections, and other electronic and mechanical equipment

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- Software failure, including among other things, bugs, errors, viruses, configuration problems, incompatibility of systems, utilities or applications, the operation of firewalls or screening programs, unreadable codes, or irregularities within particular documents or other content
- Regular system maintenance
- Overload of system capacities
- Damage caused by severe weather, earthquakes, wars, insurrection, terrorism, riots, civil commotion, act of God, accident, fire, water damage, explosion, mechanical breakdown or natural disasters
- Interruption (whether partial or total) of power supplies or other utility of service
- Strike or other stoppage (whether partial or total) of labor
- Governmental or regulatory restrictions, exchange rulings, court or tribunal orders or other human intervention
- Any other cause (whether similar or dissimilar to any of the foregoing) whatsoever beyond the control of Computershare Loan Services
- Links to Other Sites

Links to non-Computershare Loan Services websites are provided solely as pointers to information on topics that may be useful on such websites, and Computershare Loan Services has no control over, and assumes no responsibility for, the content on such non-Computershare Loan Services websites. If you choose to link to a website not controlled by Computershare Loan Services, Computershare Loan Services makes no warranties, either express or implied, concerning the content of such site, including the accuracy, completeness or reliability of the information thereon, or the suitability thereof for any particular purpose, nor does Computershare Loan Services warrant that such site or content is free from any claims of copyright, trademark or other infringement of the rights of third parties or that such site or content is devoid of viruses or other contamination. Computershare Loan Services does not guarantee the authenticity of documents on any non-Computershare Loan Services sites. Links to non-Computershare Loan Services sites do not imply any endorsement of or responsibility for the opinions, ideas, products, information or services offered at such sites, or any representation regarding the content at such sites.

Limitation of Liability

Because of the possibility of human and mechanical error as well as other factors, the website (including all information and materials contained on the website) and the [eOriginator](#) (including all information and materials contained on the [eOriginator](#)) is provided "as is" and "as available." Computershare Loan Services and third-party data providers are not providing any warranties and representations of any kind with regard to the website or the [eOriginator](#), including any implied warranties of merchantability, non-infringement of third-party rights, freedom from viruses or other harmful code, or fitness for any particular purpose. Further, Computershare Loan Services will not be liable for any delay, difficulty in use, inaccuracy of information, computer viruses, malicious code or other defect in the website or the [eOriginator](#), or for the incompatibility between the website and [eOriginator](#) files and the user's browser or other site accessing program. Nor will Computershare Loan Services be liable for any other problems experienced by the user due to causes beyond the control of Computershare Loan Services. No license to the user is implied in these disclaimers.

Under no circumstances will Computershare Loan Services be liable for any lost profits, lost opportunity or any indirect, consequential, incidental, special, punitive, or exemplary damages arising out of any use of or inability to use the website or [eOriginator](#) or any portion thereof, regardless of whether Computershare Loan

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Services has been apprised of the likelihood of such damages occurring and regardless of the form of action whether in contract, warranty, tort (including negligence), strict liability or otherwise.

Severability, Enforceability and Governing Law

In the event any of the terms or provisions of these Terms and Conditions shall be held to be unenforceable, the remaining terms and provisions shall be unimpaired and the unenforceable term or provision shall be replaced by such enforceable term or provision as comes closest to the intention underlying the unenforceable term or provision. These Terms and Conditions shall be subject to any other agreements you have entered into with Computershare Loan Services. The user's access to and use of the website and the [eOriginator](#), and the terms of this disclaimer are governed by the laws of the State of Colorado.

Customer Support

Computershare Loan Services has some of the most experienced Account Executives in the business. Your Account Executive is your primary access point for any question you may have about your account or a Mortgage Loan Program. They will take personal ownership of your customer service needs and bring other resources from the Company, as needed, to quickly and effectively handle all your needs.

In addition, **General Contact Information** is available under Forms, Tools and Job Aids tab of Correspondent Lending website.

Correspondents may also log on to [eOriginator](#) for 24 hour access to loan pipeline.

Business Hours and Holiday Schedule

Business Hours

Regular operations business hours are 8:00 AM to 5:00 PM Mountain Time, Monday through Friday; other than announced holidays (see [Holiday Schedule](#) section of this Guide) or unplanned closures.

Lock Desk is generally available from 7:00 AM to 6:00 PM Mountain Time; other than announced holidays (see [Holiday Schedule](#) section of this Guide) or unplanned closures. Refer to [Commitments, Locks and Pricing](#) section of this Guide for details.

Holiday Schedule

Holiday Schedule is available under Forms, Tools and Job Aids tab of Correspondent Lending website.

Correspondents may also log on to [eOriginator](#) for 24 hour access to lock loans, upload Mortgage Loan Files, upload conditions and manage pipeline.

Privacy and Information Sharing

Computershare Loan Services may collect and maintain information on you and your company in the process of servicing your Correspondent relationship with us. As a part of our process, we may collect information about you and your business from several sources such as information included on your application, your financial statements and other documents provided, as well as your annual recertification form. We also receive information from outside companies including business or credit reference companies, as well as participants in, and providers of services to the mortgage and related industries.

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Computershare Loan Services may share information with any of its affiliates that it has today or might have in the future, for any lawful purpose, in order to better serve you. Unless you notify us in writing, you consent to the sharing of this information.

Reporting Fidelity Bond and Errors and Omissions Events

Computershare Loan Services will report to Fannie Mae within thirty (30) days after discovery of the occurrence of a single fidelity bond or errors and omissions policy loss that is mortgage related and the amount exceeds the lesser of \$250,000 or the policy's deductible, even when no claim will be filed or when Fannie Mae's interest will not be affected.

In addition, Computershare Loan Services will report to Fannie Mae within ten (10) business days of receipt of a notice from the insurer regarding the intended cancellation, reduction, nonrenewal, or restrictive modification of the seller/servicer's fidelity bond or errors and omissions policy. Computershare Loan Services will send Fannie Mae a copy of the insurer's notice, describe in detail the reason for the insurer's action if it is not stated in the notice, and explain the efforts it has made to obtain replacement coverage or to otherwise satisfy Fannie Mae's insurance requirements.

Commitment to Ethical Standards and Responsible Lending

Computershare Loan Services and our Correspondents must adhere to the highest level of ethical standards to ensure that we maintain the trust of our customers, employees and stakeholders and remain compliant with all applicable Federal and State rules, regulations and laws.

Computershare Loan Services is committed to fair, responsible and ethical lending and we expect our Correspondents to manage their companies with the same commitment and focus.

To ensure these standards are met, Correspondents are required to:

- Comply with all regulatory or legal obligations, including but not limited to adhering to regulatory fair lending requirements and not discriminating against any Mortgage Loan applicant
- Fully understand the applicant's lending needs and financial circumstances and ensure that product and Mortgage Loan obligations are fully explained to all applicants
- Deliver appropriate levels of service and product quality to customers
- Protect the Privacy of all applicants and Borrowers and ensure that any applicant information is appropriately protected
- Perform in a manner that respects the lending industry, their relationship with Computershare Loan Services and preserves the reputation of both Computershare Loan Services and their own organizations

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Becoming a Client

Client Relationship Types

Through Computershare Loan Services' Correspondent Lending origination options, Correspondents can select a Delegated or Non-delegated correspondent relationship, based on needs, or choose Mortgage Fulfillment Service.

Delegated Correspondent Seller

Computershare Loan Services' Delegated Correspondent mortgage lending platform offers lenders the flexibility and control to manage the loan process, from origination through closing. As Computershare Loan Services Clients, Correspondents have access to our robust [eOriginator](#) system, providing a best-in-class tool for your business that provides easy file upload, a powerful automated pricing engine and product eligibility. Computershare Loan Services provides interest rate protection and secondary market access across a broad product suite. Delegated Correspondents must underwrite and close all loans delivered to Computershare Loan Services for purchase.

Computershare Loan Services Delegated Correspondents must submit all Mortgage Loans on a Delegated basis. On an exception basis, Correspondent may originate certain categories of Mortgage Loans on a Non-delegated basis (i.e. FHA, VA, Non-Agency Jumbo, etc.). Prior approval is required for Delegated Correspondent Sellers to deliver Non-delegated Mortgage Loans.

Non-delegated Correspondent Seller

If Correspondent chooses a Non-delegated Correspondent relationship to avoid risk associated with Delegated authority, Computershare Loan Services underwriters will support Correspondent's in-house processing team. Computershare Loan Services' seasoned underwriting staff possess deep compliance expertise, and are stringently tested and trained before joining the Computershare Loan Services team. Through the Non-delegated Correspondent mortgage lending program, Computershare Loan Services strives to provide a 24 to 48 hour underwriting turn-time.

Computershare Loan Services' [eOriginator](#) system offers an easy, interactive way to upload Correspondent Mortgage Loan Files, review and clear conditions. The paperless environment provides complete transparency 24x7 so your financial institution can rest assured its Mortgage Loan transactions are receiving the attention they need to get to closing and purchase.

Computershare Loan Services approved Non-delegated Correspondent Sellers must submit all Mortgage Loans; or a single category of Mortgage Loans (i.e. FHA, VA, Non-Agency Jumbo, etc.); on a Non-delegated basis.

Mortgage Fulfillment Services

Correspondents may also engage the Computershare Loan Services Correspondent Lending program through a relationship with Computershare Loan Services fulfillment services. Computershare Loan Services' mortgage fulfillment services are private-labeled and designed for lenders seeking a way to minimize compliance risk by utilizing Computershare Loan Services' deep compliance experience, and leveraging Computershare Loan Services' processing, closing and secondary teams to grow Correspondent's business and reduce overhead

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costs. Correspondent's loan officers can utilize Computershare Loan Services' proprietary technology to take applications, select product and lock rates, or application data can be directly entered or up-loaded from Correspondent's existing loan origination system.

Comprehensive Mortgage Fulfillment Services

Computershare Loan Services manages the operational capacity of the Client's mortgage business, lowering their initial capital investment, eliminating operational risk and ensuring all requirements and compliance regulations are met in an ever-changing industry.

Our comprehensive mortgage fulfillment services include progressive technology and the highly-qualified staff necessary to process, underwrite and close loans on the Client's behalf.

Correspondent Seller Participation Requirements

Correspondent Seller Eligibility Requirements

The requirements stated below, unless waived by Computershare Loan Services in its sole and absolute discretion, must be met by Correspondents to be eligible for participation in the Computershare Loan Services Correspondent program.

Computershare Loan Services reserves the right, in its sole discretion, to determine whether a prospective Correspondent meets these eligibility requirements. Once approved, Correspondents are required to maintain the eligibility requirements. If a Correspondent fails to maintain one or more of the eligibility requirements, Computershare Loan Services may suspend purchasing Mortgage Loans from the Correspondent and/or terminate its business relationship with the Correspondent.

The following minimum criteria are required to qualify as a Computershare Loan Services Correspondent. The Correspondent must meet the following specifications:

Experience

The Correspondent must have been an active originator of first lien, investment quality residential Mortgage Loans during the previous two years. It is recommended that newer firms have principals with a minimum of five years of experience and sound financials.

Capital Requirements

The Correspondent and the Correspondent's parent company, if any, must meet the capital requirements of each state and federal regulatory agency with jurisdiction over any of the Correspondent's or parent company's activities, as applicable. In addition, the following minimum net worth requirements are required for selling Mortgage Loans to Computershare Loan Services:

- \$500,000 minimum net worth for Non-delegated Correspondent Sellers
- \$2,000,000 minimum net worth for Delegated Correspondent Sellers

Ownership

The Correspondent must provide acceptable personal credit profile for all principal officers, owners and/or partners.

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Facilities

The Correspondent must have adequate facilities to originate first lien residential Mortgage Loans.

Selling Standards

- The Correspondent must follow generally accepted mortgage lending practices with respect to its Mortgage Loan origination activities
- The Correspondent must be an organization which is committed to, and engages in, responsible lending practices; and adheres to applicable local, state, and federal rules and regulations
- The Correspondent must have strong investor report cards
- The Correspondent must have a rating of good standing with all governmental licensing and revenue collection agencies
- The Correspondent must establish and maintain Quality Control standards and procedures that comply with Agency requirements, as applicable

Insurance

Correspondents that are not federally insured must maintain a blanket Fidelity Bond and Errors and Omissions insurance coverage in the amount of \$300,000 each. The deductible may not exceed the greater of \$100,000 or 5% of the face amount of the bond.

Legal Standing

- The Correspondent must be duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and qualified to transact business and properly licensed in each jurisdiction where it originates or services Mortgage Loans
- The Correspondent must be in good standing with all applicable regulatory authorities and not subject to any extraordinary supervision of its operations
- The Correspondent must have the power and authority to enter into the Computershare Loan Services Correspondent Agreement
- The Correspondent's compliance with the terms and conditions of the Agreement, including the terms and conditions of this Guide, must not violate any of the provisions of its articles of incorporation, charter or by-laws or any other instrument relating to the conduct of the Correspondent's business, the ownership of its property or any other agreement to which it is a party or by which it is bound

Licensing

The Correspondent must possess and maintain all required licenses necessary to conduct its activities in each jurisdiction in which any mortgaged property is located or otherwise be exempt from such requirements.

Correspondent must be properly licensed and authorized to originate and warehouse loans (if utilizing warehouse facilities), meeting Computershare Loan Services Correspondent product line and underwriting standards.

In accordance with the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act), Correspondents are required to obtain and maintain a record through the National Mortgage Licensing System (NMLS), and the necessary license or registration in each state in which they conduct business.

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The following is required to ensure that the Correspondent's licensing requirements are met:

- Current Correspondent Seller license (issued by the applicable authorities):
 - Is required for all states in which the Correspondent originates loans, and
 - Must be verified as active through NMLS**Note:** Paper copies are required for licenses issued by states not verifiable through NMLS (for example, Missouri and Delaware)
- Correspondent must have a company record and an ID number on the NMLS system

Warehouse Facilities

Correspondents that use warehouse facilities must have a traditional warehouse facility with a minimum line amount of \$1,500,000 for Non-delegated relationships and \$2,500,000 for Delegated relationships. Note that cash fundings are only permitted for depository institution Correspondents.

Correspondent is required to provide information regarding the Correspondent's active warehouse line(s) of credit. Acceptable warehouse lenders are:

- State or federally insured banks
- Independent mortgage bankers
- State or federally insured credit unions
- Investment banks
- Other warehouse lenders (subject to prior approval by Computershare Loan Services)

Requirements for Warehouse Lenders

The following requirements apply to all warehouse lenders, if Correspondent utilizes warehouse facilities:

- Correspondent must ensure warehouse lender is notified and approves Computershare Loan Services as the take-out investor before Computershare Loan Services approves the Correspondent's application
- Any additional warehouse lenders obtained by the Correspondent must also be approved by Computershare Loan Services before funding loans on these lines
- At loan closing, the warehouse lender information must match the data most recently provided by the Correspondent. Computershare Loan Services validates the wire authorization with the warehouse lender for each Mortgage Loan purchased. If the wire authorization does not match the warehouse lender, Computershare Loan Services requires the Correspondent to complete the necessary documents in order to bring the information current, prior to purchasing the Mortgage Loan

FHA Program Eligibility Requirements

Correspondents must obtain specific approval from Computershare Loan Services to sell Federal Housing Authority (FHA) Mortgage Loans to Computershare Loan Services. To be eligible to sell FHA Mortgage Loans to Computershare Loan Services, the Correspondent must meet the specific eligibility requirements as determined by FHA authority:

FHA DIRECT ENDORSED (DE) PROGRAM ELIGIBILITY REQUIREMENTS

- Meet all other Computershare Loan Services eligibility requirements, as applicable

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- Meet HUD's minimum loan insurance requirements as defined by FHA Single Family Housing Policy Handbook HUD 4000.1 'Doing Business with FHA' requirements
- Be issued Direct Endorsement (DE) approval through HUD and provide HUD approval documentation to Computershare Loan Services
- Have a sufficient number of DE underwriters on staff for its production volume and must provide Computershare Loan Services with resumes for DE underwriters
- Be in good standing with HUD and other applicable agencies
- Maintain a HUD compare ratio of less than or equal to 150% (Correspondents with a compare ratio greater than 150% may be considered on an exception basis.)
- FHA Principal Authorized Agent (PA) Program Eligibility Requirements
 - Meet all other Computershare Loan Services eligibility requirements, as applicable
 - Be issued Direct Endorsement (DE) approval thru HUD and provide HUD approval documentation to Computershare Loan Services
 - No longer have DE underwriter(s) connected to FHA ID in FHA Connection
 - Maintain HUD Compare ratio of less than or equal to 150% (Correspondents with a compare ratio greater than 150% may be considered on an exception basis.)

FHA SPONSORED ORIGINATOR (SO) PROGRAM ELIGIBILITY REQUIREMENTS

- Meet all other Computershare Loan Services eligibility requirements, as applicable
- Be issued FHA Lender Approval thru HUD and provide HUD approval documentation to Computershare Loan Services
- Provide written QC plan to include pre-closing audit process and minimum of two months of management reporting as described in Quality Control, Oversight and Compliance section in FHA Single Family Housing Policy Handbook 4000.1
- Have a minimum of 2 year experience in FHA originations
- Meet all state license, registration or equivalent approval requirements for the states in which they originate (if applicable)
- Meet the following net worth requirements
 - \$1.0 million net worth PLUS an additional net worth of 1 percent of the total FHA volume in excess of \$25.0 million up to a maximum of \$2.50 million
 - Minimum of 20% of net worth must be in liquid assets consisting of cash or its equivalent
- Audited financials in accordance with GAAP or Call Reports
- Have a primary business location in a commercial location
- Maintain HUD Compare ratio of less than or equal to 150%. (Correspondents with a Compare ratio greater than 150% may be considered on an exception basis.)

INDEPENDENT AUDITOR'S REPORT FOR FHA ORIGINATORS

Correspondents approved by FHA to originate FHA Mortgage Loans must provide an independent auditor's report on internal controls over compliance for HUD assisted programs, regardless of whether or not the Correspondent is approved to sell or actively sell FHA Mortgage Loans to Computershare Loan Services. The report must include all applicable HUD letters and the computation of HUD Net Worth statement showing compliance with HUD's net worth requirements.

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Note: Any government loan not insured within 60 days of loan closing may be subject to repurchase by Correspondent.

For additional information regarding FHA Mortgage Loans, refer to Product Profiles in Correspondent Lending link of Computershare Loan Services website.

VA Program Eligibility Requirements

Correspondents must obtain specific approval from Computershare Loan Services to sell Mortgage Loans guaranteed by the Veterans Administration (VA) to Computershare Loan Services. In order to obtain and maintain approval, the Correspondents must:

- Maintain an active VA ID number
- Be a Supervised Lender or Non-supervised Automatic Authority Lender
- Have a sufficient number of LAPP SARs and VA approved underwriters on staff for its production volume
- Be in good standing with the Veterans Administration
 - Correspondent is required to obtain a letter of good standing from their local Home Ownership Center (HOC) – updates to be provided at Computershare Loan Services’s request
 - Computershare Loan Services will review the Correspondent’s standing with VA in the process of determining VA loan sale eligibility (26-7, Chapters 1 and 17)

AGENTS

Correspondents are responsible for ensuring that any Agents performing work for the Correspondent on VA loans are approved by VA as set forth in the VA Lender’s Handbook, 26-7, Chapter 1, as amended.

AFFILIATIONS

Correspondents are responsible for obtaining VA’s express approval for using automatic approval for loans “for any builder or other entity in which the lender has a financial interest or which it owns, is owned by, or with which it is affiliated.” Any loan purchased by Computershare Loan Services where the VA requirement for express approval for affiliations is not met may be subject to repurchase.

SANCTIONS, PENALTIES, DEBARMENT

As set forth elsewhere in the Agreement, changes to a Correspondent’s or its agent’s standing with VA, including but not limited to sanctions, exclusions, withdrawal of Automatic Authority status, limited denial of participation, fines, penalties or debarment, must be reported to Computershare Loan Services immediately. (VA Handbook 26-7, Chapter 1, Chapter 17, and elsewhere as amended).

For additional information regarding VA loans, refer to Product Profiles under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

USDA Program Eligibility Requirements

Correspondents must obtain specific approval to sell Mortgage Loans guaranteed by the United States Department of Agriculture, Rural Development (USDA – RD) to Computershare Loan Services. In order to obtain and maintain approval, the Correspondents must:

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- Maintain an active USDA Agreement for Participation in Single Family Housing Guaranteed/Insured Mortgage Loan Programs of the United States Government, with a valid participating lender Tax ID number
- Have a sufficient number of GUS trained underwriters on staff for its USDA program production volume
- Be in good standing with the USDA
 - Correspondent is required to obtain a letter of good standing from their local Home Ownership Center (HOC) – updates to be provided at Computershare Loan Services’s request
 - Computershare Loan Services will review the Correspondent’s standing with USDA in the process of determining USDA loan sale eligibility

For additional information regarding USDA Mortgage Loans, refer to Product Profiles under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

SANCTIONS, PENALTIES, DEBARMENT

As set forth elsewhere in the Agreement, changes to a Correspondent’s or its agent’s standing with USDA, including but not limited to sanctions, exclusions, changes in status, fines, penalties or debarment, must be reported to Computershare Loan Services immediately.

Non-Agency or Jumbo Program Eligibility Requirements

Correspondents must obtain specific approval from Computershare Loan Services to be eligible to sell Non-Agency or Jumbo Mortgage Loan Products to Computershare Loan Services on a Delegated or Non-delegated basis. To be eligible, Correspondents must meet the following minimum requirements:

- Must be granted written approval by Computershare Loan Services to sell Jumbo or Non-Agency Mortgage Loans
- Good standing with Computershare Loan Services and overall satisfactory performance with no billings >90 days and delinquency at or below peers
- Correspondent’s warehouse bank must be willing to finance Non-Agency or Jumbo Mortgage Loan product on terms that are eligible for purchase by Computershare Loan Services

Texas 50(a)(6) Correspondent and Mortgage Loan Eligibility

Correspondents must obtain specific approval from Computershare Loan Services to be eligible to sell Texas Constitution, Article XVI, Section 50(a)(6). In order to obtain and maintain approval, Correspondents must provide evidence to Computershare Loan Services that they are lawfully authorized to make Texas 50(a)(6) loans as one of the following entities:

- A bank, savings and loan association, savings bank, or credit union doing business under the laws of the state of Texas or the United States
- A federally chartered lending instrumentality or a person approved as a mortgagee by the United States government to make federally insured loans
- A person licensed to make regulated loans, as provided by Texas state statute
- A person regulated by the state of Texas a mortgage broker

Note: See Texas Constitution Section 50(a)(6)(P) for the complete requirement.

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If Correspondent is an approved Fannie Mae Seller/Servicer and received approval by Fannie to sell and service Texas 50(a)(6) loans, then Correspondent may provide Computershare Loan Services with that approval to satisfy Computershare Loan Services' experience requirement.

If Correspondent is an approved Freddie Mac Seller/Servicer, the Correspondent must inform Computershare Loan Services if Freddie Mac has revoked its ability to sell or service Texas 50(a)(6) loans.

Correspondents approved as a Freddie Mac Seller/Servicer, and/or Correspondents approved as a Fannie Mae Seller/Servicer on/after May 1, 2016 must provide Computershare Loan Services with the following to satisfy Computershare Loan Services' experience requirement:

- A statement of the number of years Correspondent has been originating Texas 50(a)(6) loans and the number of units closed in the prior and current year. Computershare Loan Services standard is generally five (5) years of experience.
- Correspondent must provide Computershare Loan Services with the Correspondent's specific, written policies and procedures for the receipt, handling and monitoring of Texas 50(a)(6) complaints and notices from Borrowers. At the very least, the policy must provide for the following:
 - The Correspondent has in place a specific process for the receipt, handling, and monitoring of notices from Borrowers that Correspondent (or the mortgage originator) failed to comply with the provisions of the law applicable to Texas 50(a)(6) mortgages
 - Such process is adequate to ensure that the Correspondent would be able to correct the failure to comply by one of the authorized means no later than the 60th calendar day after the date the Correspondent is notified of the failure to comply by the Borrower
 - If Correspondent sells Texas 50(a)(6) Mortgage Loans originated by a third-party originator, Correspondent confirms that originating lender is lawfully authorized to make Texas 50(a)(6) loans under Texas Constitution Section 50(a)(P) and that the originator has processes in place for the receipt, handling and monitoring of notices from Borrowers as described above
 - Correspondent has provisions for notifying investors when a complaint or notice is received (Computershare Loan Services requires notification within 10 calendar days of receipt from Borrower)
 - The processes and procedures used for the origination of the Texas 50(a)(6) mortgages are reviewed by the Correspondent regularly and will be updated and revised, as appropriate pursuant to clarifications of the law, on a regular and continual basis

Correspondent must confirm that it has consulted an attorney firm familiar with provisions of Section 50(a)(6), Article XVI of Texas Constitution in connection with the development and implementation of the processes and procedures used for the origination of the Texas Section 50(a)(6) mortgages.

Correspondents that intend to sell Texas Section 50(a)(6) mortgages originated by a third-party originator are responsible for ensuring that the originating lender qualifies as an "authorized lender" under the Texas Constitution and meet all applicable requirements set forth in this Guide.

Furthermore, Computershare Loan Services may require Correspondents to provide an attorney letter from a Texas attorney firm confirming the Correspondent's lending and servicing policies, procedures, and practices are in compliance with Section 50(a)(6) of Article XVI of the Texas Constitution, all other applicable Texas Constitutional provisions, statutes, court decisions, regulations and rules and applicable State and federal law.

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Delegated Authority issue Condominium Project Approvals

For Fannie Mae and Freddie Mac Mortgage Loans, Delegated Correspondents only have the authority to conduct “Limited Reviews” (as defined by Fannie Mae Selling Guide) and “Streamlined Reviews” (as defined by Freddie Mac Single Family Seller Guide) for Condominium Projects.

Correspondents must obtain specific approval from Computershare Loan Services to be eligible to issue Condominium Project approvals that require “Full Reviews” (as defined by Fannie Mae Selling Guide and Freddie Mac Sing Family Seller Guide), project reviews for new condominium projects, or other types of project approvals. To be eligible for Delegated authority to issue Condominium Project approvals beyond Limited Reviews and Streamlined Reviews, Correspondent must meet the following minimum requirements:

- Correspondent must have staff members with extensive experience in conducting Condominium Project Reviews that require in-depth analysis of master deeds, bylaws, condominium questionnaires, financials, budgets, reserves, contingencies, Homeowners Association (HOA) requirements, project amenities, project elements, property ownership rights, restrictions, property requirements, etc.
- The Correspondent must have policies and procedures in place, and must take appropriate steps to ensure that the Condominium Unit, the Condominium Unit Mortgage and the Condominium Project comply with applicable Agency requirements

Correspondents should contact their Account Executive to request Condominium project approval.

Interim Servicing

To the extent Correspondent services a Loan after the related Purchase Date, Correspondent (or its designee, which designee shall be approved in writing by Computershare Loan Services) shall service the Loan in conformance with all Accepted Servicing Practices and Applicable Requirements until such time as the servicing of such Loan is transferred to Computershare Loan Services or its designee. Correspondent shall promptly follow Computershare Loan Services’ instructions regarding transferring any such servicing. If applicable, Correspondent shall, at its expense, mail the approved form of notification to Mortgagors under the Loans of the transfer of the Servicing Rights and instruct the Mortgagors to deliver all mortgage and related payments and all tax and insurance notices to Computershare Loan Services after the Purchase Date.

Exclusionary Lists – Correspondent Seller Employees and Managers

Correspondent must ensure that all employees, including management, of Correspondent or its third-party originators involved in managing or performing origination functions on Mortgage Loans that are sold to Computershare Loan Services (including application through closing) are not on the following lists:

- U.S. General Services Administration (GSA) Excluded Parties List (EPL)
 - www.sam.gov
- Freddie Mac Exclusionary List
- OFAC Specially Designated National (“SDN”) List
 - <http://sdnsearch.ofac.treas.gov/>
- HUD Limited Denial of Participation List (LDP List)
 - https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp
- FHFA Suspended Counterparty List (SCP)

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- <http://www.fhfa.gov/SupervisionRegulation/LegalDocuments/Pages/SuspendedCounterpartyProgram.aspx>

Net Branches

Correspondents must obtain specific approval from Computershare Loan Services to sell Mortgage Loans to Computershare Loan Services that are originated through the Correspondent's net branches. Correspondent is responsible to notify Computershare Loan Services if it begins to originate loans through net branches but was not previously approved to sell Mortgage Loans originated through that business model to Computershare Loan Services.

To determine eligibility, during due diligence review an analysis is conducted of the Correspondent's Retail channel including branch structure, net branching, number of branches relative to management structure and centralization versus decentralization of critical processes such as underwriting and disclosure. Net branches must be HUD compliant and properly licensed.

Eligibility of Wholesale, Correspondent or Third-party Originations

Correspondent must itself underwrite all Mortgage Loans and fund all Mortgage Loans in its own name that it offers to Computershare Loan Services for sale.

Correspondents must obtain specific approval from Computershare Loan Services to sell Mortgage Loans to Computershare Loan Services that are originated through a Correspondent's Wholesale channel (third-party originations or "TPO").

In addition, Correspondents must obtain specific approval from Computershare Loan Services to sell Mortgage Loans acquired by the Correspondent through their Correspondent Channel.

To determine Correspondent eligibility, the Correspondent's policies, procedures and controls for TPO production are assessed by Computershare Loan Services including:

- TPO approval policy
- Broker Compensation policy and sample agreement
- Explanation or policy for monitoring TPO licensing status at time of funding
- Policy for affiliated mortgage service provider relationships and brokers acting in multiple capacities on a transaction
- Additional recertification requirements may apply

Control Affiliate Relationships

Correspondents must obtain specific credit approval from Computershare Loan Services to sell Mortgage Loans to Computershare Loan Services that were created using mortgage-related products or services that were provided by a Correspondent's Control Affiliate.

Control Affiliate relationships include any companies with which the Correspondent or any of its owners or senior managers shares a financial interest or management control. Computershare Loan Services performs an assessment of affiliate relationships to determine potential conflicts of interest, RESPA or other regulatory issues. Computershare Loan Services might require additional documentation for controls surrounding affiliate

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relationships with mortgage-related service providers such as providers of appraisal, escrow, title, closing, and real estate sales.

Failure to disclose control affiliate relationships in the origination of a Mortgage Loan sold to Computershare Loan Services may result in a request to repurchase the Mortgage Loan including any premium paid and administrative or other fees.

Application Process

Applicants interested in attaining approval to become an approved Correspondent must:

1. Access the Computershare Loan Services Correspondent Lending website,
2. Select Become an Approved Correspondent Lender button, and
3. Submit contact information

Computershare Loan Services will review Correspondent applications from depository and non-depository lending institutions.

Computershare Loan Services will help Correspondents build a sustainable, competitive mortgage business designed around Correspondent's specific needs. As a Delegated, Non-delegated, or Mortgage Fulfillment Client, Correspondents can confidently offer customers competitive products and pricing, and a customer service experience that they have come to expect from your financial institution.

Upon completing and submitting the request to become an approved Correspondent; applicants will be contacted by an account executive, and will promptly receive an application package in the mail.

Conditional Approval and Initial Application

Computershare Loan Services utilizes the Comergence website, a third-party entity's services, to collect documents and to approve Correspondents. The following table outlines documentation requirements for Conditional Approval and Initial Application:

Documents	Depository			Non-Depository	
	Conditional Approval	Initial Application	Recertification	Initial Application	Recertification
Correspondent Agreement	Required	Required	Not Applicable	Required	Not Applicable
Correspondent Board Resolution	Required	Required	Not Applicable	Required	Not Applicable
Certification Of Requirements Agreement	Required	Required	Not Applicable	Not Applicable	Not Applicable
Wiring Instructions	Required	Required	Not Applicable	Required	Not Applicable
Mortgage Loan Originator Compensation Compliance Certification	Required	Required	Not Applicable	Required	Not Applicable
IRS Form W-9	Required	Required	Not Applicable	Required	Not Applicable
Correspondent Agreement - Exhibit A (for Fulfillment Clients)	Optional	Optional	Optional	Optional	Optional
Overview Computershare Loan Services Correspondent Program	Optional	Optional	Optional	Optional	Optional
Special Limited Power Of Attorney	Not Applicable	Required	Not Applicable	Required	Not Applicable
AIR Certification	Not Applicable	Required	Not Applicable	Required	Not Applicable
Quality Control Plan	Not Applicable	Required	Not Applicable	Required	Not Applicable
Quality Control Reports (Three Previous Months & Management Responses)	Not Applicable	Required	Required	Required	Required
Errors & Omissions (Certificate Of Insurance for \$300,000 Minimum Coverage)	Not Applicable	Required	Required	Required	Required
Fidelity Bond (Certificate Of Insurance for \$300,000 Minimum)	Not Applicable	Required	Required	Required	Required
Credit Report (Within Past 90 Days)	Not Applicable	Not Applicable	Not Applicable	Required	Required
Audited Financials (2 Most Recent Years)	Not Applicable	Not Applicable	Not Applicable	Required	Required
Unaudited Financials (Current, Year-To-Date)	Not Applicable	Not Applicable	Not Applicable	Required	Required
Delegated Underwriting Authority Request (if applicable)	Not Applicable	Optional	Not Applicable	Optional	Optional
Delegated Underwriting Addendum (To Correspondent Agreement-if applicable)	Not Applicable	Optional	Not Applicable	Optional	Optional
Resumes for all Underwriters, Key Personnel, and Owners/Principals/Officers (Delegated)	Not Applicable	Required	If Applicable	Required	If Applicable
Resumes for All Key Personnel/Owners/Principals/Officers (Non-Delegated)	Not Applicable	Required	If Applicable	Required	If Applicable

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All the Correspondent approval requirements outlined in this section must be met in order to attain approval and conduct business as a Correspondent with Computershare Loan Services.

Approval may take 3 to 5 weeks; from the receipt of a complete Correspondent application package; to the notification of approval and issuance of a correspondent code.

Fast Track Approval – Depository Institutions Only

Depository Institutions are eligible for Conditional Approval (Fast Track). Upon issuance of Conditional Approval, Correspondent must meet the Initial Application criteria within 90 days; otherwise Conditional Approval may be rescinded.

Recertification, Monitoring and Maintaining Eligibility

Once approved, active Correspondents are subject to ongoing monitoring and Annual Recertification. Computershare Loan Services utilizes the Comerence website to collect documents for Correspondent Annual Recertification. All Correspondents are required to complete Annual Recertification process within 30 days of the anniversary of the initial lender approval date. The Annual Recertification process requires completion of the Annual Recertification form. In addition to completing and executing the recertification form, all Correspondents are required to provide the Recertification documentation listed in the above table.

All Correspondents must continue to meet the eligibility requirements herein to maintain its eligibility and approval to participate.

Changes to Corporate Authority and Banking Relationships

In the event that there is any change in the authority evidenced by the Corporate Resolution, or in the banking relationships described in the Wire Transfer Authorization Form, the Correspondent must immediately deliver to Computershare Loan Services a replacement Corporate Resolution, which accurately reflects the corporate authorizations granted by the Correspondent, or a Wire Transfer Authorization Form which accurately describes the banking relationships in effect, as applicable.

Computershare Loan Services will not recognize any changes in the Correspondent's corporate authorizations or funding instructions until the replacement Corporate Resolution, or Wire Transfer Authorization Form, as applicable, is received by Computershare Loan Services.

Wire Transfer Authorization Form is available under Forms section of Forms, Tools and Job Aids tab of Correspondent Lending website.

Notification of Significant Changes

Unless prohibited by law, the Correspondent must furnish Computershare Loan Services with written notice of any contemplated major changes in its organization, including its notice copies of any filings with, or

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approvals from, its regulators. Computershare Loan Services requires notice of, among other things, the following significant changes relating to the Correspondent:

- Mergers, consolidations or reorganizations
- Direct or indirect material change in ownership. An “indirect change in ownership” includes any change in the ownership of the Correspondent’s parent, any owner of the parent, or any beneficial owner of the Correspondent that does not own a direct interest in the Correspondent
- Change in principal management or Board of Directors or similar governing body
- Change in legal structure
- Any change in business name, primary address or telephone number
- Any change from a federal charter to a state charter (or vice versa) if the Correspondent is a savings and loan association or a bank
- Material changes in financial condition
- Any other action, event or condition of any nature which may lead to or result in a material adverse effect upon the business, operations, assets, properties, prospects or condition (financial or otherwise) of Correspondent

Notice must be given to Computershare Loan Services no less than 10 business days in advance of a planned transaction that would materially change the Correspondent’s financial condition, except when such notice is prohibited by law or regulation.

The Correspondent is to immediately notify Computershare Loan Services of any material changes to their financial condition as follows:

- A decrease in net worth of more than 25% from the net worth shown in the prior financial statements provided to Computershare Loan Services
- A material change in financial condition; financial strength or rating by any Rating Agency has been downgraded for Correspondent or any Guarantor
- Any material change in the Correspondent’s financial condition that is likely to impact its ability to perform its obligations under the terms of the Correspondent Agreement or this Guide
- Any material repurchase, indemnification, or make whole demands, Mortgage Insurance rescissions received from insurers or investors other than Computershare Loan Services

Compliance Reporting Requirements

If the Correspondent is subject to the jurisdiction of any governmental agency or quasi-governmental agency, such as Fannie Mae, Freddie Mac, HUD or FDIC, Computershare Loan Services may request copies of any audit reports issued by such agencies.

If any disciplinary action is taken by any such agency, including suspension or termination of the Correspondent’s selling or servicing rights, the Correspondent must notify Computershare Loan Services within three business days of such action. Any reports or notices to be delivered to Computershare Loan Services pursuant to this section of the Guide must be delivered to Computershare Loan Services.

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Other Events Requiring Notification by Correspondent Seller to Computershare Loan Services

Other examples of required notice by Correspondent to Computershare Loan Services include, but are not limited to those related as follows, to the extent permitted by applicable law:

- An action notification from a warehouse lender, investor, FHA, VA, HUD, USDA, Freddie Mac, Fannie Mae, the CFPB or any other regulatory agency
- Administrative sanction, investigation, audit, examination or review that resulted in possible regulatory action or formal agreement
- Court judgment with material impact to Correspondent's operations or financial condition
- Disqualification or suspension by an Agency or Investor
- Subsequent to the sale of a Mortgage Loan to Computershare Loan Services, a fact or circumstance rendering said Mortgage Loan to be ineligible for purchase by Computershare Loan Services is discovered
- Any material change in the Correspondent's operational conditions that may adversely impact the ability to perform any obligations as outlined in the Agreement
- An agency, regulatory or judicial finding or other determination of any noncompliance with applicable laws (including but not limited to RESPA, SAFE Act, ECOA etc.) by Correspondent's company or an officer, director, employee or affiliate of Correspondent
- As provided in the Agreement, any notice requirement as provided therein, any breach of a Representation and Warranty with respect to the Correspondent or to a Mortgage Loan or of any covenant of Correspondent Agreement
- Internal audit or quality control findings identifying material Mortgage Loan quality issues
 - Computershare Loan Services requires the Correspondent to provide a copy of the findings report within 30 days of receipt

Self-reporting of Fraud and Material Defects to Computershare Loan Services

Correspondents that become aware of suspicious information or activity, fraud, or material defects associated with a Mortgage Loan delivered to or purchased by Computershare Loan Services must notify Computershare Loan Services immediately upon discovery, whether or not the original discovery was made by Correspondent or was brought to their attention by an Agency, Insurer, Guarantor, investor, servicer, auditor, regulator, government agency or other third-party. Correspondent must also comply with Applicable Laws that require reporting of suspicious activity, fraud or misrepresentation to entities other than Computershare Loan Services.

Periodic Reviews

Computershare Loan Services will routinely review each Correspondent's book of business to monitor performance. The reviews will include, but may not be limited to the following:

- Product mix
- Production Review
- Agency approval standing
- Commitment pull through rate

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- Fallout percentages for Commitments with Computershare Loan Services
- Mark-to-market (MTM) exposure
- HUD neighborhood watch statistics (including compare ratios)
- Delinquency data
- Investor scorecards
- Repurchase activity
- Defective delivery rate
- Quality control findings
- Pre-purchase denials / cancellation statistics
- Number of Early Payment Default (EPD) loans
- Number of Early Payoffs (EPOs) and overall portfolio turnover
- Audits, exams (state, CFPB, HUD, VA, Agencies), fines, penalties and final findings within the past 12 months (to the extent permitted by Applicable Law)
- Consumer complaints
- Warehouse aging trends
- Changes to hedging policy
- Changes to other policies or business model

Early Payoffs

Consistent with the prepayment review process of the Agencies, Computershare Loan Services routinely reviews each Correspondent's portfolio of loans to monitor levels of prepayments. If such analysis identifies unusual prepayment behavior (as defined by one or more of the Agencies) by our Correspondent, the originating broker or loan officer, Computershare Loan Services may seek additional protections, including an extended EPO period on future loan purchases or disallowing loans to be submitted from identified brokers or loan officers prior to purchasing any additional Mortgage Loans from a Correspondent. Further, if Computershare Loan Services receives invoices from an investor due to unusual prepayment speeds, the cost (which may include an EPO recapture of all amounts paid in excess of the loan amount) will be passed on to and borne by our Correspondent.

Refer to Article 6, Section 6.1.2 of Correspondent Agreement and [Events of Default and Remedies: Including EPDs and EPOs](#) section of this Guide for additional details.

Audits

Computershare Loan Services may audit the Correspondent's mortgage loan origination operations and examine the books and records relating to any mortgage loan sold by the Correspondent to Computershare Loan Services. The Correspondent will facilitate such audits and provide Computershare Loan Services and its agent's access to the Correspondent's offices, books and records at reasonable times during the Correspondent's normal business hours.

All of the Correspondent approval requirements outlined in this section must be met in order to attain approval and conduct business as a Correspondent with Computershare Loan Services.

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Computershare Loan Services Quality Control Findings on Correspondent Seller's Mortgage Loans

Computershare Loan Services will apply its own Quality Control Plan and procedures to Mortgage Loans originated by Correspondent and will report findings to Correspondent, in the sole discretion of Computershare Loan Services, for the Correspondent's use in prevention of similar occurrences. Correspondents are required to respond to any significant material findings of which they are notified by Computershare Loan Services. Correspondents should investigate and respond with their results, supporting documentation and specification of the actions that were or are being taken to remedy the situation. Responses must be submitted within the time frame set forth in the notice provided.

In addition, Correspondent is responsible for reporting fraud and material defects discovered as a result of their Quality Control process or otherwise to Computershare Loan Services and to other investors, insurers, guarantors and governmental or regulatory bodies as required by regulations or contractual agreements between the Correspondent and those parties.

Mortgage Loan-level information and findings provided by Computershare Loan Services are confidential and should be maintained as such and used only in compliance with Applicable Laws and regulations.

Serious issues with Mortgage Loan quality and/or material findings trends, failure to report incidents of fraud or serious material defects to Computershare Loan Services, or failure to respond to Computershare Loan Services findings can result in corrective action up to and including termination of the Correspondent Agreement with Computershare Loan Services. Computershare Loan Services at its own discretion or in fulfillment of Applicable Laws or investor guidelines may report its Quality Control findings regarding Correspondent's Mortgage Loans to governmental or regulatory bodies, investors, insurers, or guarantors.

Satisfaction of Risk Screening Requirements

Computershare Loan Services may, in its sole discretion, utilize third-party risk screening services for any group or category of loans. And, while not published, there are certain categories of loans upon which Computershare Loan Services will always do risk screening prior to purchase.

Corrective Action

If there are any material adverse findings or any significant changes to the Correspondent's business discovered during the monitoring or recertification process, Computershare Loan Services might, in its sole discretion:

- Continue the relationship with no changes
- Conditionally approve continuing the relationship and provide a timeframe for resolving any deficiencies
- Notify the Correspondent of changes to the terms of the Correspondent Agreement
- Suspend or terminate the Correspondent Agreement
- Request copies of the Correspondent's Quality Control Reports
- Invoke applicable Remedies as provided for in this Guide and under the terms of the Agreement
- Suspend the relationship
- Rescind authorities

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- Take other action at Computershare Loan Services's sole discretion

Consumer Complaints and Notices, Texas 50(a)(6)

Complaints and Notices Received Prior to purchase of Mortgage Loan by Computershare Loan Services:

Any Texas home equity loan that is governed by Section 50(a)(6), Article XVI of the Texas Constitution, where there is an open consumer complaint or notification, verbal or written, is **not** eligible for purchase by Computershare Loan Services.

- Prior to purchase of the Mortgage Loan by Computershare Loan Services, Correspondents must notify Computershare Loan Services Compliance Department via email; at [SM_ComplianceEscalations@Computershare Loan Services.com](mailto:SM_ComplianceEscalations@ComputershareLoanServices.com); of any Borrower complaints and notices received
- Correspondents must also notify the Correspondent's Operations Manager by email (see Contacts on website)

Complaints and Notices Received after purchase of Mortgage Loan by Computershare Loan Services:

Correspondents must notify Computershare Loan Services Compliance Department via email; at [SM_ComplianceEscalations@Computershare Loan Services.com](mailto:SM_ComplianceEscalations@ComputershareLoanServices.com); within ten (10) calendar days of receipt of any verbal or written consumer complaints and notices regarding a Texas (a)(6) loan that has been purchased by Computershare Loan Services.

Correspondents must have in place a specific process for the receipt, handling and monitoring of notices from Borrowers that Correspondent (or mortgage originator) failed to comply with the provisions of the law applicable to Texas (a)(6) mortgages. See [Texas 50\(a\)\(6\) Mortgage Loan Eligibility](#) section and the Texas 50(a)(6) related Representation and Warranties section of this Seller Guide.

Computershare Loan Services may, at its discretion, elect to process a Texas 50(a)(6) complaint within the guidelines and timelines provided by the Texas Constitution or to require the Correspondent to do so under the supervision of the Computershare Loan Services Compliance Department.

In all cases, the Texas Constitution requires that complaints must be resolved or cured within 60 calendar days of the initial receiving party's receipt of the complaint.

Declination of Recertification

If a Correspondent recertification is declined, the Correspondent is notified and the Correspondent Agreement is terminated, as applicable. Computershare Loan Services may decline recertification in its sole discretion. Declination reasons might include, but are not limited to, any of the following:

- Criminal convictions or pending criminal charges of any owners with an ownership interest of at least 5%
- Pending or previous regulatory or enforcement actions against the Correspondent or its management
- Adverse findings from industry references or previous deactivations by investors or insurers

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- Unacceptable credit performance of Mortgage Loans
- Civil penalties or pending litigation that could result in civil penalties against any of the owners or management of Correspondent, especially those involving financial services industry participation, fraud or dishonesty
- Pending litigation that is considered serious in nature
- Unacceptable history of financial management
- Breach of Representations and Warranties
- Sanctions, withdrawal of authority, suspension, debarment, or limited denial of participation, by any Agency
- Failure to meet Computershare Loan Services' Correspondent Seller Eligibility requirements set forth in this Guide

Any other reason as determined by Computershare Loan Services in its sole discretion.

Correspondent Seller Suspension

Computershare Loan Services may, in its sole discretion and in lieu of terminating the Agreement, suspend a Correspondent as an approved Seller at any time and for any reason by giving notification to the email address provided by Correspondent or written notice to the Correspondent's address for notices as described in the Agreement.

Suspensions are effective as of the date specified by Computershare Loan Services and remain in effect until such time as Computershare Loan Services determines to reactivate the Correspondent or either party terminates the Agreement. Computershare Loan Services retains the right to determine what rights and privileges the Correspondent will have during the suspension and in no event will Computershare Loan Services be obligated to enter into a Commitment with the Correspondent during the suspension period.

Correspondent Agreement

Correspondent hereby agrees to perform all obligations and agreements, make all Representations and Warranties and comply with all the provisions of the Correspondent Agreement and applicable Exhibits and Addenda; this Guide; and Program Announcements, Manuals, Product Profiles, Guidelines, Policies and Procedures contained in [Correspondent Lending](#) website; or other communications, as may be modified or amended periodically.

Correspondent Seller Termination

As set forth in the Article 5 of Correspondent Agreement, the Agreement with a Correspondent to sell Mortgage Loans may be terminated by any party to the Agreement (the Correspondent or Computershare Loan Services) at any time for any reason, with or without cause by providing notice to the other party.

Termination for Convenience

Per Article 5, Section 5.1.1 of Correspondent Agreement:

"Either party may terminate this Agreement at any time with or without just cause upon ten (10) days prior written notice. Termination shall not affect or change the obligations of the parties to this Agreement with

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respect to any amounts that may be properly due and payable to Correspondent under Article 2, Section 2 or limit Correspondent's duties or obligations to Purchaser under this Agreement."

Termination for Cause

Per Article 5, Section 5.2.1 of Correspondent Agreement:

"Notwithstanding anything to the contrary herein, Purchaser may terminate this Agreement immediately, upon written notice to Correspondent, if Correspondent defaults in the performance of this Agreement, breaches any of its representations or warranties, or if Correspondent acts negligently, or if fraud is discovered as to any Mortgage Loan. Upon such termination for cause Purchaser's obligations under this Agreement shall terminate, except for any amounts that may be properly due and payable to Correspondent under Article 2, Section 2."

Survival of Agreement Terms upon Termination

See Correspondent Agreement for survival of Agreement terms following termination.

Commitments, Locks and Pricing

Lock Desk Information

Telephone: (855) 226-8229

Email address: lock_desk@loanfulfillment.com

Bulk-Mandatory email address: mandatory@loanfulfillment.com

Website: Correspondents may log on to [eOriginator](#) for 24 hour access to *review* locks. *Correspondents may only lock loans during regular Lock Desk hours when pricing is available.*

Electronic Lock hours of availability:

- **Government and Agency Products:** Electronic Locking is available through [eOriginator](#) from 7:00 AM to 9:00 PM Mountain Time.
- **Computershare Loan Services Jumbo and Expanded products:** Electronic Locking is available through [eOriginator](#) from 7:00 AM to 3:00 PM Mountain Time.

Electronic Locking hours: Electronic locks will not be available on announced holidays (see [Holiday Schedule](#) section of this Guide) or unplanned closures. Lock Desk staff will be available to answer calls and respond to emails from 6:00 AM to 4:00 PM Mountain Time. Calls and emails received after 4:00 PM Mountain Time will be responded to the next business day.

Request for Rate Sheets: Submit email to lock_desk@loanfulfillment.com for placement on Rate Sheet distribution.

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Commitment Options

Computershare Loan Services offers a suite of Commitment options designed to provide Correspondents with maximum flexibility and liquidity at competitive pricing. These Commitment options include Best Efforts Commitments (Best Efforts Locks) and Bulk-Mandatory Trade Commitments.

When referenced together; Commitments, Locks, Best Efforts Commitments and Bulk-Mandatory Trade Commitments are referred to as "Commitments" throughout this Guide section and the entire Guide. Commitments are documented in "Commitment Confirmations," which are an integral part of Correspondent's Agreement with Computershare Loan Services.

Best Efforts Commitment

Computershare Loan Services will enter into Best Efforts interest rate lock commitments ("Best Efforts Commitments" or "Best Efforts Locks") with approved Correspondents. Commitments are available at the discretion of Computershare Loan Services for the products, terms, rates and prices designated in Computershare Loan Services' pricing engine. Computershare Loan Services will honor the terms of the Commitment with the Correspondent as long as the Correspondent is, in good faith, progressing towards closing the Mortgage Loan and delivering the Mortgage Loan to Computershare Loan Services and there are no changes to the product, rate, loan amount or other material characteristics of the Mortgage Loan and/or as long as the Mortgage Loan has not been cancelled, withdrawn, denied or rejected. Loans must be **delivered** to Computershare Loan Services in purchasable condition prior to the expiration date of the Commitment. Loan substitutions for committed Mortgage Loans that are not delivered or purchased are **not** permitted. Should the Correspondent become aware the Mortgage Loan is not progressing towards closing and delivery to Computershare Loan Services the Correspondent should notify Computershare Loan Services as soon as possible regardless of the remaining term of the Commitment.

Best Efforts Commitments allow Correspondents to lock in a competitive price for the delivery of a single Mortgage Loan for a specific property and Borrower(s). The Correspondent has no obligation to deliver the Mortgage Loan to Computershare Loan Services until the loan has closed. Once closed; however; the Commitment becomes a mandatory Commitment to Computershare Loan Services. If the loan is not purchased by Computershare Loan Services, the Correspondent may be subject to Pair-off Fees or charges to compensate Computershare Loan Services for losses relating to hedging the interest rate exposure of the Mortgage Loan.

Although the Correspondent is not required to deliver the loan when entering into a Best Efforts Commitment, Computershare Loan Services will track the percentage of Correspondent's Commitments that are not delivered for purchase or delivered for purchase and subsequently cancelled, withdrawn, denied or rejected (referred to as "fallout"). An above target fallout rate may result in the loss of approval to sell loans to Computershare Loan Services or an adjustment to pricing on future commitments.

Rate Sheets

Each business day that Secondary Markets are open, Computershare Loan Services emails Rate Sheets to Correspondents. Rate Sheets provide pricing elements such as: base price including SRP; loan level price adjustors (LLPAs); lock extensions, etc.

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Rate Sheet pricing is subject to change daily and intra-day without prior notice at the sole discretion of Computershare Loan Services.

To be placed on the email distribution for Rate Sheets, submit a request, via email, to lock_desk@loanfulfillment.com.

Bulk-Mandatory Trade Commitment

Computershare Loan Services will enter into Bulk-Mandatory interest rate lock commitments ("Bulk-Mandatory Trade Commitments") with approved Correspondents. Computershare Loan Services will honor the terms of the Commitment with the Correspondent as long as there are no changes to the product, rate, loan amount or other material characteristics of the Mortgage Loan and/or the Mortgage Loan has not been cancelled, withdrawn, denied or rejected. Mortgage Loans must be **purchased** by Computershare Loan Services prior to the expiration date of the Commitment. Loan substitutions for committed Mortgage Loans that are not delivered or purchased are **not** allowed and Pair-off Fees may apply.

Computershare Loan Services will price mandatory commitments in bulk from approved Correspondents only. When the Correspondent enters into a Bulk-Mandatory Trade Commitment with Computershare Loan Services, the Correspondent agrees to sell a specific dollar amount and number of Mortgage Loans to Computershare Loan Services at an agreed-upon price within a specified timeframe. These commitments are mandatory. If the Correspondent is not able to fulfil the terms of their Commitment, the Correspondent will be required to pair out of the Commitment and may be subject to a Pair-off Fee.

The following restrictions apply to the Bulk-Mandatory Trade Commitments:

- Bulk delivery permitted only
 - Single loan mandatory sales are not offered under this platform. Refer to the [Best Efforts Commitment](#) section of this Guide for single loan options
- Pricing is based on mandatory delivery of Mortgage Loans
- \$1MM minimum aggregate loan amount bid size
- Conventional Agency and Government products only
- Mortgage Loans must be **purchased** by Computershare Loan Services on or before the Commitment expiration date
- The Commitment expiration date may be extended for a maximum of 30 days pursuant to the Commitment extension fees detailed below
- Substitutions are not allowed
 - Mortgage Loans committed from the original Commitment must be delivered or Paired-off
- Delivery variances are not allowed
 - Dollar amounts and number of Mortgage Loans committed must be delivered or Paired-off

Furthermore, Mortgage Loans delivered into Bulk-Mandatory Trade Commitments must meet Computershare Loan Services Mortgage Loan eligibility requirements as set forth in the Agreement with Computershare Loan Services, including this Guide, Product Profiles and related documents.

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Commitment Requests

Computershare Loan Services will allow Mortgage Loans to be committed based on currently available pricing at Computershare Loan Services' discretion.

Best Efforts Commitment Requests

Delegated Correspondent Best Effort Commitment Requests

Delegated Correspondents may request a Commitment with Computershare Loan Services electronically, through Computershare Loan Services' client portal, [eOriginator](#). See 'Pricing Job Aid,' located under Forms, Tools and Job Aids tab of Correspondent Lending website for directions.

Correspondents may also submit Commitment requests by:

- Contacting the Lock Desk at (855) 226-8229
 - The Lock Desk is generally available from 7:00 AM to 4:00 PM Mountain Time; other than announced holidays (see [Holiday Schedule](#) section of this Guide) or unplanned closures

All loans must be registered in [eOriginator](#) prior to committing.

Non-delegated Correspondent and Mortgage Fulfillment Client Best Efforts Commitment Requests

Non-delegated Correspondents and Mortgage Fulfillment clients may commit a Mortgage Loan in [eOriginator](#).

All loans must be registered in [eOriginator](#) prior to committing.

Non-Agency / Jumbo Mortgage Loans

All Jumbo / Non Agency commitment requests require a preliminary 1003 and will be reviewed upon locking. Non-Agency / Jumbo loans locked without a preliminary 1003 will not be honored and may be subject to reprice once the 1003 is delivered.

Correspondent Responsibility to Determine Mortgage Loan Eligibility

The Correspondent is solely responsible for ensuring that data input in the system is correct when requesting a Commitment and receiving pricing. Subsequent changes to the data may result in a change to the pricing for the Commitment or the termination of the Commitment.

Acceptance of a Mortgage Loan File by [eOriginator](#), Lock Desk or any other system is not a guarantee the Mortgage Loan will be purchase by Computershare Loan Services.

Refer to [Correspondent Seller Responsibility](#) section of this Guide for additional information.

Bulk-Mandatory Trade Commitment

Computershare Loan Services will enter into Bulk-Mandatory interest rate lock commitments ("Bulk-Mandatory Trade Commitments") with approved Correspondents. Computershare Loan Services will honor the terms of the Commitment with the Correspondent as long as there are no changes to the product, rate, loan amount or other material characteristics of the Mortgage Loan and/or the Mortgage Loan has not been cancelled, withdrawn, denied or rejected. Mortgage Loans must be **purchased** by Computershare Loan Services prior to the expiration date of the Commitment. Loan substitutions for committed Mortgage Loans that are not

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delivered or purchased are **not** allowed and Pair-off Fees may apply. In addition, a complete submission package must be uploaded a minimum of 10 business days prior to the commitment expiration date to allow ample time for review and avoid extension fees.

Computershare Loan Services will price mandatory commitments in bulk from approved Correspondents only. When the Correspondent enters into a Bulk-Mandatory Trade Commitment with Computershare Loan Services, the Correspondent agrees to sell a specific dollar amount and number of Mortgage Loans to Computershare Loan Services at an agreed-upon price within a specified timeframe. These commitments are mandatory. If the Correspondent is not able to fulfil the terms of their Commitment, the Correspondent will be required to pair out of the Commitment and may be subject to a Pair-off Fee.

The following restrictions apply to the Bulk-Mandatory Trade Commitments:

- Bulk delivery permitted only
 - Single loan mandatory sales are not offered under this platform. Refer to the [Best Efforts Commitment](#) section of this Guide for single loan options
- Pricing is based on mandatory delivery of Mortgage Loans
- \$1MM minimum aggregate loan amount bid size
- Conventional Agency and Government products only
- Mortgage Loans must be **purchased** by Computershare Loan Services on or before the Commitment expiration date
- A complete submission package must be uploaded a minimum of 10 business days prior to commitment expiration date
- The Commitment expiration date may be extended for a maximum of 30 days pursuant to the Commitment extension fees detailed below
- Substitutions are not allowed
 - Mortgage Loans committed from the original Commitment must be delivered or Paired-off
- Delivery variances are not allowed
 - Dollar amounts and number of Mortgage Loans committed must be delivered or Paired-off

Furthermore, Mortgage Loans delivered into Bulk-Mandatory Trade Commitments must meet Computershare Loan Services Mortgage Loan eligibility requirements as set forth in the Agreement with Computershare Loan Services, including this Guide, Product Profiles and related documents.

Correspondent Responsibility to Determine Mortgage Loan Eligibility

Bulk-Mandatory trade bid tapes capture limited Mortgage Loan information. Correspondents are responsible for determining Mortgage Loan eligibility when submitting Mortgage Loan File data to Computershare Loan Services for consideration. Computershare Loan Services product guidelines and Mortgage Loan eligibility requirements are available in this Guide and in the applicable Product Profile in effect at the time of Commitment.

An attribute or Mortgage Loan feature change to a Mortgage Loan in a Bulk-Mandatory Trade Commitment may subject the Mortgage Loan to Re-price or may impact Mortgage Loan eligibility.

Acceptance of Mortgage Loan File data in a Bulk-Mandatory Trade bid tape is *not* a guarantee the Mortgage Loan for purchase by Computershare Loan Services.

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Refer to [Correspondent Seller Responsibility](#) section of this Guide for additional information.

Commitment Confirmations

Best Efforts Commitment Confirmations

For Mortgage Loans committed through eOriginator: Upon committing a Mortgage Loan in [eOriginator](#), an automated email notification will be sent to the user with a Lock ID.

For Mortgage Loans a commitment through OES: Computershare Loan Services will post a Commitment Confirmation within 24 hours of accepting the request. It is the Correspondent's responsibility to review the confirmation and promptly notify Computershare Loan Services if there is any discrepancy in the terms of the Commitment.

Non Agency / Jumbo commitments will be reviewed at time of lock and may be subject to price changes

Bulk-Mandatory Trade Commitment Confirmations

Upon confirmation of a trade, Computershare Loan Services will prepare a Bulk-Mandatory Trade Commitment confirmation detailing the terms of the Commitment and the Mortgage Loans committed in the trade, and deliver the confirmation via email.

Secondary Market Closure Announcements

The days and times pricing are available for distribution by Computershare Loan Services may vary based on announced and/or unplanned Secondary Market closures. Computershare Loan Services generally relies on announcements from the Securities Industry and Financial Markets Association (SIFMA) to determine impacts on Computershare Loan Services pricing and Commitment availability.

In addition to the closures discussed in the Holiday Schedule section of this Guide, when known, Computershare Loan Services may announce impacts of other planned market closures and early closures in advance on the [Correspondent Lending](#) website, under [Program Announcements](#).

Computershare Loan Services will make reasonable efforts to publish an Announcement on the [Correspondent Lending](#) website or otherwise contact Correspondents in the event of unplanned market closures with pricing and Commitment availability impacts.

Business Disruptions

If the Computershare Loan Services' systems become unavailable during regular business hours, then Computershare Loan Services will make every reasonable effort publish an Announcement on the Computershare Loan Services Correspondent Website, under Program Announcements, with information regarding interim commitment request and commitment management procedures and availability.

Commitment Training Manuals, Process Flows and Job Aids

For information regarding use of [eOriginator](#) to register or commit/lock, Correspondents may refer to the following Manuals, process flows, and Job Aids:

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- **Correspondent Delegated Training Manual** located under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website
- **Correspondent Delegated Process Flow** located under [Forms, Tools and Job Aids](#) tab of [Correspondent Lending](#) website
- **Correspondent Non Delegated Training Manual** located under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website
- **Correspondent Non Delegated Process Flow** located under [Forms, Tools and Job Aids](#) tab of [Correspondent Lending](#) website
- **Pricing Job Aid (Float and Lock)** located under [Forms, Tools and Job Aids](#) tab of [Correspondent Lending](#) website
- **Pricing Scenario Job Aid** located under [Forms, Tools and Job Aids](#) tab of [Correspondent Lending](#) website

Correspondents may also contact their Account Executive or Regional Account Executive for assistance.

Commitment Management

Correspondents are responsible for Commitment management and must monitor their pipelines for adherence to the terms of their Commitment Confirmations as well as the terms of their Agreement with Computershare Loan Services.

Pricing Subject to Change

All price offerings are indications and subject to change without notice. This includes pricing and fees that might be offered, displayed or published by any means, including; pricing engines, Rate Sheets, extensions, Relocks, pricing tools and verbal or email indications of price provided by the Lock Desk.

Intra-day Price Changes

Computershare Loan Services reserves the right to change the daily pricing at any time, without notification.

Overnight Price Protection

Overnight price protection is not available.

Changes/Modifications to Committed Mortgage Loans

Correspondents are responsible for notifying Computershare Loan Services of any material changes to a Committed Mortgage Loan as soon as the change is discovered, regardless of the Mortgage Loan delivery status. Mortgage Loan changes are evaluated and assessed by Computershare Loan Services for the impact to Commitment terms, price and/or eligibility.

Mortgage Loan changes that materially differ from the original Commitment terms may result in Re-price, Relock, lock cancellation, or Mortgage Loan ineligibility for any Commitment. Computershare Loan Services will Re-price Mortgage Loans with material changes prior to purchase; however; if a change is identified post-purchase, Computershare Loan Services reserves the right to collect any pricing differences from the Correspondent.

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Corrections to Borrower name(s), Borrower information or property address, must be approved by the Lock Desk.

Refer also to [Mortgage Loan Program Changes](#) and [Property Changes](#) sections below for additional information.

Mortgage Loan Program Changes

Mortgage Loan Program changes are not allowed under the Bulk-Mandatory Trade Commitments.

For Best Efforts Commitments, pricing is subject to change for any program change requests. This includes any changes to amortization term. Program changes are permitted on an exception basis and may be subject to Worse Case Pricing. Program change requests may be submitted by:

- Emailing your Account Executive (Delegated Correspondents), or
- Emailing the Lock Desk at lock_desk@loanfulfillment.com.

Email must include the loan number, the original program type and new program type. Include any other relevant information.

Property Changes

If the property address changes for Best Efforts Commitment, the following rules apply:

- As long as one (1) or more of the Borrowers remain the same and the new loan amount does not exceed +/- 10% of the original loan amount, there will be no change to price
- If the new loan amount exceeds +/- 10% of the original loan amount, the Commitment must be Re-priced. Pricing is subject to Worse Case Pricing

Property Address and TBD Properties

Mortgage Loans must be committed with a property address. Mortgage Loans may not be committed with properties that are "to be determined" or "TBD".

Commitment Cancellations

Best Efforts Commitments may be cancelled at any time. Correspondents are encouraged to cancel as soon as such action is deemed necessary. Cancelled commitments are eligible to be Relocked per the [Relock Policy](#). Refer to the [Relock Policy](#) section of this Guide for details.

A Bulk-Mandatory Trade Commitment may not be cancelled. Failure to deliver into a Bulk-Mandatory Trade Commitment may result in a Pair-off Fee. Refer to the [Pair-off Fees](#) section of this Guide for details.

Fallout

Fallout occurs with respect to a Best Efforts Commitments when any one of the following events occurs:

- A Correspondent cancels a Best Efforts Commitment
- A Commitment expires prior to the delivery of that specific Mortgage Loan to Computershare Loan Services
- A Mortgage Loan delivered to Computershare Loan Services does not meet the terms of the Commitment Confirmation or does not meet Computershare Loan Services eligibility guidelines or does

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not meet the terms of the Agreement and is subsequently not Purchased by Computershare Loan Services

- A Correspondent is no longer proceeding, in good faith, to close and deliver the Mortgage Loan to Computershare Loan Services for purchase

Commitment Expiration Policy

For Best Efforts Commitments, a Mortgage Loan must be **delivered** to Computershare Loan Services in purchasable condition on or before the expiration date of the Commitment. For Best Efforts Commitments, a Mortgage Loan must be **delivered** to Computershare Loan Services in purchasable condition on or before the expiration date of the Commitment. Loans are considered delivered once the closed loan package is uploaded and the loan is submitted. Loans where the closed loan package has been uploaded but the loan has not been submitted are not considered delivered until the 'Submit Loan' action is completed. In addition, the closed loan package must contain all applicable documents listed in the [Loan Submission Form](#) found on the Computershare Loan Services website under 'Forms, Tools and Job Aids'.

For Bulk-Mandatory Trade Commitments, Mortgage Loans must be **purchased** on or before the expiration date of the Commitment. In addition, a complete submission package must be uploaded a minimum of 10 business days prior to the commitment expiration date.

If necessary, it is the responsibility of the Correspondent to request an extension prior to the expiration of the Commitment. The Mortgage Loan will be reviewed by Computershare Loan Services for purchase and, if necessary, conditioned (or suspended) for additional information (or documentation). If conditioned, the Correspondent will have until the later of:

- 5 business days from the date the Mortgage Loan was conditioned for purchase, or
- Commitment expiration date

To resolve the outstanding conditions and have the Mortgage Loan purchased by Computershare Loan Services **or**, for Mortgage Loans past the Commitment expiration date, the Correspondent may be charged 2 basis points (0.02%) per day, starting on the 5th business day after the Mortgage Loan was conditioned for purchase, until the Mortgage Loan is purchased. Loans not purchased within 30 day of the delivery date will be subject to the [Relock Policy](#)

All Mortgage Loans received by Computershare Loan Services after the Commitment expiration date will be automatically Relocked and are subject to the price changes and fees outlined in the [Relock Policy](#) section below.

Commitment Extensions

The expiration date of a Commitment may be extended up to 30 days past the original expiration date. All extension requests must be submitted before 12:00 PM Mountain Time of the Commitment expiration date.

If an extension of more than 30 days is required, Computershare Loan Services will consider an exception request. If approved, an extension fee will be charged at the rates designated below. ***In addition, Best***

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Efforts Commitments approved to be extended for periods greater than 30 days will automatically convert to a Mandatory Commitment and are subject to Pair-off Fees if not purchased. If a Mortgage Loan is not delivered prior to the revised commitment expiration date, the Mortgage Loan is subject to the requirements set forth by the [Relock Policy](#) section of this Guide.

The following Commitment extension periods and pricing are available:*

- 5 days at a cost of 0.125%
- 10 days at a cost of 0.25%
- 15 days at a cost of 0.375%
- 30 days at a cost of 0.625%

* **Note that extension fees are cumulative**

Expired commitments are not eligible for an extension and must be Relocked according to [Relock Policy](#) section of this Guide. Loans must be purchased within 30 days of the delivery date. Computershare Loan Services reserves the right to review all extension requests. Additional restrictions may apply or loans may be deemed ineligible for extension because of market conditions or other circumstances. Terms and pricing, indicated above, are also subject to change based on market conditions or other circumstances.

Commitment Renegotiations

All requests for renegotiations will be considered on a case-by case basis. Renegotiation requests are considered without regard to age, sex, gender or race of the borrower.

The following renegotiation guidelines are for **best effort commitments only** and do not apply to bulk/mandatory commitments. Although requests for renegotiations will be considered, Computershare Loan Services reserves the right to deny the request.

If the following conditions apply, a one-time renegotiation will be considered:

- The current commitment must be active. It may not be expired, floating or cancelled
- Current market must be at least 1.00% better in price for the existing commitment rate and term
- The Renegotiation must result in an improvement in rate to the borrower
- Correspondent may not benefit from the renegotiated price (the entire benefit in rate and price will be passed on the borrower) and all-in final renegotiated price will be capped at original commitment price
- Non-Delegated and Fulfillment loans must be in Final Approved status
- Certain products, including ARMS and Non-Agency Jumbo loans are not eligible for renegotiation

Renegotiated terms will be considered on the following parameters:

- Improvement to rate must be at least 0.125% but not greater than 0.250%
- Improvement to price will be limited to half of the current market movement
 - EXAMPLE: Loan committed at 3.50% for 30 days with price of 102.00 and is Final Approved. Current market for 3.50%, 30 day lock term is 103.50
 - Loan can be renegotiated to 3.375% or 3.250% with a 0.75% renegotiation fee ($103.50 - 102.00 = 1.50 / 2 = 0.75$)
 - Final renegotiated price will be capped at the original lock price

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- The original commitment expiration date will remain in effect
- Previous cost structure of the commitment applies (e.g. originally committed for 30 days, priced at 30 days), including any extension of relock fees previously applied
- Renegotiated terms are not eligible for extensions. If the commitment expires prior to delivery, the loan will be subject to the Relock policy and worse case pricing. Terms of the relock will be based on the original lock pricing
- Best Effort Commitments approved for renegotiation will automatically revert to a mandatory commitment and are subject to pair off fees if not purchased

Commitment Terms

Computershare Loan Services offers several different commitment terms. Terms can change each time pricing is made available. If the commitment term available for a loan causes the Commitment expiration date to fall on a non-business day (i.e. Saturday, Sunday or holiday) the Commitment will expire on the next business day.

Cumulative Fees

All fees incurred on a Mortgage Loan are cumulative. For example, if a Mortgage Loan has an extension fee and is later Relocked, the extension fees are still applied.

Mortgage Loans Ineligible for Purchase

For any Mortgage Loan that is denied or rejected by Computershare Loan Services for purchase ineligibility, the Commitment will be cancelled.

If the decision to reject or deny the Mortgage Loan is reversed and the Mortgage Loan is subsequently deemed acceptable by Computershare Loan Services, the Correspondent must submit a request to their Account Executive or the Lock Desk to reinstate the Commitment. Requests will be reviewed and pricing may be subject to Worse Case Pricing.

Closed Mortgage Loans Not Delivered

If a Mortgage Loan in a Best Efforts Commitment closes, the Correspondent is obligated to deliver that Mortgage Loan to Computershare Loan Services, regardless of having cancelled or not cancelled the commitment at any time prior to or subsequent to the Mortgage Loan's close. Closed Mortgage Loans not delivered into the applicable Best Efforts Commitments are subject to the Pair-off Fees definition in this Guide section.

Computershare Loan Services reserves the right to monitor the closing status of loans, using various tools at its disposal, including third party resources such as MERS, to determine whether an unfulfilled or fallout Best Efforts Commitment closed and/or sold elsewhere. In the event that Computershare Loan Services determines that a Best Efforts Commitment closed and/or sold elsewhere; the Correspondent may be subject to Pair-off Fee.

Computershare Loan Services recognizes that exceptional circumstances may occur which prevent the successful delivery of an acceptable closed Mortgage Loan. Under such circumstances, Computershare Loan Services Mortgage may, in its sole discretion, choose to waive the Pair-off Fee for that closed Mortgage Loan.

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Pair-off Fees

For Best Efforts Commitments that convert to a Mandatory Commitment where delivery is not fulfilled, or for commitments taken under Bulk-Mandatory Trade Commitments where delivery is not fulfilled, a Pair-off Fee may be charged based on any positive Price Differential described below. To determine a Pair-off Fee, Computershare Loan Services will calculate the following:

- Price Differential = Current Market Price – (Price at commitment + extension fees [if applicable])
- Pair-off Fee = (Positive Price Differential + Pair-off Penalty Fee) x Non-Delivered Dollar Amount

Note: *The Pair-off Penalty Fee is equal to 25 basis points.*

Relock Policy

Once a Commitment has expired, it is no longer considered an active Commitment and must be Relocked. **A Relock is a request to commit a loan for a second time.** Relocks may be subject to Worse Case Pricing as detailed in the bullet points below. **Worse Case Pricing is determined by comparing the current market base price to the originally committed base price for the same commitment period and selecting the lower higher of the two.**

- Two Relock options:
 - **15 Day Relocks** – Relocks will expire 15 days from the Relock date and are subject to a 0.375% Relock fee
 - **30 day Relocks** – Relocks will expire 30 days from the Relock date and are subject to a 0.75% Relock fee
- If a Mortgage Loan is Relocked **within** 30 days of the earlier of the Commitment expiration date or the Commitment cancellation date, the Mortgage Loan will be Relocked at Worse Case Pricing plus a Relock Fee
- If a Mortgage Loan is Relocked **more than** 30 days after the earlier of the Commitment expiration date or the Commitment cancellation date, it may be Relocked at current market pricing
- Previous cost structure of the Commitment applies to all Relocks (i.e., original Commitment for 30 days is priced at current 30 day price even if the relock period is only for 15 days), including extension fees
- LLPA's and guidelines in effect at the time of the Relock will be used in calculating the new pricing structure of the Commitment
- *Upon Relock, the Commitment will become a Mandatory Commitment for the Correspondent and may be subject to Pair-off Fees if not purchased*

Additional eligibility requirements and fees may apply for ARM and Jumbo, and Non-Agency Mortgage Loans. Contact Lock Desk for a Relock quote

Computershare Loan Services reserves the right to review all Relock requests. Additional restrictions may apply or loans may be deemed ineligible for Relock because of market conditions or other circumstances. Terms and pricing, indicated above, are also subject to change based on market conditions or other circumstances.

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Additional restrictions apply to ARM, Jumbo, and Non-Agency Mortgage Loans and may not be eligible for Relock under these terms or may be subject to additional fees. Contact the Lock Desk for further details on these products.

Rights of Computershare Loan Services

Computershare Loan Services maintains the right to perform pre-purchase, underwriting, quality, and saleability reviews/audits for each Mortgage Loan delivered for purchase. If it is determined that significant discrepancies exist in the Mortgage Loan documentation or the Mortgage Loan does not meet eligibility requirements during the pre-purchase review, Computershare Loan Services reserves the right to refuse to purchase that Mortgage Loan regardless of Commitment.

Seasoned Loans

Closed Mortgage Loans must be:

- Delivered to Computershare Loan Services within 30 days from the Note date, **and/or**
- Purchased by Computershare Loan Services within 45 days from the Note date

*Mortgage Loans delivered to Computershare Loan Services greater than 30 days past the Note date **or** aged greater than 45 days past the Note date, on the Purchase Date by Computershare Loan Services, are classified as Seasoned Loans and are ineligible for purchase.*

Computershare Loan Services; however; will consider purchasing Seasoned Loans on an exception basis; subject to approval by the Lock Desk and satisfactory pre-purchase review. Pricing may differ from currently posted pricing for non-Seasoned Loans. Pricing is subject to change for any Seasoned Loan that the Correspondent attempts to commit or a Seasoned Loan that Computershare Loan Services attempts to purchase. The pricing system does not monitor the Note date of the Mortgage Loan and may issue incorrect pricing for a Seasoned Loan; therefore; Computershare Loan Services reserves the right to adjust pricing as needed or refuse pricing on a Seasoned Loan prior to purchase. The Correspondent is responsible for knowing the age of the Mortgage Loan 1) in the pricing process and 2) throughout the delivery/submission process to Computershare Loan Services for pre-purchase review.

The Correspondent must contact the Lock Desk to price a Seasoned Loan. The Seasoned loan must be committed prior to delivery of file to Computershare Loan Services for purchase.

Seasoned Loans require a comprehensive explanation of the circumstances for the seasoning (from the Correspondent). For purposes of saleability to Agencies, Computershare Loan Services may require Seasoned Mortgage Loans to meet current Agency guidelines instead of Agency guidelines in place when the Mortgage Loan closed. Computershare Loan Services reserves the right to reject a Seasoned Loan for any reason.

Refer to specific Product Profiles and/or Non-Agency or Jumbo Program Eligibility and Underwriting Guidelines for additional guidance, as applicable.

For additional requirements, see also:

- [Payment History Requirements](#) section of this Guide
- [Age of Appraisal](#) section of this Guide

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- [Recertification of Value Requirement for Aged Loans](#) section of this Guide
- [Loans Previously Declined, Cancelled, Withdrawn or Repurchased](#) section of this Guide

Correspondent Seller Responsibilities

Correspondents must review accepted Commitment terms promptly and contact Computershare Loan Services if the Commitment Confirmation terms appear inaccurate or if an event occurs rendering the Correspondent's satisfaction of its obligation under a Commitment unlikely. Computershare Loan Services will consider reasonable requests, but reserves the right to hold Correspondents to accepted Commitment terms.

[eOriginator](#) and third party portals, such as Optimal Blue, execute a pre-emptory review of the minimal Mortgage Loan data available at the time of Lock. For Bulk-Mandatory Trade Commitments, Computershare Loan Services performs a pre-emptory review of the minimal Mortgage Loan data available at the time the loan data bid tape is provided. These reviews; however; do not consider all of the Mortgage Loan's characteristics that might impact Mortgage Loan price or eligibility.

For all Commitments, Correspondents are responsible for reviewing Mortgage Loan eligibility requirements in effect at the time of the Commitment and determining Mortgage Loan eligibility when submitting a Commitment request and delivering Mortgage Loans to Computershare Loan Services for purchase. Computershare Loan Services program and product guidelines and Mortgage Loan eligibility requirements are described in this Guide and in the Product Profile applicable to each program type.

Neither acceptance of a Mortgage Loan by [eOriginator](#) nor obtaining a price for a Mortgage Loan from Computershare Loan Services or from a third party portal (such as Optimal Blue), is indicative of the eligibility of that Mortgage Loan for purchase by Computershare Loan Services. Those portals consider only a very limited data set. Correspondents remain responsible for ensuring that Mortgage Loans meet all guidelines and requirements in effect at the time a Commitment is entered into with Computershare Loan Services, or that they otherwise obtain a written exception from Computershare Loan Services.

Commitment Requirements and Restrictions

The following Commitment and Delivery Method requirements apply to Mortgage Loan Programs and individual Mortgage Loans:

- Correspondents may not simultaneously utilize Bulk-Mandatory Trade Commitment or Best Efforts Commitments for the same Mortgage Loan
- Mortgage Loans previously locked in a Best Efforts Commitment may not be delivered into a Bulk-mandatory Commitment unless such Commitment was locked greater than sixty (60) calendar days after the earlier of the Best Efforts cancellation date or most recent Commitment delivery due date

Delivering Loans to Computershare Loan Services

Mortgage Loan Programs (Products)

Refer to individual Product Profiles for Eligibility Matrix and Summary Guidelines. Product Profiles are available under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

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Delegated Correspondent Sellers

Refer to [Correspondent Delegated Process Flow](#) and [Correspondent Delegated Training Manual](#) for step-by-step procedures to deliver Mortgage Loans with Delegated authority. Process Flow and Training Manual are available under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

Non-delegated Correspondent Sellers

Refer to [Correspondent Non-delegated Process Flow](#) and [Correspondent Non-delegated Training Manual](#) for step-by-step procedures to deliver Mortgage Loans with Non-delegated authority. Process Flow and Training Manual are available under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

Fee Schedule

AGENCY FEES, INCLUDING MINIMUM LOAN FEE* CHARGED ON PURCHASE ADVICE							
Correspondent Type	Administrative	Underwriting	Tax Cert	Flood Cert	Total on Purchase Advice	Minimum Loan Fee	<\$50,000 Total on Purchase Advice
Delegated	\$275		\$67	\$6.50	\$348.50	\$750	\$1,098.50
Non-Delegated	\$275	\$200	\$67	\$6.50	\$548.50	\$750	\$1,298.50

**Non-Agency/Jumbo underwriting fee is in addition to the Standard Underwriting Fee*

FHA, VA AND RD FEES CHARGED ON PURCHASE ADVICE						
Correspondent Type	Administrative	Underwriting	Tax Cert	Flood Cert	Insuring Fee	<\$50,000 Total on Purchase Advice
Delegated	\$275		\$67	\$6.50		\$348.50
Non-Delegated Principal Agent (PA)	\$275	\$250	\$67	\$6.50		\$598.50
Non-Delegated Sponsored Originator (SO)	\$275	\$250	\$67	\$6.50	\$50.00	\$648.50

Notes:

- A \$750 charge will be assessed on all Conventional loans less than \$50,000.
- See New York New York Consolidation, Extension and Modification Agreement (CEMA) section of this Guide for applicable legal review fees

Delivery Procedures

As discussed in the [Becoming a Client](#) section of this Guide, Computershare Loan Services offers Delegated, Non-delegated or Fulfillment originations options to Correspondent Sellers. Regardless of the origination

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option utilized by Correspondents, Mortgage Loans must meet Computershare Loan Services eligibility requirements as set forth in the Agreement, including this Guide, Product Profiles and related documents.

Delegated Submissions

Refer to Correspondent Delegated Process Flow and Correspondent Delegated Training Manual for step-by-step submission procedures. Process Flow and Training Manual are available under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

Each Mortgage Loan File submission must be accompanied by a completed Loan File Submission Form; available under available under 'Forms' section of Forms, Tools and Job Aids tab of Correspondent Lending website.

Non-delegated Submissions

Refer to Correspondent Non-delegated Process Flow and Correspondent Non-delegated Training Manual for step-by-step submission procedures. Process Flow and Training Manual are available under Seller Guides and Product Profiles tab of Correspondent Lending website.

Each Mortgage Loan File submission must be accompanied by a completed **Prior Approval Loan File Submission Form** available under available under Seller Guides and Product Profiles tab of Correspondent Lending website.

Paperless Image Delivery System

Computershare Loan Services requires files to be delivered in image form. The Mortgage Loan File must be uploaded to [eOriginator](#). Depending on Correspondent's delegation authority; instructions on loading documents into the system can be found in the Correspondent Delegated Training Manual or Correspondent Non-delegated Training Manual.

Computershare Loan Services does not require Correspondents to conform to any particular indexing scheme and there is no fee for this service.

- All documents, except for collateral documents (which are required to be delivered as original documents), must be delivered to Computershare Loan Services via image
- When Correspondents agree to deliver Mortgage Loan Files to Computershare Loan Services by image, they warrant to Computershare Loan Services that they will hold the original Mortgage Loan Documents and make them available to Computershare Loan Services upon request within a reasonable time frame
- Delivery of a complete, imaged Mortgage Loan File, in purchasable form, meets the delivery requirements under the [Commitments, Locks and Pricing](#) section of this Guide. See [Delivery of Purchasable Loans](#) section of this Guide for details

Note: Delegated and Non-delegated Clients must use the Manual specific to them for instructions. Fulfillment Services customers do not need to upload any documents; as this process is completed by the fulfillment team.

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Note: For Correspondents utilizing Computershare Loan Services Fulfillment Services, the closing agent/attorney will be instructed to return the executed closing documents directly to Computershare Loan Services in accordance with the closing instructions.

Paperless Image File Types Accepted

Currently, Computershare Loan Services can accept files in the format of single-page TIF, multi-page TIF, single-page PDF and multi-page PDF. Computershare Loan Services can accept images only at this time and cannot accept imbedded metadata from electronic documents.

Credit File Delivery Requirements

Submission Forms

Computershare Loan Services requires each Mortgage Loan File to be delivered with a completed Submission Form – either Loan File Submission Form or **Prior Approval Submission Form**; as applicable. Submission Forms include lists of minimum required documentation. Files are expected to be organized and neatly arranged in a manner which supports the lender's operation.

Submission Forms are available under 'Forms' section of Forms, Tools and Job Aids tab of Correspondent Lending website.

Credit File Documentation Requirements

Credit loan file must include the following documentation:

- Applicable Submission Form; either Prior Approval Submission form for Non-delegated Mortgage Loans **or** Loan File Submission Form for Delegated Mortgage Loans
- All documents; including, but not limited to applicable documents listed on the Submission Form except for original collateral documents (which are required to be delivered as original documents), must be delivered to Computershare Loan Services by image. Submission Forms can be used as guides, but are not intended to be a complete list of all required Mortgage Loan and [Regulatory Compliance](#) documents. See [Mortgage Loan Documents](#) section of this Guide for additional information
- Copy of the original Mortgage Note with intervening endorsements, endorsed "Pay to the order of Computershare Loan Services Network LLC without recourse"
- Copy of the original Mortgage/Deed of Trust, and any riders as indicated on the Mortgage/Deed of Trust. Deed of Trust copy must be stamped as a certified true copy of the original and include a signature along with the name of the company making the certification
- Copy of the original Title Insurance Policy or if the original policy has not been issued, the irrevocable commitment to issue the same
- Copy of the Power of Attorney (POA), if used to execute Note or Mortgage/Deed of Trust. The POA copy must be stamped as a certified true copy of the original and include a signature along with the name of the company making the certification. Any Non-Agency or Jumbo Mortgage Loan delivered to Computershare Loan Services Network LLC will require a recorded copy of the power of attorney containing the county recorder's stamp
- Copy of the Private Mortgage Insurance Certificate, if required by program guidelines

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- Evidence of adherence to all applicable local, state and federal regulations as well as compliance with all Fannie Mae, Freddie Mac, FHA, VA and USDA specific disclosures and forms

Payment History Requirements

If the Purchase Date is after the date when the first payment from the Borrower is due, then a payment history must be provided prior to purchase of Mortgage Loan. Additionally, a payment history must be provided for each payment due to and/or received by the Correspondent after purchase.

Payment histories must indicate the payment dates, payment amounts, any curtailments, the current principal and escrow balance and any escrow disbursements or payments made.

Computershare Loan Services will not purchase any Mortgage Loan on or after the 13th calendar day of the month if a payment with a due date earlier in that month has not yet been paid by the Borrower.

Example: If the loan is purchased on April 18th and the next payment due is May 1st, the correspondent will collect the May payment from the borrower, and the first payment due Computershare Loan Services will be the June 1 payment.

Computershare Loan Services will not purchase any Mortgage Loan if the Borrower has ever at any time been 30 or more days delinquent for a payment on that Mortgage Loan

- For purposes of this section, a Mortgage Loan is considered delinquent if a payment is not received on or before its designated due date
- Correspondents are required to notify Computershare Loan Services immediately if a Borrower payment is returned for non-sufficient funds

This requirement does not apply to Non-Delegated Sponsored Originations. Computershare Loan Services will collect the first payment regardless of date purchased.

FraudGUARD® or Similar Third Party Fraud Report

FraudGUARD by Interthinx is a comprehensive system that provides loan-level information on valuation, fraud detection and regulatory compliance issues.

Computershare Loan Services strongly recommends that all Correspondents utilize the FraudGUARD system or a similar tool for their delegated origination process. Computershare Loan Services processes the FraudGUARD software at the time the Mortgage Loan is submitted to Computershare Loan Services for underwriting (prior approval). There may be other similar software programs available. However, Computershare Loan Services will follow all recommendations from FraudGUARD when underwriting the Mortgage Loan.

Computershare Loan Services asks correspondents to provide the results of the fraud tool if available, as part of the Credit File submission.

If the Correspondent utilizes a fraud tool that is integrated with its loan origination system, it is not necessary to provide the results to Computershare Loan Services.

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Compliance Report/Certification or Test Results/High Cost Worksheet

Computershare Loan Services strongly recommends that all Delegated and Non-delegated Correspondents utilize a third party Compliance Report/Certification tool or compliance tool integrated with their loan origination system to validate adherence to the following regulations:

- Compliance with Federal HOEPA Section 32 and/or State High Cost Requirements (APR and Points and Fees)
- Identification of and compliance with Federal Higher Priced Mortgage Loans (HPML)

The report/certification should clearly evidence compliance with these regulations. While the scope of the report/certificate is limited, Correspondents are reminded of the compliance Representations and Warranties outlined in this Guide.

Computershare Loan Services asks Clients to submit the results of the compliance tool in the file as part of the Credit File submission. The Correspondent must may provide a compliance report, print screen of compliance results or a copy of the High Cost worksheet to demonstrate that the Mortgage Loan meets the minimum above listed requirements.

As a reminder, Correspondent Sellers are responsible for delivering Mortgage Loans in compliance with all Federal, State, and Mortgage Loan Program requirements. Loans that do not meet requirements may be subject to repurchase.

NON-DELEGATED: HPML DETERMINATION

Correspondent must complete Higher Priced Mortgage Loan (HPML) section of **Prior Approval Loan File Submission Form** (available under Forms section of Forms, Tools and Job Aids tab of Correspondent Lending website). Computershare Loan Services will rely Correspondent's "Yes" or "No" checkbox response/selection to the question which asks, "Is this transaction a HPML?"

Computershare Loan Services will depend on Correspondent's "Yes" or "No" response/selection to determine whether the transaction must be underwritten as a HPML. It is the Correspondent's responsibility to complete this section accurately. If HPML status changes after Computershare Loan Services issues an underwriting decision, Correspondent is responsible for notifying Computershare Loan Services about any changes; for possible re-underwriting; prior to closing.

Loans Previously Declined, Cancelled, Withdrawn or Repurchased

Computershare Loan Services restricts purchase of Mortgage Loans previously delivered to or rejected by a different investor. Exceptions; however; may be considered for purchase on a case-by-case basis for Mortgage Loans that meet all Computershare Loan Services and investor guidelines. If the Mortgage Loan was an investor decline, cancellation, withdrawal or repurchase; the following documentation is required:

- Declination, cancellation, withdrawal, or repurchase letter from the previous investor; including the last stipulation sheet
- Letter of Explanation from the Correspondent detailing the circumstances

Notes:

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- Computershare Loan Services reserves the right to reject Mortgage Loans that fall into this category
- Pricing is determined on a case-by-case basis
- Loans cannot be held in cash by Correspondents that are non-depository institutions

Delivery of Purchasable Loans

The Mortgage Loan must be delivered to Computershare Loan Services in purchasable condition on or before the Lock Expiration Date.

A delivered file is considered to be in purchasable form if it meets all of the following requirements:

- Product and program parameters
- Federal, state and local laws and regulations
- Industry standards, and the standards of any applicable Guarantor, Insurer, or Investor
- This Guide, including any updates, and the Correspondent Agreement
- Computershare Loan Services specific documentation
- The Mortgage Loan must be funded through a Computershare Loan Services approved warehouse lender, as identified in this Guide

A closed Mortgage Loan submitted in non-Purchasable form is considered incomplete and may be subject to relocking or re-pricing for a lock extension. Refer to [Commitments, Locks and Pricing](#) section of this Guide for pricing details.

Loans will be reviewed by Computershare Loan Services in a timely manner after receipt and the Correspondent will be notified of any issues which impact Computershare Loan Services' ability to purchase the Mortgage Loan through notification of a pend status and specific pend conditions.

Deficiencies may include, but are not limited to, any issues which impair Computershare Loan Services' ability to service or sell the Mortgage Loan.

Pre-Funding Quality Assurance by Correspondent Seller

Computershare Loan Services requires Correspondents to establish and maintain Quality Control standards and procedures that comply with Agency requirements, as applicable (references below):

- Fannie Mae Selling Guide part D, Subpart D1)
- Freddie Mac QC requirements (Single Family Seller/Service Guide, Volume 1, Chapter 48.1)
- FHA Single Family Originations must adhere to Quality Control standards of FHA Single Family Housing Policy Handbook 4000.1
- Veterans Administration Pamphlet 26-7 (Chapter 1, Section 15)
- USDA Handbooks and publications, including HB-1-3555, Chapter 3 and Attachment 3-A

Correspondents must provide Computershare Loan Services with a copy of their Quality Control Plan at Initial Application and upon request.

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Pipeline Management

For a detailed guidance to managing your pipeline in the Computershare Loan Services system, refer to applicable information below.

Delegated Correspondent Sellers

Refer to Correspondent Delegated Process Flow and Correspondent Delegated Training Manual for step-by-step procedures.

Non-delegated Correspondent Sellers

Refer to Correspondent Non-delegated Process Flow and Correspondent Non-delegated Training Manual for step-by-step procedures.

Mortgage Loan Documents

Mortgage Loan Documents Overview

This Guide section sets forth requirements Mortgage Loan Documents.

General Mortgage Loan Document Standards

Closing documents for Agency Mortgage Loan Programs must be the most current Fannie Mae, Freddie Mac, FHA, VA or USDA forms as applicable. In all cases, Correspondents are responsible for using the most current Mortgage Loan Documents and ensuring that all documents, including, without limitation, any document supplied by Computershare Loan Services, conform to all applicable state and federal laws and requirements. See Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for Computershare Loan Services Non-Agency / Jumbo Mortgage Loan Program requirements. When Computershare Loan Services Non-Agency Product Profiles are silent, use the applicable Fannie Mae loan documents.

Consumer Privacy and Mortgage Loan Documents

Correspondents must fully comply with all provisions of the Gramm-Leach-Bliley Act (GLBA), including without limitation the Safeguards Rule which requires Correspondents to ensure the security and confidentiality of customer records and personal information, and the Consumer Financial Privacy Rule which prohibits the Correspondent from disclosing Non-public Personal Information about a consumer unless it has satisfied various notice and opt-out requirements, and the consumer has not elected to opt out.

Privacy of Consumer Financial Information

All capitalized terms used in this section and not otherwise defined shall have the meanings set forth in 12 C.F.R. Part 332 ("Privacy of Consumer Financial Information"), as amended from time to time (the "Privacy Regulation"), issued pursuant to Section 504 of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et seq.).

Safeguards

Correspondent and Computershare Loan Services will maintain safeguards and take technical, physical and organizational precautions to ensure Consumer Personally Identifiable Financial Information against

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destruction, loss, alteration, unauthorized access by or disclosure to third parties while in the possession or under the control of Correspondent, Correspondent agents, Computershare Loan Services or Computershare Loan Services agents. The objective of each such precaution will be to (i) ensure the security and confidentiality of Consumer Personally Identifiable Financial Information, (ii) protect against any anticipated threats or hazards to the security or integrity of Consumer Personally Identifiable Financial Information, and (iii) protect against unauthorized access to or use of Consumer Personally Identifiable Financial Information that could result in substantial harm or inconvenience to any customer.

Unauthorized Access to Consumer Personally Identifiable Financial Information

DETECTION AND RESPONSE TO SECURITY BREACHES

Correspondent and Computershare Loan Services will maintain sufficient procedures to detect and respond to any unauthorized possession, disclosure, use, or other security breaches involving Consumer Personally Identifiable Financial Information.

Notification of Unauthorized Access

Correspondent and Computershare Loan Services will, as soon as reasonably practicable, notify the other party of any unauthorized or attempted possession, disclosure, use or knowledge of Consumer Personally Identifiable Financial Information when it becomes aware of it, including any material breach or potential material breach of security, on a system, LAN or telecommunications network which contains or processes Consumer Personally Identifiable Financial Information.

Furnishing Details of Unauthorized Access

Correspondent and Computershare Loan Services will, as soon as reasonably practicable, furnish to the other party full details of the unauthorized or attempted possession, disclosure, use or knowledge of Consumer Personally Identifiable Financial Information, and use reasonable efforts to assist the other party in investigating or preventing the recurrence of any unauthorized or attempted possession, use or knowledge, of Consumer Personally Identifiable Financial Information.

Cooperation

Correspondent and Computershare Loan Services will cooperate to correct any unauthorized possession, disclosure, use, or other security breaches, and in any litigation and investigation deemed necessary to protect Consumer Personally Identifiable Financial Information.

Recurrence

Correspondent and Computershare Loan Services will use all reasonable efforts to prevent a recurrence of any unauthorized possession, use or knowledge of Consumer Personally Identifiable Financial Information.

Confidentiality

Standard of Care

Each Party will protect all Consumer Personally Identifiable Financial Information with the same degree of care as it uses to avoid unauthorized use, disclosure, publication or dissemination of its own Confidential Information, but in no event, less than a commercially reasonable degree of care.

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Restricted Disclosure

Correspondent and Computershare Loan Services may disclose Consumer Personally Identifiable Financial Information to its agents, accountants, attorneys, and affiliates or subsidiaries (respectively, each party's "Third Party Recipients") if reasonably necessary in performing its duties. Correspondent and Computershare Loan Services agree that it will not disclose, release, or otherwise make available to any third party any Consumer Personally Identifiable Financial Information without the other party's prior written consent; provided; however; that Correspondent and Computershare Loan Services are each responsible for any violation of these confidentiality obligations by its Third Party Recipients and will ensure that these individuals or entities are aware of these confidentiality obligations.

Name Affidavit and Address Certification Requirements

Name(s) and subject property address must be consistent throughout the Mortgage Loan File. If there are substantial discrepancies in the Borrower's name(s), a Name Affidavit is required. If there is any discrepancy in the property address, an Address Certification is required and the address on affected documents may need to be updated as needed to reflect a consistent address throughout the file.

An Affidavit of Identity is required if there are substantial discrepancies in the Borrower's name or signature, including variations between the typed name and signature or the typed names as they differ between closing documents. Affidavits may be signed by the Borrower, closer, branch personnel or someone that witnessed the Borrower's signature. The name and affiliation of the signer must be shown on the Affidavit or the Affidavit must be notarized. Affidavits of Identity should not be used to correct discrepancies in the Borrower's name which result from errors. Errors must be corrected and the document re-recorded if necessary.

A certified true copy of the Affidavit is acceptable if the original is not available. The certification must read, "Certified to be a true and exact copy of the original."

Mortgage Loan Document Corrections

Corrections to Note and Mortgages (Deeds) should be made by drawing a single line through the incorrect information. The Correspondent must then type the correct information in the appropriate location on the document. All Borrower(s) must initial the change. The use of correction tape, correction fluid, erasures, or lift-off is not permitted.

Any alteration, correction, or cancellation of endorsements, including "xxx" and retyping, must be initialed by an officer of Computershare Loan Services signing the endorsement.

Collateral Package Documents

Computershare Loan Services requires the original final Collateral Documents on all Conforming Mortgage Loans and on government Mortgage Loans when applicable, with the exception of Mortgages (Deeds) that are pending recordation in the appropriate jurisdiction, for which a Certified True Copy will be provided.

As explained in the [Collateral Delivery Instructions](#) section of this Guide, the collateral package must be shipped to Computershare Loan Services no later than the same day that the Credit File is delivered (via image transmission) to Computershare Loan Services.

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The original collateral package is reviewed by Computershare Loan Services prior to the Mortgage Loan being approved for purchase. Any deficiencies are noted as Loan Conditions in [eOriginator](#). Collateral conditions for corrected or additional original documents should be sent to Computershare Loan Services and a copy of the document uploaded to [eOriginator](#).

For purchased Mortgage Loans, see the [Post Purchase, Final \(Trailing\) Documentation and Servicing](#) section of this Guide.

Refer to [Collateral and Final \(Trailing\) Document Reference Guide](#) and [Collateral Delivery Instructions](#) sections of this Guide for collateral document shipping instructions.

Computershare Loan Services requires Correspondents to utilize express shipping service to track shipments and ensure timely delivery of the original Note, collateral package, and trailing documents.

Collateral and Final (Trailing) Document Reference Guide

Collateral and Final (Trailing) Document Reference Guide			
	When Required	Collateral Document	Requirements (Refer also to Servicing Transfer Reference Guide for servicing transfer documents that must be submitted to Computershare Loan Services post-purchase)
A	To Computershare Loan Services prior-to-purchase	Binder and Manifest	Collateral Documents should be placed in letter/legal sized envelope. Print Borrower name, Computershare Loan Services Loan # and commitment # on the outside of the envelope. If there are multiple documents are included in the shipping package, include a manifest.
a.1	To Computershare Loan Services with trailing docs	Final (Trailing) Document Shipping Form	Include the Final (Trailing) Document Shipping Form with the Trailing Documents for each Mortgage Loan.
B	To Computershare Loan Services prior-to-purchase or with trailing docs	Manifest	When multiple Collateral Document packages are included in a shipping package, provide a manifest listing the Borrower name, Computershare Loan Services Loan number and trade or commitment number for each Mortgage Loan File included in the shipping package.
1	Original to Computershare Loan Services prior-to-purchase	Original Note	Must include a complete chain of endorsements. Any personal guarantee required if applicable (requires prior approval).

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2	<p>Certified copy prior to purchase.</p> <p>Trailing Doc-Orig. recorded to Computershare Loan Services</p>	Mortgage and all Riders	Original recorded document or Certified True Copy. Original may follow as a “trailing document.” Refer also to the Mortgage Loan Documents , MERS Requirements section.
3	Copy prior-to-purchase	Bailment Agreement	Bailment Agreements (Bailee Letters) must contain wiring instructions AND contain a clause whereby the lien is automatically released upon issuance of the purchase wire.
4	Copy - prior-to-purchase	Copy of any Trusts (if applicable)	See Trusts section of this Guide for Trust eligibility requirements. Reminder- Revocable Trust Rider must be recorded with Mortgage.
5	Trailing Doc to Computershare Loan Services	FHA Mortgage Insurance Certificate	<p>FHA MIC must be at Computershare Loan Services within lesser of 60 days after Mortgage Loan close or prior to Mortgage Loan becoming 30 days delinquent, whichever is earlier).</p> <p>REMINDER: Delegated Direct Endorsed (DE) and Non-Delegated Principal Authorized Agent (PA) correspondents must PROVIDE A PAPER COPY OF THE EMIC TO THE COLLATERAL COMPUTERSHARE LOAN SERVICES.</p>
5a.	Trailing Doc to Computershare Loan Services	USDA Loan Note Guarantee	USDA Loan Note Guarantee must be at Computershare Loan Services within the sooner of 45 days after Mortgage Loan close or before the Mortgage Loan becomes 30 days delinquent. USDA requires that the Loan Note Guarantee be requested no later than 30 days after close to the Borrower.
6a.	Trailing Doc to Computershare Loan Services	Private Mortgage Insurance Policy	Applicable to Conforming Mortgage Loans with Private Mortgage Insurance. Final Mortgage Insurance Policies may follow as final document.
7	At Mortgage Loan delivery. If delayed, then with Trailing Docs	Paper Copy VA Loan Guarantee Certificate(LGC)	Will typically be included in the Mortgage Loan package at the time of delivery to Computershare Loan Services. If LGC issuance is delayed, a copy of the LGC from the webLGY or from the Veteran’s Administration must be delivered as a trailing document within the sooner of 60 days from close or prior to Mortgage Loan 30 days delinquent.
8	<p>Certified copy prior-to-purchase</p> <p>Original Recorded</p> <p>Trailing Doc to Computershare Loan Services</p>	Originals of all Intervening Assignments (allowed by exception only)	If approved by Computershare Loan Services, must show a complete chain of assignments from the originator to Correspondent, with evidence of recording or copies certified by the recorder. Or, if the original Assignment(s) of Mortgage has not been returned from the recorder, copy certified by the title insurer with a certificate from the title insurer certifying that the original Assignment of Mortgage has been delivered for recording.

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8a.	<p>Certified copy prior-to-purchase</p> <p>Original recorded trailing doc to Computershare Loan Services</p>	<p>Original Assignment all intervening assignments for Non-MOM</p>	<p>(Only acceptable if Mortgage Loan initially closed as a Non-MOM and is subsequently assigned to MERS). Original acceptable for recording, or a copy certified by Correspondent as a true and correct copy of the original Assignment of Mortgage which has been sent for recordation. If the Mortgage Loan was acquired or originated by Correspondent while doing business under another name, the Assignment of Mortgage must be by “[Correspondent] formerly known as [previous name]”, subject to approval by Computershare Loan Services.</p>
9	<p>Title Binder prior to purchase. Final policy trailing doc. to Computershare Loan Services</p>	<p>Original Final Title Insurance Policy</p>	<p>Including riders and endorsements. If the policy has not yet been issued, a written commitment or interim binder or preliminary report of title issued by the title insurance or escrow company and Final Title Policy may follow as a final document.</p>
10	<p>Certified copy prior to purchase</p> <p>Recorded original trailing doc to Computershare Loan Services</p>	<p>Original Power of Attorney (if applicable)</p>	<p>Recorded, if required in the jurisdiction where the Mortgaged Property is located (or, a duplicate or conformed copy with a certificate of receipt from the recorder, certifying true and complete copy of the original and that such original is submitted to be recorded. See Power of Attorney section of this Guide for POA eligibility requirements.</p>
11	<p>Certified copy prior to purchase</p> <p>Recorded original trailing doc to Computershare Loan Services</p>	<p>Original Assumptions, Extensions, Written Assurance or Modifications or Substitutions</p>	<p>Copies certified by the recording office or title insurer, with certificate from Correspondent certifying the original has been delivered for recording, as applicable. Any modifications to the original terms of the Note must be approved in writing by Computershare Loan Services.</p>

Closing Requirements and Document Requirements

Closing Document Signature Requirements – No Undersigning

Each signature must exactly match the name typed below the signature. In particular, the Mortgagor(s) (Borrower(s)) must not undersign the document (e.g., omit a middle initial when one is typed under the signature line). However, it is acceptable for the Borrower(s) to over-sign the document (e.g., sign with a middle initial when none is typed under the signature line).

Note Requirements

General Note Requirements

The Note rate on all Mortgage Loans must end in a multiple of 0.125.

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Note, Endorsement/Allonge and Bailment/Wire Requirements

The following documentation is required prior to purchase of Mortgage Loan by Computershare Loan Services.

- The original mortgage note endorsed to Computershare Loan Services
- The original allonge (if applicable)
- Bailment letter (specifically referencing the subject Mortgage Loan)
- Wire instructions, if warehouse facility is not used

Collateral Delivery Instructions

Deliver collateral package to the following address:

Computershare Loan Services
710 South Ash Street
Suite 200
Glendale, CO 80246
Attn: Correspondent Lending

Note Endorsement

For each mortgage delivered to Computershare Loan Services, the original of the Note must be delivered pursuant to the requirements of this Guide and the Note must bear the following endorsement by the Correspondent:

<p>PAY TO THE ORDER OF SPECIALIZED LOAN SERVICING LLC WITHOUT RECOURSE</p> <hr/> <p>(Correspondent Seller Company Name / exactly as shown on the face of the note)</p> <hr/> <p>Signature of Duly Authorized Officer (Typed name and Title of Authorized Signer)</p>

Legal name to be used on all endorsements: **Specialized Loan Servicing LLC**

All other names are considered unacceptable and will result in the pending of the Mortgage Loan for purchase. Notwithstanding any endorsement language placed on the Note, all representations, warranties,

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covenants and obligations set forth in this Guide and/or the Correspondent Agreement survive and remain effective and enforceable after endorsement and delivery of the Note.

Include any/all intervening endorsements showing a complete chain from the originator to the Correspondent.

Allonge to Note

Computershare Loan Services will accept an Allonge for Conforming Agency Mortgage Loans only – both Conforming and Government. Correspondent may use an Allonge on Conforming Agency Mortgage Loans if the following conditions are met:

- Allonge is permanently affixed to the Note
- Allonge references the Borrower's name, the property address and the original principal balance of the Note
- Form of the Allonge and its use complies with all applicable laws
- Use of the Allonge does not impair Computershare Loan Services' status as a 'holder in due course' or any of Computershare Loan Services' rights under the purchase documents

The Correspondent further agrees to indemnify Computershare Loan Services from any loss or damage incurred as a result of the use of an Allonge for the Note endorsement(s).

Legal name to be used on all allonges/endorsements: **Specialized Loan Servicing LLC**

Lost Notes

For Agency Mortgage Loan Programs, if the original Note is unavailable, Correspondents must provide an Affidavit of Lost Note (in form and substance acceptable to Computershare Loan Services) stating that the original Note was lost or destroyed, together with a copy of such Note and indemnifying Computershare Loan Services against any and all claims arising as a result of any person or entity claiming they are the holder of the Mortgage Note, or that the Mortgage Note has been paid off and returned, or for any other reason arising directly or indirectly from the absence of the original Mortgage Note.

A Lost Note Affidavit is acceptable on an exception basis only, and requires that Correspondents affirmatively disclose its use at the time of Mortgage Loan submission in lieu of providing an original Mortgage Note to Computershare Loan Services, and obtain express written approval from Computershare Loan Services for each Mortgage Loan where such an affidavit is used.

Lost Note Affidavits are not acceptable on Computershare Loan Services Non-Agency or Jumbo Mortgage Loan Programs.

Government Agency (FHA, VA and USDA) Notes may require a bond to be purchased at the expense of the Correspondent.

Prior Approval for New Mortgage Notes

Prior approval is required from Computershare Loan Services before a new Mortgage Note can be issued for any reason on a Mortgage Loan already delivered to or already purchased by Computershare Loan Services.

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No Execution in Counterpart

The Mortgage Note must contain all original signatures on the same original document and the Mortgage Note may not be executed in counterparts.

Corrections to Collateral and Eligible Loan Modifications

If a Note defect is identified prior to delivery, Computershare Loan Services will allow Clients to make appropriate changes provided the correction is accompanied by the Borrower(s) initials. Computershare Loan Services will also allow a Loan Modification Agreement as an alternate form of correction.

If a Note defect is identified after delivery, Computershare Loan Services will require that the Correspondent to provide a Loan Modification Agreement to satisfy the correction requirement(s).

Any eligible Mortgage Loan modification must be signed by all Borrowers on the note and/or mortgage, as appropriate based on the scope of the modification, and the signed modification must be provided to Computershare Loan Services prior to funding of the Mortgage Loan (by the Correspondent or TPO). Loan modifications presented to Computershare Loan Services after funding (by the Correspondent or TPO) may not be honored.

In accordance with Ginnie Mae delivery requirements, any Loan Modification Agreement to the Note on Government Mortgage Loans must be notarized and recorded.

If defect materially changes the Mortgage Loan parameters, Mortgage Loan may not be eligible for correction or modification. If defects are identified post-purchase; Mortgage Loan may be subject to repurchase.

Late Charge

The Note for a Conforming first mortgage must provide for the Borrower to pay a 5% late charge on any installment that is not received by the 15th day after it is due. If state law does not allow a charge that high, the maximum amount that is allowed should be used. The late charge should be computed on the principal and interest (P&I) installment only, not on the full monthly payment (PITI).

Bailment Specifications

When delivering any Mortgage Loan which has been pledged as collateral for a line of credit, the lender must meet the following requirements:

For each Mortgage Loan which is delivered to Computershare Loan Services and for which a third party holds an interest, a bailment letter must be included in each file and be identified sufficiently so Computershare Loan Services can match it to the correct Mortgage Loan. The bailment letter should include:

- Correspondent's name
- Computershare Loan Services loan number
- Principal balance
- Wiring or payment instructions

When the Note is delivered, the bailment letter must be included with the Note. A bailment or trust arrangement is not established and a security interest in the Mortgage Loan is not valid if a bailment letter is sent to Computershare Loan Services separate from the applicable Note.

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In some instances, depending on lender specific bailment language, Computershare Loan Services requires the warehouse lender to execute a Security Release Form. Correspondents must ensure their warehouse lenders have agreed to the Security Release Form and have approved the specific Mortgage Loan Product for sale to Computershare Loan Services.

Important: The bailment letter and the Note must be delivered to Computershare Loan Services within 24 hours after delivery of the closed Mortgage Loan file.

Mortgage (Security Instrument) Requirements

Assignment Requirements

All applicable riders, Assignments of Mortgages or Deeds of Trust from the following states must be notarized, but need not be recorded:

- Colorado
- Maryland
- Tennessee
- North Carolina
- Missouri
- Washington D.C.
- Virginia

If either the body of the Assignment or the notarization statement indicates the use of a corporate seal, the Correspondent must verify that the seal has been affixed to the document.

If an assignment is made to MERS instead of Computershare Loan Services under the MERS program, the MIN, MERS telephone number and the appropriate MERS verbiage must be added to the assignment. (See [MERS Requirements](#) section of this Guide).

Failure to include the MERS verbiage will require re-recording.

All references to the Mortgage or Deed of Trust must match the document precisely. Specifically, the date of the Mortgage or Deed of Trust, the Borrower's name(s), the legal description, and the Correspondent's name must be correct throughout. The Assignment must be signed by an officer of the assigning entity and that signature must be attested by a notary public.

Late Fees on Mortgage (Security Instrument)

The Mortgage or Deed of Trust (and related instruments) must reflect a late charge of no less than 4% on Government or no less than 5% on Conforming Mortgage Loans, to be assessed no later than 15 days from the due date unless either is not in accordance with Applicable Law.

Re-recording the Mortgage (Security Instrument)

If a Mortgage is re-recorded for corrections to the Borrower's name(s), Mortgage Loan amount, Mortgage Loan maturity date or legal description, all Borrower(s) must initial the corrections. The Correspondent must type an explanation of the reason for the re-recording on the front page of the instrument or include a letter of intent in the Mortgage Loan File.

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When a letter of intent is used on a Non-Agency / Jumbo Mortgage Loan (non-Fannie, Freddie, FHA, VA or USDA), the down date from the title must be referenced. If the Mortgage (Security Instrument) must be re-recorded, the Correspondent must also re-record any assignments to follow chain of title. Assignments must be re-recorded after the re-recording of the Mortgage (Security Instrument). The correct order of the assignment chain must also be preserved when multiple assignments are being re-recorded.

If the Borrower's address or property address is not correct and the legal description is correct, then the Mortgage (Security Instrument) need not be corrected and re-recorded.

Alteration of Recorded Mortgage (Security Instrument) Requirements

The Correspondent must record the original Mortgage (Security Instrument), together with all appropriate Riders, including if applicable, Assignment of Rents. Computershare Loan Services will not accept any documents that contain white-outs or erasures. Computershare Loan Services will accept strike-overs only if the Borrower has initialed any such strike-over. The original or county certified copy of the Mortgage (Security Instrument) should be sent to Computershare Loan Services.

VA Mortgage (Security Instrument) Requirements

VA regulations at 38 CFR 36.4337 provide that Security Instruments used by a lender which are consistent with VA regulations in effect on the date the Mortgage Loan is closed will be considered amended and supplemented to conform to the regulations.

At minimum, Correspondents must ensure that Security Instruments:

- Establish the required lien
- Comply with the laws and regulations governing VA's home Mortgage Loan Program
- Comply with applicable state laws
- Contain the following VA clauses
 - Assumption Approval clause
 - Acceleration clause
 - Funding Fee clause
 - Processing Charge clause
 - Indemnity Liability Assumption clause

Corrections to Mortgages (Security Instruments)

Security Instruments can either be corrected by providing a corrected document, initialed by the Borrower, and a letter of intent to re-record or by utilizing the acceptable county equivalent, i.e. Scriveners Affidavit. Loan Modification Agreements will be accepted as a method of curing deficiencies on the Security Instrument in addition to the current methods of correction.

Any Loan Modification Agreement to the Security Instrument must be notarized and recorded. Correspondent is responsible for all aspects of corrections, including but not limited to notarizations and recordings.

Clients are responsible for adhering to all state and county requirements. If the use of a Loan Modification Agreement is not permitted in the subject property's county or state please contact Computershare Loan Services operations contact prior to engaging in corrective action.

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Computershare Loan Services Recorded Mortgage (Security Instrument) Checklist

Computershare Loan Services Recorded Mortgage (Security Instrument) Checklist	
All Transactions	Mortgage (Security Instrument) is complete, legible, and is in accordance with common and customary practices (e.g., closing agent).
	When closing with MERS as nominee for the Correspondent, the Deed of Trust and Mortgage must include the appropriate MERS verbiage and the MIN prior to recording. See the MERS Requirements section for more information about closing with MERS as nominee for the Correspondent. Document date agrees with date of all other legal documents.
	Borrower names(s) agree(s) with name(s) shown on all other legal documents.
	The Mortgage does or will vest in title all parties who are named in and who have executed the Mortgage. Also, all parties vested in title are named in and have executed the Mortgage. Additionally, parties who have an equitable interest (e.g., spouses in community property states) have signed the Mortgage.
	Mortgage Loan terms are correct and agree with Note, including: Mortgage Loan amount and Mortgage Loan term (first and last payments)
	Legal description agrees with title work
	Address of subject property is correct and complete, agrees with appraisal and, where applicable, the title report.
	All Borrowers' signatures agree with signatures on the Purchase Contract, if applicable, and/or original signed Fannie Mae 1003/Uniform Residential Loan Application.
	Notary acknowledgment is complete and correct, and, if applicable: Notary seal/stamp appears on document Document form is correct for product type and state where property is located and is the most recent revision required by Computershare Loan Services Commission expiration date is included Computershare Loan Services has prior approved any alternatives to the Computershare Loan Services required form, if any, or the alternatives are authorized per the Fannie Mae or Freddie Mac Correspondent Seller Guide changes
	Appropriate Agency Riders are required including, without limitation, the following: PUD Condominium One-to-four Family ARM
PUDs	PUD Rider required: Date agrees with Mortgage (Security Instrument) Name of Lender agrees with Mortgage (Security Instrument) Property address agrees with Mortgage (Security Instrument)

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	<p>Information describing declaration is complete Project name agrees with legal description, title work and appraisal Fully executed by Borrower(s)</p>
Condominiums	<p>Condominium Rider required: Date agrees with Mortgage (Security Instrument) Name of Lender agrees with Mortgage (Security Instrument) Property address agrees with Mortgage (Security Instrument) Information describing declaration is complete Fully executed by Borrower(s) Project name agrees with legal description, title work and appraisal</p>
Multi-Family and/or Investment Properties	<p>One- to Four-Family Rider required: Date agrees with Mortgage (Security Instrument) Name of Lender agrees with Mortgage (Security Instrument) Property address agrees with Mortgage (Security Instrument) Fully executed by Borrower(s)</p>
ARM Products	<p>ARM Rider required: All data is correct and agrees with Note Date agrees with Mortgage (Security Instrument) Fully executed by Borrower(s)</p>
All Riders	<p>Date agrees with Mortgage (Security Instrument) Name of Lender agrees with Mortgage (Security Instrument) Property address agrees with Mortgage (Security Instrument) Fully executed by Borrower(s)</p>
Texas Refinance Mortgage Loans	<p>50(a)(3) Owelty Deed 50(a)(4) Rider to the Deed describing the lien being refinanced (typically a federal tax lien) 50(a)(5) Mechanic's Lien Contract and reconveyance or release 50(a)(6) Texas Home Equity Security Instrument 50(a)(6) Texas Home Equity Condominium Rider, if applicable 50(a)(6) Texas Home Equity Planned Unit Development Rider, if applicable</p>

Occupancy Rider

Completing an Occupancy Rider for Conforming Mortgage Loans of two or more units, in which the Borrower(s) has indicated the subject property will be owner-occupied within 60 days, is highly recommended.

In order to clearly establish remedies on the occasion a discrepancy in occupancy is later discovered, an Occupancy Rider to the Mortgage/Deed of Trust/Security Deed, or a similar form is recommended for use.

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MERS Requirements

Correspondents must use MERS® (Mortgage Electronic Registration Systems, Inc.) when selling Mortgage Loans to Computershare Loan Services. Correspondents may either close with MERS as the nominee for the Correspondent or assign the Mortgage Loan to MERS. Correspondents are responsible to:

- Generate a MIN
- Register the Mortgage Loan with MERS
- Transfer the beneficiary and/or servicing rights to Computershare Loan Services

MERS as the Nominee

If the Correspondent closes a Mortgage Loan with MERS as the nominee (i.e., MERS as Original Mortgagee or MOM), the following must be included on the Mortgage or Deed of Trust:

- Place the Mortgage Identification Number (MIN) in a visible location on the first page of the Mortgage (Security Instrument), but do not place it in any space reserved for the jurisdiction's recorder per jurisdictional requirements
- Additional verbiage must be included on the Mortgage or Deed of Trust. The appropriate verbiage has been approved by Fannie Mae and Freddie Mac. To obtain a copy of the applicable state's requirements, contact the MERS corporate office at (800) 646-6377

Assigning Mortgage Loans to MERS

If the Correspondent assigns a Mortgage Loan to MERS:

- Assignments made to MERS, must include the MIN, MERS toll free phone number and the appropriate MERS verbiage. Failure will result in re-recording with any related costs being charged back to the Correspondent
- For Mortgage Loans closed on non-MOM (MERS as Original Mortgagee) documents, assignments to MERS must be recorded for all Mortgage Loans in all states, including those in Colorado, Maryland, Tennessee, North Carolina, Missouri, Virginia, and D.C.

Creating a Mortgage Identification Number (MIN)

There are several methods available for generating a MIN. Correspondents can call the MERS Help Desk @ (888) 680-6377 for further information regarding MIN generation.

Note: MINs are a unique eighteen digit numbers that can only be assigned to one Mortgage Loan. Reuse of an existing MIN will cause additional cost to both the originating lender and Computershare Loan Services.

MERS Registration Requirements

In addition to the MERS registration requirements below, Computershare Loan Services requires all Mortgage Loans delivered for purchase to be registered by the Correspondent with MERS at time of delivery. MERS requires registration as follows:

- MERS as Original Mortgage (MOM) Mortgage Loans must be registered within seven (7) calendar days of the Note date for non-escrow states or the funding date for escrow states

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- Non-MOM Mortgage Loans must be registered within seven (7) calendar days of the effective transfer date. The registration process will be performed by the MERS member via either
 - MERS Online, a secure internet connection with MERS
 - Batch transactions, use of a computer to computer interface with MERS

MERS Transfer of Servicing and Beneficial Rights

A MERS transfer of beneficial rights (TOB) and transfer of servicing rights (TOS) must be initiated by the **Correspondent to Specialized Loan Servicing MERS ORG ID # 1003225**, will show in MERS as Specialized Loan Servicing.

The Correspondent must be named as the servicer and investor at the time of registration with Computershare Loan Services. Once the Correspondent receives the Purchase Advice from Computershare Loan Services, then the Correspondent must initiate the MERS transfer of beneficial rights (TOB) and transfer of servicing rights (TOS) to Computershare Loan Services using the steps outlined in the MERS Procedures Manual and the MERS Quality Assurance Manual found at <https://members.mersinc.org>.

TOB and TOS must not be initiated until Computershare Loan Services has purchased the Mortgage Loan and no later than two (2) calendar days following the Mortgage Loan being purchased by Computershare Loan Services.

Use the Computershare Loan Services Purchase Date as the transaction date.

Computershare Loan Services may, at its discretion, apply an administrative fee for any Mortgage Loan not transferred accurately within the timeframes referenced above.

Computershare Loan Services MERS Assignment Review Checklist

Computershare Loan Services MERS Assignment Review Checklist	
1	Non-MOM (MERS as Original Mortgagee) Documents Require an Assignment of Mortgage
2	Mortgage Loans closed on non-MOM (MERS as Original Mortgagee) documents, assignments to MERS must be recorded for all Mortgage Loans in all states, including those in Colorado, Maryland, Tennessee, North Carolina, Missouri, Washington, Virginia, and D.C.
3	Assignments made to MERS, must include the MIN, MERS toll free phone number and the appropriate MERS verbiage. Failure will result in re-recording with these costs being charged back to the Correspondent.
4	There is an Assignment for each endorsement appearing on the Mortgage Note.
5	Mortgage Loan information, (e.g., Borrowers, Mortgage Loan amount, Date of Mortgage Loan, Correspondent), agrees with Note and Mortgage (Security Instrument).
6	Notary acknowledgment is correct and complete.
7	Legal description and/or property address, if required, agrees with Mortgage (Security Instrument) and title work.
8	Date of execution is included.
9	Contains a signature of an authorized officer of the Correspondent.

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10	Has appropriate notarization, seal and witness, if required by applicable state law.
11	White-out or correction tape was not used to make corrections.
12	The Computershare Loan Services MERS ID is correctly identified on the TOB and the subservicer MERS ID on the TOS. See Computershare Loan Services Correspondent Seller Guide Reference Guide the MERS numbers.
13	MERS Rider Form 3158 for all Loans in Montana, Oregon and Washington for Notes dated on/after 10/15/2014.

HUD-1 Settlement Statement or Closing Disclosure

A completed and signed original/certified copy of the Final HUD-1 Settlement Statement is required by Computershare Loan Services and must be included in the closing file for purchase.

Correspondents are responsible for ensuring that the HUD-1 Settlement Statements for all Mortgage Loans sold to Computershare Loan Services comply with all RESPA requirements and guidelines.

Refer to [Regulatory Compliance](#) portion of this Guide for additional information.

For Mortgage Loans with applications dated on or after 10/3/15, that are subject to the TILA-RESPA Integrated Disclosures Rule (TRID), Correspondents are responsible for ensuring that the Closing Disclosure (CD) complies with all related requirements and guidelines.

Ineligible Settlement Service Providers

Mortgage Loans with title insurance provided by and/or Mortgage Loans closed by a settlement agent appearing on any Exclusionary List are not eligible for purchase by Computershare Loan Services. No exceptions. See General Mortgage Loan Eligibility, Exclusionary Lists, in this Guide.

HUD-1 or Closing Disclosure Review

HUD-1 Settlement Statement, or for Mortgage Loans with applications dated on or after 10/3/15, that are subject to the TILA-RESPA Integrated Disclosures Rule (TRID), the Closing Disclosure, should be reviewed by Correspondent for signs of potential irregularities, undisclosed liens, excessive concessions, and other issues. The review should include but not necessarily be limited to the following: Any disbursement equal to or greater than \$5,000 reflected on property seller's side of the HUD-1 or Closing Disclosure that does not correlate with a lien as shown on the preliminary title report or is not a customary and clearly identified charge typically an obligation of property seller must be fully documented and explained at time of Mortgage Loan submission to Computershare Loan Services. Disbursements that are reflective of conflicts of interest, undisclosed concessions, or are made for purposes that are either unacceptable to Computershare Loan Services or cannot be determined to the satisfaction of Computershare Loan Services will render a Mortgage Loan ineligible for purchase.

Cumulative fees, including real estate commission plus any non-lien related disbursements for marketing expenses, finder's fees, referral fees, auction fees, consulting fees, or assignment of sale fees totaling more than the lesser of 8% of the purchase price or program guideline limits will not be allowed for any Mortgage Loan type.

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HUD-1, HUD-1A or Closing Disclosure Technical Corrections

To correct a Mortgage Loan that has been suspended for an inadvertent or technical error on the HUD-1, HUD-1A, or Closing Disclosure, Correspondents must provide Computershare Loan Services a copy of the corrected HUD-1, HUD-1A, or Closing Disclosure, and the letter of explanation to the Borrower regarding the correction to the Mortgage Loan documentation.

Corrections must be made in compliance with applicable requirements for the Mortgage Loan to be eligible for sale to Computershare Loan Services.

HUD-1/Closing Disclosure RESPA/TRID Tolerance Cure Requiring Refund

To cure a Mortgage Loan that has been suspended for evidence of a RESPA Tolerance Cure to the HUD-1 or Closing Disclosure (for Mortgage Loans with application dates on or after 10/3/15), Correspondents must provide Computershare Loan Services a copy of the entire corrected HUD-1 or Closing Disclosure, and a copy of the refund check to the Borrower. HUD-1 or Closing Disclosure corrections must be made in compliance with applicable RESPA requirements in order for the Mortgage Loan to be eligible for sale to Computershare Loan Services.

Principal Reductions / Principal Curtailments

Principal reductions/curtailments are permitted in accordance with applicable Agency Guidelines.

For Non-Agency / Jumbo Mortgage Loans, refer to Product Profile and accompanying Non-Agency / Jumbo Program Eligibility and Guidelines for allowances and/or restrictions.

Final Truth in Lending or Closing Disclosure

For Mortgage Loans with application dates prior to 10/3/15, the Correspondent must provide a final Truth in Lending (TIL) disclosure to the Borrower as required by the most restrictive of all applicable federal, state or local laws.

Computershare Loan Services requires the final TIL disclosure to be signed by the Borrower at closing and included in the Closed Mortgage Loan File submitted for purchase.

The TIL must include:

1. An accurate Interest Rate and Payment Summary table
2. All other TILA required disclosures such as assumption type, demand features, variable rate features and security interest must be completed accurately based on the product selected
3. If an Itemization of Amount Financed was provided to the Borrower, a copy must be included in the Closed Mortgage Loan File. The Truth in Lending disclosure must meet all applicable Regulation Z Standards (TILA) including but not limited to the accuracy of the APR (Annual Percentage Rate) and finance charges disclosed, and compliance with applicable requirements related to Borrower rescission rights

For Mortgage Loans with application dates on or after 10/3/15, that are subject to TRID requirements, the Seller must provide a Closing Disclosure to the Borrower as required by the most restrictive of all applicable federal, state or local laws. Furthermore, Computershare Loan Services requires the following documentation:

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- Initial Borrower Closing Disclosure
- "Final" marked Borrower Closing Disclosure
- "Final" marked property Seller's Closing Disclosure
- Settlement agent disbursement sheet

Computershare Loan Services requires borrower(s)' signature on the Closing Disclosure provided to the borrower(s) at closing. The Final Closing Disclosure must be marked "Final" to clearly distinguish it from other Closing Disclosures.

All other TRID disclosures must be provided to Computershare Loan Services with some form of evidence of delivery. If the 3-day mail rule is truncated for delivery of the Closing Disclosure to allow for an early closing, evidence of the date of receipt is required.

Refer to **Truth in Lending Act (Regulation Z)** section under [Regulatory Compliance](#) portion of this Guide for additional information.

ECOA Appraisal Delivery Requirements

Computershare Loan Services requires that Borrowers are provided a copy of any appraisal report(s) or written valuation(s) concerning the Borrower's property promptly upon completion and in any event no less than 3 business days prior to the closing of the Mortgage Loan. Borrowers must receive a copy of the appraisal(s) or written valuations(s) at least 3 business days prior to closing or they may waive their right to receive a copy. The waiver must be obtained at least 3 business days prior to closing. Evidence of compliance with the appraisal delivery requirements is required.

Refer to **Equal Credit Opportunity Act (ECOA)** section under [Regulatory Compliance](#) portion of this Guide for additional information.

Confirmation of Delivery of the Appraisal

Either one of the following is acceptable as evidence of compliance with the appraisal delivery requirements:

- Documentation in the Mortgage Loan File indicating the date and method of delivery of the appraisal to the Borrower and evidence that the appraisal was received by the Borrower at least 3 business days prior to closing unless a waiver is obtained
- Acceptable evidence of delivery includes:
 - A copy of the E-Delivery receipt confirmation OR
 - Fully executed Acknowledgement of Receipt of Appraisal provided by the seller to the Borrower(s)
 - Disclosure must include the following:
 - Proof provided by the Correspondent
 - Name of all Borrowers on the transaction
 - Subject property address
 - Statement that the Borrower received the appraisal(s) or written valuation(s) at least 3 business days prior to closing
 - Signed and dated by all Borrowers no later than the date of consummation

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ECOA Appraisal Delivery Waivers

Appraisal delivery waivers are only to be used in the event that the timing of the appraisal completion conflicts with meeting the required delivery time frame based on the scheduled closing date. The practice of requiring a blanket waiver for the 3 business day delivery requirement on all Mortgage Loans is unacceptable. When the advance delivery requirement is waived by the Borrower, a copy of the appraisal(s) or written valuation(s) is still required to be provided no later than closing (as defined in this section). In all circumstances, the date and method of delivery of each appraisal to the Borrower, even if delivered by hand at closing, must be documented in the delivered Mortgage Loan File. The waiver of the advance delivery of appraisals cannot be requested by the Borrower at closing and must be acknowledged by the Borrower at least 3 days prior to closing. *For clerical errors only:* A Borrower may request a waiver anytime up to and including the date of consummation.

The ECOA provision allowing a consumer to waive the requirement that the appraisal copy be provided three business days before consummation does not apply to higher-priced mortgage loans (HPML). The consumer of an HPML may not waive the timing requirement to receive a copy of the appraisal.

Initial Disclosures

It is the responsibility of Correspondent to ensure that specific disclosures are provided to a consumer when a loan application has been completed.

Required Disclosures

At a minimum, the following disclosures are required for all Mortgage Loans (as applicable):

- Acknowledgement of disclosure receipt and or a signed copy of the initial disclosures
- Acknowledgement of receipt of *Special Informational Booklet*, including ARM and HELOC, if applicable; or *Your Home Loan Toolkit* for Mortgage Loans with applications dated on or after 10/3/15 that are subject to the TRID requirements
- Advance Fee Agreement, if applicable
- Affiliated Business Arrangement Disclosure, if applicable
- ARM Disclosure, if applicable
- Anti-Steering disclosure, if applicable
- Borrower Certification and Authorization to Obtain Information
- Borrower Consent for Electronically Signed Documents (signed by borrower) (if applicable for E-signed disclosures) - for Mortgage Loans with Initial Applications dated on or after 10/3/15 that are subject to the TRID requirements
- Borrower's Intent to Proceed
- Confirmation of Receipt by Borrower(s) (including Non-Borrowing Spouse) of the Closing Disclosure if 3 day mail rule is truncated - for Mortgage Loans with Initial Applications dated on or after 10/3/15 that are subject to the TRID requirements
- ECOA Notice
- Evidence of Date Interest Rate Set with Borrower (provide rate sheet or screen print from LOS or pricing engine)
- Fair Lending Notice

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- FCRA Disclosure
- Float or Rate Lock Disclosure
- Flood Hazard Notice (if property is located in a flood plain)
- Good Faith Estimate History Document - for Mortgage Loans with Initial Applications dated prior to 10/3/15
- Good Faith Estimate (Initial and Reissued GFE with completed Change of Circumstance Forms) for Mortgage Loans with applications dated prior to 10/3/15
- Hazard Insurance Disclosure
- Homeownership Counseling Disclosure
- Initial Escrow Account Disclosure Statement
- Loan Estimate: For Mortgage Loans with applications dated on or after 10/3/15 that are subject to the TRID requirements, the Loan Estimate (LE). (Initial and Revised with completed Change of Circumstance Forms)
- Mortgage Insurance Disclosure, if applicable
- Net Tangible Benefit, if applicable
- Notice of Right to Receive Appraisal for Mortgage Loans with applications dated prior to 10/3/15
- Notice to Home Loan Applicant/Credit Score Notice and Disclosure
- Patriot Act Notice
- Privacy Act Disclosure
- Servicing Transfer Disclosure for Mortgage Loans with Initial Applications dated prior to 10/3/15
- Settlement Service Provider List for Mortgage Loans with Initial Applications dated prior to 10/3/15
- Truth-In-Lending Disclosure (Initial, Intermediary/Reissued & Final TILs) - for Mortgage Loans with Initial Applications dated prior to 10/3/15
- Undisclosed Debt Obligation Acknowledgement (if required by Non-Agency or Jumbo Mortgage Loan Program)
- Written List of Providers (if applicable) - for Mortgage Loans with Initial Applications dated on or after 10/3/15 that are subject to the TRID requirements
- Your Home Loan Toolkit - for Mortgage Loans with Initial Applications dated on or after 10/3/15 that are subject to the TRID requirements

There may be additional disclosures required based on federal or state requirements, or for specific transactions.

Net Tangible Benefit

Net Tangible Benefit (NTB) refers to a Borrower refinancing their current mortgage loan into a mortgage loan that provides a benefit to the Borrower for completing the refinance. Computershare Loan Services does not purchase any Mortgage Loan that has an existing home loan that was consummated within the prior five years, when the new loan does not provide a reasonable, tangible net benefit to the Borrower.

Computershare Loan Services provides a Net Tangible Benefit Worksheet that can be used in determining the Borrower's tangible net benefits as the benefits relate directly to the new loan extended. Please be aware that many states require a Net Tangible Benefit Disclosure. Below is a list of states that require a specific Net Tangible Benefit Disclosure:

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- Arkansas
- Colorado
- Georgia
- Illinois
- Maine
- Maryland
- Massachusetts
- Minnesota
- New Mexico
- New York
- North Carolina
- Rhode Island
- South Carolina
- West Virginia

When a Net Tangible Worksheet is required, the Borrower must sign the form to confirm that refinancing their current mortgage into another mortgage loan provides a Net Tangible Benefit.

Mortgage Loan programs must be provided to consumers in a non-discriminatory manner. Loan pricing must not be based on Borrower's race, color, gender, age, marital status, familial status, immigration status, sexual orientation, religion, disability, or national origin.

Borrowers must be offered loan options commensurate with their qualifications, and such options and their costs must be clearly explained. Borrowers must not be steered to a higher cost products if they can qualify for a lower cost standard mortgage product.

No evidence of disparate impact exists, where an otherwise neutral policy or practice applied to all credit applicants has a disparate impact by disproportionately excluding or burdening persons of a certain race, color, age, etc. on a prohibited basis.

Computershare Loan Services will not purchase any mortgage where the Borrower obtained a prepaid single-premium credit life insurance policy with the mortgage, regardless of whether the premium is financed in the loan amount or paid directly from the Borrower's funds.

It is the best practice of Computershare Loan Services that a Net Tangible Benefit form be completed on all owner-occupied refinances (including rate/term refinance loans). The only exception is for cash-out refinance loans where the NTB is not being required.

Correspondent warrants that it engages in responsible lending that provides a tangible benefit to the Borrower and the mortgage loan submitted for purchase contains the evidence and verification of the Borrower's ability to repay the loan.

Net Tangible Benefit Disclosure

Some states require Net Tangible Benefit or Benefit to Borrower calculations (and specific form completion). Follow appropriate agency and state guidelines for correct documentation.

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Computershare Loan Services requires a Net Tangible Benefit disclosure for the following loans:

- Rate and term refinances
- Owner occupied, 1-4 unit residences, including second homes
- If required by state specific regulations

See the 'Forms and Exhibits' section of Forms, Tools and Job Aids tab of Correspondent Lending website for a sample Net Tangible Benefit Disclosure to be used if a state-specific disclosure is not required.

Correspondent is responsible for providing a state-specific disclosure and complying with any state specific guidelines, if applicable.

The Net Tangible Benefit Disclosure must be provided to the Borrower at the time of initial disclosures and at the time of closing.

Samples of Net Tangible Benefit forms are available under Forms section of Forms, Tools and Job Aids tab of Correspondent Lending website.

Escrows/Impound Accounts

Unless in violation of Applicable Laws, all Mortgage Loans with a Loan-to-value ratio greater than 80% (or 90% in California) must have an escrow/impound account established at closing.

An escrow/impound account must be established for the Guaranteed Annual Fee for all USDA loans unless otherwise required by Applicable Law.

Escrow/impound accounts must also be established for loans at any LTV if required by any applicable regulatory guidelines, including but not limited to the TILA HPML escrow rule. The HPML Escrow Rule requires escrows for taxes and insurance (with the exception of condo/PUD master association insurance) to be in place for at least 5 years (other details apply) when the Mortgage Loan is a Higher Priced Mortgage Loan (see 12 CFR 1026.35), regardless of the origination LTV. Correspondents should follow state model forms and obtain guidance from their legal compliance team.

Correspondents must use aggregate accounting in the calculation of the escrow/impound account.

Escrow/impound accounts for the payment of taxes, special assessments, private mortgage insurance, hazard insurance and flood insurance, must be established by the Correspondent at closing when required. Adequate funds must be calculated and collected at closing by the Correspondent to ensure that a sufficient amount will be available to pay the next installment of taxes and insurance.

Unless in violation of applicable state law, the maximum cushion that the Correspondent may maintain in the escrow/impound account is two months, except the cushion for private mortgage insurance (PMI) which is 0 (zero) months.

The account balance must reach the minimum balance at least once every 12 months. The Correspondent must use month end accounting.

The Closing Package must contain an Initial Escrow Disclosure Statement calculated in accordance with the principles of aggregate accounting.

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State Specific Cushion Requirements

A two-month cushion should be collected for all states except the following (number of months allowed are in parentheses); unless permitted otherwise by federal charter:

- Montana (1)
- Nevada (0)
- Utah (1)
- Vermont (1)

Refer to [Limitations on Payments](#) section under [Regulatory Compliance](#) portion of this Guide for additional information.

Short Year Escrow Account Statements

Correspondents must provide Borrower(s) with a short-year escrow account statement within 60 days of the servicing transfer. This applies when the Correspondent has collected escrow funds, even those without disbursements prior to the sale of the Mortgage Loan to Computershare Loan Services.

Escrow of Taxes Due Outside of Computation Year

In cases where the Correspondent collects escrow funds for taxes due outside the escrow computation year, a special acknowledgment form signed by the Mortgagor (Borrower) is required. Computershare Loan Services defines the escrow computation year as the 12-month period beginning with the Borrower's first payment.

Borrower must sign the "Initial Escrow Account Disclosure Statement" (RESPA requirements). Signing of this form indicates that Borrowers are clear about the impact of their choice to escrow at a higher amount, and that RESPA regulations which prohibit Correspondents from escrowing more than the required amount are not violated. The Correspondents is required by Computershare Loan Services to submit this form, or one with substantially similar information, with the Closing Package.

Escrow Calculation of Taxes for New Construction

If the property has not been fully assessed, the monthly tax obligation should be calculated using the actual tax rate as verified by the tax assessor or 1.50% when the actual tax rate is not available. Tax rate x purchase price divided by 12

Escrow Calculation of Taxes for California

1.25% calculation of the monthly tax obligation may be used for Purchase and New Construction transactions in California.

Escrow Amounts for Special Assessments Payment

Escrow amounts for pending assessments should not exceed the maximum 2 month cushion (or state specific) permitted by escrow regulations. If applicable state law mandates a lesser escrow amount than the maximum cushion of two months, state law will govern the permissible escrow amounts for pending assessments. Correspondents should use the estimate provided by the tax authority to calculate the amount to be escrowed for pending assessments. The funds should be collected at closing by the closing agent (Title Company, Lender or attorney). The Correspondent warrants that sufficient funds are being escrowed as permitted by Applicable Law.

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Escrow Holdbacks – Escrow for Postponed Repairs or Improvements

Computershare Loan Services will permit escrow accounts established by the Correspondent for postponed repairs or improvements provided they comply with applicable Fannie Mae, Freddie Mac, USDA, FHA or VA guidelines and Computershare Loan Services requirements stated below. For Non-Agency / Jumbo Mortgage Loans, refer to Computershare Loan Services Product Profiles and accompanying Computershare Loan Services Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for eligibility and specific requirements, if any.

The following is provided as guidance for the Correspondent to establish and administering escrow.

If the Correspondent establishes an escrow for completion of repairs or improvements, the Correspondent warrants that the repairs or improvements will be completed within required timeframes (see [Completion Date](#) section below) in a skillful manner, regardless of any actions taken or not taken by the property seller, the Borrower or any other party in the transaction. Breach of this warranty will require the Correspondent to repurchase the Mortgage Loan.

Appraiser must indicate "subject to" on appraisal and list all required repairs

Computershare Loan Services does not hold or administer escrow holdbacks. It is the Correspondent's responsibility to monitor and disburse the funds in escrow and provide Computershare Loan Services with a clear final inspection as discussed below.

REASON FOR HOLDBACK

Escrow holdbacks are permitted for external repairs or improvements that cannot be completed due to inclement weather reasons only. Inclement weather season is defined as the months of November through March.

EXTERIOR IMPROVEMENTS OR REPAIRS ONLY

Escrow holdbacks are permitted for completion of external repairs or improvements only.

Internal repairs or improvements are **not** permitted.

Acceptable exterior repairs or improvements include, but are not limited to the following:

- Driveway
- Walkway or sidewalk
- Retaining wall, provided it does not affect not affect the safety, soundness or habitability of subject or surrounding properties
- Landscaping
- Sprinklers
- Sod
- Swimming pools (except for VA) – see [Escrows for Swimming Pools](#) section below for requirements, allowances and restrictions

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ESCROWS FOR SWIMMING POOLS

Escrow holdbacks for swimming pools are acceptable for Fannie Mae, Freddie Mac and FHA Mortgage Loans, subject to requirements of this Guide. Escrow holdbacks are **not** permitted for VA Mortgage Loans.

It is acceptable to permit a swimming pool contract from a third party and include the cost when calculating the sales price. In addition, the value of the pool must also be included in the appraised value.

UNACCEPTABLE IMPROVEMENTS OR REPAIRS

Postponed improvements or repairs may **not** affect the safety, soundness, habitability, and/or structural integrity of the subject property. Unacceptable improvements or repairs include but are not limited to the following:

- Structural repairs or improvements
- Plumbing, electrical, septic, or HVAC systems not fully functional
- Kitchen not fully functional
- Partially completed addition or renovation
- Roofing issues, including coupling /curling shingles and leaks, past or present ,unless certified as having been repaired
- Foundation cracks or settling, including leaks past or present unless certified as having been repaired
- Water seepage, including water in basement
- Siding or fascia along eaves that is missing or has significant damage
- Mold of any significance

PROPERTY TYPE RESTRICTION

Computershare Loan Services does not permit escrow holdbacks on Manufactured Homes.

COST OF IMPROVEMENTS OR REPAIRS

Cost of improvements or repairs may not exceed \$15,000 or 10% of 'as completed' appraised value, whichever is less.

DOLLAR AMOUNT OF ESCROW HOLDBACK

A minimum of 120% (or 1.2 times) the cost of the improvement or repair must be held in escrow. For example, if a licensed contractor provides an estimate for repair/improvement totaling \$1,000; the minimum dollar amount of \$1,200 ($\$1,000 \times 1.2 = \$1,200$) must be placed in escrow for work to be completed.

COMPLETION DATE

Improvements or repairs must be completed within:

Improvements or repairs must be completed within 60 days of the note unless it is during inclement weather season. Inclement weather repairs must be completed by April 30th or 60 days from the note, whichever is further out.

PROOF OF COMPLETION

Upon purchase of the Mortgage Loan, Computershare Loan Services will place a post-purchase stipulation/suspension for 1004D confirming completion of items listed as "subject to" on the appraisal.

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Correspondent is responsible for providing 1004D within timeframe specified under [Completion Date](#) section above. If Computershare Loan Services fails to place a post-purchase stipulation/suspension, Correspondent is still responsible for providing 1004D within required timeframe.

Computershare Loan Services does not accept a lender certification as evidence of repair completion for any required repairs.

CLEAR TITLE REQUIREMENT

Holdbacks may not adversely affect title. Upon purchase of the Mortgage Loan, Computershare Loan Services will place a post-purchase stipulation/suspension for a final title policy endorsement that ensures the priority of the first lien will be placed on loans where the appraisal is "subject to" completion of improvements.

Clear title is required. Final title must not reflect mechanic's liens or exceptions to escrow agreement.

ESCROW HOLDBACK AGREEMENT AND FHA/VA SPECIFIC FORMS

A copy of the escrow agreement is required to show how the escrow account will be managed and how funds will be disbursed.

Specific forms are required for FHA and VA Mortgage Loans, as follows:

- **FHA** Mortgage Loans require *Mortgagee's Assurance of Completion* form HUD-92300
- **VA** Mortgage Loans require *Escrow Agreement for Postponed Exterior Onsite Improvements* form 26-1849

FUNDS HELD BY CORRESPONDENT, TITLE COMPANY OR THIRD PARTY

The Correspondent, Title Company or third party may hold and administer escrow funds.

Escrows must not be transferred to Computershare Loan Services, as Computershare Loan Services will not hold escrows and monitor repairs.

The Correspondent is responsible to ensure all repairs are completed in accordance with Computershare Loan Services policies.

COMPLETION OF REPAIRS FOR FHA LOANS BY NON-DELEGATED PRINCIPAL AUTHORIZED AGENT (PA) CORRESPONDENTS

Non-delegated Principal Authorized Agent (PA) Correspondents that submit FHA Mortgage Loans with escrow holdbacks are responsible for closing out escrow in FHA Connection upon completion of work.

COMPLETION OF REPAIRS FOR FHA LOANS BY NON-DELEGATED SPONSORED ORIGINATOR (SO) CORRESPONDENTS

Upon receipt of satisfactory 1004D for completion of work, Computershare Loan Services assumes responsibility for closing out escrow in FHA Connection for Non-delegated Sponsored Origination (SO) Correspondents.

COMPLETION OF REPAIRS FOR FHA LOANS BY DELEGATED DIRECT ENDORSED (DE) CORRESPONDENTS

Computershare Loan Services will purchase Mortgage Loans with repair escrows from DE Delegated correspondents. **The DE Delegated Correspondent must close out the escrow in FHA Connection.**

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Elective Insurance Escrow

Computershare Loan Services does not accept escrows for any elective insurance. Elective insurance is any coverage not required by state law or Agency guidelines. This includes escrows for flood insurance policies on properties which are not designated to be in Flood insurance is required if any part of the principal structure is located within an SFHA. Flood insurance may be required for detached stand-alone buildings (i.e. garages, sheds or greenhouses) even though they are not part of the principal structure if they are also a part of the security for the mortgage. zone A or V.

Escrow Waiver

The Correspondent may waive the escrow/impound account specification with respect to Conforming Mortgage Loans, if the Loan-to-value (LTV) is 80% or less (90.00% in California), but the standard escrow provision must remain in the Mortgage Loan Documents. Partial waivers are allowed. If a waiver is used, there may be a pricing impact as noted on the rate sheet. Refer to [Commitments, Locks and Pricing](#) section of this Guide for details.

The Correspondent's waiver of the right to collect escrow/impound funds must not weaken the right of Computershare Loan Services to subsequently enforce the escrow provision contained in the Mortgage Loan Documents in the event that the Borrower fails to act responsibly.

Loans sold to Computershare Loan Services with escrows waived must be documented with a written waiver that is signed by the Borrowers and Correspondent.

The Correspondent must escrow all premiums and reserves for any flood insurance required.

A Tax Service Fee will be charged even when the taxes have been waived. See the [Fee Schedule](#) section of this Guide for details.

Unless prohibited by applicable law, or granted a waiver by Computershare Loan Services, the Correspondent must, pursuant to the guidelines set forth in this Guide, establish an escrow/impound account for each Mortgage Loan sold to Computershare Loan Services.

Loan File Submission Checklist

Each closed Mortgage Loan File submission must be accompanied by a completed Loan File Submission Form. The form is available under Forms, Tools and Job Aids tab of Correspondent Lending website.

Standard Documents

Legal documents from loan closings (notes, security instruments, riders, etc.) must be executed using the current Fannie Mae/Freddie Mac uniform instruments for the jurisdiction where the mortgaged premises are located as determined by the AUS.

For FHA documentation requirements, refer to FHA website for details.

For VA documentation requirements, refer to VA website for details.

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Age of Documents (Revised 08/06/2020)

Age of documents may vary depending on the Mortgage Loan Program. Unless otherwise specified in applicable Computershare Loan Services Product Profile, Agency Guidelines, and/or Computershare Loan Services Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines; credit documents and preliminary title policies may not be more than 120 days old from date of Note. Appraisal must be no more than 4 months from date of Note.

Due-On-Sale Clause

The uniform instruments include provisions governing whether the loan will be accelerated if the Borrower sells or transfers the mortgaged premises or any interest in the mortgaged premises or whether instead the loan may be assumed by a third party who acquires the mortgaged premises, or any interest in the mortgaged premises by sale or transfer. These provisions are sometimes referred to as "due-on-sale" clauses.

- Uniform instruments for different mortgage products may have different due-on-sale clauses
- The type of due-on-sale clause set forth in the uniform instruments used to originate a particular mortgage determines whether or not the mortgage is assumable by the party to whom the mortgaged premises are transferred

Signature Specifications

Signatures on all closing documents must meet the following specifications:

- Each Borrower's name and signature must be consistent on all closing documents, matching to the names appearing in the title insurance policy
- Signatures must appear exactly as they are typed on the document, in ink. Each Borrower's signature must appear directly above his or her typed name in the signature portion of each signed document
- If corrections to the documents are required, then **only** strike-overs are permitted, initialed by each Borrower. Corrective coverings (i.e. white out) must never be used

Initial Application

- Interviewer must sign either the Initial or the Final Application Form 1003

Initial Application Date

- For Mortgage Loans in Mandatory Trades, if applicable, the application date must be provided on a copy of the dated application (clearly identified as "initial") and must be included in closing file delivered for purchase
- At the time of registration/commitment of a Best Efforts Mortgage Loan, the Correspondent must identify the initial application date

Final Application

- Interviewer must sign either the Initial or the Final Application Form 1003
- Must be signed by Borrower on all Mortgage Loans

Note: Computershare Loan Services will audit all Mortgage Loans for these signatures as stated above.

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Prepaid Interest, First Payments with Interest Credits (Funding into the Month)

Computershare Loan Services will allow interest credits at closing through the seventh calendar day of the month in which the Mortgage Loan is closed.

The first payment on Mortgage Loans sold to Computershare Loan Services must be due on the first day of the month following the first full month after the disbursement date.

Interest must be collected in arrears. Interest must have been collected from the date of the Correspondent's disbursement, including the day of disbursement, through the last day of the month. Computershare Loan Services will accept Mortgage Loans closed with interest credit due to the Borrower from the Correspondent.

"Funding into the month" is a term used to describe a Mortgage Loan that disburses to the Borrower in the month following the month in which Collateral Documents are dated. Computershare Loan Services permits "funding into the month" with the following conditions:

- Maximum number of days interest credit due the Borrower, for all programs, is 7 calendar days
- Computershare Loan Services will not allow a short first payment from the Borrower

Hardship/30 Day Letter

In the event that the first payment is due in less than 30 days, a Hardship/30 day letter must be signed by the Borrower acknowledging that payment is due in less than 30 days. Hardship letter must be included in file, if applicable.

IRS Form 4506-T

Correspondents are required to submit a Borrower signed Request for Transcript of Tax Return Form 4506-T signed by each Borrower and dated at closing. As Computershare Loan Services selects Mortgage Loans for either a pre-purchase or post-closing quality control review, the IRS Form 4506-T will be submitted by Computershare Loan Services to the IRS for tax validation and/or tax filing purposes.

Rent Loss Insurance

Refer to Product Profiles and applicable guidelines for requirements, if any.

Earthquake Insurance

Earthquake Insurance is mandatory for any property located on or in close proximity to a structural fault, or in a special seismic studies zone. If no mention is made in the appraisal, survey, or title policy regarding earthquake exposure, then insurance should not be required.

Flood Insurance

If applicable, a flood insurance policy that meets the following specifications must be provided by the applicant at closing:

- For **Purchase** transactions, Computershare Loan Services requires a flood insurance policy (declaration page), with a paid receipt for one (1) year, or an invoice and sufficient funds collected to pay the invoice. Even if a policy is issued for one (1) year, Computershare Loan Services requires proof that the premium for the year is paid in full. Proof may be in the form of a receipt signed by an authorized

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individual of the insurance company or the premium is to be paid at closing and indicated on the Closing Disclosure/HUD-1. The same premium shown on the policy is reflected on either the paid receipt or Closing Disclosure/HUD-1.

- For **Refinance** transactions, Computershare Loan Services accepts a current policy as long as on the date of closing, there are **60** days remaining before the policy expires
 - If, on the date of closing there are less than 60 days to policy expiration, Computershare Loan Services requires a 30-day binder or evidence that the policy has been renewed for one year
 - If, on the date of purchase of Mortgage Loan by Computershare Loan Services, there is less than 30 days to policy expiration, Computershare Loan Services requires a 30-day binder or evidence that the policy has been renewed for one year

The Correspondent is responsible for any losses or damages resulting from a bill that is due within 60 days of funding. The Correspondent is also responsible for any losses or damages that result from providing Computershare Loan Services with incorrect premium and due date information.

Refer to [Flood Disaster Protection Act](#) section of this Guide for additional information.

Flood Insurance Zone Determination

Flood insurance must be in an amount and form acceptable to the applicable Agency guidelines. For Computershare Loan Services Non-Agency / Jumbo Mortgage Loan Programs, follow Fannie Mae requirements unless otherwise specified in respective Product Profile and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines. The Flood Certificate must reflect the information required on FEMA's current Standard Flood Hazard Determination Form, including:

- Collateral Property Address
- Flood Zone
- NFIP Map, Panel, Suffix Number
- NFIP Map Date
- NFIP Community Name
- Community Status
- Name Of the flood certification Vendor
- Vendor's Certificate Number

See also Unmapped Properties – Participating Areas, below.

Additional Agency, such as USDA, and program restrictions may apply for loans in SFHA. Refer to the Agency handbooks and related Product Profiles for additional information.

The Standard Flood Hazard Determination Certificate must be dated within 180 days of the Note date.

SFHA in Non-Participating Community Not Eligible

Mortgage Loans secured by properties located in a Special Flood Hazard Area (SFHA) and in a Non-Participating Community; or in a SFHA and a Coastal Barrier Resource Systems Areas are not eligible for purchase by Computershare Loan Services.

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Flood Insurance Transfer Disclosure Language

For all Mortgage Loans in an SFHA, Computershare Loan Services requires specific language (noted below) be added to the following Borrower disclosures:

- Notice of Special Flood Hazards (NSFH)
- Servicing Disclosure Statement Notice to 1st lien mortgage loan applicants

Alternatively, if the language cannot be placed directly into the disclosures noted above, Computershare Loan Services will accept the language in a separate disclosure, or as an addendum to the specified disclosures, provided it is acknowledged by the Borrowers.

Required disclosure language is as follows:

Flood Insurance Coverage Subject to Change Disclosure: We may assign, sell, or transfer the servicing of your mortgage loan. Your new lender/servicer may require more flood insurance coverage than the minimum amount that has been identified in your Notice of Special Flood Hazards (NSFH). The new lender/servicer may require coverage in an amount greater than the minimum, and has the right to require flood coverage at least equal to 100% of the insurable value (also known as replacement cost value) of the building(s) used as collateral to secure the loan or the maximum available under the National Flood Insurance Program (NFIP) for the particular type of building. You should review your exposure to flood damage with your insurance provider, as you may wish to increase your coverage above the minimum amount required at the time of closing your loan versus what subsequently the new lender/servicer may require.

Flood Insurance Policy and Coverage Requirements

Flood insurance policy and coverage requirements should follow applicable agency or HUD guidelines. FHA will not insure a loan if a residential building and related improvements to the Property are located within SFHA Zone A, a Special Flood Zone Area, or Zone V, a Coastal Area, and insurance under the National Flood Insurance Program (NFIP) is not available in the community.

Refer to applicable agency seller guides/handbooks link below for guidance on how to evaluate a property's flood insurance requirements:

- <https://www.fanniemae.com/content/guide/selling/b7/3/07.html>
- https://guide.freddiemac.com/app/guide/content/a_id/1000931

An acceptable flood insurance policy must be one of the following:

- A standard policy issued on behalf of the NFIP. The policy must be issued by a licensed property and casualty insurance company that are authorized to participate in NFIP's 'Write Your Own Program'; or
- A standard policy issued by a private insurer as long as one of the following is met:

Under a Mandatory Acceptance review, Computershare Loan Services will require a written certification from the seller that the flood policy meets the statutory and regulatory definition of private flood insurance. This certification is required even if the private insurance policy contains the compliance statement as defined in the final ruling. The terms and amount of coverage must be at least equal to

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that provided under an NFIP policy based on a review of the full policy, and the insurer must meet Agency rating requirements. The Agencies are applying their servicing guide eligibility and rating requirements to determine the acceptability of the flood insurance policy, even if the compliance statement is present; **or**

Under a Discretionary Acceptance review, Computershare Loan Services will require a written certification stating the private insurance policy provides sufficient protection, consistent with general safety and soundness principals, with sufficient detail explaining that the insurance coverage under the policy is sufficient to protect the asset. The terms and amount of coverage must be at least equal to that provided under an NFIP policy based on a review of the full policy, and the private insurer must meet Agency rating requirements

If flood insurance is required, a flood insurance policy, copy of the declaration page, or the application signed by the insurance agent for such insurance reflecting the flood zone as listed on the standard flood hazard determination, along with a paid receipt evidencing the first full year's premium has been paid in full is required in the closed loan package delivered to Computershare Loan Services. It should be noted that a full policy for a private insurer will always be required.

Flood insurance is required if the property is located in an area where flood insurance is required by the National Flood Insurance Act of 1968, as amended. The minimum amount of flood insurance coverage for individual insurance must be equal to the lesser of:

- The maximum limit of available coverage allowed for the type of property under the NFIP, or
- Unpaid principal balance (UPB) of the loan

The waiting period must have lapsed prior to the Mortgage Loan being eligible for purchase.

Note: A PUD unit is considered to be its own separate building, which requires its own separate flood insurance coverage unless covered by a blanket master insurance policy

Maximum Flood Deductible

The maximum deductible for flood insurance is established by the National Flood Insurance Program (NFIP).

Escrow/Impounds for Flood Insurance

All premiums and fees for any flood insurance required must be escrowed/impounded in accordance with the Homeowner Flood Insurance Affordability Act of 2014. Mortgage Loans with escrow/impound reserves for any other item (including monthly mortgage insurance) are required to have escrow/impounds for flood insurance.

Flood Insurance for Condominiums and PUDs

If the mortgage is secured by a unit in a PUD or condo project and any part of the improvements are in a SFHA, the Correspondent must provide evidence that the HOA is maintaining a master or blanket policy of flood insurance and is providing for premiums to be paid as a common expense.

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A separate policy is required for each dwelling unit when a HOA does not have a master or blanket policy covering flood insurance. The coverage for the individual unit should be based on the coverage requirements listed previously.

Condominium and PUD Coverage Amount

The amount of flood insurance coverage for a PUD project should be at least equal to the less of 100 of the insurable value of the facilities or the maximum coverage available under the NFIP (\$250,000 multiplied by the number of units).

For most condo projects, the amount of coverage should be at least equal to the less of the 100% of the insurable value of each insured building (including all common elements and property) or the maximum coverage available under NFIP (\$250,000 multiplied by the number of units).

High Rise Condominium Projects

For high-rise condo projects, the required coverage has three components:

- Building coverage should equal 100% of the insurable value of the common elements and property
- Contents coverage should equal 100% of the insurable value of all contents that are owned in common by the association members
- Coverage for each unit should be the less of \$250,000 or the amount of its replacement cost

Inadequate Condominium Project Flood Coverage

When the Condominium Association flood insurance coverage amount is insufficient, the Borrower must secure an individual flood insurance dwelling policy for the condo unit that complies with these requirements.

Flood Zone Dispute

If the Borrower questions the flood zone determination, the Correspondent and Borrower may jointly appeal directly to FEMA. The Correspondent cannot require the Borrower to purchase flood insurance until FEMA issues a final opinion on the flood zone determination; however; Computershare Loan Services will not purchase the Mortgage Loan until FEMA issues its opinion or a flood insurance policy has been purchased for the property.

Revisions

The flood zone must be included on the declaration page of the flood insurance policy and must match the flood zone on the flood certificate. Any revision to the flood zone determination must be requested through FEMA by providing documentation, such as an elevation certificate, to the research department at the flood certification vendor.

Servicer Requirements

The servicer can require the Borrower to obtain flood insurance based upon any subsequent determination by FEMA that the property is located in an area that requires flood insurance coverage.

Unmapped Properties – Participating Areas

When a property has not been mapped by FEMA the Mortgage Loan might still be eligible for purchase by Computershare Loan Services if:

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1. Current Standard Flood Hazard Determination is in the Loan file
2. Flood zone determination indicates Flood Zone "None" or "No NFIP Map"
3. Life-of-loan flood service (also may be referred to as a Third Party Flood Certificate) is documented in the Mortgage Loan File

Flood insurance may be required later if FEMA maps the property to a Special Flood Hazard Area (SFHA).

Hazard Insurance

A hazard insurance policy that meets the following specifications must be provided by the applicant at closing:

- For Purchase transactions, Computershare Loan Services requires hazard insurance policy, with a paid receipt for one (1) year, or an invoice and sufficient funds collected to pay the invoice. Even if a policy is issued for one (1) year, Computershare Loan Services requires proof that the premium for the year is paid in full. Proof may be in the form of a receipt signed by an authorized individual of the insurance company or the premium is to be paid at closing and indicated on the HUD-1 Settlement Statement. The same premium as shown on the policy is reflected on either the paid receipt or HUD-1
- For Refinance transactions, Computershare Loan Services accepts a current policy as long as on the date of closing, there are 60 days remaining before the policy expires
 - If, on the date of closing there are less than 60 days to policy expiration, Computershare Loan Services requires a 30-day binder or evidence that the policy has been renewed for one year
 - If, on the date of purchase of Mortgage Loan by Computershare Loan Services, there is less than 30 days to policy expiration, Computershare Loan Services requires a 30-day binder or evidence that the policy has been renewed for one year

Computershare Loan Services relies on the Correspondent's representations and warranties that, as of the date a Mortgage Loan is purchased by Computershare Loan Services, hazard insurance has been obtained and the premium for such insurance is paid.

The applicant has the right to select the insurance carrier provided the carrier has at least one of the following ratings at the time the Mortgage Loan was closed:

- "B" or better general policyholder's rating, or a "3" or better financial performance index rating from A.M. Best's Insurance Reports. Refer to <http://www.ambest.com> for additional information.
 - Effective 3/13/2020 Computershare Loan Services will require a minimum A.M. Best Financial Strength Rating of B+/III as outlined in [FHLMC Bulletin 2019-5](#).
- "A" or better rating in Demotech Inc.'s Hazard Insurance Financial Stability Ratings. Refer to <http://www.demotech.com> for additional information
- "BBB" qualified solvency ratio, or "BBB" or better claims-paying ability rating in Standard and Poor's Ratings Group Insurer Solvency Review. Refer to www.standardandpoors.com for additional information

Prior to closing, the Correspondent must verify that the hazard insurance rating specifications have been met. The following alternative hazard insurance coverage is also acceptable:

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- In the event that the issuer of the hazard insurance policy does not meet the above described rating specifications, the hazard insurance policy may, never-the-less, be acceptable if the insurer is reinsured by a company that meets either one of the A. M. Best general policy-holder ratings or Standard and Poor's Ratings Group claim-paying ability ratings described above
- Both insurance companies must execute an Assumption of Liability Agreement (Fannie Mae Form 858) that provides for 100% reinsurance of the primary insurer's policy and 90-day written notice of termination of the reinsurance arrangement. The Assumption of Liability Agreement must be attached to the hazard insurance policy

Coverage from Lloyd's of London is acceptable.

If no other coverage is available, a Fair Access to Insurance Specifications (FAIR) plan or other state-managed insurance pool is acceptable.

The insurance carrier and, if applicable, the reinsuring insurer must be authorized (or licensed, if required) to transact business in the state in which the mortgaged property is located.

Hazard Insurance Requirements for 1-4 Family Residences, PUDs and Condominiums

1-4 FAMILY RESIDENCES

1-4 family residences must protect against loss or damage from fire and other hazards covered by the standard extended coverage endorsement. The coverage must be -of the type that provides for claims to be settled on a replacement cost basis. Computershare Loan Services will not accept hazard insurance policies that limit or exclude from coverage (in whole or in part) windstorm, hurricane, hail damages, or any other perils that normally are included under an extended coverage endorsement. A lender must advise Borrowers that they may not obtain hazard insurance policies that include such limitations or exclusions—unless they are able to obtain a separate policy or endorsement from another commercial insurer that provides adequate coverage for the limited or excluded peril or from an insurance pool that the state has established to cover the limitations or exclusions.

The coverage must be of the type that provides for claims to be settled on a current replacement cost basis.

For land and improvements to support the use of replacement cost coverage, Computershare Loan Services does not require separate appraisal valuations.

Insurance must be in an amount and form acceptable to the applicable Agency guidelines.

For Fannie Mae Loan Programs, follow the requirements in Fannie Mae Selling Guide B7-4-01, Liability Insurance and B7-4-02, Fidelity/Crime insurance.

For Freddie Mac Mortgage Loan Programs, follow Freddie Mac requirements.

For Non-Agency / Jumbo Mortgage Loan Programs, refer to Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for requirements.

FHA Mortgage Loans - Refer to the FHA Single Family Housing Policy Handbook 4000.1 for additional guidance For USDA and VA, follow those Agencies respective guidelines and requirements.

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In general, the following are required for all condominium hazard insurance policies:

- The PUD or condominium owners association or the fee simple landowner must maintain commercial general liability (CGL) insurance covering all common areas, common elements, commercial spaces and public ways in the PUD or condominium
- Current master condo insurance policy must provide at least \$1 million liability coverage, if required by the agency or investor.
- "Severability of interest" clause or specific endorsement to preclude the insurer's denial of a unit owner's negligence claim
- Acceptable fidelity bond is required on condominium projects with more than 20 units , if required by the agency or investor.
- The policy should provide for at least ten days' written notice to the homeowners' association before the insurer can cancel or substantially modify it. For condo projects, similar notice also must be given to each holder of a first mortgage or share loan on an individual unit in the project
- 100% of the insurable replacement cost coverage for the complete project. If the unit interior improvements are not included under the terms of the policy type ("Bare Walls" policy), the borrower is required to have an HO-6 policy with coverage, as determined by the insurer, which is sufficient to repair the condo unit to its condition prior to a loss claim event.

The master policy must state the number of units.

For property inspection waiver products (e. g. DU Refi Plus™) use the value input and accepted by the final Desktop Underwriter (DU) approval.

For FHA Streamline, use the higher of any appraisal product or stated case value.

PUDS

Individual insurance policies are required on Planned Unit Development (PUD) units unless the PUD unit is covered under the project's blanket policy and the PUD project's constituent documents allow the individual PUD units to be included in the projects blanket policy.

In addition, the homeowners association must maintain a policy which covers the common areas, fixtures, equipment, personal property and supplies of the project.

PUD hazard insurance must be in an amount and form acceptable to the applicable Agency guidelines. For Computershare Loan Services Non-Agency / Jumbo Mortgage Loan Programs, refer to Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines. In general, requirements for 1-4 unit properties apply to similar residential properties within a Planned Unit Development (PUD).

If the individual units are covered by insurance purchased by their respective owners, the PUD homeowners association or the fee simple landowner must maintain "all risk" coverage for common areas and property for 100% of their insurable value and provide for loss or damage settlement on a replacement cost basis. The association or fee simple landowner must also obtain any additional coverage commonly required by private mortgage investors for developments similar in construction, location and use, including the following where applicable and available:

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- Agreed amount
- Demolition cost
- Increased cost of construction
- Boiler and machinery

The insurer's minimum liability per accident under boiler and machinery coverage must equal the insurable value of the building housing such boiler or machinery or \$2 million, whichever is less.

Computershare Loan Services will also accept blanket insurance covering all units in the PUD as well as insurable common areas and property, if called for in the PUD's governing documents. Such coverage must meet the requirements applicable to each PUD unit and those applicable to insurable common areas and property. Deductibles are allowed under this blanket coverage under the terms and conditions stipulated above.

The PUD's fee simple owners' insurance policy must name the insured in substantially the same language as follows: Association of the Owners of the Planned Unit Development for the use and benefit of the individual owners (designated by name, if required by law or the governing documents).

Amount of Hazard Insurance

For first lien home mortgages on 1-4 unit properties, the hazard insurance coverage must be equal to the lesser of:

- 100% of the insurable value of the improvements (replacement cost) as established by the property insurer, or
- Guaranteed Replacement Cost Endorsement, which provides that the insurer agrees to replace the insurable property, regardless of the cost or the Replacement Cost Endorsement, or
- The unpaid principal balance of the mortgage, as long as it equals the minimum amount (80% of the insurable value of the improvements) required to compensate for damage or loss calculated on a replacement cost basis
- Other Structures: DO NOT add the insurance for "other structures" with the amount of coverage on the dwelling to meet the minimum required amount

Note: Due to the revised agency appraisal form, which eliminated the site value box, the estimated site value can be submitted with a notation in the 'Comments' section of the appraisal or an appraisal addendum signed by the appraiser.

If the hazard insurance is not equal to at least one of the above minimum coverage amounts, then additional hazard coverage that meets the minimum coverage amounts must be obtained before the Mortgage Loan can be purchased.

If extended replacement cost is noted on the policy the percentage of extended replacement costs must be detailed.

Hazard insurance policies that include optional coverage that is not required by Computershare Loan Services are acceptable, provided that Computershare Loan Services is not obligated to renew any part of the coverage not required hereunder.

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Hazard Insurance Deductible

Deductible for hazard policies must conform to investor guidelines unless otherwise specified below. Deductible requirements on Jumbo Mortgage Loans must meet FNMA requirements.

Maximum deductible is 5% of the dwelling coverage.

Hazard Insurance Checklist

Hazard Insurance Checklist	
Correspondents must submit proof of insurance meeting the following criteria:	
1	<p>Insurance was provided by a Qualified Insurer.</p> <p>Evidence of insurance (one of the following documents must be submitted):</p> <ul style="list-style-type: none"> a. Declarations Page b. Certificate of Coverage c. Evidence of Property Insurance d. Insurance Binder <p>Notes:</p> <p>An insurance quote or completed application for hazard insurance is not acceptable. Only the actual documentation from the insurance provider is considered proof of insurance.</p> <p>For Condominiums; blanket/master policy is required.</p> <p>For PUDS; blanket/master policy is required, if applicable.</p>
2	<p>Evidence of premium payment:</p> <ul style="list-style-type: none"> a. Paid receipt for premium amount reflected on the hazard application, binder, or policy; or b. HUD-1 Settlement Statement, or, for Mortgage Loans with applications dated on or after 10/3/15, that are subject to TRID requirements, Closing Disclosure, indicating payment of the premium amount reflected on the policy.
3	<p>Policy number (does not apply to binders).</p>
4	<p>Accurate Borrower and property information:</p> <ul style="list-style-type: none"> a. Name(s) of Borrower(s) agree with Note. b. Property address agrees with Note and Mortgage (Security Instrument). c. Mailing address is same as property address except on second homes and investment properties; then, it should agree with home address shown on Fannie Mae 1003.
5	<p>Policies insuring personal property such as cars, boats, etc., are not acceptable. However, riders for coverage of personal items within the dwelling, e.g., furs, jewels, etc., will be accepted.</p>
6	<p>Coverage Term:</p> <ul style="list-style-type: none"> a. Purchase Transactions: Policy must extend for minimum 12 months from the date of closing. b. Refinance Transactions: Existing policy will be accepted provided: Expiration date of the policy is clearly stated. <p>Sufficient impounds are collected by the Correspondent to renew coverage at the due date.</p>

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	Existing coverage extends a minimum of 60 days beyond the Purchase Date. If the policy will expire within 60 days, Computershare Loan Services requires evidence of renewal for one year. Evidence of change of mortgagee is provided, if applicable.
7	Policy is properly countersigned.
8	Policy must provide for a 30-day written notice of cancellation, reduction in coverage, or other material change.

Insurance Premium Paid Through Date

The following applies to all insurance policies:

Correspondents are responsible for payment of any insurance premiums due within 60 days following Mortgage Loan purchase.

If evidence of payment is not found in the Mortgage Loan File and the insurance premium is due within the 60 day period, Computershare Loan Services will place a condition on the Mortgage Loan. Computershare Loan Services will not purchase the Mortgage Loan until the condition is satisfied.

The Correspondent is responsible for any penalties assessed on payments that are due within 60 days of Mortgage Loan purchase.

Mine Subsidence Insurance

Mine subsidence insurance is provided to cover a loss suffered when the land on which improvements are located "subsides" due to the collapse of mining tunnels below the surface.

If mine insurance is required, the policy obtained by the Borrower must equal 80% of the value of the structure comprising a part of the property or the maximum insurance available. Computershare Loan Services will accept the following items as evidence of insurance:

- A hazard insurance policy binder that includes mine subsidence insurance
- If the transaction is a refinance, the original or a photocopy of an existing mine subsidence insurance policy and an Assignment of Interest Endorsement form
- A signed Request for Mine Subsidence Insurance Information form and an Assignment of Interest Endorsement form

A signed Request for Mine Subsidence Insurance Information form, an Assignment of Interest Endorsement form and a town map which shows the location of the property.

Uninsurable Hazards

If the Correspondent has knowledge that the mortgaged property is or may be exposed to hazards, hazardous wastes, toxic substances, radon gas, asbestos-containing materials, urea-formaldehyde insulation, sulfur-containing drywall (also known as Chinese drywall) not covered by fire and extended coverage insurance or other available insurance, the Correspondent must notify Computershare Loan Services. Computershare Loan Services, in such an event, in its sole and absolute discretion, may choose to not purchase the Mortgage Loan. The Correspondent must comply with any Agency requirements regarding such hazards. Or, the property

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inspection must state that the property was fully gutted down to the bare studs and all items that were installed are new. The only items that could possibly be re-used are tile and some stone. All other materials must be new.

VA Funding Fee Payment

Correspondents must electronically remit the funding fee to VA through the VA Funding Fee Payment System (VA FFPS) within 15 days of Mortgage Loan closing and prior to Mortgage Loan purchase by Computershare Loan Services. (VA Handbook 26-7, 8.8).

Correspondent must provide proof of payment in the Mortgage Loan File, or documentation of Borrower exemption (VA Form 26-8937) must be in Mortgage Loan File.

- If paid > 15 days after Mortgage Loan closing, then evidence of payment of 4% late fee must be provided to Computershare Loan Services prior to purchase
- If paid more than 30 days late, evidence of payment of 4% late fee and all interest charge assessments paid-in-full to VA must be in Mortgage Loan File prior to purchase by Computershare Loan Services
- If the Funding Fee was overcharged to the Veteran, evidence of refund to Borrower must be in Mortgage Loan File prior to purchase by Computershare Loan Services

If no funding fee was remitted to VA, then the "FUNDING FEE" (FF) field appearing near the top of the COE or on the WebLGY must indicate "EXEMPT," or if CONTACT RLC the Correspondent must provide the final finding in the Credit Package to Computershare Loan Services.

USDA Up-Front Fee Payment

Correspondents must electronically remit the up-front fee to USDA through the Guaranteed Annual Fee System (GAF) no later than 30 days after Mortgage Loan close to the Borrower and prior to Mortgage Loan purchase by Computershare Loan Services. Correspondent must provide evidence of payment in the Mortgage Loan File delivered to Computershare Loan Services.

FHA Insurance Upfront MIP Premium

The upfront Mortgage Insurance Premium (MIP) must be paid by the Correspondent WITHIN 10 DAYS OF FUNDING of the Mortgage Loan to the Borrower AND must be paid prior to purchase of the Mortgage Loan by Computershare Loan Services.

Correspondents are responsible for continuing to pay MIP and providing updated pay histories to Computershare Loan Services until Computershare Loan Services begins collecting payments. In cases where the MIP is paid on a monthly basis, an escrow account must be established at closing.

Any penalties or interest charges incurred as a result of non-payment, or untimely payment, of MIP are the responsibility of the Correspondent. If two or more payments have come due at the time Computershare Loan Services purchases the Mortgage Loan, the Correspondent is responsible for all MIP payments to HUD on all payments they collect.

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MIP payments remitted by Correspondent to HUD should be documented in the closed Mortgage Loan File with a current pay history.

Under-Disclosed and Inaccurately Disclosed MIP

In the event that the Correspondent fails to disclose the monthly mortgage insurance premium (MIP) on the TIL, or it is inaccurately disclosed, a Borrower may not be held liable to pay the monthly MIP on FHA Mortgage Loans. If this cannot be cured then the Mortgage Loan is not eligible for sale to Computershare Loan Services or subject to repurchase by the Correspondent as applicable.

Private Mortgage Insurance

Mortgage insurance is required for Conforming Agency Mortgage Loans as specified by product type, LTV (subject to state law), and applicable Agency and Computershare Loan Services requirements.

Private Mortgage Insurance ("PMI" or "MI") is generally required for Fannie Mae and Freddie Mac Mortgage Loan products if the Loan-to-value is More than 80% (80.000000001).

Refer to the specific Product Profiles for additional private mortgage insurance requirements.

Private Mortgage Insurance Premium Remittance

Correspondents are responsible for remittance of all MI payments for all Mortgage Loan payments they collect. This includes payments which may go to the Correspondent if Computershare Loan Services amortizes the Mortgage Loan.

Eligible Private Mortgage Insurance Programs

Computershare Loan Services permits the following mortgage insurance programs, unless stated otherwise under 1) Ineligible PMI features and program types set forth in [Ineligible Private Mortgage Insurance Programs](#) section of this Guide, 2) applicable Product Profiles, 3) applicable Agency (Fannie Mae or Freddie Mac) guidelines, and/or 4) Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines:

- Monthly Borrower Paid MI
- Borrower Paid Single Premium MI
- Lender Paid Single Premium MI
- Annual MI
- Full or Standard coverage MI levels are required

Note: for any MI premiums that are financed, the total loan amount including the portion used to finance the MI premium must not exceed the LTV/CLTV limits for the Mortgage Loan Program.

Ineligible Private Mortgage Insurance Programs

Computershare Loan Services does not accept the following:

- Reduced MI levels
- Monthly Lender Paid MI or any MI where the premium is paid out of the mortgage interest received
- Financed MI
- Split Premium MI – initial premium paid up front, followed by monthly payments

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- MI that does not meet applicable Local, State or Federal laws or regulations
- MI that does not meet the requirements of the investor for the Mortgage Loan Program (e. g. Fannie Mae or Freddie Mac, as applicable)

Refer to Product Profiles for Mortgage Loan Program specific MI requirements.

Refer to [Lender Paid Mortgage Insurance Disclosure](#) section of this Guide for additional information.

Private Mortgage Insurance Coverage Amounts

Private mortgage insurance coverage must be sufficient to meet Fannie Mae or Freddie Mac requirements as they may apply. In addition, unless otherwise stated in the applicable Product Profile, reduced (or custom) mortgage insurance coverage is **not** allowed. Standard or full coverage is required.

In some instances automated underwriting findings, such as Fannie Mae's Desktop Underwriter® (DU®), may return AUS findings offering minimum or reduced mortgage insurance levels with a loan level price adjustment.

- In order for the Mortgage Loan to be eligible for sale to Computershare Loan Services, "standard" coverage must be in place (the greater of the two MI coverage level options on the AUS)
- Computershare Loan Services does not purchase Conventional Mortgage Loans with an "MI loan-level price adjustment" for the lower coverage option

Eligible Private Mortgage Insurance Providers

Mortgage insurance providers must be approved and in good standing with both Fannie Mae and Freddie Mac to be eligible for insuring Mortgage Loans purchased by Computershare Loan Services. Correspondents are responsible for monitoring Fannie Mae, Freddie Mac and Computershare Loan Services Program Announcements for eligibility changes.

See Fannie Mae "Approved Mortgage Insurers and Related Identifiers" table published on www.efanniemae.com and www.freddie.com.

Title Insurance Requirements

Title insurance must be in an amount and form acceptable to the applicable Agency guidelines. For VA loans, the Veterans Administration does not require title insurance; however; Computershare Loan Services requires that all Mortgage Loans have title insurance that meets or exceeds the general title insurance requirements in this Guide (see VA Loan Title Insurance Requirements below). For Computershare Loan Services Non-Agency / Jumbo Mortgage Loan Programs, refer to Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for additional requirements or allowances; if any. In general with the exception of HUD PD Properties (HUD's Property Disposition, f/k/a HUD Repos) which do not require a title policy, Computershare Loan Services requires all Mortgage Loans submitted for purchase by the Correspondent to have a Mortgagee title insurance policy (or Iowa Title Guaranty Certificate for Iowa property) that meets the following requirements:

- Paid in full, valid and binding, and remains in full force and effect
- Written on the current standard American Land Title Association (ALTA) form
- Short Form Policy, Residential Loan Certificate, or ATI Title Opinion Plus covering the Mortgage Loan are also acceptable. An Attorney's Final Opinion of Title is required if the property is located in the state

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of Iowa. A Final Title Insurance Policy is not required for HUD repos or Hawaiian home land Loans, in the event Computershare Loan Services is purchasing such Mortgage Loans

- Title Policy must insure the Correspondent as its name appears in the Mortgage (Security Instrument) and must also include the language "its successors and assigns as their interest may appear"
- ALTA Title Policy must be free from liens, encumbrances, easements, encroachments and other title matters except as enumerated herein
- Most current version of an American Land Title Association (ALTA) Loan policy, or other form of title insurance acceptable to Fannie Mae or Freddie Mac, issued by a title insurer approved by Fannie Mae or Freddie Mac and qualified to do business in the jurisdiction where the property is located, insuring the appropriate priority of the lien of the Mortgage in the original principal amount of such Mortgage Loan
- Minimum acceptable title insurance coverage must be at least equal to the Mortgage Loan amount at closing
- Mortgages securing a condominium or planned unit development (PUD) must have title insurance coverage that is comparable to that provided by ALTA endorsement #4 or PUD endorsement #5
- Any lien for subordinate financing must be listed on the title insurance policy and must specifically state that the lien is subordinated to the lien of the first Mortgage
- Title to the property must be vested in the names of the Borrowers (Mortgagors) as they appear in the Mortgage (Deed of Trust or Security Instrument)
- The effective date of the policy must be on or after the recording date of the Mortgage (Security Instrument)
- Names of the Mortgagor(s), Mortgagee or beneficiary, Loan amount, closing date, and recording information indicated on Schedule A must agree with the Mortgage (Security Instrument)
- If the Mortgage (Security Instrument) has been re-recorded to correct the legal description or to correct the Mortgage amount, the effective date of the policy must be amended to be the date of the re-recording, or after
- Title policies may not include the creditors' rights exclusion language that ALTA adopted in 1990, as amended

Title Insurance Endorsements

Computershare Loan Services does not have overlays to agency endorsements requirements. Please see governing agency seller guides and/or handbooks for the required endorsements:

[Fannie Mae Special Title Insurance Coverage Considerations Section B7-2-04](#) and [Title Exceptions and Impediments Section B7-2-05](#)

[Freddie Mac Title Insurance Policy Requirements Section 4702-2](#)

Title Waiver Requests

Correspondents must obtain a title waiver from Computershare Loan Services before the Mortgage Loan closes for title exceptions that are not specifically permitted in the Guide.

The request should include the following:

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- A statement from the primary mortgage insurer which indicates the exception will not negatively affect the primary mortgage insurance coverage
- A statement from the appraiser which indicates the exception will not negatively affect the marketability or use of the property

Title Insurer Rating Requirements

A title insurer is acceptable if it has a rating from at least one independent rating agency:

- Demotech financial stability rating of "S" or better or statutory accounting rating of "C" or better
- Duff & Phelps rating of "BBB" or better
- Fitch rating of "BBB" or better
- LACE rating of "C" or better
- Moody's rating of "Baa" or better
- Standard and Poor's rating of "BBB" or better

Title Exceptions

Computershare Loan Services requires affirmative coverage over all defects unless the defect is subject to one of the following General Title Waivers:

- Customary easements and rights of way for underground conduits that are in place and do not extend under any buildings on the subject property
- Customary surface easements and rights of way along property lines for public utilities and for drainage and irrigation ditches provided the exercise of the rights do not interfere with the use and enjoyment of any present improvements on the subject property or proposed improvements where the appraisal or Mortgage is based
- Customary easements and rights of way for public roads, water lines and sewers, and for private wells, driveways and party walls situated partly on the subject property and partly on adjoining property
- Any encroachment on an easement or right of way for public utilities by a garage or any other improvement, except those improvements that are attached to or are a portion of, the main dwelling structure, provided such encroachment does not interfere with the use of the easement or the exercise of rights or repair and maintenance in connection therewith
- Encroachments on the subject property by improvements on adjoining property where such encroachments:
 - Extend one foot or less over the property line of the subject property
 - Do not touch any buildings
 - Do not interfere with the use of any improvements on the subject property
- Encroachments on adjoining property by eaves or other projections attached to improvements on the subject property where these encroachments do not exceed 1 foot
- Misplacements of hedges or removable fences on either side of the property line of the subject property, provided that neither the misplacement, nor a future correction thereof, will interfere with the use of any improvements of the subject property or the use of the balance of the subject property and the property not occupied by improvements
 - Misplaced concrete walls or driveways are not covered by the General Title Waiver

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- Encroachments onto adjoining property by driveways belonging to the subject property where such encroachments do not exceed 1 foot, provided that there exists a clearance of at least 8 feet between the buildings on the subject property and the property line affected by the encroachment
- Variations between the length of the subject property lines as shown by the record, survey or drawing, provided that such variations do not interfere with the use of any of the improvements on the subject property and that they do not involve a deficiency of more than 2% with respect to the length of the front lot line or more than 5% with respect to any other line
- Agreements or restrictive covenants of record relating to costs, use set-back, minimum size, building materials, architectural, aesthetic or similar matters (other than single family use restrictions on 2-4 family properties), provided that the title insurance policy expressly assures that:
 - There is no reversion or forfeiture of title in the event of violation thereof
 - Such agreements or restrictive covenants do not create or provide for a lien of any kind that would be prior to the lien of the subject Mortgage
- Restrictive covenants based on race, color or creed, even where the violation of these restrictions provides for a penalty or reversion or forfeiture of title or a lien for liquidated damage
- Outstanding oil, water or mineral rights (or damage caused by the exercise of such rights) which are customarily waived by prudent lending institutions and leading attorneys in the community
- Priority of the lien as to any sum repaid and subsequently re-advanced under the terms of the Mortgage thereby
- For Mortgages securing 1-4 family or non-owner occupied properties, rights of parties to occupy the property as tenants only under leases predating the Mortgage if the remaining term of the lease is less than 12 months at the time of origination
- OTHER ENDORSEMENTS - Computershare Loan Services may specify other endorsements as it deems appropriate
- Recorded Intervening Assignments, if applicable
- Additional documentation Computershare Loan Services may specify

Title Coverage for Escrows Included in the Mortgage Loan Amount, Texas

Specific to Rate/Term Refinances of Owner Occupied Homestead Property in Texas, in the event Computershare Loan Services is purchasing such Mortgage Loans: Special title insurance coverage must be obtained when impounds for prepaid expenses are included in the new Mortgage Loan amount. The following must be included as a Schedule B Exception:

“Possible defect in lien of the insured mortgage because of the insured’s inclusion of reserves or impounds for taxes and insurance in the original principal of the indebtedness secured by the insured mortgage”

ALTA Short Forms of Title

Computershare Loan Services will also accept the following ALTA Short Forms of Title:

- Short Form Residential Loan Policy providing coverage equivalent to the most recent ALTA Standard form and does not materially impair protection to Computershare Loan Services, its successor or assigns, or

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- In states in which standard ALTA forms coverage are, by law or regulation, not used, the state-promulgated standard or short form which provides same coverage as the equivalent ALTA form, provided that those forms do not materially impair protection to Computershare Loan Services, its successors or assigns, or
- Residential Loan Certificate to a Master Policy, subject to the following:
 - Acceptable for residential one-to-two family dwellings
 - If the Residential Loan Certificate is used, the Mortgage Loan File contains copies of the Correspondent's master policy with any and all addenda or endorsements
 - If the short form Residential Loan policy is used, the Mortgage Loan contains a copy of a warranty deed
 - Forms are from Fannie Mae approved title insurers
 - Contains evidence of current vesting in the property
 - Any short forms of title policies have the applicable ALTA endorsements
 - Correspondent and Computershare Loan Services have addressed any exception other than the standard exceptions prior to funding (Computershare Loan Services will apply the same standards and procedures regarding title exceptions as with full title policies)

Survey Requirements

Computershare Loan Services requires that any survey exception be deleted from the final title policy. If the title company requires a new survey in order to delete the exception, then the Correspondent will be required to obtain a new survey. A new survey is not required if the title or closing agent will insure against loss and remove the survey exception with the existing survey.

Survey Specifications

If a Mortgage Loan is not covered by a master title insurance policy which insures against loss due to survey-related matters, a plat or improvement survey must be provided to Computershare Loan Services.

Where surveys are not customary, the title insurance policy must insure against loss or damage by any violation, variation, encroachment or adverse circumstance which would have been disclosed by a correct survey. (See Survey Requirements above).

The survey must be completed, dated and certified by a licensed civil engineer or registered surveyor within six months of the date the title insurance policy was issued. Computershare Loan Services will accept a survey which is dated more than six months prior to the date of the title insurance policy if the survey is recertified by the licensed civil engineer or registered surveyor who originally performed the survey within the six months prior to the purchase of the Mortgage Loan by Computershare Loan Services.

The following items must be included in the survey:

- Location by courses and distances of the plot to be covered by the mortgage,
- Relation of the point of the beginning of the plot to the monument from which it is fixed
- All easements affecting the plot, and the width of such streets
- Any encroachments upon the plot or any easement appurtenant to the plot, and their extent measured in terms of feet and inches

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- All structures and improvements on the plot, including the horizontal lengths of all sides and the relation of the structures and improvements by distance to all boundary lines of the plot, easements, established building lines and street lines

The survey must also include the following.

- If the plot is described as being on a field map, it must contain a legend relating the plot to the map on which it appears
- Prove the improvements lie entirely within the boundaries of the plot and no part of the improvements encroach upon or overhang any easement or right of way upon other plots.
- Prove the improvements are wholly within the established building restriction lines and no adjoining structure encroaches upon the plot or upon any dominant easement affecting the plot

Variations between the length of the property lines as shown on the appraisal report and on the survey are acceptable provided:

- Variance does not interfere with the current use of, or any improvement on, the mortgaged property
- Variance in the length of the front property line and rear property line is not deficient by more than 2% or 5%, respectively

The appraiser must include a statement regarding any other variations and explain how they affect the value of the property. If mortgage insurance is required, the Correspondent must obtain a declaration from the mortgage insurer stating the variations will not affect the property's insurability.

Condominium and PUD Title Policies

The following are required for title insurance policies for Mortgage Loans covering each unit in a condominium or PUD project:

The legal description for the PUD or Condo must include all components of the unit estate including:

- Name of the project
- Unit itself
- Undivided interest in the common elements (for condominium units)
- Non-exclusive easement to use the common areas and facilities (for a PUD unit or other kind of project unit that has separately owned common elements or facilities)
- Any significant limited common elements or exclusive easements over the common areas
- Ownership must be reflected in the policy if the unit owners possess the common areas of the project as tenants. The policy may explain limited common elements or exclusive easements specifically or by reference to the constituent documents

The Title Insurance policy for Condos and Planned Unit Developments (PUDs) must include coverage that provides protection by:

- Insuring that the mortgage is superior to any lien for unpaid common expense assessments. In jurisdictions that give these assessments a limited priority over a first or second mortgage lien, the policy must provide assurance that those assessments have been paid through the effective date

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- Insuring against any impairment or loss of title of the Computershare Loan Services first lien caused by any past, present, or future violations of any covenants, conditions, or restrictions of the master deed for the project. The title insurance policy must specifically insure against any loss that results from a violation that existed as of the date of the policy
- Insuring that the unit does not encroach on another unit or on any of the common elements, areas or facilities. This policy must also insure that there is no encroachment on the unit by another unit or by any of the common elements, areas or facilities
- Insuring that the mortgage is secured by a unit in a condominium project that has been created in compliance with the applicable enabling statutes
- Insuring that real estate taxes are assessable and lien able only against the individual condominium unit and its undivided interest in the common elements, rather than against the project as a whole
- Insuring that the owner of a PUD unit is a member of the homeowners association and that the membership is transferable if the unit is sold
- If the homeowners association owns the common elements, areas/facilities of a project separately, insurance on those areas is required to insure that ownership

The title must be free and clear of any objectionable liens and encumbrances, including any statutory or mechanics' liens for labor or materials related to improvements on the common areas that began before the title policy was issued.

Title Policy Documents

Computershare Loan Services requires the original Title Policy at the time of the Correspondent's submission of the Mortgage Loan for purchase. If the property is located in an area where a final Title Policy is not normally available at closing, or if the Correspondent cannot deliver the original Title Policy at closing because of a delay associated with recording (provided the Correspondent has not caused such delay), the Correspondent may provide Computershare Loan Services with a binding commitment, provided that such binding commitment:

- Is binding upon the title insurance company issuing the Title Policy
- Has been "marked-up" by an authorized agent of the title insurance company issuing the Title Policy
- Shows, among other things, which items will be deleted from the Title Policy, which endorsements will be required to accompany the Title Policy, etc.
- If applicable, the Correspondent must include a copy of each instrument necessary to complete the identification of exceptions shown

Title Transfers

If title has been conveyed within most recent 12 months, Computershare Loan Services may require further review and/or additional documentation to ensure acceptability of transaction, including but not limited to the prior sale price information and an accounting for any property improvements completed (e.g., not a flip sale). See the [Property Flipping and Assignment of Contract](#) section of this Guide for resale restrictions.

Unexpired Redemption Rights

Mortgage Loans with an unexpired Redemption Period are not eligible for delivery to Computershare Loan Services.

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Private Party Transfer Fee Covenants

Effective March 16, 2012, the Federal Housing Finance Agency (FHFA) issued a final rule (codified at 12 C.F.R. Part 1228) and a directive that prohibits Fannie Mae from purchasing or investing in any mortgages on properties encumbered by certain private transfer fee covenants, securities backed by such mortgages, or securities backed by the income stream from such covenants, unless they are "Excepted Transfer Fee Covenants." Excepted Transfer Fee Covenants see any private transfer fees paid to homeowner associations, condominiums, cooperatives, and certain tax-exempt organizations that use private transfer fee proceeds to benefit the property.

Fees that do not directly benefit the property are subject to the above rule, and would disqualify mortgages on the property from being sold to Fannie Mae or used as collateral for Federal Home Loan Bank advances.

Correspondents must establish policies and/or procedures to ensure that the Mortgage Loans it delivers to Computershare Loan Services are not secured by properties encumbered with a private transfer fee that is unacceptable under the Regulation.

Correspondent Seller Warranty

The Correspondent warrants that any title exceptions that do not fall under the waived title objections do not adversely affect the value, use, enjoyment or marketability of the property. Computershare Loan Services reserves the right to request from the Correspondent any additional documentation or information deemed necessary to support this warranty. Correspondents are responsible for reimbursing Computershare Loan Services if a loss is incurred because of the title impediment.

VA Mortgage Loan Program Title Insurance Requirements

The VA does not require a lender making a VA loan or the veteran-Borrower to obtain title insurance; however; Computershare Loan Services requires that all Mortgage Loans have a title insurance policy with applicable endorsements that is acceptable to Computershare Loan Services. See [Title Requirements](#) section of this Guide.

Additionally, regardless of any VA requirement to the contrary, the new Loan being delivered to Computershare Loan Services must be insured in first lien position. Title to the property must also meet the standards described in the VA Handbook, including "Estate of the Veteran in the Property."

Loans with PACE and PACE-like Assessments Not Eligible

Loans secured by properties with PACE and PACE-like clean energy program assessments are not eligible for sale to Computershare Loan Services for any product or program.

If there is an assessment for a clean energy loan or similar assessment that will not be paid in full and released at or prior to close of the subject transaction, then the Mortgage Loan is not eligible for sale to Computershare Loan Services.

Title Insurance Checklist (Revised 8/5/2020)

Computershare Loan Services Title Insurance Checklist

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1	<p>Loan delivered for purchase by Computershare Loan Services is insured in first lien position. Closing lender is named as proposed insured, if applicable (Computershare Loan Services requires inclusion of "Its successors and assigns, as their interest may appear," if the policy definition of "Insured" does not cover successors/assignees).</p> <p><i>Purchase Transactions:</i> Immediately prior to subject Borrower's acquisition of the property, title vested in the property seller as named in purchase contract and the HUD-1 Settlement Statement or, for Mortgage Loans with applications dated on or after 10/3/15 that are subject, to the TRID requirements, the Closing Disclosure (CD).</p>
2	<p><i>Refinance Transaction:</i> Title vested in subject Borrower(s).</p>
3	<p>Amount of title insurance equals the Note's face amount.</p>
4	<p>Preliminary report/title commitment is dated within 120 days of Closing.</p>
5	<p>Title (held by subject Borrower) is not held in trust (except for a Living "Inter Vivos" Trust), no title held by corporations or business entities. See the Trusts section of this Guide for Trust eligibility.</p>
6	<p>All parties to be vested in title have executed the Mortgage (Security Instrument) subject to applicable state laws</p>
7	<p>Legal description agrees with all legal documents (Mortgage (Security Instrument), Assignment or Mortgage, etc.).</p>
8	<p>Tax payments are current.</p>
9	<p>Survey exceptions have been deleted, or appropriate affirmative coverage obtained.</p>
10	<p>All existing liens and judgments have been or will be paid/released</p>
11	<p>Surface entry rights are waived or contain appropriate affirmative coverage endorsement.</p>
12	<p>All references to taxes as exceptions to the coverage of the Title Policy state "Not yet due and payable" or "Paid."</p>
13	<p>Contains all Computershare Loan Services required additional title endorsements either as a condition to funding or as follow-up documentation (e.g., ARM, PUD, Condominium Endorsement, Environmental Lien Endorsement, etc.).</p>
14	<p>An authorized agent has properly countersigned the title binder/commitment.</p>
15	<p>Legal description agrees with all legal documents (Mortgage (Security Instrument), Assignment or Mortgage, etc.).</p>

Acceptable Form of Property Ownership

Title to the property rights must be held as Fee Simple only.

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Other forms of property ownership/rights, including but not limited to Life Estates, Leasehold Estates, Fee Tail Estates, Cooperatives, etc. are **not** eligible for purchase by Computershare Loan Services.

Fee Tail Estates, Life Estates and Cooperatives

Properties with Fee Tail Estate rights, Life Estate rights and Cooperative properties are **not** eligible for purchase by Computershare Loan Services.

Leasehold Estates

Computershare Loan Services does **not** currently purchase Mortgage Loans secured by properties located on Leasehold Estates.

Resale Deed Restrictions

Computershare Loan Services does not purchase Mortgage Loans subject to resale deed restrictions, other than an acceptable Age Deed Restriction on a one-unit property for Borrower's principal residence that meets Agency guidelines.

Resale deed restrictions for VA loans require prior approval by VA, or the Correspondent must document that the restriction falls within the exceptions provided by applicable VA regulations (26-7, Chapter 9, Title Limitations).

Refer also to Fannie Mae Selling Guide, B5-5.3: Loans with Resale Restrictions.

Trusts

Computershare Loan Services will purchase Mortgage Loans where the property title is held in an Inter Vivos revocable trust provided the trust meets investor and Computershare Loan Services guidelines.

An Inter Vivos Trust or Living Trust is created by a written legal document that transfers legal title to the property from an individual to a Trust, usually for estate planning or privacy purposes. The individual or individuals that create the Trust, often referred to as CREATORS, TRUSTORS, SETTLORS, GRANTORS, or DONORS, are usually named as trustees within the Trust and have full control over the property. The Trust must be revocable.

Although not required, Computershare Loan Services' best practice is for the Borrower(s) attorney to provide a letter of opinion that all the guidelines have been met.

The trust income is not used as the qualifying income. The individual Borrower's income(s) are used to qualify.

Trust Guidelines

- Trust must be established by a natural person
- Computershare Loan Services accepts Inter Vivos Revocable Trusts (living trust) if the Trustee is the same person as the person establishing the Trust
- Trust must be in the Borrower's name
- Trust must state that the Borrower(s) have the right to revoke the Trust during their lifetimes
- Income and assets of at least one Borrower of the individuals establishing the Trust must be used to qualify for the mortgage

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- Trust must comply with all applicable state and local laws and regulations.
- Trustee must have the power to mortgage the property

Acceptable Forms of Revocable Trusts

- Inter Vivos Revocable Trust
- Family Trust
- Living Trust
- Revocable Living Trust
- For Texas (a)(6) Mortgage Loans closing in a trust, the trust must meet requirements of this Guide and Texas Constitution Section 50(a)(6) requirements

Unacceptable Forms of Trusts

- Irrevocable Trust
- Qualified Personal Residential Trust
- Institutional Trust
- Corporate Trust
- Trust established under the laws of any entity other than one of our 50 states (or D.C.)
- Survivor Trust where the Trust is no longer Revocable
- Testamentary Trust
- Blind Trust
- Land Trust (including Illinois Land Trust)

Eligible Property and Occupancy Types

All property and occupancy types purchasable by Computershare Loan Services are eligible. For properties that are the Borrower's principal residence, at least one trustor/settlor (individual who established the trust) must occupy the security property and sign the Mortgage Loan Documents.

Underwriting Considerations

The mortgage must be underwritten as if the individual establishing the trust (or at least one of the individuals, if there are two or more) were the Borrower (or a Co-Borrower, if there are additional individuals whose income or assets will be used to qualify for the mortgage).

Title Requirements

Prior to delivery to Computershare Loan Services the lender must ensure the title company has reviewed and approved the Trust Agreement or Trust Certification. Upon delivery to Computershare Loan Services, title must not contain any title exceptions and offer full title protection without exception to the trust.

Acceptable Title Vesting

The property must be vested in the trusts name or in the trustee's names on behalf of the trust.

Computershare Loan Services accepts Mortgage Loans closed in:

- One trust
- One trust and an individual(s)
- Multiple trusts

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- Multiple trusts and an individual(s)

Documentation Requirements

The following documentation must be provided in the closed Mortgage Loan File delivered to Computershare Loan Services.

Trust Agreement

The Mortgage Loan File must include a complete copy of the trust agreement or Trust Certification as outlined below. In the case where amendments have been made to the trust that designate new parties or other changes those must be documented, and copies must be provided in the Mortgage Loan File.

Note: If the trust includes significantly more assets than the subject property some Borrowers may be hesitant to provide a full copy of a trust. In these cases, the Borrower must supply all portions of the trust, as required by the title company, that clearly identify:

- Identities of the grantor/trustor/settlor, beneficiaries (if there is a beneficiary, or if applicable state law requires a beneficiary), and trustee
- Powers of the trustee (sell, convey, exchange, borrow, encumber)
- Property is held as part of the trust
- Revocability of the trust
- Trust was created and became effective during the lifetime of the original grantor/trustor/settlor
- Primary beneficiary of the trust is the settlor (if there is a beneficiary, or if applicable state law requires a beneficiary). Multiple primary beneficiaries are permitted if the settlor's income and assets are being used to qualify for the Mortgage Loan
- Trust document names one or more trustees to hold legal title to and manage the property

Trust Certification

Trust Certifications are acceptable provided it contains sufficient information to determine the trust meets all Computershare Loan Services requirements. A Trust Certification can be used in lieu of the complete Trust Agreement in the following states:

Arizona	California	Delaware	District of Columbia
Idaho	Iowa	Kansas	Maine
Mississippi	Minnesota	New Hampshire	New Mexico
Oregon	South Carolina	South Dakota	Tennessee
Utah	Wyoming		

Trust Rider to Security Instrument

The Security Instrument may include an Inter Vivos Revocable Trust Rider. If provided, it must be completed in its entirety.

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Clients are not required to execute an Inter Vivos Revocable Trust Rider. However, by not providing an executed rider the lender agrees to hold Computershare Loan Services harmless in the event we suffer a loss due to the lack of amendment of other ambiguity. Should foreclosure proceedings later have to be initiated to acquire the property and Computershare Loan Services suffers a loss that relates either to the lender's amendment or to any ambiguity in the application of the covenants in the security instrument the lender must either repurchase the mortgage or the acquired property or make Computershare Loan Services whole.

Borrowers Acknowledgement

The Mortgage Loan File must include a Borrowers Acknowledgement. This can be provided on a standalone document or incorporated into the Security Instrument or in any Security Instrument Rider.

Trust Addendum to Note

The Note may include a Trust Addendum. If provided, it must be completed in its entirety.

Execution Requirements

Use the execution chart to determine if the Mortgage Loan documentation has been executed correctly.

At least one Borrower on the Mortgage Loan must be all of the following:

- Credit Qualifying Borrower
- Trustee
- Settlor/Grantor/Trustor
- Beneficiary (if there is a beneficiary, or where applicable state law requires a trust to have a beneficiary)

Document	Document Execution Requirement
Note	All Borrowers as individuals All Trustees of the Trust
Note Addendum	All Borrowers as individuals All trustees of the Trust
Security Instrument	All trustees of the Trust All vested individuals
Security Instrument Inter Vivos Revocable Trust Rider	All trustees of the Trust All vested individuals
Security Instrument Riders (all others)	All trustees of the Trust All vested individuals
Borrowers Acknowledgement	All grantor(s)/trustor(s)/settlor(s)
Truth in Lending Disclosure	All Borrowers as individuals All Trustees of the Trust
Notice of Right to Cancel	All Borrowers as individuals All Trustees of the Trust

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Signature Block Examples

Use the acceptable signature format examples below to determine if the Mortgage Loan documentation has been executed correctly.

Acceptable Signature Format for Individual and Trustee Executions	John Smith, Individually and as Trustee of the (Complete Legal Name of Trust) Trust under trust instrument dated....
Acceptable Signature Format for Trustee Executions	John Smith as Trustee of the (Complete Legal Name of Trust) Trust under trust instrument dated...
Acceptable Signature Format for Mortgagor's Acknowledgement	BY SIGNING BELOW, the undersigned, Settlor(s) of the (Complete Legal Name of Trust) Trust under trust instrument dated...acknowledge all of the terms and covenants contained in this Mortgage (Security Instrument) and any rider(s) thereto and agrees to be bound thereby. (Signature) (Seal) Trust Settlor.

Power of Attorney Executions on Trusts

Power of Attorney powers cannot be utilized in connection with trust executions.

Power of Attorney

General Requirements for Power of Attorneys

Computershare Loan Services does not purchase Mortgage Loans from Correspondents whose business model routinely makes use of Borrower Powers of Attorney (POAs) in the ordinary course of business, apart from Borrower-driven requests and necessity to use a POA. **Correspondent is responsible for establishing the identity of the Borrower and ensuring that there is no fraud, Borrower impersonation, or identity theft in connection with the execution of any Mortgage Loan Documents.**

The following requirements must be met for any power of attorney:

- It must state that the signer/borrower intends to name a person as an "Attorney-in-fact".
- It must state the name of the person named as the Attorney-in-fact and the relationship of that person to the signer/borrower. For example, "I appoint my spouse, _____, as my true and lawful Attorney-in Fact."
- The borrower/signer's name on the Power of Attorney must match, exactly, his or her name on the note or security interest. For example, if a middle initial is used on the note or security interest, it must be used in the Power of Attorney.
- The name of the person in the Power of Attorney must be exactly the way he or she will be signing the note or security. Again, for example, if a middle initial is used in one document, it must be used in all documents.
- It must be signed and dated by the borrower/signer or it must be a court-ordered document;

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- It must be notarized (if executed outside the U.S. see Power of Attorney Executed Abroad section). Because some States require the notary actually see the person sign it, the preferred language is “Sworn to, signed, and subscribed before me” Also, some States require that the notary form take a very specific format.
- Unless the Attorney-in-Fact is the borrower’s relative, the Attorney in Fact may not be the lender, affiliate of the lender, employee of the lender or the lender’s affiliates, originator, employer or employee of the employer of the originator, title company or any affiliate of such title company, real estate agent with a financial interest in the transaction or any person affiliated with such real estate agent;
- Contain a recorder’s stamp if previously recorded;
- At least one borrower to the transaction must be present at closing to sign all loan documents. Exceptions can be considered on a case-by-case basis but must meet GSE, agency criteria/guidelines. NOTE: POA not allowed for single borrower transactions except for active duty military.

Ineligible Transactions

Powers of Attorneys are not acceptable for the following types of transactions:

- Loans where the borrower(s) has an identity theft warning on the credit report.
- As specified by individual Product Profiles or investor guidelines.
- FNMA Conventional Cash-out Refinance transactions (see Fannie SEL-2016-03 for specific guidance on TX 50a6).
- Properties held in a trust. (A power of attorney may be used if the property is transferred out of the trust to an individual via a quit claim deed prior to the closing.).
- Not permitted for use by a non-occupant co-borrower.

Types of POA Documents

All POA’s are subject to title company approval and must meet the requirements of the GSE, agency or investor guidelines. Powers of Attorney fall within two broad categories—a general power of attorney and a specific power of attorney. The difference is that a “General Power of Attorney” gives the Attorney-in-Fact broad general powers and does not contain any language about a specific transaction. A “Specific Power of Attorney” identifies a specific transaction and gives the Attorney-in-Fact specific powers of attorney as to that transaction.

A General Power of Attorney is generally not acceptable on a real estate transaction.

Specific Requirements of a Specific Power of Attorney

In addition to the General Requirements of a Power of Attorney, the Power of Attorney must also contain the following information for a real estate transaction:

Non-Military Borrower/Signer:

- It must identify the property. A legal description attached to the Power of Attorney is preferable, but the complete address including zip code is acceptable.
- It must identify the purchase price of the property, the lender, and the amount being borrowed.
- It must contain specify the powers that the Attorney-in-Fact has to enter in real-estate transactions and real estate financing with specific ability to mortgage, encumber and execute loan documents. For example, that the Attorney-in-Fact has the authority to sign a promissory note, a mortgage, etc.

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- It must state that the Power of Attorney survives the disability or incapacity of the borrower/signer.
- It must state that the Power of Attorney will expire if the borrower/signer dies.

Additional Requirements for Military Borrower/Signer

- A Power of Attorney for military personnel must:
 - State that the loan is a VA loan.
 - That the borrower/signer will occupy the property as his or her primary residence.
 - The amount of his or her VA eligibility that he or she wants to use in purchasing the property.
 - Contain an “Alive and Well” statement for VA loans as required by the VA Lender Handbook

Power of Attorney Executed Abroad

Documents can be executed and notarized in a US Embassy, Consulate, or on a Military Base.

Loan Application Requirements

Initial loan applications must be signed by the borrower unless:

- The borrower is on military service with the United States armed forces serving outside the United States or deployed aboard a United States vessel, as long as the power of attorney expressly states an intention to secure a loan on a specific property or complies with the requirements under the VA Lender Handbook relating to the power of attorney for VA-insured mortgage loans, or
- Such use is permitted by applicable law.

Signature Requirements

Documents executed by the attorney in fact must be signed according to the following:

Acceptable Signature Formats
Jane Live by John Live, Attorney-in-Fact Jane Live by John Live, Attorney-in-Fact
John Live as AIF for Jane Live pursuant to POA dated XX-XX-XX Jane Live
Jane Live by John Live AIF (or POA) Jane Live
Jane Live by John Live AIF (or POA) Jane Live, by John Live as her Attorney-in-Fact (or POA)

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John Live, Attorney in Fact for Jane Live Jane Live by John Live as her Attorney-in-Fact (or POA)
John Live, AIF (or POA) Jane Live
Jane Live by John Live * Jane Live, by John Live as her Attorney-in-Fact (or POA)
Jane Live* Jane Live, by John Live as her Attorney-in-Fact (or POA)

*Computershare Loan Services does not require the signature line to reflect AIF or POA; however; it is strongly recommended.

Delivery Requirements

If a POA is used, the original POA must be attached to and delivered with the note, unless it is recorded with the security instrument. If applicable law requires recordation of the Power of Attorney, it must be recorded. Correspondent must ensure that recordation has been affected. Any Jumbo Mortgage Loan delivered to Computershare Loan Services will require a recorded copy of the Power of Attorney containing the county recorder's stamp. If the original POA is recorded with the security instrument, a copy of the POA must be delivered with the note. Exceptions for Computershare Loan Services not requiring the original POA:

- Original POA is required to be sent with the security instrument for recordation and the land records recording office retains the POA
- If applicable law requires an original Power of Attorney for enforcement or foreclosure purposes, Computershare Loan Services must hold the original rather than the copy

Electronic Signatures

Computershare Loan Services will accept the use of electronic signatures on certain documents conducted in accordance with the performance standards that are outlined and as permitted by applicable law. These performance standards apply to Conventional, FHA and VA Mortgage Loans.

The following guidance is not intended as legal or regulatory advice. The Correspondent is responsible for obtaining professional advice, as needed, to ensure that Mortgage Loans submitted to Computershare Loan Services are in compliance.

A Correspondent's electronic signature technology must comply with all requirements of the ESIGN Act, including those relating to disclosures, consent, signature, presentation, delivery, and retention and any state law applicable to the transaction. The ESIGN Act defines electronic signatures as "any electronic sound, symbol, or process attached to or logically associated with a contract or record and executed or adopted by a

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person with the intent to sign the record.” (Esign 106(5)). Correspondents should follow this definition of electronic signatures with the exception that Computershare Loan Services will not accept an electronic signature that is solely voice or audio. The Correspondent’s process for electronically signing Authorized Documents must ensure the document is presented to the signatory before an electronic signature is obtained. The electronic signature must be attached to, or logically associated with, the documents that have been electronically signed.

In each Mortgage Loan File using electronic signatures, the Correspondent should collect and retain appropriate evidence of the:

- Borrower’s consent for the use of any electronic signature or disclosure,
- Signer’s certification that the document is true, accurate, and correct at the time signed,
- Intent to sign the record and the intent to use an electronic signature, and
- Attribution of the electronic signature to that signer

Conventional Mortgage Loans

Only the initial application documents associated with the Uniform Residential Loan Application (1003) may bear electronic signatures.

Computershare Loan Services will not accept a Conventional Mortgage Loan (Fannie Mae or Freddie Mac) with a final Loan Application, Note, Mortgage, any Assignment of Mortgage, or any document other than an initial document which bears an electronic signature.

FHA Mortgage Loans

Electronic signatures will be accepted on all documents requiring signatures that are included in the case binder for mortgage insurance with the exception of final Loan Application, Note, Mortgage, any Assignment of Mortgage, or any document other than an initial document which bears an electronic signature.

VA Mortgage Loans

Only the initial application documents associated with the Uniform Residential Loan Application (1003) may bear electronic signatures.

Computershare Loan Services will not accept a VA Mortgage Loan with a final Loan Application, Note, Mortgage, any Assignment of Mortgage, or any document other than an initial document which bears an electronic signature.

Non-Agency / Jumbo Mortgage Loans

Refer to specific Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for guidance, as applicable.

Representations and Warranties

In addition to Representations and Warranties listed in the Agreement and elsewhere in this Guide; when selling a Mortgage Loan with electronic signatures to Computershare Loan Services, the Correspondent makes the following Representations and Warranties with respect to any and all documents or record delivered to Computershare Loan Services which bear an electronic signature.

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- All electronic signatures comply with applicable law, including the standards and requirements of the federal Electronic Signatures in Global and National Commerce Act (E-Sign) and, if applicable, the Uniform Electronic Transaction Act (UETA), adopted by the state in which the Electronic Signature is initiated
 - Any and all documents or records bearing an electronic signature are fully transferable or assignable by Computershare Loan Services to any third party
 - Any and all documents or records bearing an electronic signature are fully enforceable by such third party to whom Computershare Loan Services transferred or assigned such document or record
 - Any and all documents or records bearing an electronic signature have been duly and properly executed and attested (if applicable) in full compliance with any and all applicable laws and regulations, including, but not limited to, any applicable Computershare Loan Services, Fannie Mae, Freddie Mac, FHA or VA requirements
- Each document or record, which bears an electronic signature, will be accepted by Fannie Mae, Freddie Mac, FHA or VA as applicable, in accordance with the requirements of such Agency or investor

Correspondents must have procedures in place to ensure compliance with applicable law and investor guidelines. Should Computershare Loan Services determine that a Mortgage Loan is out of compliance, the Mortgage Loan will be declined for purchase or Computershare Loan Services will pursue repurchase, as applicable. Computershare Loan Services may change its requirements at its discretion.

Real Estate Taxes

The following tax payment guidelines apply to all Mortgage Loans sold to Computershare Loan Services:

- Correspondent is responsible for all tax payments that are due between the closing of the Mortgage Loan and the purchase of the Mortgage Loan by Computershare Loan Services
- At time of purchase, Computershare Loan Services will withhold the entire initial escrow deposit regardless of a tax payment made on behalf of the Borrower
- If Correspondent pays a tax bill subsequent to the closing of a Mortgage Loan, Correspondent should send evidence that a tax bill was paid to acquisitions@loanfulfillment.com. A refund will be processed upon receipt of acceptable proof of payment
- Copy of the front of the check used to pay the bill or payment history showing the Correspondent's remittance is acceptable evidence of payment
- All tax penalties incurred by Computershare Loan Services arising from the delinquent payment of real estate taxes prior to the Purchase Date of the Mortgage Loan are the responsibility of the Correspondent
- Evidence of current or new tax information must be submitted with the closed Mortgage Loan File
- Computershare Loan Services charges a Tax Service Fee on each Mortgage Loan purchased

Tax Service Summary

Computershare Loan Services generally accepts the standard Tax Service Summary form or Tax Information Sheet provided by the Correspondent's document provider.

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At minimum, the Tax Service Summary form must include the following tax information:

- Names and addresses of all Taxing Authorities for each Mortgage Loan
- County Name
- Tax payee/agency
- Payment Frequency
- Type of Taxes Due
- Date Taxes Next Due
- Last Know Tax Amount or Last Amount Paid
- Tax Bill Code/Parcel Number
- Tax Service Provider Name
- Tax Contract Numbers for each Mortgage Loan on Tax Service

Tax Installment Payment Requirements

The Correspondent and Computershare Loan Services are required to pay tax installments in compliance with RESPA regulations.

Computershare Loan Services determines the tax due date by using the Discount Date (1) or Economic Loss Date (2), when applicable, provided by each taxing authority, which dictates payment dates most beneficial to the Borrower; as follows:

1. Discount Date – Certain taxing authorities offer discount dates, which is most beneficial to the Borrower, in compliance with RESPA. When discount dates are offered, Computershare Loan Services may require Correspondent to include the discount date on the Tax Service Summary
2. Economic Loss Date – In the absence of a discount date, Computershare Loan Services pays taxes based on economic loss dates. Economic loss dates are identified as the last day to pay the tax without incurring a penalty

Computershare Loan Services will use tax payment dates provided by the Correspondent. The Correspondent must submit a fully completed Tax Service Summary (or equivalent) which includes the tax due date information.

WISCONSIN REAL ESTATE TAX INSTALLMENT PAYMENT REQUIREMENTS

Section 138.052(5 m) (b) of Wisconsin Statute Annotated (Wis. Stat. Ann.) requires that if an escrow account is required or elected for the payment of real estate (property) taxes, the Borrower must be provided with a prior-to-funding notice which the Borrower must use to select one of three options for property tax payment. The options are:

- **Option 1:** Lender (or “escrow agent”) will send the Borrower a check by December 18th from funds held in the escrow account for the Borrower to use for the payment of property taxes due. Escrow agent is defined as the entity that is holding the escrow funds
- **Options 2, 3a and 3b:** Lender or escrow agent will pay property taxes from the escrow account

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Computershare Loan Services requires that the “Wisconsin Tax Escrow Option Notice” form or equivalent be included in the Loan delivery file for all Mortgage Loans secured by properties in Wisconsin, if that Loan has escrows for real estate taxes established.

The Wisconsin Tax Escrow Option Notice or equivalent must:

- Provide all real estate tax payment options (1, 2, 3, 3a and 3b)
- Be signed by a Borrower on the mortgage
- Indicate which option the Borrower has elected for payment of real estate taxes

Tax Payments Due

Computershare Loan Services requires sufficient taxes paid; prior to purchase of Mortgage Loan by Computershare Loan Services; to ensure the new lien’s position and that there is adequate time to board the Mortgage Loan for servicing prior to taxes becoming delinquent.

Correspondents are responsible for all tax payments with economic loss dates or discount dates prior to purchase by Computershare Loan Services and/or 30 calendar days following purchase by Computershare Loan Services. When the Correspondent pays taxes due within 30 calendar days after the Mortgage Loan purchase, the Correspondent must supply a copy of a pay history or supporting documentation in the Mortgage Loan File at the time of delivery along with an updated Tax Service Summary reflecting the discount or next economic loss date Computershare Loan Services is to pay.

If Computershare Loan Services discovers delinquent taxes for the installments which the Correspondent or their representatives were responsible for paying, the Correspondent must pay the base taxes and any penalties incurred. The Correspondent is also responsible for paying any penalties that result from providing Computershare Loan Services with any incorrect tax information.

If Computershare Loan Services incurs a tax penalty for which the Correspondent has contractual responsibility, Computershare Loan Services will submit an invoice to the Correspondent for reimbursement. If additional information is needed to process the request, the Correspondent must contact the Purchasing (Post-Closing) Department. All invoices receiving no response will be added to the Financial Processing monthly invoice or become subject to Remedies available to Computershare Loan Services at its discretion.

Property Tax Deferrals

In order to protect its first lien position and meet investor requirements, Computershare Loan Services accepts Mortgage Loans with property tax deferrals only in the following states:

- California
- Colorado
- Idaho
- Minnesota
- New Hampshire
- Oregon
- Wisconsin

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In these states only, the tax amount may reflect \$0.00 on the Initial Escrow Disclosure Statement, HUD-1 (for Mortgage Loans with applications dated prior to 10/3/15), or Closing Disclosure (for Mortgage Loans with applications dated on or after 10/3/15 that are subject to the TRID requirements) and in the escrow/impound account.

Appraisal Requirements

Appraisal Requirements Overview

All appraisals, valuations, and associated services used in valuing the collateral property for Mortgage Loans delivered for purchase by Computershare Loan Services must be fully compliant with all applicable federal and state regulatory requirements, including the Uniform Standards of Professional Appraisal Practice (USPAP), the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) and the Dodd-Frank Act Section 1472, TILA 129E, Appraisal Independence Requirements and others as they may apply.

Refer to [Valuation Independence \(AIR Rules\) \(TILA §1026.42\)](#) section under [Regulatory Compliance](#) portion of this Guide for additional information.

Appraisal Independence Rule

TILA Section 129E restated the requirements of Fannie Mae and Freddie Mac's Appraiser Independence Requirements (AIR) and established new requirements for appraisal independence for consumer credit transactions secured by the consumer's principal dwelling. The amendments were intended to ensure that real estate appraisals used to support creditors' underwriting decisions were based on the appraiser's independent professional judgment, free of any influence or pressure that may be exerted by parties that have an interest in the transaction. The amendments also intend to ensure that creditors and their agents pay customary and reasonable fees to appraisers.

Each Mortgage Loan File delivered to Computershare Loan Services must 1) fully comply with the Appraisal Independence Rule and related amendments and 2) contain a *Certificate of Appraiser Independence* completed and signed by the appraiser

ECOA Valuation Rule

The ECOA Valuation Rule, as enacted on January 18, 2014, applies to any application for credit secured by a first lien on a dwelling. Under the ECOA definition, a dwelling may include any residential structure, which contains 1 to 4 units, whether or not it is attached to real property. This includes individual condominiums or cooperative units, mobile homes, and other manufactured homes. (Computershare Loan Services does not currently purchase Mortgage Loans secured by cooperative units).

"Business credit," including investment properties, are subject to the ECOA Valuation Rule, as there is no exemption for non-owner-occupied Mortgage Loans.

The Mortgage Loan File must contain evidence that, in compliance with the ECOA Valuation Rule:

- When the lending institution received the applicant's application, the lending institution notified the applicant of the right to receive a copy of appraisals within 3 days
- The lending institution promptly shared copies of appraisals and other written valuations with at least one applicant on the Mortgage Loan

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- Promptly means promptly upon completion, or at least 3 business days before consummation (for closed-end credit) or account opening (for open-end credit), whichever is earlier
- If the applicant waived the right to receive copies of the appraisal or other written valuations in advance of the closing, the lender still delivered the copies at or prior to consummation of the Mortgage Loan
 - If a Mortgage Loan is a non-QM Mortgage Loan and subject to the TILA HPML Appraisal Rule, the Borrower may not waive the 3 day requirement even though ECOA allows it

Correspondents may not charge for copies of appraisals or other written valuations, but can charge the applicant a reasonable fee to reimburse the lending institution for the cost of preparing appraisals and other written valuations, unless Applicable Law prohibits or otherwise restricts it. Lending institutions may not upcharge applicants or Borrowers by adding fees to the cost of preparing the appraisal or other written valuation product.

Credit Unions and Small Creditors Not Exempt from General Provisions

Credit unions and Small Creditors are not exempt from compliance with the general standard for the ECOA Valuation Rule in conjunction with Mortgage Loans they deliver to the Computershare Loan Services.

Computershare Loan Services requires Credit Unions and Small Creditors to default to the higher or general standard for any law, rule or regulation that provides relief or a lower standard to a Credit Union, Smaller Creditor or other group or definition.

Appraiser Eligibility

Each appraisal must be completed by an appraiser that meets **all** of the following requirements:

- Is either a licensed or certified residential appraiser or a certified general appraiser, by the state, as required for the particular appraisal
- Is in good standing with the applicable state appraisal licensing agency
- Is independent of the Correspondent, and the Correspondent's Control Affiliates and subsidiaries, and is not involved in the Mortgage Loan transaction in any way except as the appraiser
- Does not have any present or prospective direct or indirect interest, financial or otherwise, in the property or transaction that is the subject of the appraisal report
- Has no personal bias, or interest with respect to any of the parties involved in the transaction relating to the appraisal, including but not limited to the Correspondent or the Correspondent's directors, officers, employees or agents
- Made a personal inspection of the property that is the subject of the appraisal report
- Was not assigned the appraisal based on any required or expected minimum or specific valuation of the appraised property, and whose compensation was not based upon reporting a predetermined value of the appraised property or any other information contingent upon some event which, at the time of the appraisal, had not occurred
- Was not assigned the appraisal by the same person responsible for the sole approval authority for granting the Mortgage Loan request
- Demonstrates sufficient experience and education in the appraisal of properties similar to subject property

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Ineligible Appraisers

Computershare Loan Services does not maintain an approved appraiser or approved Appraisal Management Company list.

Additionally, appraisals and appraisal services provided by any appraiser appearing on the GSA ELPS (SAM) or any Agency exclusionary list, including the lists referenced below, are not acceptable to Computershare Loan Services, regardless of whether the appraisal was conducted prior to or following the appraiser's addition to the list.

Appraisals and appraisal services by appraisers appearing on the following lists are **not** eligible:

- GSA EPLS / SAM
 - Available through GSA's System for Award Management (SAM) website; www.sam.gov. The review of GSA EPL must include a search for actions taken across all federal agencies
- FHA/HUD Limited Denial Participation (LDP) List
 - Available through HUD's website; https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp
- Freddie Mac Exclusionary List
 - Electronically available to Seller/Service providers through the Selling System, the Service Loans application, Loan Product AdvisorSM, the Learning Center and MultiSuite
- Fannie Mae Appraiser Quality Monitoring (AQM) List
 - See the [Fannie Mae Appraiser Quality Monitoring \(AQM\) UCDP Messages](#) directly below
- FHFA Suspended Counterparty Program (SCP) available on the FHFA website; <http://www.fhfa.gov/SupervisionRegulation/LegalDocuments/Pages/SuspendedCounterpartyProgram.aspx>

Fannie Mae Appraiser Quality Monitoring (AQM) UCDP Messages

Computershare Loan Services requires that the appraisals for all Fannie Mae and Freddie Mac loans be successfully uploaded to the Uniform Collateral Data Portal (UCDP).

If the Fannie Mae UCDP Submission Summary Report (SSR) contains either of the following messages, then, the appraiser (or supervisory appraiser) is on the Fannie Mae Appraiser Quality Monitoring (AQM) list and the Appraisal or appraisal service is not eligible for Mortgage Loans delivered for sale to Computershare Loan Services.

- Based on the overall quality of this appraiser's (or supervisory appraiser's) work, Fannie Mae has decided to review 100% of the appraisals prepared by this appraiser for any Mortgage Loans delivered to Fannie Mae," **or**
- "Fannie Mae will not accept appraisals from this appraiser (or supervisory appraiser)"

See the Fannie Mae Appraiser Quality Monitoring (AQM) FAQs, dated January 6, 2014 for additional information regarding the Fannie Mae AQM List See 9.4.1. UCDP Requirements for GSE Mortgage Loans with Appraisals for Computershare Loan Services requirements regarding the UCDP.

Appraisals Ordered by Third Parties

Computershare Loan Services does not accept any appraisal report completed by an appraiser selected, retained, or compensated in any manner by any third party other than a third-party originator, if the

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Correspondent is approved to sell third-party originated Mortgage Loans to Computershare Loan Services. Ineligible parties include without limitation mortgage brokers, Borrowers and real estate agents. Refer also to [Appraisal Transfers](#) in this Guide section.

VA Appraisal Eligibility

Computershare Loan Services requires every property eligible for the VA Lender appraisal Processing Program, (LAPP) to be processed under LAPP and reviewed by a SAR or a VA Staff Appraiser as set forth in VA Lenders Handbook, CH 13.10 as amended.

Age of Appraisal

The appraisal, or other collateral valuation as applicable, must dated no more than 4 months of the on the note date. Appraisals up to 1 year old will be considered on an exception basis for Fannie Mae and Freddie Mac programs, if it has been acceptably updated in accordance with the requirements of these investors, as applicable. AVMs, where allowed in the applicable Product Profile, must meet age requirements specified in the Mortgage Loan Program guidelines and meet Agency requirements as applicable.

Recertification of Value Requirement for Aged Loans

For Conforming Agency Mortgage Loans with an appraisal product, if the Mortgage Loan is not purchased by Computershare Loan Services within **75 days of the Note date**, then Computershare Loan Services will require that the Correspondent obtain a recertification of value on the appropriate form. This includes Fannie Mae, Freddie Mac and Computershare Loan Services Non-Agency / Jumbo products.

Appraisal Waivers

Except as set forth in Full Appraisal Requirements below, if determined by AUS Findings, an Appraisal Waiver is acceptable.

Full Appraisal Requirements

A full appraisal is required, regardless of AUS findings, if any of the following conditions exist:

- Purchase transactions of REO properties and all purchases of properties whose most recent transaction was a foreclosure sale
- Purchase of Auctioned properties
- Identity of interest transactions and non-arms-length transactions (see [Identity of Interest and Non ARMs-Length Transactions](#) section in this Guide)
- Apparent adverse physical deficiencies or conditions
- Apparent adverse environmental conditions
- Subject property does not conform to the neighborhood
- Refer to Product Profiles for program specific requirements

Market Conditions Addendum

A Market Conditions Addendum is required for FHA Mortgage Loans delivered with appraisals of one to four unit properties. It must be included with appraisal Forms 1004/70, 1025/72, 1073/465, 1075/466, 2055/2075.

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Disaster and Potentially Damaged Properties

See the [Disaster Policy](#) section of this Guide for special requirements that apply to appraisals and valuations of properties in areas associated with human-caused and natural disasters.

Appraisal Forms

The applicable required appraisal report forms listed below for all conventional appraisal reports, for both Agency and Computershare Loan Services Non-Agency / Jumbo products and programs, must be included in the UCDP submission:

- Uniform Residential Appraisal Report (Fannie Mae 1004/Freddie Mac Form 70)*
- Manufactured Home Appraisal Report (Fannie Mae 1004C/Freddie Mac Form 70B)
- Small Residential Income Property Appraisal Report (Fannie Mae 1025/Freddie Mac Form 72)
- Individual Condominium Unit Appraisal Report (Fannie Mae 1073/Freddie Mac Form 465)*
- Exterior-Only Inspection Individual Condominium Unit Appraisal Report (Fannie Mae 1075/Freddie Mac Form 466)*
- Exterior-Only Inspection Residential Appraisal Report (Fannie Mae 2055/Freddie Mac Form 2055)*

UCDP, SSR, and FHA EAD Requirements for GSE and FHA Mortgage Loans with Appraisals

Computershare Loan Services requires the following for all Fannie Mae and Freddie Mac Mortgage Loans with appraisals:

- The appraisal must be uploaded by the Correspondent to the Uniform Collateral Data Portal® (UCDP®)
- SSR must be included in the Mortgage File for all GSE Mortgage Loans
 - SSR contains a summary of the appraisal submission(s) for each Mortgage Loan, the status of the submission(s), a Document File Identifier (Doc File ID.), Collateral Underwriter (CU) Risk Score, findings and messaging
 - An appraisal must be submitted to the UCDP and receive a "successful" status on the SSR before the Mortgage Loan is delivered to Computershare Loan Services
- In order for Computershare Loan Services to access the information in Collateral Underwriter (CU), sellers must select Computershare Loan Services from the aggregator drop down list in UCDP which permits sharing of data
- See Product Profiles for requirements on Mortgage Loans delivered into programs other than Fannie Mae, Freddie Mac and FHA

Note: If the SSR indicates that the appraiser's (or supervisory appraiser's) work is **not eligible** for sale to Fannie Mae, or is subject to 100% review, then the Mortgage Loan is not eligible for sale to Computershare Loan Services. See [Fannie Mae Appraiser Quality Monitoring \(AQM\) UCDP Messages](#) section of this Guide for additional information

For FHA Mortgage Loans, appraisal reports may be uploaded to the FHA Electronic Appraisal Delivery (EAD) portal for all case numbers assigned before June 27, 2016. Mortgage Loans with case numbers assigned on and after June 27, 2016 must be updated to the EAD portal in compliance with ML 2015-08 and the 4000.1 Single Family Housing Policy Handbook, as applicable.

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Appraisal Image Quality

Appraisals delivered to Computershare Loan Services for all programs must be at least of the quality required by the Agencies for UCDP upload. All photos must be clear and descriptive and of sufficient resolution for review and analysis.

XML files should include an embedded PDF file that includes all appraisal exhibits, addenda, and color photographs. As Fannie Mae reminds Correspondents, delivery of an XML MISMO file obtained from the appraiser is the most efficient and reliable method of delivery to Computershare Loan Services.

Appraisal Transfers

CONFORMING AGENCY APPRAISAL TRANSFERS

Computershare Loan Services will not accept an appraisal transfer for any Conforming Mortgage Loan where the appraisal has been completed in the name of a lender different than Correspondent or its originating TPO.

FHA APPRAISAL TRANSFERS

Per FHA; in cases where the Borrower has changed lenders, the first lender must, at the Borrower's request, transfer the case to the new lender. The client's name does not need to be changed on the appraisal unless FHA publishes guidelines stating otherwise.

In accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), the lender is **not** permitted to request that the appraiser "change" the name of the client on the appraisal report unless a new appraisal assignment is engaged.

To effect a client name change, the second lender and the original appraiser may engage in a new appraisal assignment wherein the scope of work is limited to the client name change. In that case, the new client name should include the name of the Client (Correspondent) and HUD.

APPRAISAL CONVERSION – CONFORMING AGENCY TO FHA

For appraisals completed for Conforming agency Mortgage Loan applications, but later converted to an FHA program, any additional cost may **not** be passed through to the Borrower. Such appraisals must meet all applicable requirements of FHA and this Guide.

FHA appraisals that are subsequently associated with a Conforming Mortgage Loan must be uploaded to the UCDP and meet the standards of the relevant GSE and this Guide.

VA APPRAISAL TRANSFERS

VA case numbers may be transferred. When the case number is transferred to the new lender under their ID, the new lender may use the appraisal that was downloaded to the VA Portal. The lender does not need to transfer the appraisal itself. The new lender must then complete a new NOV as required by VA.

USDA APPRAISAL TRANSFERS

USDA appraisals may be transferred in compliance with USDA requirements which state that an appraisal ordered by another lender for the applicant can be transferred to the lender who will complete the purchase transaction. The initial lender must agree to the transfer of the report. A letter from the initial lender who ordered the appraisal report must be retained in the permanent Mortgage Loan File as evidence the lender

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transferred the report to the lender completing the purchase transaction. The receiving lender must assume full responsibility for the integrity, accuracy and thoroughness of the appraisal report including the methods that the original lender used to acquire the appraisal. Refer to the Computershare Loan Services USDA Product Profile for appraisal age requirements.

Multiple Appraisals or Appraisal Fees

All Mortgage Loan Files with either multiple appraisals in the Mortgage Loan File; multiple appraisal fees charged to the Borrower; multiple appraisals; or multiple appraisal invoices (regardless of whether those appraisals were subsequently charged to the Borrower) must contain an adequate written explanation unless all such appraisals are required under the applicable Mortgage Loan Program.

The explanation must adequately support that additional appraisals were obtained.

Second Appraisals

Under subsection (d) of the Dodd-Frank Act, creditors are prohibited from extending credit on Mortgage Loans with known Appraisal Independence violations. In order to proceed with a Mortgage Loan transaction which appears to violate either the conflict of interest or Appraisal Independence requirements, the creditor must document that "reasonable diligence" has been taken to ensure the appraisal is valid. At the time of the initial publication of this Guide "reasonable diligence" as defined by the Federal Reserve Board (FRB) was to obtain a second appraisal. (226.42(e)).

Correspondents must document the purpose for obtaining a second appraisal in the Mortgage Loan File. This documentation and explanation must be provided in the Mortgage Loan File delivered to Computershare Loan Services. Ordering a second appraisal could otherwise be construed as "value fishing" making the Mortgage Loan ineligible for purchase by Computershare Loan Services.

Appraisal Corrections

The Dodd-Frank Act permits and Computershare Loan Services will accept:

- Providing additional, appropriate property information, including information regarding additional comparable properties to make or support an appraisal
- Providing further detail, substantiation, or explanation for the appraiser's value conclusion
- Requesting corrections of errors in the appraisal report
- Requesting that a person that prepares a valuation provide further detail, substantiation, or explanation for the person's conclusion about the value of the consumer's principal dwelling
- Direct contact with appraisers is expressly prohibited by the Act and not acceptable to Computershare Loan Services. Correspondent requests must be directed to the Correspondent's Appraisal Management Company. See sections of the Dodd-Frank Act which address the prevention of improper influences on appraisals

It is also acceptable within the Act to withhold compensation due to breach of contract or substandard performance of services, 226.42(f) (1)3. However, Computershare Loan Services requires that any such actions be documented in the Mortgage Loan File submitted to Computershare Loan Services as withholding payment could potentially be misconstrued as an attempt to influence appraisal value.

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Automated Valuation Models

Automated Valuation Models (AVMs) are a form of property valuation that may be used at the option of Correspondent under certain limited conditions on Mortgage Loans sold to Computershare Loan Services, when allowed in the applicable Product Profile. For example, in some cases an AVM may be used in determining the value of the subject property on a "non-appraisal" FHA streamline transaction where FHA guidelines do not require or make use of an appraisal, or to determine the value of a current principal residence when it is not the subject property and the subject transaction involves the Borrower purchasing another home.

Where Product Profiles and this Guide Section allow or require an AVM to be used, the following are Acceptable AVM products:

- Black Knight (formerly LPS) "Advantage Cascade"
- Core Logic "GeoAVM Core"
- Freddie Mac Home Value Explorer ("HVE"), if the Forecast Standard Deviation for the property valuation is 0.20 or less

When electing to use an AVM, the Correspondent must not engage in "value shopping". Value shopping is the practice of obtaining property valuations from multiple AVMs and using the highest value obtained. The appropriate practice is to use the first AVM value obtained that meets program standards and not run additional AVMs after that. However, if the first Acceptable AVM run by Correspondent does not return a value for the property, or it returns a value that does not meet the program requirement for Forecast Standard Deviation (applies to HVE), then Correspondent may run another Acceptable AVM until a property value is obtained.

Enhanced Appraisal Requirements

Correspondents must carefully review appraisals to ensure that the value is supported. A field review may be required if the underwriter feels that the market value may be overstated. In order to improve quality and, ultimately, performance of the Mortgages we purchase, Computershare Loan Services is providing further guidance on appraisal review. It is the responsibility of the Correspondent to employ measures, whenever necessary, to validate an appraisal.

General Desk or Field Review Criteria

Correspondents are encouraged to use the resources available to determine market trends and obtain public record data. These resources include, but are not limited to:

- S&P/Chase-Shiller Home Price indices
- Office of Federal Housing Enterprise Oversight (OFHEO) Index
- National Association of Realtors (NAR) statistics on changes in median prices
- LandSafe ValueFinder (with public record data)
- First American CoreLogic - History Pro
- DataVerify

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Property Flipping and Assignment of Contracts

Property flipping is the process of purchasing existing or new construction properties with the intention of quickly reselling the properties for a profit. In some cases the resale (i.e., the subject transaction) will represent a legitimate transaction at fair market value, often after the property has been remodeled or rehabilitated. However, in other situations the transaction may represent a sale to an uninformed, unsuspecting buyer or alternatively to a straw buyer acting in collusion with the property seller, in either case using an appraisal with an inflated value to justify a sale at an inflated price. Correspondents must carefully evaluate all transactions that involve a rapid resale of the subject property, paying particular attention to the market value of the property and the Borrower's motivation to purchase the property.

Property Seller Status and Assignment of Purchase Contracts

For all Mortgage Loan Programs, if there has been an assignment of the purchase contract to someone other than the property seller or buyer originally named on the contract, the transaction is ineligible for purchase by Computershare Loan Services.

In all cases, the property seller for the subject transaction must be the owner of record for the subject property at the time the purchase contract was executed. By way of example, the property seller may not be the holder of merely a beneficial interest under a contract of sale, and must be the actual owner of record.

Flip or Rapid Resale of Property within 90 days after Prior Sale Date

If subject property had a prior sale within 90 days previous to the purchase contract date of the subject transaction, then the Mortgage Loan is not eligible for sale to Computershare Loan Services unless:

- Property was acquired by a relocation agency in connection with the relocation of an employee, and then resold to someone who is not an employee or affiliate of the original employee's company, or
- Resale by a lender when property is obtained through foreclosure or deed in lieu of foreclosure, or
- Resale of a property obtained through an inheritance or as part of the property settlement in a divorce agreement, or
- Value increases must be substantiated by verified / bona fide improvements. \uparrow or
- Sale of property that the property seller acquired at below market value after purchasing as a result of a distress sale (i.e. REO sale, short sale, tax lien sale, bankruptcy trustee's sale, etc.), where any increase in the sales price over the property seller's acquisition cost can be clearly shown to be a result of the difference (if any) in the market's reaction to distress sales and typical arms-length market sales

Important Note: Identity of Interest transactions are not eligible under any circumstances (see Identity of Interest and Non-ARMs Length section of this Guide)

Flip or Rapid Resale of Property Between 91 and 180 Days after Prior Sale Date

In the event the sales price of the subject transaction exceeds the prior sale price by 20% or more, the Appraiser must:

- Document the previous sale transaction and its price and date in the appraisal report and/or an addendum
- Describe any improvements made since the prior sale

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- Provide an appropriate explanation of the increase in the property value considering the impact of improvement

Important Note: Identity of Interest Transactions are not eligible under any circumstances (see Identity of Interest and Non-ARMs Length section of this Guide)

Underwriting Guidance for Flip or Rapid Resale Transaction

The Correspondent's underwriter must consider whether value increases are properly supported, taking into consideration both the general price trends in the local real estate market and the adequacy of the appraiser's assessment of the contribution to value of any improvements made. The Mortgage Loan File must contain sufficient information to support the price increase, and must meet all applicable Agency guidelines.

The Correspondent's underwriter must confirm and document in the Mortgage Loan File that the property seller in a purchase money transaction (or the Borrower in a refinance transaction) is the owner of the subject property when the appraisal is performed.

Additional Requirements for Flip or Rapid Resale Transactions that may apply

At Computershare Loan Services' discretion, a review or second appraisal may be required prior to Mortgage Loan purchase. Additionally, the Mortgage Loan transaction must meet all appraisal and other requirements of the applicable Agency.

Property Recently Listed for Sale

For all products and programs, there are typically restrictions on the maximum Loan-to-value for cash-out refinance transactions, if the property was listed for sale within the six months prior to the current transaction. In some cases, there may also be other restrictions that render refinance Mortgage Loans on a recently listed property ineligible for sale to Computershare Loan Services, even for rate and term refinances. See the applicable Product Profile and applicable guidelines specific to each Mortgage Loan Program and scenario.

Extension of Early Payoff (EPO) Provision

If the property was listed in the prior 30 days to the application date, the EPO provision will be extended 180 days. See also [Early Payoff \(EPO\) Policy - Event of Default and Remedies](#) section of this Guide.

Departure Residence Policy

If the Borrower's current primary residence will be converted to a rental property, second home or is pending sale, the Correspondent must apply additional reserve requirements. Additionally, for certain programs, equity in the departure residence must be established with a Computershare Loan Services eligible AVM (see [Automated Valuation Models](#) section of this Guide), appraisal, or other method allowed by the applicable program guidelines in order to determine rental income eligibility and calculations for the departure residence.

See the applicable Product Profiles for program specific requirements. When a Computershare Loan Services Agency Product Profile is silent, follow the applicable Agency guidelines or Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines.

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Texas 50(a)(6) Requirements, Representations and Warranties

Upon delivering a Texas 50(a)(6) Mortgage Loan to Computershare Loan Services for purchase, Correspondent Seller certifies that the Correspondent itself or the Originating Lender complied with all requirements of this Guide; Product Profiles; Agency or Non-Agency / Jumbo guidelines, as applicable; and Section 50(a)(6), Article XVI of the Texas Constitution, in effect at the time of closing including, but not limited to the following:

- I. The Borrower's first payment is due no later than two months after closing
- II. The extension of credit is of a principal amount that when added to the aggregate total of the outstanding principal balances of all other indebtedness secured by valid encumbrances of record against the homestead property does not exceed 80% of the fair market value of the homestead property on the date of the extension of credit is made
- III. The proceeds from the Texas Section 50(a)(6) mortgage were not used to acquire or improve the homestead if a mortgage for that purpose could have been made under a different provision of the Texas Constitution
- IV. The extension of credit does not require the owner or owner's spouse to pay, in addition to any interest, fees to any person that are necessary to originate, evaluate, maintain, record, insure, or service the extension of credit that exceed, in the aggregate, 3% of the original principal amount of the extension of credit
- V. The extension of credit is not secured by homestead property designated for agricultural use as provided by statutes governing property tax
- VI. The extension of credit was not closed before:
 - i. The 12th day after the later of the date that the owner of the homestead property submitted an application to the Originating Lender for the extension of credit or the date that the Originating Lender provided the owner a copy of the Notice Concerning Extension of Credit as required by Section 50(g), Article XVI of the Texas Constitution in the English language and in a language other than English if the discussions with the Borrower were conducted primarily in a language other than the English language, and (ii) the first anniversary of the closing date of any other Texas Home Equity extension of credit secured by the same homestead property
- VII. The Originating Lender provided the title company with a detailed closing instruction letter, and required an acknowledgment of its receipt. The closing instructions required the title company to conduct the closing in a way that ensures compliance with all applicable provisions of Section 50(a)(6) of the Texas Constitution
- VIII. Unless the new Mortgage Loan was originated in order to cure a failure in the original mortgage to comply with section 50(a)(6), then at least 12 months have passed since any previous Section 50(a)(6) Mortgage Loan secured by the homestead property was closed
 - i. If the new Mortgage Loan was originated in order to cure a failure in the original mortgage to comply with section 50(a)(6), then the Correspondent has notified Computershare Loan Services of same prior to purchase of the Mortgage Loan by Computershare Loan Services
- IX. The related Mortgage Loan Documents state that the Mortgagor may prepay such Texas Refinance Mortgage Loan in whole or in part without incurring a prepayment penalty. Correspondent has not collected any prepayment penalties in connection with any such Texas Refinance Mortgage Loan
- X. The extension of credit was closed at either the office of the Originating Lender, an attorney at law, or a title company

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- XI. The extension of credit did close one business day after the date of the Borrower received a final itemized disclosure of the accrual fees, points, interest costs and charges that will be charged at closing
- XII. Originating Lender is one of the following:
 - i. A bank, savings and loan association, savings bank, or credit union doing business under the laws of the state of Texas or the United States
 - ii. A federally chartered lending instrumentality or a person approved as a mortgagee by the United States government to make federally insured loans
 - iii. A person licensed to make regulated loans, as provided by Texas state statute
 - iv. A person regulated by the state of Texas a mortgage broker
- XIII. Neither the Correspondent, Loan Originators, or Mortgage Brokers have been found by any federal regulatory agency to have engaged in the practice of refusing to make loans because the applicants for the loans reside in a certain area or the property proposed to secure the loans is located in a certain area
- XIV. The owner of the homestead property was not required to apply the proceeds of the extension of credit to repay another debt except debt secure by the homestead property or debt to another lender
- XV. The owner of the homestead property did not sign any instrument on which blanks were left to be filled in
- XVI. The Originating Lender, at the time of the extension of credit was made, has provided or caused to be provided the owner of the homestead property a copy of all documents signed by the owner related to the extension of credit
- XVII. The owner of the homestead property and any spouse of the owner did not, within three (3) business days after the extension of credit was made, rescind the extension of credit
- XVIII. The owner of the homestead property and the Originating Lender signed a written acknowledgement as to the "fair market value" of the homestead property on the date the extension of credit was made
- XIX. For purposes of the compliance with the acknowledgment of the "fair market" value of the homestead property requirement, the "fair market value" was based on an appraisal or an evaluation prepared "in accordance with a state or federal requirement applicable to the extension of credit" and the appraisal was attached to a written Borrower acknowledgment
- XX. The Originating Lender obtained title insurance, subject to policy terms, on the following matters:
 - i. The failure of the insured mortgagee to be created under a written agreement with the consent of each owner of the estate or interest described in Schedule A and each owner's spouse
 - ii. The land being homestead property designated for agricultural used as provided by statutes governing property tax
 - iii. The indebtedness secured by the line of the insured mortgage on the land not being the only debt secured by a valid lien on the land at the time the extension of credit is made pursuant to the insured mortgage unless the other debt was made for a purpose described by Subsections (a) (1) through (a)(5) of Section 50 of Article XVI of the Texas Constitution
 - iv. The extension of credit secured by the lien of the insured mortgage closing before the first anniversary of the closing date of any other extension of credit described by Subsection (a)(b) of Section 50 of Article XVI of the Texas Constitution and secured by a valid lien on the land
 - v. The extension of credit secured by the lien of the insured mortgage being closed at a location other than the office of a lender, an attorney at law, or a title company

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XXI. All refinance Mortgages that fall within the provisions of Section 50(a)(6) of the Article XVI of the Texas Constitution have been originated as Texas Equity Section 50(a)(6) Mortgages and comply with Section 50(a)(6) of Article XVI and related provisions of the Texas Constitution, as amended, and all other applicable laws

Correspondent warrants, certifies, and represents the above to be true and correct with the delivery of all loans that fall within the provisions of Section 50(a)(6) of the Article XVI of the Texas Constitution. Correspondent holds Computershare Loan Services, or any subsequent owner/holder of the extension of credit, harmless from any loss, cost or expense if any of the above representations are false and/or accurate.

The Correspondent represents and warrants that, at Computershare Loan Services' request, it will process any Texas 50(a)(6) complaint within the guidelines and timelines provided by the Texas Constitution, under the supervision of the Computershare Loan Services Compliance Department.

The Mortgage Loan does not have an open consumer complaint or consumer notification, verbal or written, at the time of or prior to purchase by Computershare Loan Services.

Texas 50(a)(6) Eligibility

For Texas 50(a)(6) Mortgage Loan eligibility, refer to applicable Product Profiles and *Texas Section 50(a)(6) Refinance Eligibility Matrix and Summary Guidelines* located under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

New York Consolidation, Extension and Modification Agreement (CEMA) Refinance and Purchase CEMAs

The state of New York charges a mortgage recording tax when a new mortgage or refinance is recorded. To reduce tax liabilities to Borrowers, refinances can be transacted by consolidating, extending and modifying the existing loan. The CEMA combines into one set of rights and obligations all the promises and agreements stated in existing Notes and Mortgages secured by the Mortgaged Premises, including, if new funds are advanced to the Borrower at the time of the consolidation, a new Note and Mortgage. The result is that the Borrower has one consolidated loan obligation that is paid in accordance with the terms of the CEMA. When documenting a refinance Mortgage using a CEMA, Correspondents must use Consolidated Note that must be executed by the Borrower. The consolidated loan terms, as stated in the CEMA, are restated in the Consolidated Note.

Using this method, the Borrower pays the recording tax only on any "new money" added to the original loan. In order to accomplish this, instead of the existing liens being paid off, they are effectively assigned and transferred to the new lender who consolidates, extends and modifies the term and structure of the existing loan(s).

Such CEMA activity could encompass multiple loans concurrently, as well as historically. It could be rolling a first and second lien together into a CEMA; it could also be a string of repeat refinances, such that the CEMA is actually modifying numerous liens. This string will continue until such time as there is a new transaction that does not utilize the CEMA process.

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In addition to refinance transactions, the state of New York allows purchases to be structured as CEMA transactions. Computershare Loan Services permits purchase transaction CEMA Mortgage Loans.

All CEMA transactions must meet Agency requirements.

Commitments/Locks

Given the lengthy nature of a CEMA transaction, Computershare Loan Services recommends a minimum lock period of 60 days. Longer lock period is preferable; however.

Upon locking a CEMA transaction with Computershare Loan Services, Correspondent must email lock_desk@loanfulfillment.com with notification that a CEMA loan has been locked.

Eligible and Ineligible Loan Programs

Refer to Product Profiles for CEMA eligibility.

USDA loans are ineligible.

Eligible Borrowers

Individual Borrowers or qualified Inter Vivos Trusts are generally eligible. Refer to applicable Product Profile for allowances and restrictions.

Preferred Closing Attorneys

Computershare Loan Services recommends CEMA transactions to be closed by Computershare Loan Services's preferred CEMA attorney listed below:

Siminou Associates

Steven S. Siminou, ESQ.
1776 Broadway, Suite 800
New York, NY 10019
212.683.8400 ext. 26
212.683.8422 fax
sssiminou@siminoulaw.com
WWW.SIMINOULAW.COM

The following section states fees associated with pre-purchase legal reviews.

Pre-Purchase Legal Review of CEMAs for Non-Preferred Computershare Loan Services CEMA Attorney

For loans closed by an attorney that is not listed as a preferred Computershare Loan Services CEMA attorney, Computershare Loan Services contracts legal counsel to conduct a pre-purchase legal review of all CEMA documents **for a fee of \$350**. The fee will be netted from the Correspondent's wire funds upon purchase of Mortgage Loan by Computershare Loan Services.

- For Computershare Loan Services to initiate pre-purchase legal review, Correspondent must submit all documentation listed under [Required Documentation for Pre-Purchase Legal Review](#) section below

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- Upon receipt of CEMA documents, Computershare Loan Services will engage the Law Office of Robert Reda, P.C. for legal review
 - Based on legal review findings, Computershare Loan Services may accept documentation as-is or post conditions for outstanding items

Request to be Added to Computershare Loan Services' Preferred CEMA Attorneys

Law firms that seek approval to be added to Computershare Loan Services' preferred CEMA attorney list must have a minimum of 5 CEMA loan files that have been through pre-closing legal review process as defined above. Review of additional files after the minimum may be required. Upon successful review and formal vendor approval, these firms will then be added to Computershare Loan Services' preferred CEMA attorney list.

Required Documentation for Pre-Purchase Legal Review

The following documentation is required for Computershare Loan Services to initiate pre-purchase legal review:

- Certification page of title report, legal description, mortgage schedule; full title report is also sufficient
- All underlying collateral, all prior Notes, Mortgages, CEMAs and Assignments of record
- All proposed assignments, endorsements and allonges
- New money or Gap Note
- New money or Gap Mortgage to MERS
- Consolidated Note
- Complete MERS for CEMA with all exhibits
- 255 Affidavits
- Payoff Letter
- Other pertinent documentation, if applicable

Note the following:

- Correspondent is responsible for providing complete and accurate documentation for review
- Any incomplete or inaccurate documentation may delay the review process
- Additional documentation may be requested upon review

Lost Note Affidavits

Lost Note Affidavits (LNAs) are only allowed on Conventional Mortgage Loans.

For all government loans, including FHA and VA loans, LNAs are **not** permitted.

CEMA Agreements and Documentation

Mortgage Loans must include an appropriate and completed CEMA as required by Agencies. Use the most current version of the New York Consolidation, Extension and Modification Agreement Single-Family Fannie Mae/Freddie Mac Uniform Instrument (Form 3172) for all loans and all programs. For FHA loans, Correspondent may use the Fannie Mae/Freddie Mac form; however; it must include the following statement: "Modified for Federal Housing Administration."

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Refinances with New Money:

- For refinances with cash-out or financed closing costs, a new Note (Gap Note) and Mortgage (Gap Mortgage) in the amount of the new money must be completed and provided along with the CEMA. The term “new money,” as it applies to mortgage recording tax, must not be confused with the underwriting criteria of a cash-out or rate & term refinance. It is common to have a rate & term refinance with “new money”
- For FHA Mortgage Loans: Refer to the FHA Single Family Housing Policy Handbook 4000.1 for additional instructions
- For CEMA refinances of a FHA loan, a new Note is required for the loan amount, regardless of whether there is new money, as well as an FHA CEMA
- If the Borrowers receive new money, a Note and Mortgage in the amount of the new money must also be completed, along with a consolidated Note including outstanding balances

For informational purposes, closing agents generally complete the following steps:

Step	Action	
Section(s)	Complete the appropriate CEMA. If using the Fannie Mae/Freddie Mac Agreement - Form 3172, be sure to include the following:	
1	A, B & C	Appropriate dates and names of the parties involved in the refinance transaction.
	D	A description of each mortgage to be modified that is currently a lien on the property being refinanced. Note: If refinancing with new money: - Identify the existing notes and mortgages of record pertaining to the old debt. Identify the Note for the new money to be advanced at closing. Identify the new Mortgage given to secure the amount of the new indebtedness.
	F	Dates of the original Notes securing the unpaid mortgage listed in Section D, including additional information if refinancing with new money.
	G	Address of the property being refinanced.
	Subsection I	The total unpaid principal balance of the outstanding Notes in the first blank of this subsection. Note: Insert the same amount in Subsection IV-1. “Zero” in the second blank of this subsection, since no new money has been advanced. If refinancing with new money, insert the amount the new indebtedness.
	Subsection IV	The interest rate and payment information of the refinance.
	2	Obtain Borrowers’ signature on the CEMA and ensure it is notarized.
3	If the amount of the new loan exceeds the outstanding principal balance because of cash-out or financed closing costs, prepare a new Note and Mortgage in the amount of the new money.	

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4	<p>FHA loans only: Complete a new Note and Mortgage for the full new loan amount, including applicable riders.</p> <p>Note: If there is no new money, complete only a new Note.</p>
5	<p>Obtain the following exhibits and attach them to the CEMA:</p> <ul style="list-style-type: none"> - If refinancing with new money, the new Note and Mortgage in the amount of the new money. Originals of prior Notes and copies of Mortgages. - FHA loans: New Note (and Mortgage, if applicable), and applicable riders for the full loan amount. - Legal description of the subject property - Adjustable Rate Rider, if applicable and any/all other applicable riders. Original consolidated Note. - Original Assignments - Original Endorsement Allonges <p>Terms of the security instrument that the Borrower must comply with going forward or a blank copy of the standard mortgage, whichever is applicable.</p>
6	<p>Prepare or have legal counsel prepare two duplicate copies of the §255 Affidavit.</p> <p>Note: The §255 Affidavit must be filed even though no new money is exchanged to claim the mortgage tax exemption of the amount of the outstanding principal indebtedness.</p>

Correspondent must verify and validate the following elements and key information when processing a CEMA:

Item	Elements
Consolidated Note	<ul style="list-style-type: none"> • The Consolidated Note: <ul style="list-style-type: none"> o Must be original o Must be signed by the Borrower(s) o Must be endorsed in blank by the Lender o Must have the proper chain of endorsement o Must contain the "amend and restate" language at the top of the document (Refer to Form 3172 Instructions page for full language)

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<p>CEMA</p>	<ul style="list-style-type: none"> • The executed and recorded original CEMA, Form 3172 (revised 5/01) – or an equivalent Fannie Mae approved form <ul style="list-style-type: none"> o CEMA can be a certified copy of the original that was sent to the recording office • The dollar amount entered in the first blank in Section I (page 1) of the CEMA and the consolidated principal amount of the Consolidated Note must be the same • If new funds were advanced, number 1 on Exhibit A should refer to both the Gap Mortgage and the Gap Note <ul style="list-style-type: none"> o The dollar amount entered in the second blank in Section I (page 1) of the CEMA and the dollar amount entered in the corresponding blank on Exhibit A (advanced funds) must be the same (Fannie Mae does not require the Gap Note to be delivered for post-May 2001 CEMAs) • CEMA must be signed by Borrower(s) and Lender Representative • If the last page of the CEMA contains Notary information that has been filled out, verify that it is signed and dated • New York property only • CEMA must include Exhibits A through D <ul style="list-style-type: none"> o <u>Exhibit A</u> - List of Mortgages, Notes, and Agreements (list of all notes and mortgages being consolidated, extended and modified). <ul style="list-style-type: none"> - Original notes listed in Exhibit A (the Gap Note and other prior notes and CEMAs) o <u>Exhibit B</u> - Property Description (legal description of property) o <u>Exhibit C</u> - Consolidated Note and Addenda (copy of Consolidated Note) <ul style="list-style-type: none"> - Must contain the required "amend and restate" language described in "Consolidated Note" section above - Does not need to show the Borrower(s) signature(s) o <u>Exhibit D</u> - Consolidated Mortgage and Riders <ul style="list-style-type: none"> - The dollar amount entered in the first blank in Section I (page 1) of the CEMA and the dollar amount entered in the corresponding blank in the Consolidated Mortgage (Exhibit D) must be the same - The copy of the consolidated mortgage does not need to show the Borrower(s) signature(s)
<p>Assignment</p>	<ul style="list-style-type: none"> • Assignment of CEMA to Computershare Loan Services (unrecorded, but in recordable form) that: <ul style="list-style-type: none"> o Must be dated on or after the date of the CEMA

Disaster Policy

Disasters, both natural and man-made, may occur at any time and might include: floods, fires, thunderstorms, tornadoes, hurricanes, earthquakes, landslides, volcanic eruptions, civil unrest, and terrorist attacks and the like. These events can cause varying degrees of damage and create a potential lending risk.

This Guide section provides guidelines to be followed for properties in:

- Federally declared disaster areas (FEMA Disaster Declarations) with designated counties or ZIP Code areas eligible for individual assistance
- Areas where FEMA has not made a disaster declaration, but Computershare Loan Services or an Agency has determined that there may be an increased risk of loss due to a disaster
- Areas where the Correspondent has reason to believe that a property might have been damaged in a disaster

Computershare Loan Services may, in its sole discretion, purchase Mortgage Loans secured by properties that are free of damage and located in FEMA/Federally declared disaster areas provided that the requirements in this Guide are adhered to and documented in the Mortgage Loan File.

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Correspondent Seller Responsibility for Property Condition

Notwithstanding any other requirements set forth herein regarding Disasters and similar events, Correspondent represents and warrants that the property securing the Mortgage Loan is free of damage on the Purchase Date. In addition, any adverse event must be evaluated in terms of its effect on the subject's habitability, marketability and value.

Correspondents are responsible for determining potential impact to a property located in an area where a disaster is occurring or has occurred. Irrespective of whether a declaration or Announcement has been made, if a Correspondent has reason to believe that a property might have been damaged in a disaster the Correspondent must take appropriate action to ensure that the property meets Computershare Loan Services requirements at the time of purchase by Computershare Loan Services.

Additionally, if Computershare Loan Services has a reason to believe that a property might have been damaged in a disaster and has placed a prior to purchase condition on the Mortgage Loan, then the Correspondent must follow the requirements of the Mortgage Loan condition.

Multiple Disaster Events

Upon the occurrence of multiple events, such as a hurricane followed by a flood, the requirements of this Policy apply to the date of the most recent event.

Employment Re-Verification after Disaster

In the event of widespread property destruction or a large scale disaster, a re-verification of the Borrower's employment may be required prior to Mortgage Loan purchase. The Computershare Loan Services Disaster Announcement will state this requirement if applicable and a pre-purchase condition for re-verification of employment may be placed on the Mortgage Loan File at the discretion of Computershare Loan Services.

State of Emergency Definition

FEMA declares a State of Emergency in areas that could potentially be affected by an imminent disaster. A State of Emergency generally only requires action if it is followed by a FEMA Disaster Declaration, or if Computershare Loan Services or an Agency issues a Disaster Announcement.

Disaster Assessment and Disaster Notification Announcement

Computershare Loan Services will assess the significance of events in geographic areas impacted by disasters. The assessment will utilize data provided by FEMA and other data sources regarding impacted areas. As a result of this assessment, Computershare Loan Services may define the affected area differently than the FEMA declaration.

In the event of a declared or undeclared disaster requiring action, Computershare Loan Services may issue a Disaster Announcement with the following information:

- Nature and location of disaster
- Disaster incident period
- Incident period end date as the later of:

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- Incident period end date determined by FEMA and published at FEMA.gov, or
- Incident end date determined by Computershare Loan Services and published in the Disaster Announcement
- Any FEMA declarations of areas eligible for individual assistance
- Impacted ZIP Codes or Counties determined by FEMA and Computershare Loan Services
- Any related Agency announcements and/or requirements
- Documentation requirements, including
 - Additional appraisal or appraisal product
 - Re-inspection or Correspondent Certification
 - Employment re-verification, if any
- Effective date of any requirements
- Last date for requirements (if applicable)

Declared Disaster Areas – Property Inspection Requirements

Declared Disaster Areas – Appraisals Completed Before Disaster

If a property is in a FEMA Declared Disaster Area eligible for individual assistance **and** the most recent appraisal in the Mortgage Loan File was completed **before** the **incident period end date**, then Computershare Loan Services requires that an acceptable property inspection meeting the following requirements be completed prior to purchase:

- A final exterior inspection or appraisal update signed by the original appraiser
 - Appraisal Update, form Fannie Mae 1004D, Disaster Inspection, or
 - Completion Report, form Freddie Mac 442, or
- Property Inspection Report
 - Fannie Mae form 2075, or
 - Freddie Mac form 2070, Streamlined Inspection, or
- Correspondent Certification for Disasters

The document provided must address the specific disaster and indicate any apparent damage to subject property.

Inspection reports listed above may **not** be used to estimate or recertify value.

Declared Disaster Areas – Programs without Appraisals (Agency, USDA, VA and FHA)

If a property is in a FEMA Declared Disaster Area eligible for individual assistance and the Mortgage Loan transactions would **not** generally require an appraisal, sellers should follow the requirements as defined by the specific agency/program.

Correspondent Seller Damage Certification Requirements: Post Disaster (Agency, USDA and VA)

If a Correspondent Certification for Disasters form is used, then the following are required:

- Must be completed after the incident end date

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- Must be executed by an employee of the Correspondent who will not receive direct compensation from the subject transaction
- Must be on Correspondent's company letterhead or a Certification of Property Condition form
- Must state that an acceptable inspection of the property was completed
- Computershare Loan Services Loan number
- Street Address
- City/State/Zip Code
- The following statement: "This is to confirm that the above referenced has been inspected and I have determined that it was either not damaged in the recent disaster or has been restored to its pre-disaster condition or better."
- Printed Name and Signature of Correspondent's Representative, Title and Date
- Photos of the property front, back, street in both directions, house number and any visible damage
 - Condominiums also require lobby and front of building- lobby through window is acceptable if lobby is not accessible due to security

If the inspector is **not** able to certify that the property shows **no signs** of damage then refer to [Requirements in Response to Disaster Inspection Findings](#) sections below.

Requirements in Response to Disaster Inspection Findings (Agency, USDA and VA)

If the inspection supports that the property is habitable, sound, and the property has not been affected by the disaster, then the original collateral valuation can be used. Minor (cosmetic) repairs needed may be acceptable at the sole discretion of Computershare Loan Services.

If the inspection notes that the property is uninhabitable, unsound, or that the property condition has been affected by the disaster, then a new, interior and exterior appraisal must be obtained showing that:

- All damage has been repaired prior to purchase by Computershare Loan Services
- Property is habitable and sound and the property value is supported

Declared Disaster Areas: Appraisals Completed After the Incident (Agency, VA and USDA)

If the appraisal completed after the incident period end date supports that the property is habitable, sound, and has only minor cosmetic, non-structural damage that does not impair the safety, structural soundness, habitability or functional use of the property, then the appraisal and property may be acceptable at the sole discretion of Computershare Loan Services, without further inspections or appraisal updates.

If the appraisal completed after the incident period end date reflects any damage that affects health, safety, habitability, soundness, or structural integrity of the property, then prior to purchase of the associated loan by Computershare Loan Services the damage must be repaired and an Appraisal Update Form 1004D, Form 442 Completion Report, or new appraisal must be completed, including an interior inspection if the damage and issues originally identified impacted the interior of the property.

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Computershare Loan Services or Agency Disaster Notification – Outside FEMA Areas (Agency, USDA and VA)

If the property is **not** in a FEMA Declared Disaster area, but either Computershare Loan Services, Fannie Mae, Freddie Mac or the Veterans Administration have issued a Notification that an appraisal update is required due to a disaster, then one of the following is required:

- A final inspection or appraisal update of the property signed by the original appraiser
 - Appraisal Update, form Fannie Mae 1004D, Disaster Inspection, or
 - Completion Report, form Freddie Mac 442, or
 - Property Inspection Report
 - Form Fannie Mae 2075, or
 - Form Freddie Mac 2070, Streamlined Inspection

This requirement also applies to Mortgage Loans without an appraisal.

FHA Mortgage Loans in Declared Disaster Areas

Disaster inspections are not required for:

- FHA transactions endorsed by FHA **prior** to the disaster date

For FHA Streamline transactions where an appraisal was not completed and is not required under program guidelines, follow the requirements in [Declared Disaster Areas - Programs without Appraisals](#) section.

FHA disaster inspections on properties located within a Declared Disaster Area or in areas for which HUD/FHA have issued a notification that an appraisal update or inspection is required due to a disaster must:

- Have a damage inspection report that identifies and quantifies dwelling damage
 - Appraisal Update, form Fannie Mae 1004D, Disaster Inspection
 - No value estimate provided
 - Including a street scene and photo of the subject property, or
 - Form Freddie Mac 2070, Streamlined Inspection
 - Property inspection form, not an appraisal
 - No value estimate is provided
 - Including a street scene and photo of the subject property
- Be completed by an FHA Roster Appraiser, even if the inspection shows no damage to the property
- Be dated after the disaster incident end date (per FEMA)

Correspondent Certification for Disasters is **not** acceptable for FHA Mortgage Loans.

When damage is identified during a disaster inspection on an FHA transaction:

- Appraiser must provide a damage inspection report with interior and exterior photos
- New appraisal is required supporting Mortgage Loan amount if value has declined since effective date of original appraisal
- Repairs must be completed prior to purchase by Computershare Loan Services
- Mortgage Loan must be insured prior to purchase by Computershare Loan Services

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For FHA Mortgage Loans - Refer to the FHA Single Family Housing Policy Handbook 4000.1 for additional guidance.

Warranty

By the sale of the Mortgage Loan to Computershare Loan Services, the Correspondent warrants that the subject property is in marketable condition and that there are no repairs or other detrimental conditions to the subject property at the time of sale.

Computershare Loan Services does not have the responsibility to provide notification to the Correspondent of disaster areas. If at any time after Mortgage Loan purchase, Computershare Loan Services or a subsequent investor, determines that the subject property was damaged and not in fully marketable condition at time of sale, the Mortgage Loan is subject to repurchase.

Mortgage Loan Purchase Process

Overview

Risk management efforts are essential to protect the interests of Computershare Loan Services and our partners. To help ensure quality submissions and to mitigate concerns over fraud, misrepresentation and credit quality, Computershare Loan Services may conduct a purchase review on every Mortgage Loan submitted for purchase.

Purchase Review Process

The purchase review may consist of, but is not limited, to the following:

- Credit risk assessment
 - Validation of the credit documentation to ensure it meets the AUS finding requirements and Computershare Loan Services Underwriting Guidelines (referenced in Product Profiles)
- Appraisal analysis
- Compliance
- Review of the closing package and collateral
- Use of various fraud and quality assurance tools

Suspense Conditions Report

Upon completion of purchase review, Computershare Loan Services posts Mortgage Loans with suspense conditions on '**View Loan Conditions**' section of [eOriginator](#).

View Loan Conditions report includes:

- Purchase suspense conditions required as a result of the purchase review
 - If no suspense conditions are identified, conditions are not posted
- Funding deficiencies must be cleared prior to the purchase of the Mortgage Loan by Computershare Loan Services

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Suspended Delivered Loans

Computershare Loan Services only purchases Mortgage Loans with complete credit and funding documents. If a document or other type of deficiency is determined, the Mortgage Loan is suspended until the deficiency is corrected.

The following apply to suspended Mortgage Loans pending conditions:

- A condition notification is returned to the Correspondent if Computershare Loan Services is unable to issue an approval or denial determination with the documentation submitted. The Correspondent is given five (5) calendar days to obtain and submit the additional documentation to Computershare Loan Services. If the documentation is not received within five (5) calendar days, the file may be denied for incompleteness or require an extension to the commitment. Refer to [Commitments, Locks and Pricing](#) section of this Guide for details on pricing
- Loans in suspense must be cured within 30 calendar days from the date of the suspense
- If deficiency is not cleared within 30 days of suspense, Computershare Loan Services may return the Mortgage Loan to the Correspondent and charge a Pair-off Fee. On an exception basis; Computershare Loan Services may allow Mortgage Loans to age longer than 30 days; subject to re-pricing Refer to [Commitments, Locks and Pricing](#) section of this Guide for details on pricing
- If the suspended Mortgage Loan is not cured and Computershare Loan Services has received the original Note, the Note endorsement will be cancelled, and the Note returned to the Correspondent's warehouse lender or custodian

Satisfaction of Suspense Conditions

All open suspense conditions must be satisfied prior to purchase.

Decline to Purchase a Closed Loan

Computershare Loan Services may reject any Mortgage Loan for purchase for any reason including, but not limited to:

- Failure to meet Computershare Loan Services published Mortgage Loan parameters
- Failure to satisfy all of the applicable underwriting standards
- Unacceptable documentation of the Mortgage Loan
- Suspected fraud in the origination of the Mortgage Loan or a breach of any other representation, warranty or covenant made with respect to the Mortgage Loan as stated in the Guide or in the Correspondent Agreement

Non-delegated Loan Denial

When a Mortgage Loan is submitted for Non-delegated review and is declined, a Loan Decision Notification will be sent to the Correspondent. Correspondent is responsible for providing notification to the loan applicant in accordance with the following:

- If the Borrower accepted credit offered by another lender, a Credit Denial Disclosure is not required to be sent by the Correspondent
- If the Mortgage Loan is denied based on information derived from the consumer credit report:

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- Correspondent is required to send the Credit Denial Disclosure, which must contain the contact information of the agency that provided the information used to make the decision
 - Credit Denial Disclosures must be delivered to the applicant(s) within 30 days of receipt of application by Correspondent, as required by Regulation B of the Fair Credit Reporting Act (FCRA)
 - It is Correspondent's responsibility to issue adverse action / decline notification to loan applicants for Non-delegated Mortgage Loans

Early Payoffs – After Delivery but Prior to Mortgage Loan Purchase

If the Correspondent, or a servicer acting as the Correspondent's agent, receives a Payoff for a Mortgage Loan committed for sale to Computershare Loan Services prior to the Purchase Date (for purposes of this Guide section, a Payoff is defined as the receipt of funds from or on behalf of the Mortgagor (Borrower) sufficient to pay the balance of the Mortgage Loan in full), it is the Correspondent's responsibility to notify Computershare Loan Services immediately (and in all cases within the same business day of receipt).

If a Wire Transfer / Purchase Advice has been posted but the wire has not been received by the Correspondent, contact the Post-Close Department.

Mortgage Loan Purchase

Computershare Loan Services will, in most cases, wire funds for purchase of a Mortgage Loan the business day following the date on which Computershare Loan Services approves the Mortgage Loan for purchase, provided that re-pricing of the Mortgage Loan is not required.

Wire Setup

For Computershare Loan Services to purchase a Mortgage Loan from a Correspondent, the Correspondent must provide written authorization for Computershare Loan Services to wire funds to the appropriate bank account. An authorized signer must complete and sign a *Wire Transfer Authorization Form*, on the Correspondent's letterhead, to pre-establish the Correspondent's bank account. A template for *Wire Transfer Authorization Form* is available under 'Forms' section of Forms, Tools and Job Aids tab of Correspondent Lending website. The Correspondent is solely responsible for ensuring that the information on the *Wire Transfer Authorization Form* is accurate and complete and Computershare Loan Services shall be entitled to rely on the information contained in the form without further inquiry.

If Mortgage Loans are delivered without wire instructions, or if the wire instructions in the Mortgage Loan File do not match the instructions in Computershare Loan Services' system, the Mortgage Loan File will be suspended. The suspension will not be cleared until approved wiring instructions signed by an authorized signer are received, processed, and entered into Computershare Loan Services' system.

Computershare Loan Services will only wire to corporate accounts.

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Mortgage Loan Purchase: Amortization Dates for Servicing Released Loans

Wires for servicing released Mortgage Loans **wired on or after the 13th** calendar day of any month will have an effective transfer of servicing date as the 1st day of the 2nd month following the month in which the Mortgage Loan is purchased by Computershare Loan Services. Therefore, if a Mortgage Loan has a scheduled payment on any date prior to the effective date of the transfer of servicing following the Purchase Date, then that principal portion of such payment will be subtracted from the remaining principal balance when determining the principal balance that is purchased by Computershare Loan Services, i.e. the Mortgage Loan will be amortized.

Mortgage Loans **purchased on the 12th** calendar day of the month or earlier will have an effective transfer of servicing date as of the 1st day of the month following the month in which the Mortgage Loan is purchased by Computershare Loan Services. When determining the principal balance that is purchased by Computershare Loan Services, it will be calculated based on the Correspondent receiving any payments contractually due through the Purchase Date and the resulting principal balance of the Mortgage Loan that would correspond to having received such payments due, if any.

Computershare Loan Services will pay interest on Mortgage Loans from the interest paid-through-date up to, but not including, the Purchase Date for Mortgage Loans that are not amortized. If the Mortgage Loan has been amortized, Computershare Loan Services will deduct from the proceeds, interest from the Purchase Date through the "purchased" interest paid-through date. Interest will be calculated using a 12 month schedule of 30 days each.

Purchase of Mortgage Loans with Escrows/Impounds

For amortized Mortgage Loans with an escrow/impound account for taxes, insurance, etc., Computershare Loan Services will deduct from the purchase price the escrow/impound amount corresponding to the principal payments amortized.

Purchase of Mortgage Loans with Escrows / Impounds Table	
SAMPLE Wire/Purchase Date by Computershare Loan Services	Comments
January 12th or earlier	All payments (if any) up to and including January are collected by Correspondent. February payment (if applicable) and all subsequent payments collected by Computershare Loan Services.
January 13th - 31st	Correspondent to provide payment history showing all payments due through January (if any) have been paid by Borrower. If payment was due in January but has not been received by Correspondent, Mortgage Loan is ineligible for purchase until payment received. Correspondent receives February payment, if Borrower has a payment due in February. Computershare Loan Services receives March and subsequent payments.

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Refer to [Payment History Requirements](#) section of this Guide for details pertaining to Escrows/Impounds.

Purchase Proceeds

Computershare Loan Services net funds Mortgage Loans based on the calculation of:

- Base price as noted in the system
- Addition of any applicable pricing specials
- Increase or decrease for accrued interest
- Decrease for any applicable price adjustments
- Decrease for escrow and buy down accounts
- Decrease for any outstanding unpaid fees due Computershare Loan Services
- MIP / PMI (if applicable)
- Fulfillment fee (if applicable)
- Admin fee
- Underwriting fee (if applicable)
- Other fees, if applicable

Principal Balance Purchased – Amortization

The principal balance used at time of purchase will be:

- Any payment for Mortgage Loans purchased on/after the first day of the month will not be amortized (ex. loan closed 9/15/1X with a 1st payment due date of 11/1/1X. If purchased on 10/10/1X no payment will be amortized)
- Any payment for Mortgage Loans purchased on/after the thirteenth day of the month will be amortized (ex. loan closed 9/15/1X with a 1st payment due date of 11/1/1X. If purchased on 10/15/1X the 11/1/1X payment will be amortized, if purchased on 11/15/1X both the 11/1/1X and the 12/1/1X payment will be amortized)
- Computershare Loan Services withholds all MI/MIP associated with amortized payments; however; the Correspondent is responsible for the timely remittance of MI/MIP payments on these Mortgage Loans as well as any late fees incurred prior to purchase
- A copy of the front of the check used to pay the bill or payment history showing the Correspondent's remittance is acceptable evidence of payment

Accrued Interest

- If Computershare Loan Services should receive the principal and interest payment scheduled for the first day of the month following the month during which a Mortgage Loan was purchased, Computershare Loan Services will pay the Correspondent accrued interest at the interest rate stated in the applicable note from the first day of the month of purchase through the day prior to the date of purchase
- If the first scheduled principal and interest payment Computershare Loan Services should receive is due on the first day of the second month after the month of purchase, the purchase proceeds paid by Computershare Loan Services will be reduced by an amount equal to interest accrued at the interest rate stated in the applicable note from the date of purchase through the last day of the month of purchase

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- All Mortgage Loan products will accrue interest using the 365 days interest factor at time of purchase, although they can be closed using 360 days or 365 days interest factor

Escrow Waiver Fees

Refer to Loan Level Pricing Adjustments (LLPAs) for the applicable escrow waiver fee.

The Escrow Waiver Fee is a deduction from the base price.

Product Profiles and General Mortgage Loan Eligibility

Product Profiles Overview

Computershare Loan Services Product Profiles, published on the Computershare Loan Services Correspondent website, set forth product and program parameters and Computershare Loan Services Mortgage Loan eligibility requirements. Product Profiles include Eligibility Matrix and Summary Guidelines. Product Profiles are available under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

Product Profiles, in themselves, are not intended to provide comprehensive product and program guidelines, and incorporate by reference, this Guide, and the applicable Agency Guides or other documents published by the Agencies or other investors relevant to the program each Mortgage Loan is delivered into.

Applicable Agency (Fannie Mae, Freddie Mac, VA, FHA, or USDA) requirements must always be met for Mortgage Loans delivered into those programs, the requirements or guidelines stated in Product Profiles for Agency programs represent a combination of Agency guideline highlights and Computershare Loan Services overlays to those guidelines.

Conforming Agency Programs

Product Profiles

Access individual Product Profiles for Eligibility Matrix and Summary Guidelines. Product Profiles are available under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

Fannie Mae Mortgage Loan Programs

Correspondents must follow Fannie Mae Selling Guide, as amended, for general underwriting guidelines for Conforming and High Balance Conforming Agency Mortgage Loans except where otherwise stated in this Guide and/or the related Product Profiles. Without exception, all Mortgage Loans delivered by the Correspondent under Fannie Mae programs must be eligible for sale to Fannie Mae; and the Correspondent Represents and Warrants such eligibility to Computershare Loan Services. The Fannie Mae Selling Guide is available at www.efanniemae.com, Originating and Underwriting. See efanniemae.com for Fannie Mae Desktop Underwriter® (DU®) requirements and instructions as well.

Computershare Loan Services overlays to; and deviations from; Fannie Mae guidelines are published in this Guide and/or applicable Product Profiles.

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Freddie Mac Mortgage Programs

For products or programs designated by Computershare Loan Services as Freddie Mac specific, Correspondents must follow Freddie Mac Single Family Seller/Servicer Guide, as amended at www.freddiemac.com. Without exception, all Mortgage Loans delivered by the Correspondent under Freddie Mac programs must be eligible for sale to Freddie Mac; and the Correspondent Represents and Warrants such eligibility to Computershare Loan Services.

Computershare Loan Services overlays to; and deviations from; Freddie Mac guidelines are published in this Guide and/or applicable Product Profiles.

EarlyCheck and Loan Quality Advisor

Fannie Mae's EarlyCheck™ and Freddie Mac's Loan Quality Advisor (LQA) assists lenders in identifying and correcting potential eligibility and/or data issues EARLY in their processes and prior to Mortgage Loan delivery.

Fannie Mae Loans delivered to Computershare Loan Services must be able to pass Fannie Mae EarlyCheck. Freddie Mac Loans delivered to Computershare Loan Services must be able to pass LQA.

Government Agency Programs

Product Profiles

Access individual Product Profiles for Eligibility Matrix and Summary Guidelines. Product Profiles are available under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

FHA Mortgage Loan Programs

Correspondents must follow the requirements of FHA Single Family Housing Policy Handbook 4000.1, as amended, for general underwriting and Mortgage Loan documentation guidelines for FHA Mortgage Loans, unless otherwise stated in this Guide and/or the related Product Profiles. Without exception, all Mortgage Loans delivered by the Correspondent under FHA programs must be eligible for insuring by FHA; and the Correspondent Represents and Warrants such eligibility to Computershare Loan Services.

Computershare Loan Services overlays to; and deviations from; FHA guidelines are published in this Guide and/or related Product Profiles.

VA Mortgage Loan Programs

Correspondents must follow the VA Lenders Handbook – VA Pamphlet 26-7, as amended, for general underwriting and Mortgage Loan documentation guidelines for VA Mortgage Loans, unless otherwise stated in this Guide and/or the related Product Profiles, as well as VA Circular 26-15-29 recognizing same sex marriages without regard to a Veteran's state of residence.

The VA Lenders Handbook is available at www.VA.gov. Without exception, all Mortgage Loans delivered by the Correspondent under VA programs must be eligible for guaranty by VA, and the Correspondent Represents and Warrants such eligibility to Computershare Loan Services.

Computershare Loan Services overlays to; and deviations from; VA guidelines are published in this Guide and/or related Product Profiles.

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VA Non-Delegated Program

NON-DELEGATED SELLER ELIGIBILITY REQUIREMENTS

As a Non Delegated approved Computershare Loan Services-VA Sponsored Agent, the following requirements must be met:

- a. \$500,000.00 minimum net worth.
- b. Have a valid VA ID, be in good standing with the VA, and provide a copy of the VA Approval Letter.
- c. Must have a minimum two (2) year history originating and closing VA loans, demonstrating experience selling and delivering closed loans to any correspondent lender. Please note, prior Wholesale lending experience cannot be used to satisfy this requirement.
- d. Seller must provide complete list of VA loans closed in the last 120 day period.
- e. Seller will complete the VA Authorized Agent Sponsorship Request form, which includes paying the \$100 fee for the VA agency fee. Seller will complete the VA Authorized Sponsorship Request Form yearly and pay yearly \$100 VA Renewal fee.

NON-DELEGATED SELLER'S FUNCTIONS AND RESPONSIBILITIES IN CONNECTION WITH VA LOANS

As a Non-Delegated approved Computershare Loan Services-VA Sponsored Agent, the Seller's obligations and responsibilities include, but are not limited to the following:

- a. Take a complete application, review and obtain the following required VA forms in connection with each loan application. This includes obtaining COE from ACES in VA webLGY. If COE is not available, the seller will request the veteran complete and sign VA FORM 26-1880: Request for COE. If the Veteran is no active duty, the seller will counsel the veteran by reviewing and signing VA FORM 26-0592: Counseling Checklist for Military Buyers.
- b. Issue Disclosures and re-disclosures to Veteran.
- c. Order Credit Report.
- d. Obtain VA Case number and order LAPP appraisal in webLGY.
- e. Remit payment to appraiser.
- f. Obtain borrower(s) verification of employment.
- g. Obtain borrower(s) income and asset documentation.
- h. Enter into interest rate lock-in agreements.
- i. Prepare the closing documents.
- j. Close/disburse the proceeds of the loan.
- k. Remit the VA Funding Fee payment to VA no later than five (5) business days following disbursement of funds.
- l. Promptly follow-up on any post-closing issues as requested by the Company

USDA Mortgage Loan Programs

Correspondents must follow the USDA Handbook(s) as amended, for general underwriting and Mortgage Loan documentation guidelines for USDA Guaranteed Mortgage Loans, unless otherwise stated in this Guide and/or the related Product Profiles.

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Without exception, all Mortgage Loans delivered by the Correspondent under USDA programs must be eligible for guarantee by USDA, and the Correspondent Represents and Warrants such eligibility to Computershare Loan Services. Loans must meet the guidelines in effect as of the complete loan application received date as well as any applicable Administrative Notices (AN), Procedure Notices (PN), Special Procedure Notice (SPN), ListServ Notice or other notices issued by USDA.

- For complete loan applications received prior to 12/1/2014: 7 CFR 1980 Part D as set forth in the 1980-D handbook and elsewhere
- For complete applications received on and after 12/1/2014: RD Instruction 3555 found at 7 CFR 3555 as set forth in USDA Handbook HB-1-3555 and elsewhere
- Computershare Loan Services overlays to; and deviations from; USDA guidelines are published in this Guide and/or related Product Profiles

Non-Agency / Jumbo Programs

Product Profiles

Access individual Product Profiles for Non-Agency / Jumbo Eligibility Matrix and Summary Guidelines. Product Profiles are available under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

The Mortgage Loan must be underwritten in accordance with the Product Profile and respective Program Eligibility and Underwriting Guidelines in effect at the time of issuance of the Commitment Confirmation by Computershare Loan Services for the purchase of such Mortgage Loan without regard to any underwriter discretion, unless an exception was granted in writing by Computershare Loan Services.

Non-Agency / Jumbo Mortgage Loan Program Eligibility and Underwriting Guidelines

Access various **Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines** under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website.

Contract Underwritten Loans for Delegated Correspondent Sellers

Computershare Loan Services requires that the underwriter of the Mortgage Loan be an employee of the Correspondent. Mortgage Loans underwritten by contract underwriters, whether acting as independent service providers or working through a mortgage related service provider company, such as a Private Mortgage Insurance (MI) company, are **not** eligible for sale to Computershare Loan Services.

Computershare Loan Services; however; will consider requests for Correspondents to utilize the underwriting services of nationally recognized MI contract underwriting companies. Correspondents must obtain prior approval from Computershare Loan Services to submit Mortgage Loans underwritten by a nationally recognized MI contract underwriting company. Upon receiving prior approval, Mortgage Loans underwritten by a nationally recognized MI contract underwriting company, that meet all of Computershare Loan Services' criteria, are eligible for purchase.

Correspondents with prior approval to utilize a nationally recognized MI contract underwriting company must be aware of the following:

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- The MI company must be an approved Mortgage Insurer with the applicable Agency and/or investor for the subject Mortgage Loan. Refer to Agency guidelines for approved Mortgage Insurers:
 - Fannie Mae – [Selling Guide](#)
 - Freddie Mac – [Approved Mortgage Insurers](#)
- The Correspondent must establish and utilize their own contract underwriting agreement with the MI company. Computershare Loan Services will not be a party to these agreements
- Representations and Warranties to Computershare Loan Services for underwriting decisions remain with the Correspondent
- The Correspondent must perform normal due diligence in processing and underwriting the Mortgage Loan prior to submitting the Mortgage Loan to the contract underwriter
- Because the MI company will be underwriting as an agent of the Correspondent, Correspondents are still responsible for all origination activities, including compliance with federal and state reporting requirements including but not limited to HMDA reporting
- A contract underwriting decision issued by a MI company on behalf of the Correspondent will not impact or change the Correspondent's responsibility and obligation to sell Computershare Loan Services Mortgage Loans that are in full compliance with this Guide and the Correspondent Agreement
- Computershare Loan Services refers to the definition of employee versus independent/contract underwriter provided in the SAFE Act. Correspondents are reminded that contract/independent underwriters must be properly licensed in the property state where required

Loans Underwritten by Computershare Loan Services Contract Underwriting Services

Mortgage Loans underwritten by Computershare Loan Services Contract Underwriting Services that meet all of Computershare Loan Services Correspondent Lending criteria, are eligible for purchase.

General Mortgage Loan Eligibility

This Guide section addresses requirements for broadly applicable underwriting guidelines and requirements that are not necessarily product or program specific unless indicated as such. Program and product specific requirements are available in the Product Profiles.

Computershare Loan Services underwrites and acquires Conforming Agency (Fannie Mae and Freddie Mac), Government Agency (FHA, VA and USDA), and Non-Agency (Jumbo) purchase and refinance Mortgage Loans.

The Mortgage Loan must be underwritten in accordance with the Product Profile and applicable Guidelines in effect at the time of issuance of the Commitment Confirmation by Computershare Loan Services for the purchase of such Mortgage Loan without regard to any underwriter discretion, unless an exception was granted in writing by Computershare Loan Services.

Neither this Guide nor Product Profiles, in themselves, are not intended to provide comprehensive product and program guidelines. Correspondents must follow applicable Agency Guidelines for respective products, except where otherwise stated in this Guide or related Product Profiles.

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Guideline Exception Request

It is the business practice of Computershare Loan Services to adhere to its own published Mortgage Loan eligibility, Mortgage Loan Program and Mortgage Loan product guidelines as set forth in this Guide, the Correspondent Agreement, and related documents. However, from time to time Computershare Loan Services, in its sole discretion, may agree to purchase a Mortgage Loan with characteristics outside of its published guidelines on an exception basis.

On a limited basis, exceptions on Agency Loans may be made to Computershare Loan Services overlays of Agency guidelines, but not to Agency requirements.

The agreement of Computershare Loan Services to purchase one or more Mortgage Loans with characteristics outside of Computershare Loan Services published guidelines or the terms set forth in the Correspondent Agreement does not constitute a course of performance that binds Computershare Loan Services in any manner to making a similar exception(s) in the future.

Loan level exception requests for Agency-eligible Mortgage Loans already funded to Borrowers may be addressed to the Correspondent's Account Executive or operational contact.

GSE Variances and Special Provisions

Fannie Mae and Freddie Mac Variances or Special Provisions are not transferable and are therefore Loans that rely upon such variances or special provisions are not eligible for sale to Computershare Loan Services.

Pricing Implications of Guideline Exceptions

Guideline exceptions, if granted, may have pricing implications. Correspondents may not Commit or Lock a Mortgage Loan that does not meet Computershare Loan Services guidelines until the Correspondent has requested and received an exception approval from Computershare Loan Services, in writing. Mortgage Loans Committed with inaccurate data may result in a Pair-off Fee if Computershare Loan Services is unable to purchase the Mortgage Loan due to guideline ineligibility. Refer to [Commitments, Locks and Pricing](#) section of this Guide for details.

If granted, the Computershare Loan Services written exception must be included in the Mortgage Loan File at the time of delivery.

General Manual Underwriting and AUS Requirements

Conforming Agency

FANNIE MAE

Except as otherwise noted in the applicable Product Profile, all Fannie Mae Mortgage Loans require an automated approval from Desktop Underwriter (DU) with an "Approve/Eligible" Underwriting Recommendation.

FREDDIE MAC

Except as otherwise noted in the applicable Product Profile, all Freddie Mac Mortgage Loans require an automated approval from Loan Product Advisor with an "Accept" Risk Class and an "Freddie Mac Eligible" purchase eligibility.

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Government Agency

FHA

Both TOTAL Scorecard and Manual Underwriting are acceptable for FHA Mortgage Loans as long as the underwriting method is fully compliant with:

- The requirements of the FHA Single Family Housing Policy Handbook 4000.1, as amended, and
- Computershare Loan Services underwriting requirements and overlays that may apply

Refer to Product Profiles for details.

VA

DU or LP and Manual Underwriting are acceptable for VA loans as long as the underwriting method is fully compliant with the requirements of the VA, as well as any Computershare Loan Services underwriting requirements that may apply. Refer to Product Profiles for details.

USDA

Refer to the Computershare Loan Services USDA Guaranteed Rural Housing Program Guide for USDA underwriting requirements. Refer to Product Profiles for details.

Non-Agency / Jumbo

For certain Non-Agency / Jumbo Mortgage Loan Programs, Computershare Loan Services may require that Mortgage Loans be submitted to DU, and may allow them to receive an Accept/Ineligible decision as a result of Non-Agency features that are expressly allowed by the program in question (for example, a Jumbo loan amount or interest-only amortization type) in addition to being manually underwritten to program guidelines. In such cases, the documentation requirements or other conditions on the DU finding may or may not be applicable, based on the directions in the Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for the Mortgage Loan Program in question, and other restrictions or requirements may apply that are not typical for Agency loans. Refer to Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for details.

General Requirements

In all situations where a Correspondent obtains an AUS decision, Computershare Loan Services must have the Correspondent's actual **final** AUS Underwriting Findings Report and cannot accept another lender's AUS findings. The data submitted to the AUS must reflect the Mortgage Loan as it was closed, including, but not limited to, occupancy type, product type, amortization, Mortgage Loan term, property type, Mortgage Loan purpose, sales price, and appraised value. The terms of the closed Mortgage Loan must match the terms of the final Mortgage Loan case-file submission to the AUS, within Agency tolerance requirements.

Desktop Originator Sponsorship

Desktop Originator (DO) is a portal to the Fannie Mae Desktop Underwriting® (DU®) automated underwriting system. The DO portal allows mortgage brokers and lenders who are not Fannie Mae approved to access the Fannie Mae automated underwriting system, DU, under the sponsorship of an approved entity, such as Computershare Loan Services.

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A Preliminary Underwriting Findings report generated by DO does not constitute loan approval or establish loan eligibility. In order to obtain valid DU Underwriting Findings loans must be assigned to a sponsor in the Fannie Mae system. Once the loan has been assigned to a sponsor, the broker or lender submitting the loan for DU can obtain DU Underwriting Findings in the sponsor's name.

Computershare Loan Services must be requested as a sponsor in the Fannie Mae Desktop Originator (DO) system. DU Underwriting Findings generated through a DO sponsorship must meet the following requirements:

1. The Observations section of the DU Underwriting Findings must show Computershare Loan Services as the submitting entity
2. Computershare Loan Services does **not accept Preliminary Underwriting Findings reports or DU Findings with other sponsors**
3. The last Desktop Underwriting Findings report run must be delivered in the loan file
 - a. The Submission number in the Observations section of the Findings must be the last submission number in the Fannie Mae system
4. Although Loans can be delivered while the DU assignment is in Interim status in the Fannie Mae system, the DU assignment **must be in Final status** with Fannie Mae prior to loan purchase by Computershare Loan Services. In the event that Final status reverts back to Interim status, the findings become unacceptable to Fannie Mae and subject to repurchase

SPONSOR OTHER THAN COMPUTERSHARE LOAN SERVICES

Prior to Loan file delivery, if the DU Underwriting Findings show any sponsor other than Computershare Loan Services, then:

- a. That initial sponsor must release the Casefile ID, back to the Correspondent, and
- b. The sponsor on the final findings must be identified as Computershare Loan Services
- c. Note: Changing sponsors may result in a new case file ID being generated. This may result in different AUS findings

USAGE LEVEL MONITORING

DO usage is monitored. Correspondents with high levels of undelivered loans may lose DO sponsorship at the sole discretion of Computershare Loan Services.

REPRESENTATIONS AND WARRANTIES

Any representations and warranties made by Correspondent, including but not limited to [Desktop Originator, Sponsor Other Than Computershare Loan Services](#) section of this Guide, and all applicable guidelines and obligations regarding the use of automated underwriting systems by Correspondent shall remain in force regardless of whether the Correspondent uses Desktop Underwriter as a Fannie Mae approved Correspondent or uses Desktop Originator under the terms of a Desktop Originator Schedule executed with Fannie Mae and under sponsorship by Computershare Loan Services.

In assigning the DU Findings Casefile to Computershare Loan Services, Correspondent represents and warrants that all data submitted to the AUS is accurate and that the last loan Casefile submission reflects the loan as it was closed, including but not limited to: occupancy type, income, assets, product type, amortization,

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loan term, property type, loan purpose, sales price and appraised value. In assigning the DU Underwriting Findings Casefile to Computershare Loan Services, Correspondent further represents and warrants that the loan data was obtained and utilized in compliance with all Applicable Laws and that credit received from a Consumer Reporting Agency as defined in the FCRA was obtained from a vendor with whom the Correspondent has a direct independent contractual relationship.

DELEGATED CORRESPONDENTS

In sponsoring the DU Underwriting Findings Casefile for Delegated Correspondents, Computershare Loan Services is not acting as a lender or creditor for the loan and the Correspondent remains solely responsible for credit decisions related to the loan.

REGISTRATION

Correspondents who are not Fannie Mae approved can register their Company for DO by taking the following steps:

- a. Go to <https://www.fanniemae.com/singlefamily/desktop-originator>
- b. Click DO Online Registration Tool for Brokers and follow the instructions provided on the screen

SPONSORSHIP REQUEST

Correspondents registered to use DO can request Computershare Loan Services as a sponsor by taking the following steps:

- a. Go to <https://www.fanniemae.com/singlefamily/desktop-originator>
- b. Click Add New Sponsoring Lender Relationships
- c. Locate **Computershare Loan Services** from the available Sponsoring Lenders
- d. Continue to follow instructions until the request is submitted

SPONSORSHIP APPROVAL

When the Sponsorship Request has been submitted in the Fannie Mae system, Correspondents should contact their Account Executive to request that Computershare Loan Services activate access to Computershare Loan Services in their lender selection drop down in DO. Computershare Loan Services generally activates sponsorships within two (2) business days of request in the Fannie Mae system.

Desktop Originator, Sponsor other than Computershare Loan Services

Notwithstanding the provisions Desktop Originator Sponsorship, in the event that Computershare Loan Services agrees to purchase a Loan from Seller where the Observations section of the DU Underwriting Findings shows a lender other than Computershare Loan Services as the submitting entity (Sponsoring Lender):

- a. Seller agrees, represents, and warrants that as of the Purchase Date the latest available DU Underwriting Findings report for the Loan has been delivered to Computershare Loan Services as part of the purchased Mortgage Loan File, and that the data in the DU Casefile for the Loan is true and correct as well as consistent with the latest DU Underwriting Findings report that was delivered
- b. Seller further agrees that in the event the Seller, its non-Computershare Loan Services Sponsoring Lender or others change, modify or delete the DU Casefile on or after the Purchase Date, Seller will, at

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the sole option of Computershare Loan Services, repurchase the Loan and/or provide Computershare Loan Services with an indemnification against any losses and/or the impairment of its rights in relation to third parties or the salability of the Loan, under the terms of the Guide

Credit Report and Credit Score Requirements

Unless specified differently in Product Profiles and/or accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines, a Residential Mortgage Credit Report (RMCR) or traditional Tri-Merged credit report is required for all Borrowers on all products and programs regardless of Agency guidelines.

Unless specified differently in Product Profiles and/or Non-Agency / Jumbo Mortgage Loan Program Eligibility and Underwriting Guidelines, all Borrowers must have at least one valid, traditional credit score.

Address Discrepancies

A notice of address discrepancy is a notice on a credit bureau report that is obtained by Correspondent from a consumer reporting agency which informs Correspondent of a substantial difference between the address of a consumer that Correspondent provided to request the consumer report and the address(es) in the agency's file for the consumer.

Upon receipt of a notice of address discrepancy Correspondent must follow procedures that are designed to enable Correspondent to form a reasonable belief that a consumer report relates to the consumer about whom it has requested the report. Documentation to support the investigation and resolution of the discrepancy is required in the closed loan package delivered to Computershare Loan Services.

Undisclosed Liabilities

Correspondents must ensure their underwriting standards recognize a variety of factors when evaluating a Borrower's ability to repay a Mortgage Loan, including (but not limited to) an assessment of the Borrower's debts and all liabilities that may affect the Borrower's ability to fulfill the mortgage payment obligation. All debts of the Borrower incurred or closed up to and concurrent with the closing of the subject mortgage must be disclosed on the final 1003 loan application and included in the qualification for the subject Mortgage Loan.

Furthermore, the Correspondent must review and evaluate the inquiries section of the Borrower's credit report to determine if the Borrower has received additional credit that is not reflected in the credit report or disclosed on the loan application. If additional credit was obtained, a verification of that debt must be provided, and the Borrower must be qualified with the monthly payment.

Borrower(s) must disclose all liabilities for accurate qualification and their ability to pay their current and future obligations. If Computershare Loan Services determines; during post-purchase review or audit; that any debts were not adequately disclosed on the application nor included in the debt-to-income ratio such that Mortgage Loan would not have met Computershare Loan Services' eligibility requirements, the Mortgage Loan may be subject to repurchase.

Correspondents must have adequate internal controls and processes in place to evaluate Borrower liabilities.

Refer to [Gap Report](#) section of this Guide, below, for additional information.

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Gap Report

Gap Reports (also known as LQI Reports, Undisclosed Debt Monitoring Reports or Credit Refresh Reports) are intended to identify any changes in a Borrower's credit report (excluding credit scores) between original credit report pull date and pre-funding.

In general, Gap Reports help mitigate the risk of closing Mortgage Loans with undisclosed debts/liabilities by identifying the following differences between the prior credit report and Gap Report:

- New inquiries
- New tradelines
- Recent utilization of existing bank cards and revolving accounts
- Other material changes to credit

For Agency Mortgage Loans, Computershare Loan Services requires that Correspondent Sellers obtain a Gap Report **within 7 business days of mortgage Note date; prior to closing/funding of the transaction.**

Non-Agency / Jumbo Mortgage Loan Programs may require a Gap Report. Refer to specific Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for additional guidance, as applicable.

At minimum, Correspondents are expected take the following action with new information obtained after original credit report is pulled, as applicable:

- Address new inquiries and/or public records
- Explain material discrepancies from the prior credit report
- Re-underwrite the Mortgage Loan if there are any new debts or liabilities; pursuant to Mortgage Loan Program guidelines

It is important to note that **a Gap Report is not a new credit report with credit scores.** If a new credit report, with credit scores, is obtained during the course of origination, the Mortgage Loan must be re-underwritten according to the new credit report; pursuant to Mortgage Loan Program guidelines.

It is not necessary to obtain a Gap Report for noncredit qualifying transactions, such as FHA Streamlines and VA IRRRLs.

Assets and Reserves Calculation Method

A full and detailed explanation/breakdown of how the lender calculated assets/reserves; including, but not limited to earnest money deposit, liquid assets, non-liquid assets, etc.; must be included in every Mortgage Loan File. The explanation/breakdown may be documented on *Uniform Underwriting and Transmittal Summary* form 1008 (or FHA/VA/USDA equivalent); applicable Agency forms; and/or separate worksheets used by the Correspondent Seller.

Regardless of the method used, the explanation/breakdown must be detailed, clearly documented and evidenced in the Mortgage Loan File. Furthermore, Correspondent Sellers are responsible for reviewing applicable guidelines and documentation to ensure assets are properly documented.

Income Calculation Method

A full and detailed explanation of how the lender calculated stable monthly qualifying income must be included in every Mortgage Loan File. The income calculation method may be defined on any of the following documents/forms:

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- *Uniform Underwriting Transmittal Summary* form 1008; or FHA, VA or USDA equivalent, as applicable
- Applicable Agency forms, including but not limited to:
 - [Fannie Mae](#) *Comparative Income Analysis* form 1088 for self-employed Borrowers
 - [Fannie Mae](#) *Cash Flow Analysis* form 1084 for self-employed Borrowers
 - [Fannie Mae](#) *Rental Income Worksheet* forms 1037, 1038 or 1039
 - [Freddie Mac](#) *Income Analysis* form 91 for self-employed Borrowers
 - [Freddie Mac](#) *Operating Income Statement* form 988 for 1-4 unit investment properties or 2-4 family owner occupied property
- Separate worksheets used by Correspondent Seller

Regardless of the method used, the explanation/breakdown must be detailed, clearly documented and evidenced in the Mortgage Loan File. Furthermore, Correspondent Sellers are responsible for reviewing applicable guidelines and documentation to assess whether income is reasonable and properly documented.

Churning Restrictions and Net Tangible Benefit

Mortgage Loans are not eligible for sale to Computershare Loan Services when there is evidence of “churning”. Churning is the practice of originating a refinance mortgage to a Borrower when the new Mortgage Loan does not have a reasonable, tangible net benefit to the Borrower.

All refinance transactions must provide a tangible net benefit to the Borrower(s) meeting the applicable property state regulatory requirements for testing, disclosing and/or documenting tangible net benefit to the Borrower. If a disclosure form is required it must be included in the Mortgage Loan File delivered to Computershare Loan Services.

Note: In property states such as Colorado with a tangible net benefit disclosure requirement for purchase transactions, those requirements must be met as well.

Identity of Interest and Non Arms-Length Transactions

Overview and Description

Mortgage Loans for transactions with identity of interest or non-arm’s length characteristics are **not** eligible for sale to Computershare Loan Services if they are secured **by second homes or investment properties**. Those characteristics include:

- Sales of properties between family members or business associates
- Sales of properties involving a business entity (partnership, LLC, corporation, etc.) and an individual who is an officer or principal in the business entity
- Sales of properties involving the builder/developer of the property and an employee or affiliate of the builder/developer
- Sales of properties where a Gift of equity is involved
- Additional Mortgage Loan Program specific requirements may apply. See the applicable Product Profile or Non-Agency Program Eligibility and Underwriting Guidelines for additional restrictions or requirements

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Note: Mortgage Loans made in conjunction with any transaction involving an assignment of the sales contract are ineligible for sale to Computershare Loan Services.

Requirements for Identity of Interest and Non-Arm's Length Transactions

- Bona fide owner occupied primary residence purchases only
- The property must not have sold within the 180 day period previous to the date of the purchase contract for the subject transaction
- A copy of the cancelled earnest money check must be in the Mortgage Loan File, along with paper trail for the source of funds
- The Mortgage Loan File must contain a payment history for all mortgages on the subject property (i.e. verification of the property seller's payment history). The Mortgage Loan(s) must be current and show no 60 day delinquencies over the previous 12 months
- HUD-1 or Closing Disclosure for subject transaction must show no large atypical disbursements for non-lien items. See the [HUD-1 or Closing Disclosure Review](#) section of this Guide
- The purchase contract must be reviewed for irregular terms or concessions
- Borrower must provide a written explanation of his/her relationship to the property seller and a rationale for the property purchase that convinces Correspondent that Borrower will occupy the property as a primary residence and is acceptable to Computershare Loan Services

Additional Mortgage Loan Program specific requirements may apply. Identity of Interest and Non Arms-Length Transactions may be prohibited and ineligible for certain Mortgage Loan Programs. See the applicable Product Profile.

Exclusionary Lists – Ineligible Parties to the Mortgage Loan

For all Loans in all programs, Correspondents must follow Agency guidance in screening parties involved in the origination of the Mortgage Loan. If a party on any exclusionary List played a role in the origination through close of a Mortgage Loan or the underlying real estate transaction, the Mortgage is not eligible for sale to Computershare Loan Services, irrespective of the reason for the name appearing on the list:

1. GSA EPLS / SAM
 - a. Available through GSA's System for Award Management (SAM) website; www.sam.gov. The review of GSA EPL must include a search for actions taken across all federal agencies
2. FHA/HUD Limited Denial Participation (LDP) List
 - a. Available through HUD's website; https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp
3. Freddie Mac Exclusionary List
 - a. Electronically available to Seller/Service providers through the Selling System, the Service Loans application, Loan Product AdvisorSM the Learning Center and MultiSuite
4. FHFA Suspended Counterparty Program (SCP) available on the FHFA website; <http://www.fhfa.gov/SupervisionRegulation/LegalDocuments/Pages/SuspendedCounterpartyProgram.aspx>

Prohibited roles include, without limitation:

- Mortgagors (Borrowers)
- Trustees on the deed

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- Builders, developers
- Property sellers
- Originators
- Processors
- Underwriters
- Mortgage Brokers
- Third party originators
- Mortgage Service Providers
- Appraisal Companies, Appraisers, title insurers, real estate brokers and agents, and closing or settlement agents

Refer also to Appraisal and Property Requirements, Ineligible Appraisers and Correspondent Seller Eligibility,]Exclusionary Lists.

Complete Mortgage Loan Application Including HMDA Data

Mortgage Loan applications must be complete, including at least a full two-year history of employment and residency and all personal information for each Borrower (Social Security number, date of birth, address, and education). All government monitoring questions must be marked indicating the method of taking the application: face-to-face, by telephone, or by mail and the government monitoring Section must be complete, as required by the Home Mortgage Disclosure Act (HMDA). The interviewer's name, employer and required NMLS ID information must be completed. Final Mortgage Loan applications must be signed and dated by the Borrower(s).

The final 1003 Loan Application form must meet the requirements above, including the Borrower's complete and accurate financial information relied upon by the underwriter. The final 1003 application must be signed and dated by all Borrowers and provide the required NMLS identification numbers. The Mortgage Loan Originator must sign the final 1003 if required by any Applicable Law, Agency or regulatory requirements. Any new debt incurred must be disclosed on the final application and reflected in the final 1008 and underwriting findings. See NMLS Licensing Requirements, for additional 1003 signing requirements.

Correspondent agrees to use best efforts to cooperate with Computershare Loan Services by providing all data elements required for HMDA reporting, upon request, as such data elements are defined or revised by the CFPB, FFIEC or applicable government agency, even if such elements are not part of the original Mortgage Loan File submission.

Subordinate Financing

Mortgage Loan transactions where there is a new or re-subordinating secondary liens must include a copy of the Note from the second lien in the Mortgage Loan File. Consistency between the Note and the lien on title must be verified. All of the following must be consistent between the Note and the title:

- Instrument number
- Document number
- Original Mortgage Loan Amount
- Modified Mortgage Loan amount

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- Lender Name

The subordinate financing must be recorded and clearly subordinate to the Correspondent's new first mortgage, and meet applicable Agency or program guidelines. Note that for Home Equity Line of Credit re-subordinating seconds, the Note is typically the HELOC Agreement.

For all Mortgage Loans where an existing second lien is subordinating to the new first (resubordination), Computershare Loan Services requires a copy of any subordination agreement obtained (some states have laws that provide subordination agreement alternatives that protect the first lien position of the new lender irrespective of whether or not the existing second lien holder agrees to subordinate). In all cases, the title policy must ensure that the new first is clearly insured in first lien position.

Texas 50(a)(6) transactions require a subordination agreement in all cases. In the state of Texas, in lieu of obtaining a subordination agreement, a recorded Renewal and Extension exhibit may be recorded on non-(a)(6) transactions, when allowed by Applicable Law.

See the applicable Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for secondary financing and CLTV requirements and restrictions.

Down Payment Assistance Programs

Down payment assistance programs (DAP) must be from a government entity only and must otherwise meet the guidelines of the applicable Agency for the program the Mortgage Loan is submitted under as well as the applicable Product Profile. For Computershare Loan Services Non-Agency / Jumbo Mortgage Loan Programs, DAPs are not allowed unless expressly indicated as eligible in the applicable Product Profile and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines.

General Borrower Eligibility

Unless specified differently in Product Profiles or accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines, Computershare Loan Services only purchases Mortgage Loans made to natural persons and eligible Trusts. Other than eligible Trusts, no Borrower on the Note or party with a security interest on the Deed may be:

- Limited Liability Company (LLC)
- Partnership or other business entity that is not a natural person
- Real estate syndications
- Deceased at the time the Mortgage Loan is purchased by Computershare Loan Services
- Foreign nationals – other than foreign nationals from Canada and Mexico working under the terms of NAFTA and non-permanent resident aliens that meet criteria listed under [Citizenship, Residency and Immigration Status](#) section of this Guide
- Non-permanent resident aliens as non-occupying Co-Borrowers
- Non-U.S. citizens with no lawful residency in the U.S.
- "Foreign politically exposed" or have temporary protected status or have diplomatic immunity

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Employee Loans

Loans made to the Owner or employee of Correspondent, Correspondent's affiliate, subsidiary or its third-party originator are eligible for sale to Computershare Loan Services providing that the employee is not a member of the Correspondent's loan production staff. Mortgage loan production staff is defined as all personnel responsible for generating loan volume or approving loans, as well as their subordinates and supervisors. These individual would include any employee whose compensation is based on loan volume (such as processing or approving of loans). An employee is not considered loan production staff just because part of their income includes a general bonus or profit sharing plan that benefits all employees. Employees responsible solely for credit administration or credit risk management are not considered loan production staff.

Also refer to [Trusts](#) section of this Guide. Additional Mortgage Loan Program specific requirements may apply (for example VA, USDA). Refer to the applicable Product Profiles.

Borrowers must be of legal age to sign the note. Mortgages made to Borrowers who are lawful permanent and non-permanent residents of the United States fall under the same terms that are available to U.S. citizens. Mortgages to permanent and non-permanent resident alien Borrowers must satisfy the basic eligibility criteria and underwriting guidelines with respect to income stability and continuance, credit history, and cash reserves. Also refer to [Citizenship, Residency and Immigration Status](#) section of this Guide for additional requirements.

For all Borrower eligibility requirements, refer to respective Product Profiles and respective Agency Guidelines for additional details applicable to particular Mortgage Loan Programs. Refer to Non-Agency / Jumbo Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for specific details regarding Non-Agency / Jumbo Mortgage Loan Programs.

Citizenship, Residency and Immigration Status

This new section of the Guide specifies Computershare Loan Services' requirements for each Borrower's citizenship, residency and immigration status; including documentation necessary for lawful proof of residency.

Note: Changes in this Guide section are not specified in red font.

Borrowers must be U.S. citizens or must document their non U.S citizen status as stated in this [Citizenship, Residency and Immigration Status](#) section of the Guide.

Unless specified differently in Product Profiles or Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines, Computershare Loan Services will only purchase Mortgage Loans made to non U.S. citizens who are lawful permanent or non-permanent residents of the U.S. under the same terms, mortgage product, transaction type, occupancy status and Loan-to-value ratios that are available to U.S. citizens.

Permanent Resident Alien

Individuals granted permanent residence status in the U.S. also includes refugees and others seeking political asylum. Unless specified differently in Product Profiles or Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines, permanent resident alien status must be documented with documentation commonly

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referred to as a “green card.” Permanent resident aliens must provide any of the following documents to validate acceptable status:

- Permanent Resident Card (USCIC form I-551)
 - May be issued as a conditional right to reside for individuals seeking residency through marriage to a U.S. citizen/permanent resident alien or based on a financial investment in a U.S. business
 - These cards have an expiration date and are valid for two years
 - At the end of two years the individual must apply for an unconditional right to reside or risk losing their permanent resident status
 - Cards due to expire within 90 days must be accompanied by a copy of the USCIS form I-751 (Petition to Remove Conditions on Residence) or USCIS form I-829 (Petition by Entrepreneur to Remove Conditions) filing receipt
 - Cards may be issued without conditions and are valid for 10 years
 - Cards that are due to expire within six months must be accompanied with a copy of the USCIS form I-90 (Application to Replace Permanent Resident Card) filing receipt
- Unexpired Foreign Passport
 - Must contain an unexpired stamp reading “Processed for I-551 Temporary Evidence of Lawful Admission for Permanent Residence. Valid until mm-dd-yy”

Non-Permanent Resident Alien

Non-permanent resident aliens are non-U.S. citizens who are permitted to reside in the U.S. on a temporary basis and may have been granted authorization to work in the U.S. by the U.S. Citizenship & Immigration Services (USCIS).

Unless specified differently in Product Profiles or Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines, a non-permanent resident alien must have a valid social security number and evidence they are a lawful non-permanent resident of the U.S. with one of the following:

- An acceptable visa classification (see [Acceptable Visa Classifications](#) section below), or
- An acceptable expired visa along with I-797A with detachable I-94 (see [Borrowers Applying for Permanent Resident Alien Status](#) section of this Guide), or
- Employment Authorization Document (EAD) card

ACCEPTABLE VISA CLASSIFICATIONS

Unless specified differently in applicable Product Profiles; Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines; or [Fannie Mae and Freddie Mac Non-Permanent Resident Alien Requirements](#) section of this Guide; or [FHA Non-Permanent Resident Alien Requirements](#) section of this Guide; or [VA Non-Permanent Resident Alien Requirements](#) section of this Guide; or [Non-Agency / Jumbo Non-Permanent Resident Alien Requirements](#) section of this Guide; or [Borrowers Applying for Permanent Resident Alien Status](#) section of this Guide; ***acceptable visa classifications include the following:***

- **E Series (E-1, E-2, E-3) Treaty/Trader Investor**
 - Applies to nationals of countries with which the U.S. has a treaty concerning commerce and navigation who are coming to the U.S. to carry out “substantial” trade, between the U.S. and the treaty country, or to direct operations of an enterprise in which the national has invested.

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- If the applicant is not the principal investor, he or she must be employed in a supervisory, executive, or highly specialized skill capacity
- **G Series (G1, G2, G3, G4 only) International Organization**
 - Applies to employees of international organizations that are located in the U.S. Some examples include the United Nations, Red Cross, World Bank, UNICEF and the International Monetary Fund
 - Because of the inability to compel payment or seek judgment, transactions with *individuals who are not subject to U.S. jurisdiction are not eligible*. This includes embassy personnel with diplomatic immunity
 - Verification the Borrower does not have diplomatic immunity can be determined by reviewing the visa, passport or the U.S. Department of State's Diplomatic List at www.state.gov/s/cpr/rls/. The transmittal summary (1008) requires a comment indicating that the Borrower's visa status does not require the payment of taxes and therefore tax transcripts are not available
- **H Series (H1-B, H1-C, H-2, H-3, H-4) Temporary Worker**
 - Applies to persons in specialized knowledge along with at least a bachelor's degree or its equivalent, and their immediate family members. For example, architecture, engineering, development projects administered by the Department of Defense, mathematics, physical sciences, social sciences, medicine and health, education, business specialties, accounting, law, theology, and the arts
- **L Series (L-1A, L-1B, L-2) Intra-Company Transferee**
 - L-1A and L-1B applies to professional employees who have been employed continuously for 1 year by a non-U.S. firm or corporation who are temporarily transferred to an office, branch, or subsidiary of that company in the U.S.
 - The L-2 applies to the spouse and children of the L-1 nonimmigrant
- **NATO Series (NATO 1-6)**
 - Applies to representatives, officials, and experts coming to the U.S. under applicable provisions of the NATO Treaty and their immediate family members
- **O Series (O-1)**
 - Applies to an individual with extraordinary ability in sciences, arts, education, business or athletics
- **TN-1, Canadian NAFTA Visa**
 - Used by Canadian citizens for professional or business purposes
 - Visa or EAD card is not required as long as the Borrower(s) has an unexpired passport that is stamped with the H1B status
- **TN-2, Mexican NAFTA Visa**
 - Used by Mexican citizens for professional or business purposes
 - Visa or EAD card is not required as long as the Borrower(s) has an unexpired passport that is stamped with the H1B status
- **I-797 Notice of Action/Approval**
 - The document must refer to an acceptable visa classification as indicated above and have valid dates

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See the following sections of this Guide for additional requirements or restrictions: [Fannie Mae and Freddie Mac Non-Permanent Resident Alien Requirements](#), [FHA Non-Permanent Resident Alien Requirements](#), [VA Non-Permanent Resident Alien Requirements](#), or [Non-Agency / Jumbo Non-Permanent Resident Alien Requirements](#) or [Borrowers Applying for Permanent Resident Alien Status](#).

FANNIE MAE AND FREDDIE MAC NON-PERMANENT RESIDENT ALIEN REQUIREMENTS

The following guidelines apply to all Fannie Mae and Freddie Mac products that allow a non-permanent resident alien as an eligible Borrower per the applicable Product Profile:

- For non-permanent resident aliens who have an unexpired visa, if the visa will expire within six (6) months of loan application and the Borrower has not changed employers, a copy of the employer's letter of sponsorship for visa renewal must be provided. If the Borrower is or has changed employers at or after loan application, a valid EAD must be obtained

Note: Initial EADs are valid for one (1) or two (2) years while the Application for Adjustment of Status (green card) is pending. For EADs expiring within 90 days after the date of Mortgage Loan closing, documentation must be obtained that the Borrower has applied for a renewal of their EAD.

- An I-797 Notice of Action/Notice of Approval with valid dates may be used as sufficient evidence of lawful U.S. residency. This document must reference an acceptable visa classification and indicate an expiration date no earlier than twelve (12) months after Mortgage Loan closing (Note date)
- If the employer on the I-797 Notice of Action/Notice of Approval is different than the employer listed on the loan application, the I-797 is no longer valid
- If either the visa or the I-797 Notice will expire outside the Computershare Loan Services guidelines (visa within six (6) months after loan application, I-797 within twelve (12) months after Mortgage Loan closing), it is acceptable to obtain a letter from the employer documenting the Borrower's continued employment and continued visa renewal sponsorship (employer on the loan application must be the same as on the unexpired visa)
- If a non-permanent resident alien is borrowing with a U.S. citizen, it does NOT eliminate or reduce any visa or other non-permanent resident alien documentation requirements.
- Because of the inability to compel payment or seek judgment, transactions with individuals who are not subject to U.S. jurisdiction are not eligible. This includes embassy personnel with diplomatic immunity. Verification the Borrower does not have diplomatic immunity can be determined by reviewing the visa, passport or the U.S. Department of State's Diplomatic List at www.state.gov/s/cpr/rls/. The transmittal summary (1008) requires a comment indicating that the Borrower's visa status does not require the payment of taxes and therefore tax transcripts are not available
- All Borrowers are subject to the Bank Secrecy Act (BSA), the USA PATRIOT Act, the Customer Identification Program (CIP), the Office of Foreign Assets Control (OFAC) and other applicable legal or regulatory requirements

FHA NON-PERMANENT RESIDENT ALIEN REQUIREMENTS

The following guidelines apply to FHA products that allow a non-permanent resident alien as an eligible Borrower per the applicable Product Profile. A Borrower who is a non-permanent resident alien may be eligible for FHA-insured financing provided the following requirements are met:

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- The property will be the Borrower's primary residence
- The Borrower has a valid Social Security Number
 - Although Social Security cards may indicate work status such as "Not Valid for Work Purposes," an individual's work status may change without the change being reflected on the actual Social Security card
 - The Social Security card is not to be used as evidence of work status for non-permanent resident aliens, the USCIS employment authorization is to be used instead
- The Borrower is eligible to work in the United States, as evidenced by the EAD issued by the USCIS;
- The Borrower satisfies the same requirements, terms and conditions as those for U.S. citizens
- Verification is obtained that the Borrower does not have diplomatic immunity. This can be determined by reviewing the visa, passport or the U.S. Department of State's Diplomatic List at <http://www.state.gov/s/cpr/rls/>

The EAD is required to substantiate work status. If the EAD will expire within one year and a prior history of residency status renewals exists, the Mortgagee may assume that continuation will be granted. If there are no prior renewals, the Mortgagee must determine the likelihood of renewal based on information from the USCIS.

A Borrower residing in the U.S. by virtue of refugee or asylee status granted by the USCIS is automatically eligible to work in this country. The EAD is not required, but documentation substantiating the refugee or asylee status must be obtained.

VA NON-PERMANENT RESIDENT ALIEN REQUIREMENTS

The following guidelines apply to VA products per applicable Product Profiles:

- Non-permanent resident alien spouses may be on a Mortgage Loan with an eligible veteran Borrower
- Although VA has no specific guidelines for a non-permanent resident alien, Computershare Loan Services will require the non-permanent resident alien Co-Borrower to meet the following criteria:
 - Occupies the subject property as a primary residence;
 - Has a valid Social Security Number; and
 - Is eligible to work in the United States as evidenced by an EAD

Notes:

- Co-Borrowers who have an unexpired visa are still required to meet the requirement for an EAD, even if the USCIS guidelines do not require it
- EADs are issued for one (1) or two (2) years and can be renewed
- If the EAD will expire within one (1) year from the date of closing and a prior history of EAD renewals exists, the lender may assume that continuation will be granted
- If there are no prior renewals, the underwriter must determine the likelihood of renewal, based on information from the USCIS (i.e., Co-Borrower has applied for EAD renewal or has applied for permanent resident status (I-485 Adjustment of Status))
- Although Social Security cards may indicate work status such as "Not Valid for Work Purposes," an individual's work status may change without the change being reflected on the actual Social Security card

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- The Social Security card is not to be used as evidence of work status for non-permanent resident aliens, the USCIS employment authorization is to be used instead

NON-AGENCY / JUMBO NON-PERMANENT RESIDENT ALIEN REQUIREMENTS

Refer to applicable Product Profile and/or applicable Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for eligibility and requirements.

BORROWERS APPLYING FOR PERMANENT RESIDENT ALIEN STATUS

Borrowers in the process of changing their residency status from non-permanent resident alien to permanent resident alien are eligible. The following must be included in the Mortgage Loan File:

- I-797A showing "approved,"
- Letter from employer verifying employment,
- An unexpired EAD,

Note: Initial EADs are valid for one (1) or two (2) years while the Application for Adjustment of Status (green card) is pending. A valid EAD is one that will not expire within 90 days after the date of Mortgage Loan closing. For EADs expiring within 90 days after the date of Mortgage Loan closing, documentation must be obtained that the Borrower has applied for a renewal of their EAD.

- Non-permanent resident alien visa requirements do not apply

Borrower Identity Verification

The person's identity must be confirmed for each Borrower whose credit is used for Mortgage Loan qualification. The Correspondent, as well as the closing agent, Notary Public or signing attorney, must provide evidence that the identity has been confirmed for each Borrower.

The following documents may be used by the closing agent to certify the Borrower's identity:

- U.S. Person
 - Valid state driver's license (photo)
 - Valid state non-driver's license (photo)
 - Work ID (photo)
 - Student photo ID
 - Military photo
 - Military dependents' photo ID
 - Department of Public Welfare photo ID
 - Medicare card
 - U.S. Passport or passport card (photo)
- Non-U.S. Person
 - Non-U.S. passport (photo)
 - Resident alien card (see [Citizenship, Residency and Immigration Status](#) section of this Guide for additional requirements)

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Tax Identification

Tax identification for the Borrower must be certified as required by law and a Form W-9 delivered with the Mortgage Loan File for each Borrower. Correspondent has complied with all IRS requirements regarding the obtainment and solicitation of taxpayer identification numbers and the taxpayer identification numbers submitted to Computershare Loan Services are correct.

Social Security Number Validation

Evidence of a valid Social Security number is required for all Borrowers. Social Security number discrepancies must be conclusively resolved and in addition meet applicable Agency guidelines and standards.

Tax Return Transcripts

Unless stipulated differently in applicable Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines, Computershare Loan Services requires IRS tax transcripts that correspond to any income used to qualify the Borrower(s); to the extent such transcripts are available from the IRS. Correspondent must obtain:

- A transcript for each tax year covered by the income documentation used to qualify the Borrower(s). If tax transcripts for the most recent 1040 or W-2 are not available (due to recent filing), the Mortgage Loan File must contain a copy of an IRS or vendor document showing that no transcript is available.
- The transcript type corresponding to the IRS Form type used to document each Borrower's income or losses

Any information obtained through a transcript that is more comprehensive than the tax forms in the Mortgage Loan File (i.e., information on a 1040 transcript, where only a W-2 was required by the program guidelines and used to underwrite the Mortgage Loan) must be accounted for when underwriting the Borrower that time.

Refer to applicable Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for additional requirements, allowances, exceptions and/or restrictions.

IRS Rejection of Tax Transcripts

Computershare Loan Services is aware of an increase in the IRS rejection rate of tax transcript requests due to suspected identity theft, unauthorized access, or other concerns. In such cases, the IRS's Income Verification Express Service (IVES) issues Reject Code "10" or "Limitations" as the rejection reason for the request. Unless it is specified otherwise in Product Profiles; in the event that Reject Code "10" or "Limitations" is issued, Correspondent Sellers have the following two options to satisfy Computershare Loan Services' tax transcript requirements:

Option 1: Computershare Loan Services will accept IRS transcripts provided directly to the taxpayer/Borrower, from the IRS, on the IRS Tax Transcript form. Taxpayer/Borrower may be able to obtain transcripts by calling IRS Identity Protection Specialized Unit at (800) 908-4490 or by visiting <http://www.irs.gov/Individuals/Get-Transcript>.

If this option is utilized, **all of the following** is required:

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- Evidence that the IRS has rejected the 4506-T with Rejection Code "10" or "Limitation"
 - Note: Rejection reasons of "No Record Found" or "Data Mismatch" or any other messages are not connected with identity theft concerns and are not acceptable
- Documentation proving that transcripts were obtained by the taxpayer/Borrower directly from the IRS
- Tax transcripts must match the tax returns

OR

Option 2: While tax transcripts remain a requirement on all credit-qualifying products, we also acknowledge that when tax transcripts are not available, there are additional ways to assess the credibility of the income documentation.

Computershare Loan Services will consider these instances and will not require an exception as long as **all of the following** documentation is included in the file:

- Evidence that the IRS has rejected the 4506-T with Rejection Code "10" or "Limitation"
 - Note: Rejection reasons of "No Record Found" or "Data Mismatch" or any other messages are not connected with identity theft concerns and are not acceptable
- Bank statement or copy of check to evidence that the tax payment had been made or the refund has been received for each tax year and must match the amount on the 1040
 - If no payment or refund is indicated on the 1040, provide a copy of the most recent two years tax returns, stamped by the IRS. The earning trends must be stable or increasing with consistency
- Signed 4506-T for each tax year

In addition to providing the above, Computershare Loan Services recommends using discretion when assessing income credibility. This could include items such as the prior year tax transcripts, police report, institutional written VOEs, bank statements supporting payroll deposits or any other documentation deemed supportive, based upon the specific situation.

Note: IRS may also reject tax transcript requests if IRS form 4506T is submitted with missing/incorrect data. It is important to ensure that transcripts were requested properly.

Refer to **Product Profiles**, located under [Seller Guides and Product Profiles](#) tab of [Correspondent Lending](#) website, for additional information; if applicable.

Amended Tax Returns

Amended tax returns must have been filed at least sixty (60) days prior to the earlier of the date of the Mortgage Loan application or the property purchase contract date, if applicable, unless the changes made are non-material to the amount of income claimed and qualification for the Mortgage Loan. Correspondents should obtain evidence to support any extensions filed, including cancelled checks or other payment receipts, where applicable.

Refer to applicable Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for additional requirements, allowances and/or restrictions.

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Loans for which Income Documentation is Not Required

Mortgage Loans and/or Borrowers that do not require income documentation under the applicable Mortgage Loan Program do not require IRS tax transcripts.

Refer to applicable Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for additional requirements, allowances and/or restrictions.

Maximum Borrowers per Mortgage Loan

No more than four (4) Borrowers are allowed on any Mortgage Loan transaction.

Third Party Asset Verifications

Asset verifications obtained from a third-party verification vendor are acceptable for Conforming Agency loans if the respective Agency has announced that such verifications are acceptable. For Computershare Loan Services' Non-Agency / Jumbo Mortgage Loan Programs, refer to Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines.

Third party asset verifications are acceptable subject to the following (and any other Agency requirements that might apply):

- Borrower must provide authorization for the Correspondent to use the third-party vendor for purposes of asset verification
- Complete copy of the verification document must be included in the delivered Mortgage Loan File
- Asset verification information must be requested directly from the third-party verification vendor, and the complete and dated document must be received directly by the Correspondent
- Verification must include information consistent with the information that would be provided on a standard Verification of Deposit (e.g. Form 1006) or bank statement
- Computershare Loan Services may require the Correspondent to supplement third-party asset verifications by obtaining any missing information from the Borrower or the depository institution
- Verification must otherwise meet all applicable Agency and Computershare Loan Services requirements
- Correspondents are responsible for the accuracy and integrity of the information provided on the third-party verifications

Geography; Eligible Property States and State Restrictions

Eligible Property States

Computershare Loan Services purchases Mortgage Loans secured by properties in 50 states and the District of Columbia with the following additional restrictions noted below.

Computershare Loan Services does **not purchase** Mortgage Loans in U. S. territories, possessions or protectorates; including but not limited to American Samoa, Guam, Northern Mariana Islands, Puerto Rico or U.S. Virgin Islands.

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State Restrictions

In addition to the following state specific restrictions, refer the applicable Product Profile and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for additional state restrictions applicable to particular Mortgage Loan Programs.

ILLINOIS

Illinois Land Trust vestings are not eligible for sale to Computershare Loan Services.

Property State Licensing

In order for a Mortgage Loan to be eligible for purchase by Computershare Loan Services, it must be secured by property in a state where the Correspondent is licensed to originate Mortgage Loans, and in which the Correspondent is approved by Computershare Loan Services to sell Mortgage Loans to Computershare Loan Services, and in which Computershare Loan Services is actively purchasing Mortgage Loans.

In order for a Mortgage Loan to be eligible for purchase by Computershare Loan Services the following entities must be properly licensed and in good standing in that property State:

- Correspondent
- Correspondent or Originator Branch
- Mortgage Loan Originator

Property Eligibility (revised 2/8/22)

Ineligible Property Types

Unless specifically stated in Product Profiles as an eligible property type, the following property types are not eligible for sale to Computershare Loan Services:

- Assisted Living or Board Care Facilities
- Bed and Breakfast
- Community Land Trust
- Community Living Group Homes or Boarding Houses
- Commercial Enterprises
- Condotels
- Cooperative properties
- Condo/Co-Op Projects in need of "Critical Repairs" or "Material Deficiencies" as defined in the FHLMC Bulletin #2021-38 or Condo/Co-Op projects with "significant deferred maintenance or projects that have received a directive from a regulatory authority or inspection agency to make repairs due to unsafe condition" as defined by FNMA in Lender Letter 2021-14.
- Condition rating of C5 or higher and/or a quality rating of Q6
- Geodesic Dome Homes
- Geothermal Homes
- Hawaii properties in lava flow hazard zones 1 and 2, as determined by U.S. Geological Survey
- Houseboats
- Hotel Condominiums
- Working and/or Income producing Farms, Ranches or Timber use properties

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- Land Trusts, including Illinois Land Trusts
- Leasehold Estates
- Live-work entities
- Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where Borrower has a leasehold interest in same
- Mixed use properties
- Non-Fannie Mae/Freddie Mac eligible condominiums
- Property currently in litigation (for condominiums, refer to [Condominium Litigation](#) section of this Guide for allowances and restrictions)
- Property located in an area that is deemed an environmental risk
- Property with previous Sink Hole; as noted on contract, prelim (recorded permit and/or remediation), sellers disclosures etc.
- Timeshares
- Unimproved Land
- Unique property in which the marketability cannot be established (i.e., dome, geothermal)

Refer to respective Product Profiles and respective Conforming Agency, Government Agency, or Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for additional details applicable to particular Mortgage Loan Programs.

Refer to Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines regarding eligibility of the following property types:

- Manufactured Homes
- Modular Homes

Property Condition Requirements

Properties with ratings of C5, C6 or Q6 are not allowed unless the issues that caused these ratings are cured prior to Loan delivery and acceptable documentation is provided by the appraiser.

Condominium Eligibility Requirements

Delegated Authority

For Fannie Mae and Freddie Mac Mortgage Loans, Delegated Correspondents only have the authority to conduct "Limited Reviews" (as defined by Fannie Mae Selling Guide) and "Streamlined Reviews" (as defined by Freddie Mac Single Family Seller Guide) for Condominium Projects.

Correspondents must obtain specific approval from Computershare Loan Services to be eligible to issue Condominium Project approvals that require "Full Reviews" (as defined by Fannie Mae Selling Guide and Freddie Mac Single Family Seller Guide), project reviews for new condominium projects, or other types of project approvals.

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Eligibility Requirements

To be eligible for purchase by Computershare Loan Services, Conforming Agency Mortgage Loans secured by new or existing condominiums must adhere to:

- Fannie Mae published condominium project guidelines when DU is used to determine eligibility, or
- Freddie Mac published condominium project guidelines when LP is used to determine eligibility
- Requirements of the applicable Product Profile

Mortgage Loans secured by condominiums in Government Mortgage Loan Programs must adhere to that Agency's condominium guidelines and eligibility standards as set forth in the Agency guidelines and applicable Product Profiles.

For Computershare Loan Services Non-Agency / Jumbo Mortgage Loan Programs, see the applicable Product Profile and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for condominium requirements.

Acceptable Condominium Project Reviews

See the applicable Product Profile for eligible condominium project review types.

Fannie Mae condominium reviews utilized for any applicable product or program must have been completed within 180 days of Note date or the requirements set forth in Fannie Mae Selling Guide section General Information on Project Standards, Expiration for Project Review as amended.

Condominium Project Exposure Limits for Computershare Loan Services

For all Mortgage Loans secured by properties located within a Condominium project:

- Computershare Loan Services Single Borrower Exposure
 - Computershare Loan Services limits the number of units serviced by Computershare Loan Services for any single Borrower to the greater of one (1) unit or 10% of the units in a project
- Agency Loan Ownership Concentration Limits
 - No single entity (individual, investor group, partnership or corporation) may have ownership exceeding that Agency's ownership concentration limit within the project, if the Agency has established such a limit
- Non-Agency / Jumbo Loan Ownership Concentration Limits
 - Refer to the applicable Product Profile for single entity ownership concentration limits

Condominium Litigation

Projects where the homeowners' association is named as a party to pending litigation, arbitration, or mediation (for the purposes of this Guide section, "litigation"), or any project that has not been turned over to the homeowners' association for which the project sponsor or developer is named as party to pending litigation that relates to the safety, structural soundness, habitability, or functional use of the project are not eligible.

If allowed by the applicable Agency, then projects with pending litigation may be considered eligible if the litigation involves minor matters, defined as:

- Non-monetary litigation involving neighbor disputes or rights of quiet enjoyment

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- Litigation for which the claimed amount is known, the insurance carrier has agreed to provide the defense, and the amount is covered by the homeowners' association's insurance
- Homeowners' association is named as the plaintiff in a foreclosure action, or as a plaintiff in an action for past due homeowners' association dues

For Computershare Loan Services Non-Agency / Jumbo Mortgage Loan Programs, refer to applicable Product Profiles and accompanying Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for allowances and/or restrictions.

Condominium Title, Hazard and Flood Insurance Requirements

Refer to [Title Insurance Requirements](#), [Hazard Insurance](#), [Flood Insurance](#), and other applicable sections in this Guide. Also refer to the applicable Agency guidelines for Agency loan title, hazard and flood insurance requirements for Mortgage Loans secured by condominiums. For Computershare Loan Services Non-Agency / Jumbo Mortgage Loan Programs, refer to applicable Product Profile or Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines.

Ineligible Condominium Projects

Condominium projects must meet the applicable Agency requirements as well as the requirements of the respective Product Profile. For Computershare Loan Services Non-Agency / Jumbo Mortgage Loan Programs follow guidance in respective Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines. The following are not acceptable to Computershare Loan Services for any Mortgage Loan Program or product:

- Agency non-eligible (non-warrantable) condo projects
- Manufactured homes
- Multi-dwelling unit condos
- Condotels, Hotel Condos, conversions from hotels or motels, condo projects that permit or offer the rental of units for terms of 30 days or less, projects that share facilities with a hotel or motel, project has services typically provided in a hotel or motel such as maid service, management desk, bellman, etc.
- Commercial or business use exceeds the percentage of total square footage of buildings in project allowed by the applicable Agency. If the Agency is silent, follow Fannie Mae (25%)
- Condo projects that restrict owner's ability to occupy the unit
- New condo projects where seller concessions are being offered in excess of the applicable Agency eligibility policies and/or concessions are not disclosed on the HUD-1 or Closing Disclosure
- Condo projects with unacceptable litigation, arbitration or mediation as defined in [Condominium Litigation](#) section of this Guide
- Condominium projects that do not meet the requirements in Condominium Exposure Limits for Computershare Loan Services

See the applicable Product Profile for additional property type eligibility requirements applicable to particular Mortgage Loan Programs.

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Condominium and PUD Warranty

All Mortgage Loans with condominium and PUD projects must be warranted to Computershare Loan Services and must have the completed warranty form included in the file.

Condominium and PUD Warranty form is available under Forms, Tools and Job Aids tab of Correspondent Lending website.

Higher Priced Mortgage Loans

Computershare Loan Services will purchase certain Higher Priced Mortgage Loans (HPML) as defined in the 2008 REG Z Amendments, as designated in the Product Profiles. Refer to Product Profiles to determine whether eligibility of HPMLs.

HPML Eligibility Requirements

Correspondents must ensure the Mortgage Loan complies with all state and federal laws, including Regulation Z and Home Mortgage Disclosure Act (HMDA) amendments, as well as underwriting and consumer protection requirements. Additional requirements are as follows:

- Submission of the rate spread (difference) as required by Regulation Z, HMDA, and any other local or state statutes. This may be evidenced by a providing a screenshot of the results from the Federal Financial Institutions Examination Council's [FFIEC Rate Spread Calculator](#) or results from Mavent, ComplianceEase or similar compliance testing software for the rate spread,
- The Mortgage Loan must be a Qualified Mortgage
- An escrow account must be established for taxes and insurance premiums (including flood insurance) on any transaction secured by a principal residence
 - Escrow account must be established for a minimum of 60 months
 - Note: For condominium Mortgage Loans, if the Homeowners' Association (HOA) maintains a master policy insuring the unit (meeting Computershare Loan Services requirements), only the tax portion is required to be escrowed
- A full internal/external appraisal is required
- A second appraisal is required if the property was:
 - Acquired by the seller 90 or fewer days prior to the consumer's agreement to purchase the property and price has increased by more than 10%
 - Acquired by the seller between 91 and 180 prior to the consumer's agreement to purchase the property, and price has increased by more than 20%
- No waiver of appraisal waiting periods prior to closing is permitted
- Prepayment Penalty is not permitted (Note that Computershare Loan Services does not purchase Mortgage Loans with Prepayment Penalties regardless of HPML status)
- Loan must receive DU Approve/Eligible or LP Accept/Eligible result
- Borrower must meet minimum Residual Income requirements that mirror VA requirements
- PITI reserves as required by product guideline and/or AUS findings
- Follow Agency requirements for qualification of ARMs
- Post Purchase, Final (Trailing) Documentation and Servicing

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Overview

Purchased Mortgage Loans move from the Computershare Loan Services Operations team to the Computershare Loan Services Post-Closing Department and the Computershare Loan Services Servicing Department.

Once a Mortgage Loan has been purchased, the Post Closing Department is the Correspondent's point-of-contact for all activities related to purchase settlement, settlement adjustments, final documents and other post-purchase activities.

Computershare Loan Services Loan Servicing is the Correspondent's contact for all Correspondent activities related to servicing transfers, escrow accounts and other servicing related activities.

Computershare Loan Services Loan Servicing is the Borrower's contact for activities related to payment and servicing of the Borrower's Mortgage Loan. Loan Servicing's contact information is furnished under [Transfer of Servicing Borrower Notification Requirements – Goodbye Letter](#) section below.

Key contacts for the Post-Closing Department and Servicing Department are provided on 'Contact List' available under Forms, Tools and Job Aids tab of Correspondent Lending website.

Final (Trailing) Document Requirements

Final post-closing documents must be reviewed by the Correspondent for accuracy and delivered along with a Final Document Transmittal to Computershare Loan Services, as applies, within **120** days of Mortgage Loan purchase by Computershare Loan Services. Deliver all Final Documents to the following address:

Computershare Loan Services Network LLC

710 South Ash Street
Suite 200
Glendale, CO 80246
Attn: Correspondent Lending

Final documents include, but are not limited to the following:

- Original recorded security instrument and any applicable riders or addendums
- Original recorded assignment of mortgage as required in this Guide and all original recorded intervening assignments, if any
- Original final title insurance policy with jacket and any required waivers, attorney's opinion, and/or applicable endorsements
- Original mortgage insurance certificate
- Certified copy of the recorded power of attorney, if any. Any Jumbo Mortgage Loan delivered to Computershare Loan Services will require a recorded copy of the power of attorney containing the county recorder's stamp

See the [Collateral and Final \(Trailing\) Document Reference Guide](#) for list of documents.

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Computershare Loan Services requires Correspondents to utilize express shipping service to track shipments and ensure timely delivery of documents.

Remedies Due to Incomplete or Defective Final (Trailing) Documentation

Correspondents are responsible for obtaining or curing missing or deficient final documents. If the Correspondent fails to provide complete final documentation, or if the final documentation is defective, the Mortgage Loan may be subject to the following at sole discretion of Computershare Loan Services once 120 days have passed since the Purchase Date:

- Beginning on the 121st day, Computershare Loan Services will provide the opportunity for the Correspondent to cure the defect
- After 150 days, Computershare Loan Services will assess a fee of \$75 per document and may, in its sole discretion, pursue the document
- Fee of \$75 per document is applicable regardless of whether the Correspondent obtains the document or it is obtained by Computershare Loan Services
- At 180 days, the Mortgage Loan is subject to the additional Remedies available to Computershare Loan Services as set forth in this Guide, including, but not limited to the right to demand that Correspondent repurchase the Mortgage Loan

Extended or repeated violations of the delivery requirement or persistently poor documentation quality may result in termination from the Correspondent Lending Program.

Post-Purchase Loan Defects

For all Mortgage Loans acquired by Computershare Loan Services where a curable defect is detected, Computershare Loan Services will furnish notice to the Correspondent and provide a period of 30 days, from the date of the notice, in which to cure the breach; in accordance to the Correspondent Agreement.

If the Correspondent provides a response within the allotted 30-day time period, in accordance to the Correspondent Agreement, and both the Computershare Loan Services and the Agency agree with the provided rebuttal, the repurchase demand will be rescinded.

If the Correspondent cannot cure a defect but is able to refinance the existing Mortgage Loan, the Computershare Loan Services reserves the right to recapture the original SRP, if any, paid by Computershare Loan Services with respect to such Mortgage Loan or the greater of the premium paid in excess to par or 100 basis points of the purchased Mortgage Loan amount if the Mortgage Loan is not eligible for sale to an Agency, if the defect is detected within 3 years of the Purchase Date. Additional holding fees may be applicable if the refinance extends beyond the Agency repurchase due date.

If the defect cannot be cured, an effective repurchase due date will be set. The repurchase due date will be the greater of the Agency repurchase date or 30 days from initial repurchase notification. If funds are not remitted by the repurchase due date, the Computershare Loan Services reserves the right to charge the Correspondent a daily or monthly holding fee until the full Repurchase Price is remitted.

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Transfer of Servicing Notifications

Computershare Loan Services Transfer of Servicing Reference Guide

Change Notification Requirement	Action Required – Also refer to Collateral and Final (Trailing) Document Reference Guide for post-purchase documentation requirements
Goodbye Letters	<p>Provide Goodbye letters to Borrowers at least 15 days prior to the transfer date.</p> <p>Goodbye letters must be sent in accordance to RESPA requirements.</p> <p>The last day any Mortgage Loan is serviced by Correspondent is the last calendar day of the month, and the first day for Computershare Loan Services to service any Mortgage Loan is the first calendar day of the month.</p> <p>Reminder: Do not deliver any notification of Mortgage Loan sale and change of servicer until receipt of the Mortgage Loan purchase wire transfer from Computershare Loan Services.</p>
HUD Notification	<p>HUD 92080 Notification must be sent to HUD within 15 days of purchase with copy to Computershare Loan Services</p>
USDA Notification	<p>Correspondent must provide USDA with a <i>Notice of Sale, Form RD 3555-11</i> within the time period required by USDA, (<i>HB-1-3555, Chapter 17</i>) naming Computershare Loan Services as the new Holder and Servicer.</p>
Insurance Notifications	<p>As they apply, provide a change notification letter to the following:</p> <ul style="list-style-type: none"> - Hazard Insurance provider - Flood Insurance provider - Life of Loan Flood Determination provider - Private Mortgage Insurer
MERS Transfer	<p>Ensure that MERS shows the correct Investor Name, Servicer Name and Sub-Servicer Name prior to the transfer date.</p>
Payment History	<p>Payment histories are due to Computershare Loan Services when Mortgage Loans meet the following conditions: first payment is due to Correspondent; AND/OR any payment is due to and/or received by the Correspondent after purchase. Payment histories must indicate the payment dates, payment amounts, principal applied, interest applied, any curtailments, principal balance after payment application, escrow balance after payment application, and any escrow disbursements or payments made.</p>

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Notice of Non-sufficient Funds	Notification to Computershare Loan Services of any payment non-sufficient funds payments received by Correspondent from Borrower and amended pay history.
Optional Insurances - NOT APPLICABLE	Optional Insurance, such as mortgage life, disability, accidental death, etc. will not transfer and Borrower should be notified that premiums due are the Borrower's responsibility, as stated in the Goodbye Letter.

Transfer of Servicing Borrower Notification Requirements – Goodbye Letter

The Correspondent must not deliver any notification of Mortgage Loan sale and change of servicer, until receipt of the wire transfer from Computershare Loan Services. The Notification to the Borrower must indicate that all future payments, tax information, MIP/PMI information, and Borrower correspondence for Mortgage Loans purchased by Computershare Loan Services must be directed to the address provided under [Servicing Addresses](#) section below.

Correspondents are responsible for preparing and delivering the Notification of Loan Sale and Change of Servicer (Good-Bye Letter) to the Borrower(s) within RESPA guidelines, at least 15 days prior to the first payment due Computershare Loan Services. Notifications must be prepared on the Correspondent's letterhead.

The Notice provided by the Correspondent and Computershare Loan Services ***must contain the identical Transfer Dates. The Transfer Date is always the 1st and no other day of the month may be used. See the Mortgage Loan purchase: Amortization Dates for Service Released Loans portion of Guide for further information on how servicing transfer dates are determined.***

At minimum, the notice must include the following information:

- The effective date of the transfer, the date the lender servicer will stop accepting payments and the date Computershare Loan Services will begin accepting them
- The name, address, and toll-free telephone number for Computershare Loan Services
- A statement that the transfer of servicing does not affect any term or condition of the mortgage documents other than the terms directly related to the servicing of the Mortgage Loan

Servicing Information

Borrowers will **remit payments** to Specialized Loan Servicing LLC at the following address:

Specialized Loan Servicing LLC
Attn: Remittance Processing
P.O. Box 60535
City of Industry, CA 91716-0535

Correspondence Address:

Specialized Loan Servicing LLC
P.O. Box 636005
Littleton, CO 80163-6005

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Customer Service Phone Number

1-800-315-4757

6:00 AM to 6:00 PM, Mountain Time

Monday – Friday

Once the Mortgage Loan is set up on the Specialized Loan Servicing system, Borrowers will receive monthly billing statements directing them to send future payments to the payment processing center.

Note: Customer correspondence should not be included with payments.

Borrower initiated Servicing inquiries should be directed to:

Client initiated Servicing inquiries should be directed to:

Computershare Loan Services

Customer Advocacy and Engagement (CAE)

Telephone: 877-516-8055

Email: CAE@Computershare Loan Services.com

Transfer of Servicing HUD and USDA Requirements (Revised 5/7/2021)

Whenever there is a change of Borrower, a change of servicer, or a sale of a HUD-insured mortgage, HUD must be advised within 15 calendar days of the action in order that HUD's records can be amended to show the change so that future premium notices and correspondence may be properly directed.

Correspondents are responsible for notifying HUD of the new holder and servicer of record:

- Only the existing holder of record is allowed to provide HUD with the Mortgage Record Change to update a new holder of record
- Correspondents and Specialized Loan Servicing LLC ~~Computershare Loan Services~~ must agree that Specialized Loan Servicing LLC succeeds to all rights and assumes all obligations of the Correspondent under the HUD contract of insurance
- Upon HUD's receipt of this notice, the Correspondent will be released from its obligations under the contract of insurance and Specialized Loan Servicing LLC will receive monthly billing from HUD
- HUD will acknowledge receipt of this notice to the Correspondent and to the Specialized Loan Servicing LLC by monthly computer listing

Specialized Loan Servicing LLC-HUD ID # is: 20856

Whenever there is a change of servicer or a sale of a USDA guaranteed Mortgage Loan, USDA must be advised within USDA required timeframes of the action in order that USDA records can be amended to show the change so that future premium notices and correspondence may be properly directed. Correspondents must provide USDA with a Notice of Sale, Form RD 3555-11 within the time period required by USDA, (HB-1-3555, Chapter 17) naming Computershare Loan Services as the new Holder and Servicer.

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Transfer of Servicing Notification to Vendors; Taxing Authorities and Insurance Companies

All Mortgage Loan sale notifications must be sent by the Correspondent no later than 15 days prior to the Transfer Date. Correspondents must transmit notification of the transfer of servicing to the applicable hazard, life-of-loan flood, private mortgage insurance companies, and taxing authorities when Mortgage Loans are sold to Computershare Loan Services.

Correspondents are required to instruct the applicable insurance companies to deliver all notices, billings and/or insurance statements to Computershare Loan Services.

Correspondents must not deliver any notification of Mortgage Loan sale and change of servicer, until receipt of the wire transfer from Computershare Loan Services.

Such notifications must advise the vendor of the assignment of the servicing duties to the related Mortgage Loan and instruct the vendor to deliver all future notices, tax bills, insurance statements and related correspondence to the Computershare Loan Services addresses below:

Entity	Address and Contact Information
Taxing Authorities	Specialized Loan Servicing LLC P.O. Box 692440 San Antonio, TX 78269
Hazard and Flood Insurer	Specialized Loan Servicing LLC Its Successors and/or Assigns PO Box 620188 Doraville, GA 30362
Private Mortgage Insurer	Specialized Loan Servicing LLC P.O. Box 692440 San Antonio, TX 78269
Flood Certificate	Specialized Loan Servicing LLC ISAOA/ATIMA P.O. Box 692440 San Antonio, TX 78269-2428 Tel: (866) 317-2207 Fax: (866) 834-1549

Mortgagee Clause

It is the Correspondent's sole responsibility to ensure that all vendors are notified to change the mortgagee clause to:

Specialized Loan Servicing LLC
Its Successors and/or Assigns
PO Box 620188
Doraville, GA 30362

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Post-Purchase Payments Received by Correspondent Seller

If the Correspondent receives payments due to Specialized Loan Servicing, Correspondents must endorse and forward those payments to Computershare Loan Services upon receipt to:

Specialized Loan Servicing LLC
Attn: Remittance Processing
P.O. Box 60535
City of Industry, CA 91716-0535

Include the Computershare Loan Services Mortgage Loan number on all checks and correspondence sent to Computershare Loan Services for processing.

Early Payoffs – After Mortgage Loan Purchase by Computershare Loan Services

If a Correspondent, or a servicer acting as the Correspondent's agent, receives a Payoff at any time **after** the Mortgage Loan Purchase Date, it is the Correspondent's responsibility to notify the Computershare Loan Services Servicing Department immediately (and in all cases within the same business day of receipt). Prompt notice is critical to avoid additional costs to Correspondent, and to insulate the Borrower from any negative impact.

Payoff funds must be remitted to Computershare Loan Services within five (5) business days of receipt. The Servicing Department will need to know:

- Date the Payoff funds were received
- How the escrow funds (if any) were disbursed
- Whether year-end interest will be reported by the Correspondent

Should Correspondent, or a servicer acting as the Correspondent's agent, fail to either (1) promptly notify Computershare Loan Services of receipt of a Payoff, or (2) timely remit Payoff funds to Computershare Loan Services, each in accordance with the timeframes set forth in this Section, Correspondent will owe Computershare Loan Services any and all additional outstanding funds accrued to the Borrower's account during the period of delay of notice, including but not limited to interest, fees, penalties and other charges.

Computershare Loan Services does not, under any circumstances, authorize the Correspondent, or a servicer acting as the Correspondent's agent, to prepare, execute, record or otherwise process a release or satisfaction on a Mortgage Loan Computershare Loan Services has purchased.

Post-Purchase Insuring and Guaranty Requirements

Correspondents are responsible for ensuring that all FHA Mortgage Loans are insured, and that evidence of insurance is delivered to Computershare Loan Services within 60 days from Mortgage Loan Closing Date or prior to the Mortgage Loan becoming 30 days delinquent.

A printed copy of the eMIC version of the Mortgage Insurance Certificate for FHA Mortgage Loans must be delivered to Computershare Loan Services. The insuring document will show "received" status on the Final

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Document report once Computershare Loan Services has confirmation, from FHA Connection, that the Mortgage Loan has been insured.

Correspondents are responsible for ensuring that all VA Mortgage Loans are guaranteed and that the Loan Guaranty certificate is delivered to Computershare Loan Services in the Mortgage Loan File. If Loan Guaranty Certificate(LGC) issuance is delayed, then the Correspondent must deliver the LGC to Computershare Loan Services within the sooner of 60 days from closing or prior to the Mortgage Loan becoming 30 days delinquent.

Correspondents are responsible for ensuring that all USDA Mortgage Loans are guaranteed and that the Loan Note Guarantee is delivered to Computershare Loan Services within the sooner of within 45 days after Mortgage Loan close or before the Loan becomes 30 days delinquent (at which time the Loan is no longer eligible for guarantee). USDA requires that the Loan Note Guarantee be requested no later than 30 days after close to the Borrower.

Post-Purchase Settlement Adjustments

Wire Detail/Purchase Advice Corrections and Reconciliation

If, within sixty (60) day after the Purchase Date, Correspondent:

- Determines that the principal balance of any Mortgage Loan used in computing the amount of the Purchase Price is incorrect, or
- Discovers any error or omission that has a material effect upon the Purchase Price

Then, the party determining or discovering the issue will promptly notify the other party, and the Parties will work together to adjust the Purchase Price promptly, and adjustments will be made to the appropriate party.

If Computershare Loan Services is notified of a correction after 60 days following the Purchase Date, Computershare Loan Services will take action on the notification in its sole discretion.

Other Costs and Expenses

All costs and expenses incurred in connection with the transfer and delivery of the Mortgage Loans and to perfect title to the Mortgage Loans in Computershare Loan Services, including recording fees, fees for title policy endorsements and continuations and the Correspondent's attorney's fees, must be paid by the Correspondent. All other costs will be borne by the party incurring such costs.

Non-Sufficient Funds Borrower Payment Check

Correspondents are required to notify Computershare Loan Services immediately in the event that a Borrower payment is returned for non-sufficient funds. If the Mortgage Loan has not been purchased, notify Computershare Loan Services operations contact. For purchased Mortgage Loans, notify the Servicing Department.

Payment Research Requests

Correspondents can address questions regarding Monthly Payments to Computershare Loan Services' Customer Advocacy and Engagement (CAE) group at CAE@loanfulfillment.com or by phone as 877-516-8055. All requests should include the borrower's last name and Computershare Loan Services Loan number.

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No Set-Off for Money Owed by Computershare Loan Services

Correspondents may not “set-off” the money owed against other money or payments Correspondent may owe to Computershare Loan Services.

Escrow Reconciliation Requests

If the Correspondent is due escrow funds from Computershare Loan Services, then a written request including supporting documentation must be submitted to the Computershare Loan Services Servicing Department within 60 days following Mortgage Loan Purchase Date.

Correspondents must provide the following documentation:

- Request Escrow Funds or Monthly Payment
- HUD-1 Settlement Statement or Closing Disclosure
- Mortgage Loan History
- Copy of Check (If tax or insurance was paid, or if check was sent to Borrower)

If the required documentation listed above is not received, then the request will be denied pending further documentation. The Correspondent will have 15 days to respond to the denial letter. If the information is not received within 15 days, then Computershare Loan Services will remove all analysis and disbursement stops on the escrow account.

If Computershare Loan Services approves the request, then the funds will be forwarded to the Correspondent. If the request is denied, then Computershare Loan Services will send a letter to the Correspondent outlining the reason for the denial.

If Computershare Loan Services is due escrow funds from the Correspondent, then a request accompanied by a detailed explanation will be submitted to the Correspondent requesting the additional escrow funds. If additional information is required, then the Correspondent should contact the Servicing Department. All requests receiving no response will be added to the Correspondent’s monthly invoice.

After the 60 day time frame, neither Computershare Loan Services nor the Borrower is responsible for returning escrow funds to the Correspondent.

Computershare Loan Services will not be responsible for reimbursement of escrow funds to the Correspondent for loans paid in full or sold.

Computershare Loan Services may request reimbursement from the Correspondent through 12 months after the purchase of the Mortgage Loan. Correspondent is responsible for escrow errors for a complete 12 month cycle after the Purchase Date.

IRS Form 1098 Reporting Requirements

Correspondents are responsible for compliance with any IRS Form 1098 reporting requirements for any points and/or interest collected prior to purchase of the Mortgage Loan by Computershare Loan Services.

Computershare Loan Services will only report interest collected on the Mortgage Loan by Computershare Loan Services.

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Imaging

Computershare Loan Services may electronically image and store all documents in a Mortgage Loan File. With the exception of the collateral documents and Mortgage Loan Files that are not imaged, Computershare Loan Services reserves the right to destroy the hard copy of any Mortgage Loan File delivered to Computershare Loan Services by the Correspondent. By sale of Mortgage Loans to Computershare Loan Services, the Correspondent acknowledges this Imaging policy. Loan files that are returned to the Correspondent for any reason may consist of documents printed from the electronic imaged documents and original collateral documents held by the document custodian.

Representations and Warranties

Correspondent acknowledges that Computershare Loan Services has relied upon the accuracy, completeness and truth of Correspondent's representations, warranties, covenants, and upon Correspondent's compliance with the terms and conditions set forth in this Guide and the Correspondent Agreement.

All representations, warranties, and covenants are absolute and Correspondent is fully liable for any breach of any representation, warranty or covenant regardless of whether it or Computershare Loan Services actually had, or reasonably could have been expected to obtain, knowledge of the facts giving rise to such breach of representation, warranty or covenant.

The representation, warranty or covenants pertaining to each Mortgage Loan are not affected by any investigation or review made by, or on behalf of, Computershare Loan Services except when expressly waived in writing by Computershare Loan Services. The representation, warranty or covenants pertaining to each Mortgage Loan are applicable regardless of whether Correspondent serviced or performed any other actions with respect to the Mortgage Loan.

The representations and warranties:

- Apply to each Mortgage Loan, in its entirety, sold to Computershare Loan Services or referred to Computershare Loan Services for underwriting and closing
- On Mortgage Loans closed in Correspondent's name and sold to Computershare Loan Services, are made as of the date the Mortgage Loan funded and continue after the purchase of the Mortgage Loan
- Are for the benefit of Computershare Loan Services as well as the benefit of Computershare Loan Services' successors and assigns

Computershare Loan Services reserves the right to require Correspondent to make additional representations, warranties or covenants in writing.

Section 1. Representations and Warranties Regarding Mortgage Loans

Correspondent represents and warrants, with respect to each Mortgage Loan purchased by Purchaser hereunder, that:

1.1. The Mortgage Loan conforms to the specifications set forth by the Guidelines. Correspondent does not know of any circumstances or conditions with respect to the Mortgage Loan, the mortgaged property, Borrower, or Borrower's credit standing, that could reasonably be expected to cause Purchaser not to

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purchase the Mortgage Loan, cause the Mortgage Loan to become delinquent or adversely affect the value or marketability of the Mortgage Loan.

1.2. All Mortgage Loan documents submitted by Correspondent in the Mortgage Loan File are in every respect valid and genuine, being what they purport to be and all information submitted in each Mortgage Loan document is true and accurate. The Mortgage Loan documents have been duly executed by Borrower and the only obligor on the Mortgage Loan and is the real party in interest thereon, and there is no verbal understanding or written modification which would affect the terms of the note or mortgage.

1.3. Correspondent has the authority to sell, transfer, and assign the Mortgage Loan on the terms herein set forth. There have been no assignment, sale or pledge thereof by Correspondent, and as of the date of purchase by Purchaser the Mortgage Loan is and will be free and clear of claims or encumbrances of any type.

1.4. Any and all laws applicable to the Mortgage Loan have been complied with, including but not limited to: (in) the federal Truth in Lending Act of 1969 ("TILA"), and Federal Reserve Regulation Z thereunder; (ii) the Federal Equal Credit Opportunity Act ("ECOA"), and Federal Reserve Regulation B thereunder; (iii) the Federal Fair Credit Reporting Act; (iv) the Federal Real Estate Settlement Procedures Act of 1974 ("RESPA"), and Regulation X thereunder; (v) the Flood Disaster Protection Act of 1973; (vi) the Fair Housing Act; (vii) the Home Mortgage Disclosure Act; (viii) the Financial Institutions Reform Recovery and Enforcement Act of 1989; (ix) the Homeowners Protection Act of 1998; (x) the Privacy of Consumer Financial Information Act; (xi) the Appraiser Independence Requirements ("AIR"); (xii) any and all licensing requirements relating to Correspondent's rights to originate and sell Mortgage Loans; (xiii) the requirements of any agency that regulates Correspondent; and (xiv) any and all laws, rules, ordinances, and regulations relating to adjustable rate mortgages, negative amortization, and graduated payment mortgages. Correspondent shall maintain in its possession, available for inspection by Purchaser, the Office of Thrift Supervision ("OTS") and the Federal Deposit Insurance Corporation ("FDIC"), and shall deliver to Purchaser upon request, evidence of compliance with all such requirements.

1.5. No bankruptcy action, foreclosure proceeding or other court action is pending against Borrower or the mortgaged property other than as may be disclosed in the Mortgage Loan File.

1.6. There are no delinquent taxes or other outstanding charges affecting the mortgaged property.

1.7. There is no default, breach, violation, or event of acceleration existing under the mortgage or the related note and no event which, with the passage of time or with notice and the expiration of any cure period, would constitute a default, breach, violation, or event permitting acceleration, and Correspondent has not waived any default, breach, violation, or event permitting acceleration under the mortgage or the related note.

1.8. No mortgage brokers or other consultants or finders were consulted or contacted in connection with or in bringing about the Mortgage Loan or the purchase thereof by Purchaser that would be due a fee from Purchaser.

1.9. Correspondent warrants that its Mortgage Loan originator, if any, is not compensated based on any prohibited terms or conditions, including but not limited to higher interest rates, specific loan products or

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products with a prepayment penalty. Compensation includes, but is not limited to salaries, commissions, and any other financial or comparable incentive.

1.10 Correspondent warrants that their Mortgage Loan originators shall only direct Borrowers to Mortgage Loan Programs or products that are in the best interest of each Borrower.

Each of the above representations and warranties (i) applies to all Mortgage Loans sold by Correspondent to Purchaser, (ii) is for the benefit of Purchaser and its successors and or assigns, (iii) will continue in full force and effect for so long as the Mortgage Loan remains outstanding and for such time that Purchaser is subject to any risk of loss or liability as to any Mortgage Loan purchased from Correspondent, and (iv) is in addition to any other specific representations and warranties contained elsewhere herein.

Section 2. Representations and Warranties Regarding Correspondent
Correspondent represents and warrants that:

2.1. Correspondent has all requisite power and authority to execute and enter into this agreement and to perform the obligations required of it hereunder. The execution and delivery of this agreement and all documents, instruments, and agreements required to be executed by Correspondent pursuant hereto, and the consummation of the transactions contemplated hereby, have each been duly and validly authorized by all necessary action of Correspondent. This agreement constitutes a valid, legal, and binding agreement of Correspondent enforceable by Purchaser in accordance with its terms, subject to bankruptcy, insolvency, reorganization, receivership, or other laws affecting rights of creditors generally, and general equity principles.

2.2. Correspondent is duly organized, validly existing and in good standing under the laws of the jurisdiction where it is organized. Correspondent has all licenses necessary to carry on its business as now being conducted, and is licensed and qualified to transact business and is in good standing in the states where the mortgaged property is located, if the laws of such state require licensing or qualification in order to conduct business of the type conducted by the Correspondent.

2.3. The execution, delivery, and performance of this agreement by Correspondent, its compliance with the terms hereof and consummation of the transactions contemplated hereby will not violate, conflict with, result in a breach of, give rise to any right of termination, cancellation or acceleration under, be prohibited by or require any additional approval under (i) Correspondent's articles, charter, by-laws, partnership agreement or other organizational documents, or any other material instrument or agreement to which Correspondent is a party or by which Correspondent is bound or which affects this agreement, or (ii) any and all Laws, orders, injunctions or decrees applicable to Correspondent.

2.4. No approval of the transactions contemplated by this agreement from any entity, public or private, or any regulatory authority having jurisdiction over Correspondent is required, or if required, such approval has been obtained. There are no actions or proceedings pending, affecting Correspondent or any Mortgage Loans, which would adversely affect its ability to perform hereunder.

2.5. There is no claim, litigation, investigation or proceeding pending or threatened against or otherwise materially adversely affecting Correspondent's business, performance of its obligations under this agreement or the validity or enforceability of this agreement or any Mortgage Loan sold under this agreement and

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Correspondent has no knowledge of any circumstance indicating that any such suit, investigation, or proceeding is likely or imminent.

2.6. Correspondent shall cooperate with Purchaser in furnishing of documents and information as requested from time to time by Purchaser and shall comply with all procedures established by Purchaser for closing Mortgage Loans pursuant to this agreement.

2.7. The consummation of the transactions contemplated by this agreement is in the ordinary course of business of Correspondent. Correspondent is solvent and the sale of the Mortgage Loans will not cause Correspondent to become insolvent. The sale of the Mortgage Loans is not undertaken with the intent to hinder, delay or defraud any of Correspondent's creditors.

2.8. Correspondent does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this agreement or the Guidelines.

2.9. Correspondent has determined that the disposition of Mortgage Loans pursuant to this agreement will be afforded sale treatment for accounting and tax purposes.

2.10. Correspondent has not dealt with any broker, investment banker, agent or other person that may be entitled to any commission or compensation in the connection with the sale of the Mortgage Loans.

2.11. Correspondent is in compliance with all applicable terms and conditions of this agreement and the Guidelines. Correspondent has conducted its business in compliance with all applicable laws and regulations.

2.12. The Correspondent meets the eligibility criteria specified in the Texas Constitution. If the Correspondent intends to sell Texas 50(a)(6) Mortgage Loans originated by a third party originator Correspondent has ensured that the originating lender is lawfully authorized to make Texas 50(a)(6) loans under Texas Constitution Section 50(a)(6)(P).

The Correspondent has in place a specific process for the receipt, handling, and monitoring of notices from Borrowers that Correspondent (or the mortgage originator) failed to comply with the provisions of the law applicable to Texas Section 50(a)(6) mortgages. Such process is adequate to ensure that the Correspondent would be able to correct the failure to comply by one of the authorized means no later than the 60th calendar day after the date the Correspondent is notified of the failure to comply by the Borrower.

If Correspondent sells Texas Section 50(a)(6) Mortgage Loans originated by a third-party originator, Correspondent represents and warrants that the originating lender is lawfully authorized to make Texas 50(a)(6) loans under Texas Constitution Section 50(a)(6)(P) and that the originator has processes in place for the receipt, handling and monitoring of notices from Borrowers as described above.

To ensure ongoing compliance with the law applicable to mortgage loans authorized by Section 50(a)(6), Article XVI of the Texas Constitution, the processes and procedures used for the origination of the Texas Section 50(a)(6) mortgages are reviewed by the Correspondent regularly and will be updated and revised, as appropriate pursuant to clarifications of the law, on a regular and continual basis. The matters certified herein are representations and warranties of the Correspondent given to Computershare Loan Services in connection with each Texas Section 50(a)(6) mortgage.

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Section 3. Representations and Warranties Regarding Purchaser

Purchaser represents and warrants that:

- 3.1 Purchaser is duly organized, validly existing and in good standing under the laws governing its formation and existence, has all licenses necessary to carry on its business as now being conducted, and is duly authorized and qualified to transact in each applicable state any and all business contemplated by this agreement. Purchaser has all requisite power and authority to execute and deliver this agreement and to perform all obligations required of it hereunder.
- 3.2 Any necessary approval of the transactions contemplated by this agreement from each federal or state regulatory authority having jurisdiction over Purchaser has been obtained. There are no actions or proceedings pending or affecting Purchaser, which would adversely affect its ability to perform hereunder.
- 3.3 The consummation of the transactions contemplated by this agreement are in the ordinary course of business of Purchaser and will not result in the breach of any term or provision of the charter or bylaws of Purchaser or result in the breach of any term or provision of, or conflict with, or constitute a default under, or result in the acceleration of any obligation under, any agreement, indenture, loan or credit agreement or other instrument to which Purchaser or its property is subject, or result in the violation of any law to which Purchaser or its property is subject.
- 3.4 There is no claim, litigation, investigation or proceeding pending or threatened against or otherwise materially adversely affecting Purchaser's business, performance of its obligations under this agreement or the validity or enforceability of this agreement or any Mortgage Loan sold under this agreement and Purchaser has no knowledge of any circumstance indicating that any such suit, investigation, or proceeding is likely or imminent.

Section 4. Representations & Warranties for Individual Mortgage Loans

Except to the extent caused by Purchaser error, Correspondent hereby represents and warrants to the Purchaser with respect to each Mortgage Loan being sold by Correspondent as of its respective Purchase Date:

- 4.1 All payments required to be made up to the Purchase Date for the Mortgage Loan under the terms of the mortgage note have been made and credited. (a) All payments required to be made up to the Purchase Date for the Mortgage Loan under the terms of the mortgage note have been made and credited.
- 4.2 There are no defaults in complying with the terms of the mortgage, and all taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, which previously became due and owing have been paid, or an escrow of funds has been established in an amount sufficient to pay for every such item which remains unpaid and which has been assessed but is not yet due and payable.
- 4.3 Terms of the note and mortgage have not been impaired, waived, altered or modified in any respect, except in accordance with applicable agency guidelines and by a written instrument which has been recorded or registered with the MERS System, if necessary, to protect the interests of the Purchaser and which has been delivered to the Purchaser. The substance of any such waiver, alteration or modification has been

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approved by the issuer of any related private mortgage insurance policy and the title insurer, to the extent required by the policy, and its terms are reflected in the Mortgage Loan File and documents.

4.4 Mortgage Loan is not subject to any right of rescission, set-off, counterclaim or defense, including without limitation the defense of usury, nor will the operation of any of the terms of the note or the mortgage, or the exercise of any right thereunder, render either the note or the mortgage unenforceable, in whole or in part, or subject to any right of rescission, set-off, counterclaim or defense, including without limitation the defense of usury, and no such right of rescission, set-off, counterclaim or defense has been asserted with respect thereto.

4.5 Mortgage has not been satisfied, canceled, subordinated or rescinded, in whole or in part, and the mortgaged property has not been released from the lien of the mortgage, in whole or in part, nor has any instrument been executed that would affect any such satisfaction, release, cancellation, subordination or rescission.

4.6 Note and the mortgage and related documents are genuine, and each is the legal, valid and binding obligation of the maker thereof enforceable in accordance with its terms. All parties to the note and the mortgage had legal capacity to enter into the Mortgage Loan and to execute and deliver the note and the mortgage, the identity of such parties has been established, and the note and the mortgage have been duly and properly executed by such parties.

4.7 No error, omission, misrepresentation, negligence, identity theft, fraud or similar occurrence with respect to a Mortgage Loan has taken place on the part of Correspondent, the mortgagor, any appraiser, any builder, any developer, or any other party involved in the origination of the Mortgage Loan.

4.8 Any and all requirements of any applicable law or any agency guidelines applicable to the Mortgage Loan and Mortgage Loan documents have been complied with. All inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the mortgaged property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities.

4.9 Mortgaged property consists of a contiguous parcel of real property with a detached single family residence erected thereon, or a one- to four-family dwelling, or an individual condominium unit in a condominium project, or an individual unit in a planned unit development or a townhouse, provided; however; that any condominium project or planned unit development shall conform with the Guidelines regarding such dwellings. To the best of Correspondent's knowledge, since the date of the appraisal, no portion of the mortgaged property has been used for commercial purposes outside of the Guidelines.

4.10 Mortgage is a valid first lien on the mortgaged property except for permitted encumbrances and is enforceable in accordance with its terms and the laws of the jurisdiction in which the mortgaged property is located.

4.11 The proceeds of the Mortgage Loan have been fully disbursed, except for completion or repair escrows established or created due to seasonal weather conditions or other reasons permitted by the applicable agencies which are subject to an escrow agreement satisfactory to the applicable agencies, and there is no requirement for future advances thereunder. All costs, fees and expenses incurred in making or

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closing the Mortgage Loan and the recording of the mortgage were paid, and the mortgagor is not entitled to any refund of any amounts paid or due under the mortgage note or mortgage.

4.12 Correspondent is the sole owner and holder of the Mortgage Loan and Correspondent has good and marketable title thereto and has full right and authority to transfer and sell the Mortgage Loan to the Purchaser. Correspondent is transferring the Mortgage Loan free and clear of any and all encumbrances, liens, pledges, equities, participation interests, claims, charges or security interests of any nature encumbering such Mortgage Loan.

4.13 Mortgage Loan was originated by Correspondent and not by a third-party originator.

4.14 With respect to any Conforming Mortgage Loan subject to a private mortgage insurance policy pursuant to the applicable Guidelines, all provisions of such policy have been and are being complied with, such policy is in full force and effect, and all premiums due thereunder have been paid. Any Mortgage Loan subject to a private mortgage insurance policy obligates the mortgagor thereunder to maintain the policy and to pay all premiums and charges in connection therewith. Mortgage interest rate for the Mortgage Loan is net of any such insurance premium.

4.15 FHA Insurance/VA Guaranty/RHS Loan Note Guarantee:

4.15.1 Each FHA Mortgage Loan is, or will be within 60 days of the closing date, fully-insured by the FHA, which insurance is or will be in full force and effect, and the Mortgage Loan is not subject to any defect which would diminish or impair the FHA insurance, and the transactions herein contemplated are, in compliance with the FHA regulations, and no circumstances exist with respect to the FHA Mortgage Loans which would permit the FHA to deny coverage under the FHA insurance.

4.15.2 Each VA Mortgage Loan is, or will be within 30 days of the closing date, guaranteed by the VA, which guaranty is or will be in full force and effect, and the Mortgage Loan is not subject to any defect which would diminish or impair the VA guaranty, and the transactions herein contemplated are, in compliance with the VA regulations, and no circumstances exist with respect to the VA Mortgage Loan which would permit the VA to deny coverage under the VA guaranty.

4.15.3 Each RHS Mortgage Loan was underwritten in accordance with RHS standards and is, or will be within 30 days of the closing date, guaranteed by the RHS, and each related loan note guarantee is or will be in full force and effect, and the Mortgage Loan is not subject to any defect which would diminish or impair the loan note guarantee, and the transactions herein contemplated are, in compliance with RHS regulations, and no circumstances exist with respect to the RHS Mortgage Loan which would permit the RHS to deny coverage under the RHS guaranty.

4.16 Mortgage Loan is covered by a Title Policy (or in the case of any Mortgage Loan secured by a mortgaged property located in a jurisdiction where such policies are generally not available, an opinion of counsel of the type customarily rendered in such jurisdiction in lieu of title insurance) or other generally acceptable form of policy of insurance acceptable to the applicable Agency: (i) issued by a title insurer acceptable to the applicable Agency and qualified to do business in the jurisdiction where the mortgaged property is located, (ii) insuring Correspondent, its successors and assigns, as to the first priority lien of the mortgage in the original principal amount of the Mortgage Loan and against any loss by reason of the

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invalidity or unenforceability of lien resulting from the provisions of the mortgage providing for adjustment to the mortgage interest rate and monthly payment, (iii) subject only to permitted encumbrances, and (iv) with endorsements and riders in accordance with applicable agency guidelines. Correspondent, its successors and assigns, are the sole insured of such lender's Title Policy, and such lender's Title Policy is in full force and effect and will be in force and effect upon the consummation of the transactions contemplated by this agreement. No claims have been made under such lender's Title Policy, and Correspondent has not done, by act or omission, anything which would impair the coverage of such lender's Title Policy.

4.17 There is no default, breach, violation or event of acceleration existing under the mortgage or the note and no event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration, and neither Correspondent nor its predecessors have waived any default, breach, violation or event of acceleration.

4.18 There are no mechanics' or similar liens or claims which have been filed for work, labor or material (and no rights are outstanding that under the law could give rise to such liens) affecting the related mortgaged property which are or may be liens prior to, or equal or coordinate with, the lien of the related mortgage which are not insured against by the Title Policy.

4.19 Except as insured against by the Title Policy, all improvements which were considered in determining the appraised value of the mortgaged property lay wholly within the boundaries and building restriction lines of the mortgaged property and no improvements on adjoining properties encroach upon the mortgaged property. No improvement located on or being part of the mortgaged property is in violation of any applicable zoning law or regulation.

4.20 Mortgage and related note contain customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the mortgaged property of the benefits of the security provided thereby, including, (i) in the case of a mortgage designated as a deed of trust, by trustee's sale, and (ii) otherwise by judicial foreclosure. There is no homestead or other exemption available to a mortgagor which would interfere with the right to sell the mortgaged property at a trustee's sale or the right to foreclose the mortgage.

4.21 Note is not and has not been secured by any collateral, pledged account or other security except the lien of the corresponding mortgage and the security interest of any applicable security agreement.

4.22 In the event the mortgage constitutes a deed of trust, a trustee, duly qualified under applicable law to serve as such, has been properly designated and currently so serves and is named in the mortgage, and no fees or expenses are or will become payable by the mortgagee to the trustee under the deed of trust, except in connection with a trustee's sale after default by the mortgagor.

4.23 Mortgage and assignment of mortgage have been properly filed and recorded in the correct and applicable recording office to perfect the security granted by the Mortgage Loan documents, or if the related mortgage has been recorded in the name of MERS or its designee, Correspondent has taken all actions as are necessary to cause the Purchaser to be shown as the sole owner of the related mortgage on the records of MERS.

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4.24 Mortgaged property is undamaged by waste, fire, earthquake or earth movement, windstorm, flood, tornado or other casualty so as to affect adversely the value of the mortgaged property as security for the Mortgage Loan or the use for which the premises were intended.

4.25 The origination and collection practices used with respect to the Mortgage Loan have been in accordance with agency guidelines, applicable law and prudent servicing practices, and have been in all respects legal and proper. With respect to escrow deposits and escrow items, all such payments are in the possession of Correspondent and there exist no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made. All escrow items have been collected in full compliance with applicable law. An escrow of funds is not prohibited by applicable law and has been established in an amount sufficient to pay for every item that remains unpaid and has been assessed but is not yet due and payable. No escrow deposits or escrow items or other charges or payments due Correspondent have been capitalized under the mortgage note.

4.26 There is no proceeding pending or to the best of Correspondent's knowledge threatened for the total or partial condemnation of the related mortgaged property.

4.27 If required by the Guidelines, the Mortgage Loan documents include an appraisal or other property valuation of the related mortgaged property acceptable to the applicable agency. The appraisal and any other property valuation acceptable to the applicable agency was conducted by an appraiser who had no interest, direct or indirect, in the mortgaged property or in any loan made on the security thereof, and whose compensation is not affected by the approval or disapproval of the Mortgage Loan, and the appraisal and the appraiser both satisfy the applicable requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989, as amended, the valuation independence requirements of Regulation Z, the Interagency Appraisal and Evaluation Guidelines, the Appraiser Independence Requirements adopted by Fannie Mae and Freddie Mac, as applicable, and any other applicable laws and the regulations promulgated thereunder and any applicable agency guidelines, all as in effect on the date the Mortgage Loan was originated.

4.28 Mortgaged property securing each Mortgage Loan is insured by an insurer acceptable to the applicable agency against loss by fire and such hazards as are covered under a standard extended coverage endorsement (and against loss by earthquake, if the mortgaged property is in an area where such coverage is required by the applicable agency), in an amount which is at least equal to the lesser of (i) 100% of the insurable value, on a replacement cost basis, of the improvements on the related mortgaged property and (ii) the greater of (a) the outstanding principal balance of the Mortgage Loan and (b) an amount such that the proceeds of such insurance shall be sufficient to prevent the application to the mortgagor or the loss payee of any coinsurance clause under the policy. If the mortgaged property is a condominium unit, it is included under the coverage afforded by a blanket policy for the project and the insurance policy contains a standard clause naming the originator of such Mortgage Loan, its successors and assigns, as insured mortgagee. If the improvements on the mortgaged property are in an area identified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards, a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier, in an amount representing coverage not less than the least of (A) the outstanding principal balance of the Mortgage Loan, (B) the full insurable value and (C) the maximum amount

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of insurance which was available under the Flood Disaster Protection Act of 1973, as amended. Mortgage obligates the mortgagor thereunder to maintain all such insurance at the mortgagor's cost and expense. Correspondent has not acted or failed to act so as to impair the coverage of any such insurance policy or the validity, binding effect and enforceability thereof.

4.29 Mortgagor has not notified Correspondent, and Correspondent has no knowledge of any relief requested to the mortgagor under the Service Members Civil Relief Act of 2003, as amended.

4.30 Each Mortgage Loan was underwritten in accordance with the Guidelines and the note, mortgage, Title Insurance Policy and any other Mortgage Loan documents are on forms acceptable to the applicable agencies and comply with all applicable agency guidelines.

4.31 No mortgagor was a debtor in any state or federal bankruptcy or insolvency proceeding at the time the Mortgage Loan was originated and, as of the closing date, Correspondent has not received notice that any mortgagor is a debtor under any state or federal bankruptcy or insolvency proceeding.

4.32 Mortgagor is one or more natural persons and/or an Illinois land trust or a "living trust" and such living trust is in compliance with the Guidelines.

4.33 Interest on each Mortgage Loan is calculated on the basis of a 360-day year consisting of twelve 30-day months for Conforming loans and 365-day year consisting of twelve 30-day months for government Mortgage Loans insured by FHA.

4.34 Correspondent has no actual knowledge of any fact that would cause the value of the mortgaged property to be significantly diminished, including but not limited to any information concerning toxic substances or environmental hazards affecting the mortgaged property. Without limiting the foregoing, Correspondent further represents that, to the best of Correspondent's knowledge, there are no toxic or hazardous substances stored or located on such mortgaged property or on any property adjacent to the mortgaged property, nor has any toxic or hazardous substance been discharged from the mortgaged property or penetrated any surface or subsurface rivers or streams crossing or adjoining the mortgaged property or the water table or aquifer underlying the mortgaged property.

4.35 No Mortgage Loan is a high cost loan.

4.36 Correspondent has complied with all applicable anti-money laundering laws and regulations (Anti-Money Laundering Laws), and has established an anti-money laundering compliance program as required by the Anti-Money Laundering Laws to the extent it is required by applicable law to do so.

4.37 No mortgagor was required to purchase any single premium credit insurance policy (e.g. life, disability, accident, unemployment or health insurance product) or debt cancellation agreement as a condition of obtaining the extension of credit. No mortgagor obtained a prepaid single premium credit insurance policy (e.g., life, disability, accident, unemployment or health insurance product) as part of the origination of the Mortgage Loan. No proceeds from any Mortgage Loan were used to purchase single premium credit insurance policies or debt cancellation agreements as part of the origination of, or as a condition to closing, such Mortgage Loan.

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4.38 No Mortgage Loan is secured by cooperative shares and a proprietary lease in a cooperative apartment.

Events of Default and Remedies, Including EPDs and EPOs

This section sets forth events constituting defaults under the terms and conditions of the Correspondent's Agreement ("Events of Default") and the remedies available to Computershare Loan Services upon the occurrence of an Event of Default. Correspondents are responsible for notifying Computershare Loan Services immediately upon the Correspondent's knowledge of any Event of Default or any occurrence that, with notice or passage of time or both, would be an Event of Default.

The Remedies available to Computershare Loan Services may vary based on the Mortgage Loan type and the applicable representations, warranties or covenants breached and are in addition to any other remedies Computershare Loan Services may have at law or in equity. These Remedies include, but are not limited to:

- EPD Fee Payment
- EPO Fee Payment
- Repurchase
- Indemnification
- General Indemnification
- Reasonable Assurances
- Possession of Mortgage Loan Files and Mortgage Loan Documents
- Suspension
- Termination
- Right of Setoff
- Withholding of Mortgage Loan purchase

The Events of Default for which Computershare Loan Services is entitled to Remedies include, but are not limited to:

- Early Payment Default (delinquency or foreclosure)
- Breach of Representation or Warranty
- Uninsured Mortgage Loan
- Unmarketable Mortgage Loan
- Fraud and/or Misrepresentation
- Early Payoff
- Adverse Financial Condition of Correspondent
- Regulation AB-specific remedies

Early Payment Defaults (EPDs)

An Early Payment Default exists when any of the first four (4) Monthly Payments due to the Purchaser from the Mortgagor on a Mortgage Loan becomes ninety (90) days or more delinquent. For any Mortgage Loan that is not eligible for sale to an Agency, an Early Payment Default exists when any Monthly Payment due to the Purchaser from the Mortgagor on a Mortgage Loan becomes (30) days or more delinquent on or prior to one-hundred twenty (120) days after the related Purchase Date. However, no Early Payment Default shall be deemed to occur where the Mortgage becomes delinquent due to an administrative error by the Purchaser or a related servicer in connection with the application of payments relating to a servicing transfer so long as the

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Mortgagor resumes timely payment within sixty (60) days of the related Purchase Date. For purposes of this section, a Mortgage Loan is considered delinquent if a payment is not received on or before its designated due date.

Correspondents, brokers or third parties involved in the origination and/or close of a Mortgage Loan may not make a payment on behalf of the Mortgagor or contribute to a Mortgagor's mortgage payment when the Mortgagor has not made the payment. Doing so is considered a form of fraud or misrepresentation and will subject Correspondent to the available actions and Remedies set forth in this Guide.

Refer to [EPD for Non-Agency / Jumbo Program Eligibility Programs](#) section of this Guide regarding specific EPD provisions for Non-Agency / Jumbo Mortgage Loan Programs, if any.

EPD for Non-Agency / Jumbo Mortgage Programs

Refer to Non-Agency / Jumbo Program Eligibility and Underwriting Guidelines for specific EPD provisions pertaining to Non-Agency or Jumbo Programs, if applicable.

EPD Fee Terms

An EPD Fee becomes due from Correspondent when a Mortgage Loan becomes an EPD. The EPD Fee Terms shall be as follows:

- 1) For Insured FHA Mortgage Loans, USDA Guaranteed Rural Housing Loans, Guaranteed VA Mortgage Loans, and all Non-Agency / Jumbo Loans:**
 - a) Payment by Correspondent to Computershare Loan Services of a non-refundable \$3,000 fee, plus an amount equal to the greater of either:
 - i) Any SRP and above par pricing premium paid to the Correspondent, OR
 - ii) 1.0% of the principal balance that was purchased by Computershare Loan Services
- 2) For Loans in Fannie Mae and Freddie Mac programs:**
 - a) Payment by Correspondent to Computershare Loan Services of a non-refundable \$1,500 fee, plus an amount equal to the greater of either:
 - i) Any SRP paid to the Correspondent, or
 - ii) 1.0% of the principal balance that was purchased by Computershare Loan Services

The amounts payable under the EPD Fee Terms herein are due from the Correspondent within 30 days of receipt of the request made by Computershare Loan Services. In the event funds are not received by the due date, Computershare Loan Services may pursue additional Remedies as set forth in [Failure to Perform Remedies and Related Obligations](#) section of this Guide and Correspondent Agreement.

Early Payoff (EPO) Policy - Event of Default and Remedies

With respect to any Mortgage Loan that prepays in full at any time on or prior to the date that is 150 days after the Purchase Date for such Mortgage Loan, the Correspondent must pay Computershare Loan Services, within 30 calendar days of notification by Computershare Loan Services, the Early Payoff Fee. This obligation will survive any sale or assignment of the related Mortgage Loan by Computershare Loan Services to any third party and will be independently enforceable by Computershare Loan Services.

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For Mortgage Loans that have either been pooled or sold on the secondary market to an investor who does not charge Computershare Loan Services an Early Payoff or similar Fee, the "Early Payoff Fee" charged to Correspondent shall be the greater of either: (a) the Service Release Premium ("SRP") paid to the Correspondent, or (b) 1.0% of the principal balance that was purchased by Computershare Loan Services.

For Mortgage Loans that have not been pooled or were sold to an investor that charges Computershare Loan Services an Early Payoff or similar Fee, the "Early Payoff Fee" charged to Correspondent shall be the greater of either: (a) the amount of the Purchase Price that exceeds par, which includes without limitation any SRP and above par pricing premium paid to the Correspondent, or (b) 1.0% of the principal balance that was purchased by Computershare Loan Services.

The amounts payable under the EPO Fee Terms herein are due from the Correspondent within 30 days of receipt of the request made by Computershare Loan Services. In the event funds are not received by the due date, Computershare Loan Services may pursue additional Remedies as set forth in [Failure to Perform Remedies and Related Obligations](#) section of this Guide and elsewhere in the Agreement between Correspondent and Computershare Loan Services.

Extension of Early Payoff (EPO) Provision

If the property was listed in the prior 30 days to the application date, the EPO provision will be extended 180 days. See also [Property Recently Listed for Sale](#) section of this Guide.

Indemnification in Lieu of Repurchase

At the sole discretion of Computershare Loan Services, the Remedy of Indemnification against loss may apply to a Mortgage Loan that is otherwise subject to a Repurchase Remedy upon the occurrence of a Repurchase Event of Default per the terms of the Agreement. The terms and conditions of the Indemnification may vary with circumstances relevant to each Mortgage Loan, but will include a return to Computershare Loan Services by Correspondent of the amount of the Purchase Price that exceeds par, which includes without limitation any SRP and pricing premium paid to the Correspondent. Par is 100% of the unpaid principal balance that was purchased by Computershare Loan Services.

In addition, the Indemnification may require payment of the estimated loss Computershare Loan Services reasonably believes it may incur or actual loss it has incurred as a result of the Event of Default that gave rise to the Indemnification Remedy, including without limitation any marketing loss upon sale of an impaired Mortgage Loan at a reduced market price, loss due to indemnification, repurchase or make-whole required of Computershare Loan Services by its Insurers or investors, loss upon liquidation of the property securing the Mortgage Loan, and reasonable attorney's fees.

Real Estate Owned (REO) Indemnification or "Make Whole"

With respect to each Mortgage Loan that is subject to a Remedy for the occurrence of an Event of Default, if Computershare Loan Services (or agent or Control Affiliate of Computershare Loan Services, or any subsequent owner of the Mortgage Loan or such owner's agent or Control Affiliate) has acquired title to the related Mortgaged Property through foreclosure, deed-in-lieu of foreclosure, abandonment or reclamation from bankruptcy of the defaulted Mortgage Loan, then, upon demand by Computershare Loan Services, the Correspondent shall, at the option of Computershare Loan Services:

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- Purchase the Mortgaged Property from Computershare Loan Services at a Purchase Price equal to the Repurchase Price, or
- If Computershare Loan Services has sold or otherwise disposed of the Mortgaged Property, indemnify and hold Computershare Loan Services harmless for any loss resulting therefrom, including without limitation any amount of the Purchase Price that exceeds par, which includes the SRP and pricing premium paid to the Correspondent

Failure to Perform Remedies and Related Obligations

In the event that Correspondent fails to timely make payments required or timely perform other actions required under this [Events of Default and Remedies, Including EPDs and EPOs](#) section of the Guide, Computershare Loan Services may in its sole discretion invoke other Remedies described in the Agreement or available at law or in equity, including without limitation its right of offset in the form of net funding the amount due from future purchases or otherwise retaining amounts due Correspondent.

Questionable Refinancing Practices Event of Default and Remedies

Questionable refinancing practices (such as those discussed below), constitute an Event of Default. The Correspondent must include in its policies and procedures for originating new Mortgage Loans, refinancing existing Mortgage Loans, and reviewing Mortgage Loans originated by third parties appropriate safeguards to preclude the possibility of violating prohibitions, as set forth in Prohibited Activities below, against questionable refinancing practices.

Prohibited Activities

- **Selling Mortgage Loan in Process of Refinancing:** Computershare Loan Services considers the delivery of any Mortgage Loan that is in the process of being refinanced (or acquiring from, or funding for, a third-party originator) as unacceptable (even if no agreement for future refinancing was entered into at the time of origination). Therefore, the Correspondent must not deliver for purchase by Computershare Loan Services any Mortgage Loan that the Correspondent (or its Control Affiliates or its third-party originators) has agreed to refinance or is currently in the process of refinancing. Computershare Loan Services considers an originator to be in the process of refinancing a Mortgage Loan if, at the time the Mortgage Loan is delivered to Computershare Loan Services, the Correspondent has taken another application from the same Mortgagor for the same property or has entered into an agreement with one of its third-party originators to acquire or fund another Mortgage Loan that has the same Mortgagor and property as the Mortgage Loan that is being delivered to Computershare Loan Services.
- **Solicitation:** From and after the Commitment Confirmation date. Correspondent agrees that it will not take any action or permit or cause any action to be taken by any of its agents or Control Affiliates, or by any independent contractors or independent mortgage brokerage companies on Correspondent's behalf, to personally, by telephone, mail or electronic mail or otherwise, solicit the Mortgagor under any Mortgage Loan for the purpose of refinancing such Mortgage Loan.

Permitted Activities

Computershare Loan Services does not consider the Correspondent to be engaged in a questionable refinancing practice if the Correspondent:

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- **General Advertising:** Undertakes promotions directed to the general public at large, including, without limitation, mass mailings based on commercially acquired mailing lists, newspaper, internet, radio or television advertisements or responds to unsolicited requests or inquiries made by a Mortgagor or an agent of a Mortgagor, provided that all rights and benefits relating to the solicitation of any Mortgagors to refinance any Mortgage Loans and the attendant rights, title and interest in and to the list of such Mortgagors and data relating to their Mortgages (including insurance renewal dates) shall be transferred to Computershare Loan Services on the Purchase Date and Correspondent shall take no action to undermine these rights and benefits.
- **General Terms:** Promotes the terms it has available for refinancing by sending letters or promotional material to Mortgagors or to all Mortgagors who have specific types of Mortgages (such as FHA, VA, USDA, Conforming fixed-rate, or Conforming adjustable-rate) or to those Mortgagors whose Mortgages fall within specific interest rate ranges. The Correspondent may not; however; treat or allow other Mortgage Loan originators to treat Mortgages it has sold to Computershare Loan Services as separate classes of Mortgages for purposes of advertising the availability of refinancing terms.
- **Payoff Information:** Cooperates with individual Mortgagors who contact the Correspondent about prepaying their Mortgages by advising them of refinancing terms and streamlined origination arrangements that are available, including alternatives of Computershare Loan Services.

Review of Activities/Remedies

Computershare Loan Services will monitor Correspondents that have high levels of prepayments. If such a monitoring raises serious concerns about the Correspondent's practices, Computershare Loan Services will conduct a review of the Correspondent's origination and refinancing activities to ensure that they are in compliance with the requirements of Computershare Loan Services. In the event of breach, Computershare Loan Services will be entitled to one or more appropriate General Remedies if Computershare Loan Services finds that the Correspondent has violated policies and requirements of Computershare Loan Services set forth in this Guide or the Correspondent Agreement and related documents, including, but not limited to, requiring the Correspondent to make Computershare Loan Services whole for any losses resulting from claims made by Agencies or other investors.

Adverse Financial Condition of Correspondent Seller Event of Default

In the event the Correspondent undergoes any adverse financial condition, Computershare Loan Services may require one or more applicable Remedies set forth in [General Remedies](#) in this Guide section. Adverse Financial Condition shall include but not be limited to:

- Occurrence of an act of insolvency or bankruptcy concerning the Correspondent
- The Correspondent fails to obtain a vacation or stay of involuntary proceedings brought for its reorganization, dissolution or liquidation
- The Correspondent fails to meet any net worth, ownership, capital, leverage, or other financial standard imposed by applicable laws or the requirements of any applicable regulatory authority, Investor or Agency, or as may be set forth in the Agreement
- Certain events described in [Recertification, Monitoring and Maintaining Eligibility](#) section, [Representations and Warranties](#) section and other applicable sections of this Guide

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- Computershare Loan Services determines in its sole discretion that any material adverse change has occurred in the Correspondent's financial condition
- Computershare Loan Services determines in its sole discretion that the Correspondent's sales and warranty obligations are disproportionate to its capital and/or assets

General Events of Default

If any of the events listed below occur, Computershare Loan Services has the right to demand Repurchase of the related Mortgage Loan as set forth in [Events of Default and Remedies, Including EPDs and EPOs](#), and/or it may require one or more applicable remedies set forth in the [General Remedies](#) section of this Guide.

Breach of Representation or Warranty

As set forth in [General Remedies](#) and in this section, Correspondent defaults under or breaches, or Computershare Loan Services or any of its assigns discovers the inaccuracy of, any of the representations, warranties or covenants concerning the Correspondent set forth in the Correspondent Agreement, this Guide or any other related document under the Agreement.

Guaranty and Support Agreement Default

Any Guarantor of the Correspondent's obligations defaults under the terms of a Guaranty and Support Agreement (including, without limitation, any default by Guarantor in maintaining any minimum Tangible Net Worth required under such Guaranty and Support Agreement) given to Computershare Loan Services on the Correspondent's behalf; any such Guarantor becomes insolvent or bankrupt; Computershare Loan Services determines in its sole discretion that a material adverse change has occurred in such Guarantor's financial condition; or any Guarantor fails to meet any capital, leverage or other financial standard imposed by any applicable regulatory authority.

Other Agreement Default

Correspondent defaults under the terms of any other agreement to which the Correspondent and Computershare Loan Services are parties.

Failure to Meet Repurchase Obligation

Correspondent fails to repurchase from Computershare Loan Services any Mortgage Loan required to be repurchased under the terms of the Agreement.

Legal or Regulatory Action

Correspondent or its Guarantor is placed on probation or a federal or state government agency restricts the Correspondent's activities in any manner; a court finds that the Correspondent or its Guarantor or any of the Correspondent's or its Guarantor's principal officers have committed an act constituting civil fraud; or the Correspondent or its Guarantor or an officer thereof is convicted of any criminal act that relates to lending or Mortgage Loan servicing activities.

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Failure to Meet Insurer's Approval Standards

Correspondent is unable to meet the required approval standards of any Mortgage Insurer, guarantor or other entity that provides insurance or other credit enhancements in connection with efforts by Computershare Loan Services to sell the Mortgage Loans or to borrow based on the collateral value of the Mortgage Loans.

Failure to Deliver Required Documents

Correspondent fails to deliver to Computershare Loan Services any required documents.

Invalid Assignment

Correspondent assigns or attempts to assign its interests, rights or obligations under the Correspondent Agreement without prior written consent from Computershare Loan Services.

General Remedies

Computershare Loan Services shall have available to it the following General Remedies in the event Computershare Loan Services has reason to believe that Correspondent breached the terms and conditions of the Correspondent Agreement and related documents, this Guide or that an Event of Default has occurred.

Note: Nothing in this section shall be deemed or construed to limit, waive or impair any of the rights or remedies due to Computershare Loan Services under any the Agreement including this Guide, or that it may otherwise have a law or in equity.

General Indemnification

The Correspondent shall indemnify and hold Computershare Loan Services harmless from and against, and shall pay on behalf of Computershare Loan Services in the first instance, any and all losses, liabilities (including liabilities for penalties), claims, demands, damages, judgments, costs and expenses including attorneys' fees (both trial and appellate) of every kind and nature resulting from any claim, demand, defense or assertion ("Liability") based or grounded upon, or resulting from a breach of any representation, warranty or obligation contained in or made pursuant to the Agreement, the occurrence of any Event of Default, or from Liability based on or grounded upon, or resulting from such breach or a breach of any representation, warranty or obligation made by Computershare Loan Services in reliance upon any representation, warranty or obligation made by Correspondent in or pursuant to the Agreement. The Correspondent also shall indemnify Computershare Loan Services and hold it harmless against all Liabilities incurred by Computershare Loan Services in enforcing the Agreement.

Reasonable Assurances

If, at any time during the term of the Correspondent Agreement, Computershare Loan Services has reason to believe that an Event of Default has occurred, Computershare Loan Services shall have the right to demand, pursuant to written notice from Computershare Loan Services to the Correspondent, reasonable assurances that such a belief is in fact unfounded. Any failure by the Correspondent to provide the reasonable assurances set forth in the written notice and within a time frame specified in the written notice shall constitute an additional Event of Default; provided; however; that, notwithstanding anything set forth in the Agreement to the contrary, and so long as no other Event of Default has occurred and is continuing, Computershare Loan Services shall only be entitled to exercise such reasonable assurance remedy as may be necessary or

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appropriate for Computershare Loan Services to insulate itself from any potential harm or loss relating to or caused by the facts or circumstances giving rise to such Event of Default.

Possession of Files and Documents

Computershare Loan Services may proceed immediately by its own acts, order of seizure, or such other remedy as may be available at law or equity to take possession of all Mortgage Loan Files and Mortgage Loan Documents relating to a Mortgage Loan belonging to the Correspondent which could qualify for sale to Computershare Loan Services pursuant to the Correspondent's commitments.

Suspension or Termination of Selling Privileges

- **Suspension Due to Event of Default or for Cause** — without affecting any other of Computershare Loan Services' remedies, Computershare Loan Services, by giving written or email notice to the Correspondent, may immediately suspend all the Correspondent's Commitment Confirmations and the Correspondent will cease to be eligible to obtain new Commitments during the term of such suspension. Computershare Loan Services' determination that the Suspension was for an Event of Default or Cause shall be in its sole discretion, and Computershare Loan Services may also determine in its sole discretion whether it will continue to purchase Mortgage Loans under outstanding Commitment Confirmations previously obtained by the Correspondent or refuse to Purchase any or all Mortgage Loans
- **Termination Due to Event of Default or for Cause** — Computershare Loan Services may immediately terminate the Correspondent upon an Event of Default or for Cause, determined in its sole discretion. Upon any such termination, Computershare Loan Services may determine in its sole discretion whether it will continue to purchase any or all Mortgage Loans under outstanding Commitment Confirmations previously obtained by the Correspondent or refuse to purchase any or all Mortgage Loans

Refer to the [Correspondent Seller Termination](#) and [Correspondent Seller Suspension](#) sections of the [Correspondent Seller Participation Requirements](#) portion of this Guide, and the [Termination or Suspension Impact on Pipeline Mortgage Loans](#) section below in this [Events of Default and Remedies, Including EPDs and EPOs](#) section of the Guide.

Right to Withhold Mortgage Loan from Funding or Purchase

Computershare Loan Services shall have the right to suspend the funding or purchase of the Correspondent's Mortgage Loans at any time when Computershare Loan Services has determined in the exercise of its reasonable judgment that it needs to insulate itself from potential harm or loss relating to the Correspondent's sale of Mortgage Loans to Computershare Loan Services, until the issues giving rise to such need have passed. Upon the occurrence of an Event of Default, or for Cause, including the occurrence of any deception, fraud, concealment or material misrepresentation by the Correspondent, its officers, directors, employees, agents, subsidiaries, Control Affiliates, or by any independent contractors acting on behalf of the Correspondent in relation to Computershare Loan Services or otherwise, Computershare Loan Services may refuse to purchase any or all Mortgage Loans submitted for purchase by Correspondent.

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Right to Off Set

(Also known as Net Fund) — Computershare Loan Services may set off and deduct any fees, penalties or other sums owed or otherwise payable to Computershare Loan Services or its Control Affiliates by the Correspondent under the terms of the Agreement, which may include, without limitation, indemnification, EPO Fee and repurchase invoices.

Notification of Agencies or Regulators

Computershare Loan Services may notify any relevant Agency or regulator of the occurrence of an Event of Default involving fraud or misrepresentation, or a serious material defect, or as otherwise required by law, its contractual obligations, or its exercise of prudent judgment.

Indemnification of Letter of Credit

If a Mortgage Loan is unacceptable to an Computershare Loan Services Investor as a result of defective documentation or other Mortgage Loan quality defects which the Correspondent does not cure by the date established for a final pool certification for any pool in which Computershare Loan Services places the Mortgage Loan, the Correspondent shall, upon demand, Repurchase the Mortgage Loan at the Repurchase Price or, at the sole discretion of Computershare Loan Services, indemnify and hold Computershare Loan Services or its assigns harmless from any cost, expense, or loss relating to the Mortgage Loan, including without limitation, the costs incurred by Computershare Loan Services for the issuance of a Letter of Credit.

Note: Nothing in this section shall be deemed or construed to limit, waive or impair any of the rights of Computershare Loan Services or remedies under any Agreement Documents or other section of this Guide.

Notification of Breach

Computershare Loan Services shall be under no obligation to notify the Correspondent of the occurrence of any breach of the Correspondent's representations, warranties or covenants hereunder, or of the occurrence or existence of any other Event of Default. All of the remedies to Computershare Loan Services hereunder, including, without limitation, the Repurchase Remedy with respect to the Mortgage Loan, any purchase obligation with respect to the Mortgaged Property, and the indemnification with respect to any breach of a Representation or Warranty or covenant (or any other Event of Default), shall exist regardless of the dates of discovery by Computershare Loan Services and notice to the Correspondent of the breach and demand from Computershare Loan Services for any remedy. Notwithstanding any other provision of the Agreement to the contrary, the Correspondent shall remain liable for all remedies hereunder even if Computershare Loan Services discovers a breach after the Mortgage Loan no longer exists.

Waiver of Defaults/Remedies

Computershare Loan Services may waive any default by the Correspondent and/or the consequences of such default only in a written document specifying the nature and terms of such waiver. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto, nor shall any delay by Computershare Loan Services in exercising, or failure to exercise, any right arising from such default affect or impair the rights of Computershare Loan Services as to such default or any subsequent default. All of the Remedies to Computershare Loan Services are non-exclusive and cumulative. Failure by Computershare Loan

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Services to exercise any of its Remedies does not constitute a waiver of that Remedy in the future as to the same or any other Correspondent default.

Termination or Suspension Impact of Pipeline Mortgage Loans

In addition to the provisions set forth elsewhere in the Agreement for termination of the Correspondent Agreement or any of the other Agreement Documents, either the Correspondent or Computershare Loan Services may terminate the Correspondent Agreement or any of the Agreement Documents with or without cause (which termination shall have the effect outlined below for pipeline Mortgage Loans) at any time upon prior written notice of termination to the other party. Computershare Loan Services may also Suspend the Correspondent in its sole discretion for any reason, with or without Cause, upon notice to Correspondent. Termination of Suspension is effective on the date specified by the party providing notice.

Effect of Termination or Suspension on Pipeline Mortgage Loans:

a. WITHOUT CAUSE —

With respect to any Mortgage Loan which is subject to a Commitment Confirmation as of the date of the Termination or Suspension notice, except as provided in the Commitment Confirmation such termination or suspension shall not change or modify the obligations of Computershare Loan Services and Correspondent under the Commitment Confirmation, and Computershare Loan Services and Correspondent shall remain obligated to comply with the transaction subject to the terms and conditions of the Agreement and the related Commitment Confirmation.

b. WITH CAUSE —

Computershare Loan Services may immediately terminate its obligations under a Commitment Confirmation for Cause and return to Correspondent any Mortgage Loans subject to a Commitment Confirmation. Termination or Suspension for "Cause" is defined in this Guide. Alternatively, Computershare Loan Services may at its discretion require Correspondent to remain obligated to comply with the pending transaction(s) subject to the terms and conditions of the Agreement and the related Commitment Confirmation(s), notwithstanding the Suspension or Termination for Cause. The Correspondent will not be entitled to a termination fee or any other compensation from Computershare Loan Services for any reason or cause relating to the Correspondent's Suspension or Termination. Correspondent will not be entitled to any consequential, incidental, indirect, special, punitive or exemplary damages, lost profits or other similar remedies arising out of, or in connection with, Correspondent's suspension or termination even if Computershare Loan Services is aware of the possibility of such loss or damages.

Survival of Remedies

It is understood and agreed that Remedies of Computershare Loan Services set forth in this section, in the Correspondent Agreement, this Correspondent Lending Seller Guide and/or other Agreement Documents shall survive the sale and delivery of the related Mortgage Loan to Computershare Loan Services and purchase by Computershare Loan Services of the related Purchase Price, and will continue in full force and effect, notwithstanding any termination of the related Correspondent Agreement and this Correspondent Lending Seller Guide, or any restrictive or qualified endorsement on any Mortgage Note or Assignment of Mortgage or

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Mortgage Loan approval or other examination of or failure by Computershare Loan Services to examine any related Mortgage Loan File.

Remedies to Events of Default are Cumulative

The table below outlines certain Mortgage Loan level Events of Default for which Computershare Loan Services is entitled to select a Remedy. If more than one Event of Default occurs in connection with a Mortgage Loan, Computershare Loan Services is entitled to select a Remedy for each Event of Default, without regard to whether Computershare Loan Services exercised any Remedy for a prior Event of Default in connection with that Mortgage Loan.

Note: Computershare Loan Services does not render Credit Decisions on Mortgage Loans for Delegated transactions; all such decisions are made by Correspondent. Any eligibility review or examination of a Mortgage Loan performed by Computershare Loan Services, whether completed before or after it is closed with Borrower, does not relieve the Correspondent of its Representations and Warranties or its obligation to make prudent Credit Decisions that comply with all Applicable Laws.

Example Remedies Table

This table is intended for use for reference purposes only. Refer to the Guide section that follows and the Correspondent Agreement and related documents for additional remedy details and provisions. In the event of a conflict between this table and the provisions set forth in the Guide sections that follow, the Guide sections will control.

Computershare Loan Services Example Remedies Table	
Event of Default Type	Remedy Example
Early Payment Default (“EPD”)	EPD Fee
Early Payoff (“EPO”) Default	Early Payoff Fee
Breach of Representation or Warranty (Mortgage Loan)	Repurchase*
Unmarketable Mortgage Loan	Repurchase*
Uninsured Mortgage Loan	Repurchase*

*At the sole discretion of Computershare Loan Services, indemnification of Computershare Loan Services for losses may apply.

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Repurchase

Repurchase Terms / Events of Default

Computershare Loan Services reserves the right to submit a repurchase request to the Correspondent the if Correspondent fails to perform obligations outlined in the Correspondent Agreement; this Guide; or subsequent to purchase, it is discovered that the Mortgage Loan included information that would have rendered the Mortgage Loan ineligible for purchase.

If any of the events listed in this Guide section occurs, an Event of Default has occurred, and Computershare Loan Services will have the right to require the Correspondent to repurchase the interest of Computershare Loan Services in the relevant Mortgage Loan. The events in this section of the Guide are not the only events that are Repurchase Events of Default. At the sole discretion of Computershare Loan Services, indemnification of Computershare Loan Services for losses may apply in lieu of Repurchase.

Refer to Correspondent Agreement and [Representations and Warranties](#) section of this Guide for additional information.

Mortgage Loans which meet the below criteria are subject to repurchase.

Breach of Representation or Warranty

Correspondent defaults under or breaches, or Computershare Loan Services or any of its successors or assigns discovers the inaccuracy of, any of the Representations and Warranties or covenants set forth in the Agreement.

Uninsured Mortgage Loan

- **Certificate of Insurance:** The certificate of insurance, guaranty, or similar document evidencing the required amount of coverage has not been duly issued by a Mortgage Insurer acceptable to Computershare Loan Services for the relevant Mortgage Loan Program that the Mortgage Loan was purchased under, and (i) the Mortgage Loan becomes 30 days or more delinquent, or (ii) 60 days or more have passed since the Closing Date of the Mortgage Loan
- **Insurance Premium:** The mortgage insurance or guaranty premium has not been paid to the Mortgage Insurer within 30 days after the Purchase Date
- **Insurance Rescission, Cancellation or Denial:** The Mortgage Insurer cancels coverage and/or denies a claim under such coverage, or a guarantor cancels or rescinds its guaranty due to fraud, misrepresentation or omission of a material fact or for any other reason related to the eligibility of the Mortgage Loan for Mortgage Insurance or guaranty
- **Indemnification Requirement by Insurer or Guarantor:** The Mortgage Insurer or guarantor requires that Correspondent or Computershare Loan Services indemnify it against loss due to origination or underwriting-related defects or issues, or any defects or issues other than those occurring after the servicing transfer date and the responsibility of Computershare Loan Services, its agents or assigns

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Fraud and/or Misrepresentation

The Mortgagor or any other party has committed fraud, misrepresentation, or omission of material fact in conjunction with the Mortgage Loan, whether or not the Correspondent was a party to or knew about such fraud, misrepresentation or material omission

Unmarketable Mortgage Loan

The Mortgage Loan that the Correspondent delivers to Computershare Loan Services is unmarketable, or unmarketable on the secondary market without loss to Computershare Loan Services, including, but not limited to, a Mortgage Loan as to which:

- **Agreement** - Correspondent has not complied with a material requirement, component, term or condition of the Agreement
- **Evidence of Compliance** - Correspondent is unable to supply satisfactory evidence of compliance with the Agreement, and/or any component of the Agreement including the transaction documents
- **False or Misleading Representation or Warranty** - Correspondent has made one or more false or misleading representations or warranties to Computershare Loan Services or has failed to provide Computershare Loan Services with information that is true, complete and accurate as to the Mortgage Loan or the Correspondent
- **Underwriting or Documentation** - Correspondent did not underwrite and/or document the Mortgage Loan in accordance with the Agreement, including without limitation the Product Profiles setting forth Computershare Loan Services requirements and the provisions of the Guide
- **Protection of Occupants** - Correspondent violated or failed to comply with any Applicable Law designed to protect the health and safety of the Mortgaged Property's occupants (including failure to take any action available to the Correspondent that would relieve the Mortgage holder from liability under such law or regulation)
- **Investor Demand for Repurchase, Indemnification or Make-Whole** – Computershare Loan Services receives a valid demand for repurchase, indemnification or make-whole for losses with respect to the Mortgage Loan relating to Correspondent's acts, errors, omissions or responsibilities under the Agreement, including but not limited to Repurchase Events of Default described in this Guide

Repurchase Price and Procedure

Repurchase Price

The repurchase price for a Mortgage Loan subject to a Repurchase Obligation under the Agreement shall be as follows:

1. **Current unpaid principal balance, plus**
2. **All accrued and unpaid interest on the Mortgage Loan from the last date through which interest has been paid through and including the last day of the month in which the Correspondent repurchases the Mortgage Loan, plus**
3. **Original Service Release Premium (SRP), if any, paid by Computershare Loan Services with respect to such Mortgage Loan or the greater of premium paid in excess to par or**

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100 basis points of the purchased Mortgage Loan amount if the Mortgage Loan is not eligible for sale to an Agency, plus

- 4. Any unreimbursed servicing or escrow advances made by Computershare Loan Services with regard to such Mortgage Loan as of the date of repurchase, plus**
- 5. Any and all costs and expenses, including, but not limited to, reasonable fees and expenses of counsel incurred by Computershare Loan Services as a result of any breach by Correspondent of its representations and warranties under the Agreement, to enforce Correspondent's obligation to repurchase such Mortgage Loan and/or to foreclose on such Mortgage Loan, plus**
- 6. Administrative fee of \$3,000, plus**
- 7. Any other loss or expense accrued to Computershare Loan Services in connection with the Mortgage Loan including, but not limited to, costs of property preservation, costs of property inspections, and costs of broker price opinions,**
- 8. If a foreclosure sale has occurred, all interest accrued at the Mortgage Interest Rate in respect of such Mortgage Loan on the aggregate of the amounts set forth in 1) through 7) of this section from the last day of the month in which a foreclosure sale occurred to, but excluding, the date of repurchase, less**
- 9. Any proceeds of mortgage insurance collected by Correspondent and attributable to such Mortgage Loan, less**
- 10. Net proceeds of any foreclosure sale to a third party (sale price minus costs and expenses, including but not limited to reasonable fees and expenses of counsel incurred by Computershare Loan Services in connection with the foreclosure sale)**

Procedure for Completing Repurchase

1. **Repurchase:** Computershare Loan Services will provide Correspondents with a detailed written explanation of the reasons for any request to repurchase a Mortgage Loan. The Correspondent must Repurchase the interest of Computershare Loan Services in the identified Mortgage by the Repurchase invoice due date. If in the sole discretion of Computershare Loan Services the breach or Event of Default giving rise to the Repurchase Obligation may be curable, Correspondent at the discretion of Computershare Loan Services may be granted a period of thirty (30) days in which to cure the Event of Default, after which a Repurchase invoice due date will be set if it is not cured. In the event the Repurchase is not completed by the invoice due date, Computershare Loan Services may net fund (set-off) the amount from subsequent amounts due to the Correspondent. Alternatively, Computershare Loan Services may, in its sole discretion, obtain a bid for a market price on the Mortgage Loan and require Correspondent to indemnify and reimburse Computershare Loan Services for the marketing loss incurred or implied by the market price, plus the SRP and any premium pricing paid at settlement by Computershare Loan Services to Correspondent.
2. **Wire Transfer of Funds:** The Correspondent will effect Repurchases by wire transfer from the Correspondent to Computershare Loan Services of immediately available funds.
3. **Release of Mortgage Loan File:** Upon receipt by Computershare Loan Services of the Correspondent's funds for Repurchase, Computershare Loan Services shall release to the Correspondent the related Mortgage Loan File(s) and shall execute and deliver to the Correspondent such instruments of transfer or assignment, in each case without recourse, as shall be necessary to vest in the Correspondent, or its designee, title to such Repurchased Mortgage Loans.

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4. **Recordation and Transfer Costs / Repurchase Date:** The Correspondent will assume the cost of recordation of assignments and other costs of transfer of any Repurchased Mortgage Loans. The date of Repurchase is the date when Computershare Loan Services receives the Repurchase Price funds by wire transfer.
5. **Mortgage Note:** The reasonable decision of Computershare Loan Services, in accordance with the terms of the Agreement, to require the Correspondent to Repurchase a Mortgage shall be conclusive. The Correspondent's failure to comply with Repurchase request from Computershare Loan Services may result in suspension or termination of selling privileges. Suspension or termination upon the occurrence of one or more of the Repurchase events shall not limit the rights of Computershare Loan Services to take other action to enforce its rights or protect its interests, including, but not limited to those remedies set forth in [General Remedies](#) in this Guide section and any related requirements of the Correspondent Agreement.

Regulatory Compliance

Over the years, numerous laws have been enacted by Congress to protect the consumer and prevent discrimination during and after the process of obtaining a mortgage. In many cases non-compliance with these laws and regulations may carry severe penalties and can result in costly liability actions and criminal prosecution for the parties involved as well as class action lawsuits that affect the industry as a whole.

Correspondent is warranting that each loan is in full compliance with all federal and state regulatory requirements when the loan is submitted to Computershare Loan Services for purchase. The following information is intended to provide guidance for the Correspondent regarding the process and requirements under which Computershare Loan Services will purchase loans. Computershare Loan Services is not issuing any legal opinion or interpretation of the regulations. If additional guidance beyond what is provided here is needed, Correspondent should consult its own legal counsel.

Bank Secrecy Act (BSA/AML)

The Currency and Foreign Transactions Reporting Act of 1970 (which legislative framework is commonly referred to as the "Bank Secrecy Act" or "BSA") requires U.S. financial institutions to assist U.S. government agencies to detect and prevent money laundering. Specifically, the act requires financial institutions to keep records of cash purchases of negotiable instruments, file reports of cash transactions exceeding \$10,000 (daily aggregate amount), and to report suspicious activity that might signify money laundering, tax evasion, or other criminal activities. The BSA is sometimes referred to as an "anti-money laundering" law ("AML") or jointly as "BSA/AML." Several AML acts, including provisions in Title III of the USA PATRIOT Act of 2001, have been enacted up to the present to amend the BSA. (See 31 USC 5311-5330 and 31 CFR Chapter X). As of 02/16/2012, the Financial Crimes Enforcement Network (FinCEN), a bureau of the Department of the Treasury, issued a final rule defining non-bank residential mortgage lenders and originators as loan or finance companies for the purpose of requiring them to establish anti-money laundering programs and report suspicious activities under the BSA.

Computershare Loan Services requires that approved Correspondents comply with all requirements of the Bank Secrecy Act (BSA), Anti-Money Laundering regulations, and Suspicious Activity Reporting requirements. Correspondent must ensure the accurate, verified, and appropriate identification of its borrowers in accordance

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with requirements of the BSA. Any unusual activity identified on loans submitted to Computershare Loan Services must be reported to Computershare Loan Services. All reporting is confidential, and Computershare Loan Services does not retaliate against any person for reporting unusual activity, fraud, money-laundering, and suspected or actual criminal activity. Computershare Loan Services will review any unusual activity and determine if filing a Suspicious Activity Report (SAR) and/or other actions are warranted.

Equal Credit Opportunity Act (ECOA)

Summary of Regulation

The Equal Credit Opportunity Act (ECOA, Regulation B) prohibits discrimination against applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), of the fact that all or part of the applicant's income derives from any public assistance program, or the fact that the applicant has in good faith exercised rights under the Consumer Credit Protection Act. The Consumer Financial Protection Bureau and prudential regulators enforce ECOA and its implementing regulation, Reg. B. All federal agencies that regulate lending institutions have the authority to enforce Regulation B and civil suits and penalties may be brought against the lending institution within two years of any identified violations.

Under ECOA, a credit applicant must receive a notice of action taken within 30 days of submitting a completed application concerning Correspondent's approval of, counteroffer to, or adverse action taken on the application. If the application is incomplete, the Correspondent must notify the applicant of the items needed to complete the application within 30 days of receipt of the incomplete application. An adverse action notice stating the reason for denial must be sent within 30 days if credit has been declined. ECOA defines and governs the rules concerning pre-screening mortgage applicants, rate inquiries and evaluating applications as well as rules pertaining to providing applications with copies of appraisal reports.

Correspondent must comply with all applicable sections of ECOA.

General Requirements

The Equal Credit Opportunity Act requires Correspondent to take the following steps for compliance:

1. Collect information about the applicant's race and other personal characteristics in applications for certain dwelling-related loans (Government Monitoring Information).

A credit application primarily for the purchase or refinancing of a dwelling, that is or will be occupied by the applicant as a principal residence, where the extension of credit is secured by the dwelling, will contain the following request for information regarding the applicant(s): ethnicity, race, and sex. This information is used for government monitoring purposes.

2. Notify applicants of the action taken on their applications.

When an application involves more than one applicant, notification need only be given to one of them, but it must be given to the primary applicant where one is readily apparent. If credit scoring is utilized in a decision to take adverse action, all applicants must be provided with an individual adverse action notice.

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Correspondent must notify an applicant of action taken within the following timeframes:

- 30 days after receiving a completed application concerning Correspondent's approval of, counteroffer to, or adverse action on the application
- Within a reasonable period of time after issuing an NOI (Notice of Incomplete Application) (industry standard is 10 days)
- 30 days after taking adverse action on an incomplete application
 - If notice of incompleteness is provided to the applicant, it must be provided within 30 days of receipt of the incomplete application
- 30 days after taking adverse action on an existing account
- 90 days after notifying the applicant of a counteroffer if the applicant does not expressly accept or use the credit offered

See the Mortgage Loan Review Process: Non-Delegated Loan Denial section of the Correspondent Lending Seller Guide for additional information on the Correspondent's responsibility to provide adverse action notification to the Borrower.

3. Report credit history in the names of both spouses on an account.

If Correspondent furnishes information to consumer reporting agencies concerning an account that reflects the participation of both spouses, the information must be furnished in a manner that will enable the agency to provide access to the information in the name of each spouse.

4. Promptly provide applicants with copies of appraisal reports and other written valuations used in credit transactions.

The ECOA Valuations Rule requires that Correspondent provide to the Borrower a copy of the appraisal report and other written valuations used in connection with a credit application that is to be secured by a first or second lien on a dwelling. These reports/valuations must be sent promptly upon completion, or so as to be received by the Borrower at least three business days prior to consummation, whichever is earlier. Copies of any appraisals or other written valuations must be provided to the applicant whether credit is extended or denied, or if the application is incomplete or withdrawn. Correspondent may not charge an applicant for providing a copy of appraisals and/or other written valuations, but may require applicants to pay a reasonable fee to reimburse it for the cost of the appraisal or other written valuation unless otherwise prohibited by law.

Correspondent must notify the applicant of the right to receive a copy of the appraisal no later than the third business day after it receives an application for credit secured by a first or second lien on a dwelling. For applications received on or after October 3, 2015 which are subject to the RESPA-TILA Integrated Disclosure Rule (TRID Rule), the notice should be included on the Loan Estimate and the Closing Disclosure, so a separate notice is not required. For transactions not subject to the TRID Rule, a separate notice is required to be sent within the appropriate timeframe. An applicant may waive the timing requirement and agree to receive any copy of the appraisal at or before consummation or account opening, except when the loan is a HPML or HCML. Any such waiver must be obtained at least three days prior to consummation. If the applicant provides a waiver and the transaction is not

consummated, Correspondent must provide these copies no later than 30 days after it determines consummation will not occur.

Fair Credit Reporting Act (FCRA)

Summary of Regulation

The Fair Credit Reporting Act (FCRA) and its implementing regulation, Regulation V, protect consumers against inaccurate or misleading information in credit files maintained by consumer reporting agencies. FCRA also imposes disclosure and other requirements on mortgage lenders that obtain Consumer Personally Identifiable Financial Information from a consumer reporting agency to determine a borrower's creditworthiness.

FCRA was amended by the Fair and Accurate Credit Transactions Act, also known as the FACT Act, which provides specific guidelines to protect consumers' credit against identity theft and a method for correcting erroneous information, regardless of whether they are applying for credit or not. We will cover the FACT Act separately from FCRA.

Correspondent is required to comply with all relevant aspects of FCRA.

Credit Score Disclosure/Notice to Home Loan Applicant

The Fair Credit Reporting Act requires that a Risk-Based Pricing Notice (RBPN) be provided by Correspondent if, based in whole or in part on a consumer credit report, it grants, extends or otherwise provides credit to a consumer on material terms that are materially less favorable than the most favorable material terms available to a substantial proportion of its consumers. While the regulation allows for oral, written or electronic disclosure of this information, Computershare Loan Services will only accept loans where written disclosure was provided.

- A RBPN is not required if the Borrower applies for and received specific terms for which he or she applied, or if Correspondent provides an Adverse Action notice to the Borrower.
- In lieu of the RBPN, Correspondent may provide an exception notice containing supplemental information in conjunction with the FACTA Credit Score Disclosure. Correspondent must provide the supplemental information to every borrower regardless of whether or not he or she would receive the RBPN.

A copy of any RBPN or FACTA Credit Score disclosure provided to each Borrower must be included in the closed loan package delivered to Computershare Loan Services.

The Fair Credit Reporting Act requires that a "Notice to Home Loan Applicant" explaining the key factors affecting the Borrower's credit scores be provided "as soon as reasonably practicable." A copy of any Notice provided to the Borrower is required in the closed loan package delivered to Computershare Loan Services.

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Fair and Accurate Credit Transactions Act (FACTA)

Summary of Regulation

The Fair and Accurate Credit Transactions Act (FACTA or FACT Act) of 2003 amended the Fair Credit Reporting Act and was established to serve the following purposes:

- Enhance consumer's ability to combat identity theft
- Increase the accuracy of consumer report information
- Allow consumers to exercise greater control regarding

The FACT Act was intended primarily to help consumers fight the growing crime of identity theft. Accuracy, privacy, limits on information sharing, and consumers' rights disclosure are included in FACTA.

The provisions of the Act that pertain to all phases of the mortgage origination and servicing processes are the provisions to help prevent and/or reduce identity theft, such as the ability for individuals to place alerts on their credit histories if identity theft is suspected, or if deploying overseas in the military, thereby making fraudulent applications for credit more difficult; further, it requires secure disposal of Consumer Personally Identifiable Financial Information.

Correspondent is required to comply with all applicable provisions of FACT Act.

Any time Correspondent makes or arranges loans and uses a consumer credit score in connection with an application initiated or sought by a consumer for a closed-end loan or the establishment of an open-end loan for a consumer purpose that is secured by one to four units of residential real property, Correspondent must provide the following disclosures to the consumer as soon as reasonably practicable:

Credit Score Notice. Correspondent is required to furnish consumers with a consumer credit score notice as soon as practicable that includes the name, address and telephone number of each consumer reporting agency used, as well as the model language included in the Act.

Disclosure of Credit Score. Correspondent is required to furnish consumers with a Disclosure of Credit Score Information disclosure that gives borrowers their credit score, the name of the credit score provider, the key factors that adversely affect the credit score, the range of possible credit scores and the date the credit score was created.

Fraud Alerts and Active Duty Alerts

Correspondent is required to review consumer reports for Fraud Alerts and Active Duty Alerts. In the event one or more such alerts are present, additional procedures must be taken prior to granting credit or renewing/extending existing credit. Documentation to support that these additional procedures were followed is required in the closed loan package delivered to Computershare Loan Services.

1. In the case of a fraud alert, additional verifications must be undertaken to ensure that the consumer's information is not being fraudulently used. If a telephone number is provided in the alert, Correspondent must contact the consumer using that telephone number or take reasonable steps to verify the consumer's identity and confirm that the application is not the result of identity theft.

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2. In the case of an active duty alert, confirmation from the active serviceman must be obtained prior to granting credit. If a telephone number is provided in the alert, the same procedures must be followed as noted above.

Red Flags Guidelines

One of the most important aspects of the FACT Act is the Red Flag Rules. The Red Flag Rules are intended to aid lenders in pro-actively preventing identity theft by identifying possible "red flags" that require additional investigation or intervention prior to granting credit or opening new accounts. Rather than responding to consumer complaints regarding potential identity theft, the red flag rules require lenders to implement procedures to detect, prevent and mitigate identity theft.

An application for a mortgage loan or a closed mortgage loan is a "covered account" under the Red Flags Rule.

Correspondent must develop, implement and maintain a comprehensive Identity Theft Prevention Program to detect, prevent, and mitigate identity theft in connection with the opening of all covered accounts or any existing covered accounts. Where "red flags" are present, Correspondent must take appropriate action to detect, prevent and mitigate occurrences of identity theft.

The Red Flag Rules have four elements:

1. **Identify** relevant red flags for all applications and originations;
2. **Detect** red flags;
3. **Respond** appropriately to any red flags that are detected to prevent and mitigate identity theft; and
4. **Update** identified red flags periodically to reflect changes in identity theft risks to consumers.

If any potential red flags are present, due diligence must be performed to investigate to ensure that potential identity theft is not taking place with respect to the account. If identity theft is discovered, appropriate action must be taken. Documentation to support the action taken is required in the closed loan package delivered to Computershare Loan Services.

Correspondent's policy and subsequent procedures must be designed to control reasonably foreseeable risks to Correspondent's borrowers and clients.

Specifically, identity theft is a fraud committed or attempted using the identifying information of another person without authority. Identifying information means any name or number that may be used (alone or in conjunction with any other information) to identify a specific person including the following:

- Name
- Social Security Number
- Date of Birth
- Official State or Government Issued Driver's License or Identification
- Alien Registration Number
- Government Passport Number
- Employer or Taxpayer Identification Number

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Fair Housing Act (FHAct)

Correspondent understands and acknowledges that Computershare Loan Services is fully committed to the principles of Fair Lending and requires each of its business partners, including Correspondent, to follow similar principles. Correspondent must adhere to all federal Fair Lending laws, including the Fair Housing Act and ECOA, as well as any applicable state Fair Lending laws. Correspondent must treat all applicants and borrowers in a fair and consistent manner and without regard to race, color, religion, national origin, age (provided the applicant or borrower has legal capacity to enter into a binding contract), sex, marital status, disability, familial status, receipt of public assistance, or exercise of rights under the Consumer Credit Protection Act, or any other prohibited basis identified under state law. Correspondent is responsible for implementing policies and procedures to ensure compliance with Fair Lending laws and ensuring that its owners, officers, partners, agents and employees are all adequately trained in Fair Lending policies and procedures and kept abreast of any changes or updates to Fair Lending laws.

Summary of Regulation

The Fair Housing Act (FHAct) prohibits discrimination in residential real-estate related transactions based on the following prohibited bases:

- Race
- Color
- Religion
- Sex
- Handicap
- Familial status
- National origin

The Fair Housing Act applies to the following transactions:

- The making or purchase of loans or providing other financial assistance:
 - For purchasing, constructing, improving, repairing, or maintaining a dwelling; or
 - Secured by residential real estate
- The selling, brokering, or appraising of residential real property

The Correspondent must comply with all aspects of FHAct that are related to mortgage lending.

Unlike most consumer financial protection regulations, the Secretary of HUD remains responsible for administering the Fair Housing Act; it was not transferred to the CFPB. The Secretary may cooperate with state and local agencies charged with the administration of state and local fair housing laws and utilize the services of the agencies and their employees.

The Fair Housing Act does not prohibit the following:

- Any religious organization, association, or society, or any nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association, or society, from limiting the sale, rental or occupancy of dwellings which it owns or operates for other than a commercial

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purpose to persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, or national origin

- A private club, not in fact open to the public, which, incident to its primary purpose or purposes, provides lodgings which it owns or operates for other than a commercial purpose, from limiting the rental or occupancy of such lodgings to its members or from giving preference to its members.
- Limiting the applicability of any reasonable local, state, or federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling.
- Conduct against a person because such person has been convicted by any court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as defined in section 102 of the Controlled Substances Act (21 USC 802).

Availability of Loans

It is unlawful for Correspondent or any person or entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available loans or other financial assistance for a dwelling (or which is or is to be secured by a dwelling) because of race, color, religion, sex, handicap, familial status, or national origin. Such prohibited practices include, but are not limited to the following:

1. **Failing or refusing to provide to any person, because of race, color, religion, sex, handicap, familial status, or national origin, information regarding:**
 - a. The availability of loans or other financial assistance
 - b. Application requirements
 - c. Procedures or standards for the review and approval of loans or financial assistance
2. **Providing, failing to provide, or discouraging the receipt of loans or other financial assistance in a manner that discriminates in their denial rate or otherwise discriminates in their availability because of race, color, religion, sex, handicap, familial status, or national origin**

Loan Terms and Conditions

It is unlawful for Correspondent or any person or entity engaged in the making of loans or in the provision of other financial assistance relating to the purchase, construction, improvement, repair or maintenance of dwellings or which are secured by residential real estate to impose different terms or conditions for the availability of such loans or other financial assistance because of race, color, religion, sex, handicap, familial status, or national origin. Such unlawful conduct includes, but is not limited to:

- Using different policies, practices or procedures in evaluating or in determining creditworthiness of any person in connection with the provision of any loan or other financial assistance for a dwelling or for any loan or other financial assistance which is secured by residential real estate because of race, color, religion, sex, handicap, familial status, or national origin
- Determining the type of loan or other financial assistance to be provided with respect to a dwelling, or fixing the amount, interest rate, duration or other terms for a loan or other financial assistance for a dwelling or which is secured by residential real estate, because of race, color, religion, sex, handicap, familial status, or national origin

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Selling, Brokering or Appraising Residential Real Property

It is unlawful for Correspondent, its third-party service providers, any person or other entity whose business includes engaging in the selling, brokering or appraising of residential real property to discriminate against any person in making available such services, or in the performance of such services, because of race, color, religion, sex, handicap, familial status, or national origin.

Such unlawful practices include, but are not limited to, using an appraisal of residential real property in connection with the sale, rental, or financing of any dwelling where the person knows or reasonably should know that the appraisal improperly takes into consideration race, color, religion, sex, handicap, familial status or national origin.

Flood Disaster Protection Act

Summary of Regulation

The purpose of the Flood Disaster Protection Act (FDPA) and the National Flood Insurance Act is to provide federal disaster relief assistance in areas which have been designated as having special flood hazards by the Director of the Federal Emergency Management Association (FEMA). The FDPA was amended in 2012 by the Biggert-Waters Flood Insurance Reform Act (Biggert-Waters Act), which was further amended in 2012 by the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA).

The requirements of these Acts apply to all loans secured by permanent structures or mobile homes. A "designated loan" means a loan secured by a building or mobile home that is located, or is to be located, in a special flood hazard area (SFHA) in which flood insurance is available under the National Flood Insurance Act.

As appropriate, and in accordance with the requirements of its secondary market investors, insurers or guarantors, Correspondent must not make, increase, extend, or renew any designated loan unless the building or mobile home and any personal property securing the loan is covered by flood insurance for the loan term.

Exemptions

Flood insurance requirements do not apply when the loan has an original principal balance of \$5,000 or less and a repayment term of one year or less.

Flood insurance coverage is not required on any structure that is a part of any residential property but is detached from the primary residential structure of such property and does not serve as a residence. For the purposes of this paragraph, "a structure that is a part of a residential property" is a structure used primarily for personal, family or household purposes, and not used primarily for agricultural, commercial, industrial, or other business purposes; a structure is "detached" from the primary residential structure if not joined by any structural connection to that structure; and "serve as a residence" is based upon a good faith determination that the structure is intended for use or actually used as a residence, which generally includes sleeping, bathroom, or kitchen facilities.

Standard Flood Hazard Determination Form: Correspondent must use the standard form developed by the Director of FEMA when determining whether the building or mobile home securing the loan is or will be

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located in a special flood hazard area. A copy of any Standard Flood Hazard determination form completed by the Correspondent must be included in the closed loan package delivered to Computershare Loan Services.

Borrower Fees

Correspondent may charge a reasonable fee for determining whether the building or mobile home securing the loan is located or will be located in a special flood hazard area. A determination fee may also include, but is not limited to, a fee for life-of-loan monitoring.

The determination fee may be charged to the borrower if the determination:

1. Is made in connection with a making, increasing, extending, or renewing of the loan that is initiated by the borrower
2. Reflects the Director of FEMA's revision or updating of floodplain areas or flood-risk zones
3. Reflects the Director of FEMA's publication of a notice or compendium that:
 - a. Affects the area in which the building or mobile home securing the loan is located
 - b. By determination of the Director of FEMA, may reasonably require a determination whether the building or mobile home securing the loan is located in a special flood hazard area
4. Results in the purchase of flood insurance coverage by the bank or its servicer on the borrower's behalf

The determination fee authorized by paragraph (a) of this section may be charged to the purchaser or transferee of a loan in the case of loan sale or transfer.

Notice of Flood Hazard

Correspondent must mail or deliver a written notice to the borrower if the loan is secured by a building or a mobile home located or to be located in a special flood hazard area whether or not flood insurance is available under the Act.

Contents of Notice. The written notice must include the following information:

- A warning, in a form approved by the Director of FEMA, that the building or the mobile home is, or will be, located in a special flood hazard area
- A description of the flood insurance purchase requirements set forth in section 102(b) of the Flood Disaster Protection Act of 1973
- A statement, where applicable, that flood insurance coverage is available under the NFIP and may also be available from private insurers
- A statement whether Federal disaster relief assistance may be available in the event of damage to the building or mobile home caused by flooding in a federally declared disaster

Effective January 1, 2016, the written notice must include the following information:

- A warning, in a form approved by FEMA, that the building or the mobile home is or will be located in a special flood hazard area;
- A description of the flood insurance purchase requirements set forth in section 102(b) of the Flood Disaster Protection Act of 1973;

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- A statement, where applicable, that flood insurance coverage is available from private insurance companies that issue standard flood insurance policies on behalf of the NFIP or directly from the NFIP;
- A statement that flood insurance that provides the same level of coverage as a standard flood insurance policy under the NFIP also may be available from a private insurance company that issues policies on behalf of the company;
- A statement that the Borrower is encouraged to compare the flood insurance coverage, deductibles, exclusions, conditions, and premiums associated with flood insurance policies issued on behalf of the NFIP and policies issued on behalf of private insurance companies and that the borrower should direct inquiries regarding the availability, cost, and comparisons of flood insurance coverage to an insurance agent; and
- A statement whether Federal disaster relief assistance may be available in the event of damage to the building or mobile home caused by flooding in a federally declared disaster.

Timing of Notice. Correspondent must provide the notice to the borrower within a reasonable timeframe before the completion of the transaction or upon receiving the flood certification, and provide to the servicer as promptly as practicable after Correspondent provides notice to the borrower and in any event no later than the time Correspondent provides other similar notices to the servicer concerning hazard insurance and taxes. Notice to the servicer may be made electronically or may take the form of a copy of the borrower notice.

Use of Prescribed Form of Notice. A Correspondent will be considered to be in compliance with the requirement for notice to the borrower of this section by providing written notice to the borrower containing the language found in the Flood Hazard Notice. This notice satisfies the borrower notice requirements of the Act.

Notice of Servicer's Identity

Correspondent will ensure that accurate loss payee information is included on the flood insurance certificate at closing.

Home Mortgage Disclosure Act

Summary of Regulation

HMDA was enacted by Congress in 1975 and was implemented by the Federal Reserve Board's Regulation C. On July 21, 2011, the rule-writing authority of Regulation C was transferred to the CFPB. The Home Mortgage Disclosure Act (HMDA) is implemented by Regulation C. The purpose of HMDA when enacted was to provide the public with loan data that can be used:

1. To help determine whether financial institutions are serving the housing needs of their communities;
2. To assist public officials in distributing public-sector investment so as to attract private investment to areas where it is needed; and
3. To assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.

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The regulation requires an institution to report data to its supervisory agency about home purchase loans, home improvement loans, and refinance loans that it originates or purchases, or for which it receives applications; and to disclose certain data to the public.

Computershare Loan Services will collect and report HMDA data for all loans where Computershare Loan Services renders a credit decision, and all loans purchased through the Computershare Loan Services Correspondent channel of business. The Correspondent may have separate reporting obligations for the loans that it originates.

Homeowner's Protection Act (HPA)

Summary of Regulation

The Homeowner's Protection Act of 1998 (HPA), is also known as the "PMI Cancellation Act." HPA requires Correspondent (or its servicer) to provide certain disclosures concerning PMI for loans secured by the consumer's primary residence obtained on or after July 29, 1999. The HPA also contains disclosure provisions for mortgage loans that closed before July 29, 1999. In addition, the HPA includes provisions for borrower-requested cancellation and automatic termination of PMI.

HPA Disclosures

The HPA establishes three different times when Correspondent or its servicer must notify a borrower of his or her rights - at loan closing, annually, and upon cancellation or termination of PMI.

The content of these disclosures varies depending on whether:

- PMI is "borrower-paid PMI" or "lender-paid PMI,"
- Loan is classified as a "fixed rate mortgage" or "adjustable rate mortgage,"
- Loan is designated as "high risk" or not

At loan closing, Correspondent is required to disclose all of the following to borrowers:

- Right to request PMI cancellation and the date on which this request may be made.
- Requirement that PMI be automatically terminated and the date on which this will occur.
- Any exemptions to the right to cancellation or automatic termination
- Written initial amortization schedule (fixed-rate loans only)

Lender-Paid Mortgage Insurance Disclosure

In the case of Correspondent providing lender-paid mortgage insurance certain disclosures must be made to the Borrower. Not later than the date on which a loan commitment is made for the residential mortgage transaction, a written notice must be provided stating that:

- lender-paid mortgage insurance differs from borrower-paid mortgage insurance, in that lender-paid mortgage insurance may not be canceled by the mortgagor, while borrower-paid mortgage insurance could be cancelable by the mortgagor and could automatically terminate on the termination date;

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- lender-paid mortgage insurance usually results in a residential mortgage having a higher interest rate than it would in the case of borrower-paid mortgage insurance; and
- lender-paid mortgage insurance terminates only when the residential mortgage is refinanced, paid off, or otherwise terminated

Real Estate Settlement Procedures Act (RESPA)

Summary of Regulation

Congress enacted the Real Estate Settlement Procedures Act (RESPA) to ensure consumers received greater and more timely information regarding costs pursuant to the real estate settlement process. Unlike most of the other consumer protection statutes that are directed to lenders, RESPA applies to all parties involved in the settlement process.

RESPA applies to a federally-related mortgage loan. A federally-related mortgage loan refers to almost every loan secured by a lien on residential real property designed primarily for occupancy as a one- to four-unit dwelling and made by a regulated lender, a government-assisted lender, a lender with intent to sell to an agency or a truth-in-lending creditor.

Covered transactions include:

- A permanent financing for the acquisition of the property to be occupied as a one- to four-unit dwelling, regardless of the lien position, or the refinance of the same;
- A construction loan that is made in conjunction with a permanent loan with the same lender;
- A home equity conversion mortgage; or
- A reverse mortgage

The RESPA-TILA Integrated Mortgage Disclosures ("TRID") Rule, effective October 3, 2015 consolidates several existing disclosures and impacts other aspects of the loan origination process governed by RESPA. The TRID Rule exempts the following types of transactions:

- Home Equity Lines of Credit (HELOCS)
- Reverse mortgages
- Mortgages not secured by real property, (i.e., boat loans, mobile homes, or any dwelling that is not permanently affixed to real property, etc.)
- Loans made by persons who are not considered "creditors" (person that makes 5 or fewer loans per year)
- Certain no-interest second mortgage loans used for down payment assistance, property rehabilitation, energy efficiency, or foreclosure avoidance.

For those loan not affected by the TRID Rule, the existing rules and documents still apply.

The Consumer Financial Protection Bureau and prudential regulators enforce RESPA and its implementing regulation, Reg X.

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Correspondent is required to comply with the Real Estate Settlement Procedures Act implemented by Regulation X.

Prohibitions Against Kickbacks and Unearned Fees

Section 8 of RESPA specifically prohibits kickbacks. It states that “no person shall give and no person shall accept any fee, kickback, or thing of value pursuant to an agreement or understanding that is business incident to or a part of a real estate settlement service involving a federally related mortgage.”

Examples of things of value include but are not limited to: seller benefits, borrower benefits for referrals, below market rates for pool insurance, incidental benefits to providers that do not benefit the borrower, duplicate fees, defraying of provider fees, payment of education fees for a provider, volume-based compensation, opportunity to receive a thing of value for referral of business (such as a raffle), reduced price for stock, dividend payments to stockholders for referrals, waived or reduced fees, tickets to events, vacations, gifts or other incentives.

Section 8 also prohibits the splitting of any charge made or received for the performance of a settlement service except for services actually performed. More specifically, RESPA states that no person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.

An exemption was created for Affiliated Business Arrangements (AfBA’s) by the Department of Housing and Urban Development (HUD). The exemption provides that an AfBA does not violate Section 8 of RESPA if three conditions are met: required disclosure is provided at the point of referral that explains the relationship and there is no required use of the affiliated business and a return on ownership or franchise interest is a thing of value.

Requirements for Applications and Settlement

Until October 2, 2015 Correspondent must provide HUD’s special information booklet entitled “Buying Your Home, Settlement Costs and Helpful Information” (Settlement Cost Booklet) no later than three General Business Days after receipt of a mortgage loan application for purchase loans subject to RESPA. Effective October 3, 2015, Correspondent must continue to provide this booklet for those transactions not subject to the TRID Rule, and must begin providing the new consumer guide titled “Your Home Loan Toolkit” along with the new Loan Estimate form no later than three General Business Days after receipt of an application for a mortgage loan for those loans subject to the TRID Rule (most closed-end consumer transactions secured by real property).

The requirement to provide the booklet only applies to purchase transactions for one- to four-unit, owner-occupied properties. The booklet need not be provided in the following transactions:

- Refinancing
- Subordinate lien position closed-end loans
- Purpose is not the purchase of a 1- to 4-family residential property

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If there are multiple applicants, the booklet only needs to be provided to one of the applicants. There are no signature requirements for receipt of the booklet.

Adjustable Rate Loan. In transactions where an adjustable rate loan is being requested, Correspondent shall provide to the applicant a copy of the brochure entitled "Consumer Handbook on Adjustable Rate Mortgages" along with the Settlement Cost Booklet described above.

Open-end Lines of Credit. In this type of transaction, Correspondent must provide to the applicant a copy of the brochure entitled "When Your Home Is on the Line: What You Should Know About Home Equity Lines of Credit".

Initial RESPA Disclosure

The Good Faith Estimate of Closing Costs, or GFE, is required to be administered for all loans subject to RESPA and not subject to the TRID Rule.

The date of the application begins upon receipt of the borrower's financial information in anticipation of a credit decision which includes:

1. The borrower's name,
2. The borrower's monthly income,
3. The borrower's social security number to obtain a credit report,
4. The subject property address,
5. An estimate of the value of the property, and
6. The mortgage amount sought.
7. Any other information deemed necessary by the loan originator.

Correspondent may at any time collect from the loan applicant any information that it requires in addition to the required application information. However, Correspondent may not require as a condition for providing a GFE that an applicant submit supplemental documentation to verify the information provided on the application.

Correspondent shall not charge a settlement fee, with the possible exception of a credit report fee, as a condition for providing a GFE. Correspondent shall not charge additional fees until after the applicant has received the GFE and an intent to proceed has been obtained. The GFE will be a reasonable disclosure of the fees associated with the loan transaction based on the information available at the time of the application. If the actual fees on the HUD-1 will be different from what was originally disclosed on the GFE, careful review should be undertaken to determine if additional or updated disclosures are required. If there is a valid change in circumstance, or the borrower requests a change to the loan terms, new disclosures must be sent within 3 days of discovery of the new circumstance or borrower request.

Availability of GFE Terms

The estimate of the charges and terms for all settlement services (with the exception of those listed below) must be available at least 10 business days from when the GFE is provided, but it may be available longer, if Correspondent extends the period of availability.

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The estimate for the following charges are not required to be honored for any specific period of time:

- The interest rate
- Charges and terms dependent upon the interest rate, which includes the charge or credit for the interest rate chosen
- The adjusted origination charges
- Per diem interest

See [Interest rate-dependent charges and terms](#) for information on how changes to these charges and terms are handled.

Failure to provide a GFE within the appropriate time frame may result in a loan for which no lender or third party fees can be collected from the borrower.

Service Providers

If Correspondent requires the use of a particular service provider and requires the consumer to pay any portion of the cost, the good faith estimate will clearly state the required use and that the estimate is based on the provider's charges.

If Correspondent permits a borrower to shop for third-party settlement services (blocks 4, 5, or 6), Correspondent will provide the borrower with a written list of settlement services providers at the time of the GFE, on a separate disclosure.

If the borrower is allowed to shop for the settlement service(s), the borrower may choose a provider that is not on the list provided by Correspondent.

If the borrower chooses a settlement service provider that is not on the loan originator's written list of providers, the amount paid for the service is not subject to a tolerance.

A lender may include an affiliated business in the "written list" of settlement service providers but an affiliated business arrangement disclosure must be provided at the time the GFE is provided to the borrower or at the time of referral, whichever is earlier.

Affiliate Business Arrangement

If Correspondent and the service provider are affiliated, the disclosure must be provided separately from the good faith estimate. The relationship disclosure must describe the ownership and financial interest between Correspondent and the service provider

Servicing Disclosure Statement

Correspondent must provide, no later than 3 business days after receipt of an application, a disclosure that contains information on whether the servicing of the loan may be sold or transferred to another lender. This disclosure is not required for subordinate lien loans or open-end home equity line of credit regardless of the lien position.

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Content and Form of GFE

Correspondent must prepare and deliver the GFE in accordance with the requirements of 12 CFR §1024 and Appendix C. If revised GFEs are issued during the origination process, a GFE History form containing details for each GFE issued is required to be included in the closed loan package delivered to Computershare Loan Services.

Tolerances for amounts included on GFE

Except as provided in this section, the actual charges at settlement may not exceed the amounts included on the GFE for:

- Origination charge
- While the borrower's interest rate is locked:
 - Credit or charge for the interest rate chosen
 - Adjusted origination charge
- Transfer taxes

Except as provided below, the sum of the charges at settlement for the following services may not be greater than 10 percent above the sum of the amounts included on the GFE:

- Lender-required settlement services, where the lender selects the third-party settlement service provider
- Lender-required services, title services and required title insurance, and owner's title insurance, when the borrower uses a settlement service provider identified by the loan originator
- Government recording charges

The amounts charged for all other settlement services included on the GFE may change at settlement.

Binding GFE

Correspondent is bound, within the tolerances specified above, to the settlement charges and terms listed on the GFE provided to the borrower, unless a new GFE is provided prior to settlement consistent with provisions of this rule governing changed circumstances. If Correspondent provides a revised GFE consistent with this paragraph, Correspondent must document the reason that a new GFE was provided.

None of the information collected by the loan originator prior to issuing the GFE may later become the basis for a "changed circumstance" upon which it may offer a revised GFE, unless: 1) it can demonstrate that there was a change in the particular information; or 2) that the information was inaccurate; or 3) that it did not rely on that particular information in issuing the GFE. A loan originator has the burden of demonstrating non-reliance on the collected information, but may do so through various means including through a documented record in the underwriting file or an established policy of relying on a more limited set of information in providing GFEs.

If a loan originator issues a revised GFE based on information previously collected in issuing the original GFE and "changed circumstances," it must document the reasons for issuing the revised GFE, such as its non-reliance on such information or the inaccuracy of such information.

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Changed circumstances affecting settlement costs

Changed circumstances affecting settlement costs are those circumstances that result in increased costs for settlement services such that the charges at settlement would exceed the tolerances or limits on those charges established by the regulations. In these instances, Correspondent may provide a revised GFE to the borrower. If a revised GFE is to be provided, Correspondent must do so within 3 business days of receiving information sufficient to establish changed circumstances. The revised GFE may increase charges for services listed on the GFE only to the extent that the changed circumstances actually resulted in higher charges.

Changed circumstances affecting loan

Changed circumstances affecting the loan are those circumstances that affect the borrower's eligibility for the loan. For example, if underwriting and verification indicate that the borrower is ineligible for the loan provided in the GFE, the loan originator would no longer be bound by the original GFE. In such cases, if a new GFE is to be provided, the loan originator must do so within three business days of receiving information sufficient to establish changed circumstances. The loan originator must document the reason that a new GFE was provided and must retain documentation of any reasons for providing a new GFE for no less than three years after settlement.

Borrower-requested changes

If a borrower requests changes to the mortgage loan identified in the GFE that change the settlement charges or the terms of the loan, Correspondent may provide a revised GFE to the borrower. If a revised GFE is to be provided, Correspondent must do so within 3 business days of the borrower's request.

Expiration of original GFE

If a borrower does not express an intent to continue with an application within 10 business days after the GFE is provided, or such longer time specified by Correspondent pursuant to "[Availability of GFE terms](#)" section above, Correspondent is no longer bound by the GFE.

Interest rate-dependent charges and terms

If the interest rate has not been locked by the borrower, or a locked interest rate has expired, the charge or credit for the interest rate chosen, the adjusted origination charges, per diem interest, and loan terms related to the interest rate may change. If the borrower later locks the interest rate, a new GFE must be provided showing the revised interest rate-dependent charges and terms. All other charges and terms will remain the same as on the original GFE, except as otherwise provided in "[Binding GFE](#)" of this section.

New home construction

In transactions involving new home construction, where settlement is anticipated to occur more than 60 calendar days from the time a GFE is provided, Correspondent may provide the GFE to the borrower with a clear and conspicuous disclosure stating that at any time up until 60 calendar days prior to closing, Correspondent may issue a revised GFE. If no such separate disclosure is provided, Correspondent cannot issue a revised GFE, except as otherwise provided in "[Binding GFE](#)" of this section.

Seller and Lender Credits

If a fee is typically paid for by the seller, the fee is not required to be listed on the GFE, with the exception of Owners Title Insurance. Whether this type of fee is included on the GFE is at the discretion of Correspondent. Please note, if the fee is paid on the HUD-1, it will be subjected to the applicable tolerance for the corresponding GFE block.

Use of HUD-1 Settlement Statement

The settlement agent must use the HUD-1 settlement statement form in every settlement involving a federally related mortgage loan in which there is a borrower and a seller unless its use is specifically exempted. The use of the HUD-1 or HUD-1A is exempted for open-end lines of credit (home equity plans) covered by the Truth in Lending Act and Regulation Z. and for loans covered by the TRID Rule. For transactions in which there is a borrower and no seller, such as refinancing loans or subordinate lien loans, the HUD-1 may be utilized by using the borrower's side of the HUD-1 statement. Alternatively, the form HUD-1A may be used for these transactions. Either the HUD-1 or the HUD-1A, as appropriate, will be used for every RESPA-covered transaction, unless its use is specifically exempted.

The HUD-1 must reflect all costs and fees associated with the transaction and must itemize each third party charge paid by the borrower or seller.

The third page of the HUD-1 is a comparison of the fees disclosed on the most recent GFE to the actual fees that will be charged on the HUD-1.

Paid Outside of Closing

HUD's final rule requires that P.O.C. items be listed on the HUD-1 by the settlement agent with an indication where P.O.C. items are paid by the borrower, seller, or other party by marking the items paid for by whoever made the payment identified in parentheses, such as P.O.C. (borrower) or P.O.C. (B*) may also represent P.O.C. (borrower) and P.O.C. (S*) may also represent P.O.C. (seller) as long as a footnote is added to the HUD-1 clearly noting the party paying for the item such as *Paid outside of closing by borrower or *Paid outside of closing by seller.

Addendum to the HUD-1

An additional page may be attached to the HUD-1 to add sequentially numbered lines as needed to accommodate the complete listing of all items required to be shown on the HUD-1.

The Final Rule clarifies that closing cost credits provided by the seller, lender or realtor should be shown as lump sum credits on page 1 of the HUD-1.

Section 5 Violations of RESPA

If any charges at settlement exceed the charges listed on the GFE by more than the permitted tolerances, Correspondent may cure the tolerance violation by reimbursing the borrower the amount by which the tolerance was exceeded, at settlement or within 30 calendar days after settlement.

Correspondent must process restitution to the borrower and provide the following documentation:

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- Copy of a letter to the borrower; AND
- Copy of the check; AND
- Tracking receipt information; AND
- Revised HUD-1 from the settlement agent showing restitution/cure to the tolerance violation within 30 days of the loan closing

Correspondent is responsible for informing the settlement agent of any changes that would necessitate a revised HUD-1. The settlement agent must correct the HUD-1 and provide copies of the corrected HUD-1 to the borrower, seller, and lender, as applicable.

Please note, Correspondent is responsible for the compliance of its loans, and may be required to make restitution, even where a loan passes Computershare Loan Services's compliance verifications in Funding and is later determined to need restitution.

Requirements for Escrow Accounts

An escrow account is any account that Correspondent or its servicer establishes on behalf of a borrower to pay real estate taxes, hazard or flood insurance premiums, or any other charges that the borrower and Correspondent have voluntarily agreed that the servicer should collect and pay.

Following are guidelines Correspondent must follow with regard to escrow accounts.

Initial Escrow Account Statement

The Initial Escrow Account Disclosure Statement is prepared and given to the borrower at closing. This disclosure illustrates for the borrower the establishment of the escrow account, the anticipated monthly payments to the escrow account, the expected ongoing balance of the escrow account, and anticipated disbursements.

Limitation on payments:

Correspondent may not require a borrower to deposit more than the following amounts into an escrow account:

- At settlement, an amount sufficient to pay the charges respecting the mortgaged property which are attributable to the period from the date the payment(s) were last paid until the initial payment date;
 - The amount sufficient to pay is computed so that the lowest month-end target balance projected for the escrow account computation year is zero
- Throughout the life of the escrow account, a monthly sum equal to 1/12 of the total anticipated annual escrow payments. In addition, Correspondent may add an amount to maintain a cushion no greater than 1/6 (two months) of the estimated total annual payments, unless state law or the loan documents dictate a lesser amount.

Title Companies

It is a violation for a seller of a property that will be purchased with the assistance of a federally related mortgage loan to require the use of a provider of a settlement service.

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Homeownership Counseling

Not later than three business days after Correspondent receives an application, or information sufficient to complete an application, Correspondent must provide the loan applicant for a federally-related mortgage with a clear and conspicuous written list of homeownership counseling organizations that provide relevant counseling services in the applicant's location. The list of homeownership counseling organizations distributed to each loan applicant must be obtained no earlier than 30 days prior to when the list is provided to the loan applicant from either:

- The website maintained by the CFPB for lenders to use in complying with the requirements of this section; or
- Data made available by the CFPB or HUD for lenders to use in complying with these requirements, provided that the data is used in accordance with instructions provided with the data.

Mortgage Service Transfers

Correspondent must comply with the following mortgage servicing transfer disclosure requirements.

Servicing Disclosure Statement

Correspondent must provide, no later than three General Business Days after receipt of an application, a disclosure that contains information on whether the servicing of the loan may be sold or transferred to another lender. This disclosure is not required for subordinate lien loans or open-end home equity line of credit regardless of the lien position. The disclosure will be included on the LE for those transactions subject to the TRID Rule, but must be provided as a separate disclosure for those transactions not subject to the TRID Rule.

Notices of Transfer of Loan Servicing

When Correspondent or its servicer transfers the servicing of a federally related mortgage loan after origination, both the transferor (Correspondent) and transferee (new servicer) are required to provide a notice of servicing transfer to the borrower.

- The transferor servicer must provide the notice not less than 15 days before the effective date of the transfer of servicing;
- The transferee service must provide the notice not more than 15 days after the effective date of transfer
- Both notices may be combined and must be delivered to the borrower no less than 15 days before the effective date of the transfer

Truth in Lending Act (Regulation Z) (Revised 7/6/2021)

Summary of the Regulation

The Truth-In-lending Act (TILA) was enacted to promote the informed use of credit by providing the cost of credit and the actual terms to consumers in a way that was easily understandable. TILA is implemented by Regulation Z.

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Regulation Z applies to credit that is offered or extended to consumers, primarily for personal, family or household purposes. However, if a credit card is involved, certain provisions apply even if the card is to be used for business purposes. It does not apply to the following:

- Business, commercial, agricultural or organizational credit
- Extension of credit to other than a natural person, such as a government agency
- Credit in excess of \$25,000 not secured by real property or a dwelling
- Public utility credit
- Securities or commodities accounts
- Home fuel budget plans
- Student loan program

Correspondent must also comply with the Housing and Economic Recovery Act of 2008 (HERA) which was enacted by Congress on July 30, 2008. HERA included amendments to the Truth-in-Lending Act (TILA). This amendment became known as the Mortgage Disclosure Improvement Act of 2008 (MDIA). The July 2008 final rule requires creditors to give consumers transaction-specific cost disclosures shortly after application for closed-end loans secured by any dwelling of the consumer covered under the Real Estate Settlement Procedures Act (RESPA).

Congress amended MDIA with the enactment of the Emergency Economic Stabilization Act of 2008 (Stabilization Act) on October 3, 2008. The MDIA broadened the requirements of the July 2008 final rule to include disclosures for mortgage loans secured by dwellings other than the consumer's principal dwelling, and to require waiting periods between the time when disclosures are given and consummation of the mortgage transaction.

MDIA extends Truth-in-Lending to include refinance transactions and loans secured by a dwelling even when it is not the consumer's principal dwelling, which includes second homes. Credit extended to acquire, improve, or maintain rental property that is not owner-occupied (that is, in which the owner does not expect to live for more than 14 days during the coming year) is deemed to be for business purposes. MDIA applies only to closed-end loans secured by a consumer's dwelling and does not affect the disclosure requirements for open-end credit plans secured by a dwelling (home equity lines of credit, or HELOCs).

Correspondent must comply with all requirements outlined in MDIA as applicable.

On November 20, 2013, the CFPB released the RESPA-TILA Integrated Mortgage Disclosures ("TRID") Rule. This was part of a consumer and industry outreach campaign titled, the "Know Before You Owe" project. The RESPA-TILA Integrated Mortgage Disclosures Rule consolidates six existing disclosures required under TILA and RESPA for most closed-end transactions¹ secured by real property into

¹ The rule exempts the following types of transactions:

- Home Equity Lines of Credit (HELOCs)
- Reverse mortgages
- Mortgages not secured by real property (i.e., boat loans, mobile homes, or any dwelling that is not permanently affixed to real property, etc.)
- Loans made by persons who are not considered "creditors" (person that makes 5 or fewer loans per year)

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two forms. The intended purpose of the combined/revised disclosures is to allow consumers to more easily shop for a mortgage loan that makes sense to the consumer and also provides consumers additional opportunity to better understand the terms of the mortgage loan being offered. The final rule is effective for mortgage loan applications received on and after October 3, 2015. The TILA/RESPA Integrated Disclosure Rule section below contains details on compliance with the TRID Rule.

For those transactions not affected by the TRID Rule, the existing rules and documents still apply.

Correspondent is required to comply with all relevant requirements of TILA/Reg. Z.

Written Application

Computershare Loan Services will rely on RESPA and Regulation X in deciding whether a complete application has been received, as deemed permissible by MDIA.

Under the TRID Rule, initial disclosures must be sent to the borrower within three business days of submission of the six elements of an application, regardless of the party who receives that information (broker or lender).

Form of Disclosure

Correspondent must make the disclosures clearly and conspicuously in writing, in a form that the consumer may keep. The disclosures may be provided to the consumer in electronic form, subject to compliance with the consumer consent and other applicable provisions of the Electronic Signatures in Global and National Commerce Act (E-Sign Act).

The disclosures must be grouped together, must be segregated from everything else, and must not contain any information not directly related to the disclosures required. The Itemization of the Amount Financed, §1026.18 (c)(1), must be separate from the other disclosures under § 1026.18. Per §1026.18(c)(3), the GFE may be substituted for the disclosure required under §1026.18(c)(1).

Initial Disclosure Timing

Correspondent must comply with the TILA/MDIA requirement for creditors to deliver or mail the early disclosures for all dwelling-secured mortgage loans no later than three business days after the creditor receives a consumer's application.

For initial disclosure, the general definition of business day applies, which would be the days Correspondent's offices are open to the public. Disclosures will be given before the consumer pays any fee, other than a bona fide and reasonable fee for obtaining the consumer's credit history.

The three-business-day period for making early disclosures coincides with the time period which creditors subject to RESPA must provide good faith estimates of settlement costs. If Correspondent does not know the precise credit terms, it must base the disclosures on the best information reasonably available and indicate that the disclosures are estimates. Correspondent may label as an estimate only the items primarily affected

-
- **Certain no-interest second mortgage loans used for down payment assistance, property rehabilitation, energy efficiency, or foreclosure avoidance**

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by unknown information and may provide explanatory material concerning the estimates and the contingencies that may affect the actual terms.

The initial disclosures must be delivered or placed in the mail at least seven Specific Business Days before consummation of the transaction.

If the annual percentage rate disclosed in the early disclosures becomes inaccurate, Correspondent must provide corrected disclosures with all changed terms. The consumer must receive the corrected disclosures no later than three Specific Business Days before consummation, unless the correction is made via a revised Loan Estimate, in which case the consumer must receive the corrected disclosure no later than four Specific Business Days before consummation .

Consumer's Waiver of Waiting Period Before Consummation

If the consumer determines that the extension of credit is needed to meet a *bona fide* personal financial emergency, the consumer may modify or waive the seven-business-day waiting period or the three-business-day waiting period.

Computershare Loan Services will not purchase a loan where any modification or waiver of a mandatory waiting period has been granted .

Delivery Methods

Correspondent may comply with the MDIA ruling that, if a creditor provides disclosures through a courier service, the creditor may presume that the consumer receives the disclosures three business days after they are deposited with the courier service, for purposes of determining when the three-business-day waiting period begins. Correspondent is not required to use the presumption of receipt to determine when the waiting period begins. Thus, if Correspondent delivers corrected disclosures electronically consistent with the E-Sign Act or delivers disclosures by overnight courier, Correspondent may rely on evidence of actual delivery (such as documentation that the borrower signed for the overnight package, or electronic evidence that the borrower opened the e-mail) to determine when the three-business-day waiting period begins.

The Consumer Financial Protection Bureau has not adopted separate rules or presumptions regarding the delivery of disclosures by overnight courier, electronic transmission, or other means. The Bureau stated that, in light of the variety of delivery methods and options offered by service providers, although these methods may be faster than delivery by regular mail, it is not feasible to define with sufficient clarity what may be considered acceptable "overnight delivery" or to delineate a separate time period for presumption of receipt for each available delivery method.

"No Requirements to Complete" Notice

Correspondent must comply with the TILA/MDIA requirement that the early disclosures for transactions not subject to the TRID Rule contain a clear and conspicuous notice containing the following statement:

**YOU ARE NOT REQUIRED TO COMPLETE THIS AGREEMENT MERELY BECAUSE YOU
HAVE RECEIVED THESE DISCLOSURES OR SIGNED A LOAN APPLICATION**

The statement will be contained on a disclosure form that is grouped together with the other disclosures. If the same form is used for both initial disclosures and final disclosures, creditors may also include the notice on the disclosures provided at consummation and may group the notice together with other required disclosures.

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Content of Disclosures

For each transaction, Correspondent must disclose the following items, as applicable:

- Creditor
- Amount financed
- Itemization of amount financed
- Finance charge
- Annual percentage rate
- Variable rate
- Payment schedule
- Total of payments
- Demand feature
- Total sale price
- Prepayment
- Late payment
- Security interest
- Insurance and debt cancellation
- Certain security interest charges
- Contract reference
- Assumption policy
- Required deposit
- Interest Rate and Payment Summary for Mortgage Transactions
- "No-guarantee-to-refinance" statement, as follows (required for all closed-end transactions secured by real property or a dwelling): **"There is no guarantee that you can refinance the transaction to lower the interest rate or periodic payments."**

Finance Charge Tolerance

The disclosure of the annual percentage rate or finance charge and other disclosures affected by any finance charge (including the amount financed and the annual percentage rate) will be treated as being accurate for purposes of TILA if the amount disclosed as the finance charge:

1. does not vary from the actual finance charge by more than \$100 for purchases and \$35.00 for refinances; or
2. is greater than the amount required to be disclosed under TILA

As a general rule, the annual percentage rate will be considered accurate if it is not more than:

- $\frac{1}{8}$ of 1 percentage point above or below the accurate annual percentage rate for a regular transaction;
or

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- ¼ of 1 percentage point above or below the accurate annual percentage rate for an irregular transaction*
*an irregular transaction includes one or more of the following features: multiple advances, irregular payment periods, or irregular payment amounts (other than an irregular first period or an irregular first or final payment)

If during the audit of the loan, we determine that fees/charges were not properly disclosed as finance charges and the disclosure varies from the actual charge, Computershare Loan Services requires that the fees/charges plus any interest that may have been paid on the amount not disclosed be refunded to the borrower by the Correspondent.

Collection of Initial Fees

Correspondent must comply with the TILA/MDIA requirement that disclosures are to be given before the consumer pays any fee, other than a bona fide and reasonable fee for obtaining the consumer's credit history. This rule applies to all mortgage transactions. Per CFPB guidance with respect to the collection of post-dated checks or authorization to process a credit card after the waiting period or intent to proceed is obtained, the check may not be collected, nor may the authorization be obtained until after the Borrower has both received any applicable disclosures and indicated an intent to proceed. For example, while Correspondent may retain the Borrower's credit card number on file after ordering a credit report, it must request a separate authorization to use that information to pay any other fees, and that request may not be made until after the Borrower has received disclosures and indicated an intent to proceed with the transaction.

Seven Days Prior to Consummation

Correspondent must comply with the TILA/MDIA requirement to allow applicants to have a 7-business-day waiting period after mailing or delivering the early disclosures prior to consummation (closing of the loan). This timing is not based on receipt date (or assumed receipt date) by the consumer – the timing begins with the mailing or delivery by Correspondent. This rule is based on the specific definition business-day rule which includes Saturdays.

Consummation may not occur until both the seven-business-day waiting period and the three-business-day waiting period have expired.

Waiver of Waiting Period

Computershare Loan Services will not purchase a loan where any modification or waiver of a mandatory waiting period has been granted.

Right of Rescission (Notice of Right to Cancel)

Under Regulation Z, a consumer has the right to rescind/cancel a credit plan in which a security interest is or will be retained on the consumer's principal dwelling.

Right of Rescission notice is required on primary residence refinances.

Right of Rescission notices are not required for a permanent take out of a construction Mortgage Loan, or the refinance of a second/vacation home or investment property.

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Correspondent may not deliver Mortgage Loans to Computershare Loan Services for purchase until the rescission period has expired.

- If the Correspondent subsequently determines that the Borrower rescinded prior to the rescission period expiration date, or if the rescission period must be re-opened for any reason, the Correspondent must notify Computershare Loan Services immediately.

Correspondent must mail or deliver two copies of a Notice of Right to Cancel to each consumer entitled to rescind the transaction. The consumer has until midnight of the third business day to rescind. For this purpose, a business day includes Saturdays. The rescission period does not begin until all consumers receive the Notice of Right to Rescind and all other required disclosures.

Right of rescission documents must be signed and dated correctly by all borrowers and any other individuals with an ownership interest in the property, even if the individuals do not sign the Mortgage Note.

Right of rescission documents must be signed and dated the same day the TIL/CD is signed and the Security Instrument is notarized.

If the stated rescission expiration date is not at least 3 full days after the date the TIL/CD is signed and the Security Instrument is notarized, a new rescission must be issued with a revised expiration date allowing for the full 3 days.

Computershare Loan Services will suspend for a new rescission period to be opened and disclosed to the borrower(s) if any of the following circumstances apply:

- Right of Rescission document is not signed by all applicable parties
- Dates on Right of Rescission document are missing or incomplete
- The borrowers did not receive a full 3 days after settlement to exercise their right to rescind
- Incomplete or incorrect information appears on the Right of Rescission document
- Fund disbursed prior to rescission period ending

If a new Right of Rescission document is necessary, the new rescission notice must have current dates.

Waivers of the rescission period are not permitted.

Issuing a Revised TIL Disclosure (TRID-Exempt Transaction)

If a change in circumstance occurs and the APR is out of tolerance, or Correspondent determines that the final TIL disclosure is out of tolerance with the most recent TIL disclosure, Correspondent must re-disclose at least three business days prior to consummation. If the corrected disclosures are mailed, the consumer is considered to receive the disclosures three business days after mailing. This rule applies to the more specific definition of business day, which includes Saturdays.

If the annual percentage rate at the time of consummation varies from the annual percentage rate disclosed by more than $\frac{1}{8}$ of 1 percentage point (increase or decrease) in any transaction, Correspondent must disclose all the changed terms.

To determine whether Correspondent must make corrected disclosures, it will compare:

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The APR at consummation compared to → the APR stated in the most recent disclosures issued

If re-disclosure is required, Correspondent may provide a complete set of new disclosures, or may re-disclose only the changed terms. If Correspondent chooses to provide a complete set of new disclosures, Correspondent may, but need not, highlight the new terms, provided that the disclosures comply with the format requirements of MDIA. If Correspondent chooses to disclose only the new terms, all the new terms must be disclosed. No new disclosures are required if the only inaccuracies involve estimates other than the annual percentage rate, and no variable rate feature has been added.

Consummation may not occur until both the seven-business-day waiting period and the three-business-day waiting period have expired.

See the Loan Estimate and Closing Disclosure subsections of the TILA/RESPA Integrated Disclosure Rule Section below for information about revising those documents and/or re-disclosing transactions under TRID rules.

TILA Subpart E Special Rules for Certain Home Mortgage Transactions

Higher Priced Mortgage Loans (TILA §1026.35)

The October 2009 amendment to Truth-in-Lending established Higher-Priced Mortgage Loans. Known as “HPMLs” or “Section 35” loans, provisions apply to applications received on or after October 1, 2009.

Exemptions include the following:

- Mobile homes
- Construction loans (no permanent financing)
- Bridge loans (12 months or less)

HPMLs are loans secured by the borrower's principal dwelling that are priced at an Annual Percentage Rate (APR) exceeding the index published by the Federal Reserve Board named the Average Prime Offer Rate (APOR) as noted below.

Average Prime Offer Rate (APOR) Index

Based on the date the interest rate is set (locked or re-locked) Correspondent must compare its APR with the Fed's APOR index. In the event the interest rate is set or locked more than once before the loan is closed, Correspondent must use the last date the interest rate is set before consummation of the loan. The loan will be considered a higher-priced mortgage loan if the APR exceeds the index by:

- **1.5 or more percentage points for loans secured by a first lien** with a principal obligation at consummation that **does not exceed** the limit in effect as of the date the transaction's interest rate is set for the maximum principal obligation eligible for purchase by Freddie Mac

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- **2.5 or more percentage points** for loans secured by a first lien with a principal obligation at consummation that **exceeds** the limit in effect as of the date the transaction's interest rate is set for the maximum principal obligation eligible for purchase by Freddie Mac
- **3.5 or more percentage points on a Subordinate Lien**

Freddie Mac Primary Mortgage Market Survey (PMMS)

The information which forms the basis for the Federal Reserve's index is the Freddie Mac Primary Mortgage Market Survey (PMMS). The PMMS posts the weekly interest rates for 15- and 30-year fixed and the rates for 1- and 5-year ARMs. The survey also posts the weekly average fees and points, reflected as a percentage of the loan amount. Freddie Mac's PMMS can be accessed from the following link:

<http://www.freddie.com/pmms/>

Escrow Accounts

Correspondent may not extend a higher-priced mortgage loan secured by a first lien on a consumer's principal dwelling unless an escrow account is established before consummation for payment of property taxes and premiums for mortgage-related insurance required by the creditor, such as insurance against loss of or damage to property, or against liability arising out of the ownership or use of the property, or insurance protecting the creditor against the consumer's default or other credit loss.

This requirement does not apply to:

- a. Transactions secured by shares in a cooperative
- b. Transactions to finance the initial construction of a dwelling
- c. Temporary or "bridge" loans with a loan term of twelve months or less
- d. Reverse mortgage transactions
- e. Transactions secured by subordinate liens
- f. Open-end credit transactions (HELOC)
- g. Consumer-purchased insurance premiums not required by Correspondent

Escrow accounts need not include insurance premiums for loans secured by dwellings in condominiums, planned unit developments or other common interest communities where the governing association maintains a master policy insuring all dwellings. However, creditors must still escrow for payment of property taxes for all first-lien higher priced mortgage loans secured by a condominium, PUD or similar dwelling/units.

Computershare Loan Services will not allow an exemption to the escrow account requirement for a high priced mortgage loan.

Appraisal Requirements

For loans meeting the definition of an HPML, credit cannot be extended without obtaining, prior to consummation, a written appraisal of the property to be mortgaged.

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- The appraisal will be performed by a certified or licensed appraiser who conducts a physical visit of the interior of the property that will secure the transaction
- A second appraisal will be obtained, at no cost to the borrower, if:
 - The seller acquired the property 90 or fewer days prior to the date of the consumer's agreement to acquire the property and the price in the consumer's agreement to acquire the property exceeds the seller's acquisition price by more than 10 percent, or
 - The seller acquired the property 91 to 180 days prior to the date of the consumer's agreement to acquire the property and the price in the consumer's agreement to acquire the property exceeds the seller's acquisition price by more than 20 percent.
 - The second appraisal will be obtained by a differed appraiser than the one who performed the first appraisal.
- Disclosure to the consumer regarding the right to a copy of the appraisal is the same as those covered in ECOA valuations; however, the disclosure deadline and right to waive differ from the ECOA Valuations Rule.

Assessment of Borrower Ability to Pay

Once Correspondent determines the loan is an HPML, steps must be taken to assess the borrower's ability to pay. By law, Correspondent may not extend credit based on the borrower's collateral without regard to their repayment ability.

Correspondent must verify the borrower's repayment ability as follows:

1. Verify income to cover repayment ability through W-2, tax returns, paystubs, financial institution records, or third-party verifications; and
2. Verify the borrower's current obligations through credit reports and other documents

Correspondent is presumed to have complied with this rule if it has verified the borrower's repayment ability and determined repayment ability of P&I scheduled for the first seven years, taking into account all of the borrower's obligations.

Correspondent must utilize debt ratios and residual income. For certain loans, such as terms of seven years or less or increases in principal balance, no presumption of compliance is available.

Correspondent may refer to Regulations Z's Appendix Q to Part 1026 – Standards for Determining Monthly Debt and Income for additional guidance on completing this assessment.

Prepayment Penalties

Computershare Loan Services does not purchase loans with prepayment penalties, regardless of HPML status.

High Cost Mortgages (TILA §1026.32)

Computershare Loan Services will not under any circumstances purchase mortgage loans defined as High Cost, High Fee Loans (HOEPA/Section 32 Mortgages).

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Correspondents are required to provide in the closed loan package delivered to Computershare Loan Services documentation that demonstrates that the loan does not exceed HOEPA thresholds in files delivered for purchase by Computershare Loan Services, and that each loan is not a High Cost loan and meets all applicable laws.

Minimum Standards – ATR/QM (Revised 7/6/2021)

The rule requires the creditor to make a reasonable and good-faith determination of a consumer's ability to repay at or before consummation of a covered mortgage loan. The creditor will comply with the ATR requirement if the creditor satisfies the Rule's general ATR standard with originating a loan as defined in Regulation Z, 12 C.F.R Part 1026.43.

Correspondent will indicate at the time a loan package is submitted for review which ATR/QM type was utilized for processing and underwriting.

Correspondents are responsible for providing evidence of compliance with the ATR/QM Rules.

Evidencing Compliance with QM Points and Fees (Revised 7/6/2021)

Clear itemization of fees and application of all credits that indicate paid by/to will be required on all loans. Computershare Loan Services will accept a broad number of documents as evidence of compliance. Acceptable forms of evidence include, but are not limited to:

- Rate Sheet
- Screen print from LOS and/or Pricing Engine
- Lock agreement with the borrower;
- Lock confirmation
- Final HUD-1 and Addendum(s) (TRID-Exempt transactions)
- Final TIL and Itemization of Amount Financed (TRID-Exempt transactions)
- Final CD (TRID Transactions)
- Invoices
- Private Mortgage Insurance certificate
- Purchase contract
- Third Party Vendor Compliance Report illustrating a "pass" for points and fees (report will need to detail testing parameters and represent final settlement costs).

If after consummation it was found that points and fees on a loan intended to be originated as a QM exceeded the applicable limits, and the overage was cured according to §1026.43(e)(3)(iii) and §1026.43(e)(3)(iv), the following evidence of the cure is required:

- copy of the refund check
- letter of explanation
- re-disclosed TIL or CD, as applicable (rescindable transactions only)
- re-open rescission (rescindable transactions)
- proof of delivery to the borrower

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Valuation Independence (AIR Rules) (TILA §1026.42)

Correspondent must ensure that valuations received for its loans are made independently. This means that no attempt to directly or indirectly cause the value assigned to the consumer's principal dwelling to be based on any factor other than the independent judgment of a person that prepares valuations, including that no coercion, extortion, inducement, bribery, or intimidation of, compensation or instruction to, or collusion with a person that prepares valuations or performs valuation management functions has not taken place.

Additionally Correspondent must ensure that no conflicts of interest in valuations have taken place, meaning that no person preparing a valuation or performing a valuation management function may have a direct or indirect interest, financial or otherwise, in the property or transaction for which the valuation is or will be performed.

Correspondent may not extend credit if it knows, at or before consummation that a valuation materially misstates or misrepresents the value of the consumer's principal dwelling.

Correspondent must compensate fee appraisers for performing appraisal services at a rate that is customary and reasonable for comparable appraisal services performed in the geographic market of the property being appraised.

If Correspondent reasonably believes that an appraiser has not complied with the Uniform Standards of professional Appraisal practice or ethical or professional requirements for appraisers under applicable state or federal statutes or regulations, the matter will be referred to the appropriate state agency if the failure to comply is material. A failure to comply is material if it is likely to significantly affect the value assigned to the consumer's principal dwelling.

TILA/RESPA Integrated Disclosure Rule

Summary of the Rule

Under the RESPA-TILA Integrated Mortgage Disclosure Rule ("TRID Rule"), the Good Faith Estimate (GFE) required under RESPA and the initial Truth In Lending Statement (TIL) are being combined into one new form, the Loan Estimate (LE). The LE is designed to provide disclosures that will be helpful to consumers in understanding the key features, costs, and risks of the mortgage for which they are applying. Correspondent must provide this form to consumers within three General Business Days after it receives a mortgage loan application, whether the application is received directly or through an approved third-party service provider (a mortgage broker), unless the broker has already provided the LE to the consumer prior to submitting the application for processing .

The final Truth In Lending Statement required under TILA and the HUD-1 Settlement Statement required under RESPA are being replaced with another form, the Closing Disclosure (CD). The CD is designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction. Correspondent must ensure receipt of this disclosure by consumers at least three Specific Business Days before consummation of the loan.

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The CFPB has also combined several other mandated disclosures, such as the appraisal notice under the Equal Credit Opportunity Act and the initial servicing transfer disclosure under RESPA.

Scope of the Rule

The TRID Rule applies to most closed-end consumer mortgage transactions secured by real property.

The TRID Rule exempts the following types of transactions:

- Home Equity Lines of Credit (HELOCs)
- Reverse mortgages
- Mortgages not secured by real property (i.e., boat loans, mobile homes, or any dwelling that is not permanently affixed to real property, etc.)
- Loans made by persons who are not considered "creditors" (person that makes 5 or fewer loans per year)
- Certain no-interest second mortgage loans used for down payment assistance, property rehabilitation, energy efficiency, or foreclosure avoidance

Correspondent is not prohibited from using the new disclosure forms on loans that are exempt under the provisions of this rule (i.e., mortgages associated with housing assistance loan programs for low- and moderate-income consumers). However, Correspondent may not use the new disclosure forms instead of the GFE, HUD-1, and the Truth In Lending Statement for transactions that are covered by TILA or RESPA that require very specific disclosures (i.e., reverse mortgages).

For all applications (except those listed above as exempt), Correspondent must rely on TILA and the associated rules under Reg. Z in determining when an application has been received. An application includes receipt of the consumer's name, the consumer's income, the consumer's Social Security number to obtain a credit report, the property address, an estimate of the value of the property, and the mortgage loan amount being sought. For applications for exempt transactions, Correspondent must rely upon RESPA/Reg. X in determining when an application has been received.

Additionally, certain types of loans that are subject to TILA, but not RESPA, are subject to the disclosure requirements under the TRID Rule, including construction-only loans, loans secured by vacant land, and loans secured by 25 or more acres. Credit extended to certain trusts for tax or estate planning purposes are also covered transactions under the TRID Rule.

Effective Dates

For those exempt loans noted above, Correspondent must continue to use, as applicable, the GFE, HUD-1/HUD-1A, and the TIL Statement.

Applications that are received prior to October 3, 2015 must continue to be disclosed and closed using the GFE, TIL Statement, and HUD-1 forms.

Correspondent must use the LE and CD for applications received from a consumer for a closed-end credit transaction secured by real property on or after October 3, 2015.

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If an application reaches Correspondent through an intermediary agent or broker, the application is received when it reaches the intermediary or broker.

The new disclosures must not be used by Correspondent for loans applications received before October 3, 2015.

October 3, 2015 Requirements

The rule includes some restrictions on certain activities prior to a consumer's receipt of the LE. These restrictions take effect on the calendar date October 3, 2015, regardless of whether an application has been received on that date.

These activities include the following:

- Imposing fees on a consumer before the consumer has received the LE and indicated an intent to proceed with the transaction
- Providing written estimates of terms or costs specific to consumers before they receive the LE without a written statement informing the consumer that the terms and costs may change
- Requiring the submission of documents verifying information related to the consumer's application before providing the LE

Service Providers - Fee Variance

If Correspondent requires the use of a particular settlement service provider and requires the consumer to pay any portion of the cost, the estimate of that cost must be included in the Loan Costs table on page 2 of the LE, under the heading "Services You Cannot Shop For".

Similar to the RESPA GFE requirements, Correspondent must provide the consumer with a written list of settlement service providers when the consumer is permitted to shop for any required settlement service, including at least one provider for each service for which the consumer is permitted to shop. The written provider list must be provided separately from the LE, but with the same timing requirements.

If Correspondent permits a consumer to shop for third-party settlement services, the estimate of the cost must be included on the Loan Costs table on page 2 of the LE, under the heading "Services You Can Shop For".

If the consumer is allowed to shop for the settlement service(s), the consumer may choose a provider that is not on the list provided by Correspondent. If the consumer chooses a settlement service provider that is not on the written list of providers, the amount paid for the service is not subject to a tolerance.

Correspondent may include an affiliated business in the written provider list. In this instance, an affiliated business arrangement disclosure must also be provided at the time the LE and the written provider list are provided to the consumer.

Zero-Tolerance Fees

Except as described below, the actual charges at settlement are not to exceed the amounts included on the LE for the following:

- Fees paid to Correspondent or a mortgage broker

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- Fees paid to an affiliate of Correspondent or an affiliate of a mortgage broker
- Lender Credits (cannot be reduced)
- Transfer taxes
- Correspondent-required settlement services where Correspondent selects the third-party settlement service provider in which the consumer is not allowed to shop

Ten-Percent Tolerance Fees

Except as described below, the sum of the charges at settlement for the following services may not be greater than 10 percent above the sum of the amounts for the same services included on the LE:

- The aggregate amount of charges for any third-party services in which the consumer is permitted to shop but selected provider from the written list
- Recording fees

Fees Not Subject to Tolerance

The amounts of charges for all other settlement services included on the LE may change at settlement. Examples of these charges include the following:

- Per-diem (pre-paid) interest
- Property insurance premiums
- Amounts placed into an escrow, impound, reserve, or similar account
- Charges paid for third-party services not required by the creditor (optional services)(these can include amounts paid to an affiliate of Correspondent)
- Charges paid for third-party services required by Correspondent for which the borrower shopped, and the settlement service provider was not included on any list of settlement service providers provided by Correspondent or its authorized agent (i.e., a mortgage broker)

Other Disclosures

Your Home Loan Toolkit

Correspondent is required to provide consumers with the revised special information booklet entitled "Your Home Loan Toolkit," within three General Business Days of receiving a purchase application. The revised booklet, a step-by-step guide designed to aid consumers in understanding the home buying and loan process, is required under Regulation Z for transactions to purchase a one- to four-family residential property and is to be used in conjunction with the LE and CD.

Adjustable Rate/Variable Rate Mortgages

If the APR may increase after consummation and the transaction is secured by the consumer's principal dwelling with a term greater than one year, Correspondent must provide the following disclosures at the time an application form is provided or before the consumer pays a non-refundable fee, whichever occurs first

- ARM/Variable Rate Disclosure- will be provided to each consumer that expresses an interest in a particular adjustable/variable rate program

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- Consumer Handbook on Adjustable Rate Mortgages (CHARM)

For an application that is completed by the consumer online, the disclosure and handbook may be provided to the consumer in electronic form on or with the application.

Appraisal Disclosure & Initial Servicing Transfer Disclosure

The previous ECOA appraisal disclosure requirement is met by providing the LE. The same is true for the initial Servicing Transfer disclosure previously required to be provided at application.

Annual Percentage Rate (APR)

The APR is a measure of the total cost of credit, expressed as a yearly rate. It relates the amount and timing of value received by the consumer to the amount and timing of payments made by the consumer. The disclosure of the APR is found on the final page of the LE and the CD. The TRID Rule did not affect the definition or calculation of the APR.

Delivery of Disclosures

Correspondent must ensure delivery of the appropriate disclosures in accordance with the timing requirements for each by one or more of the following methods and in accordance with the rule, as necessitated for compliance:

- In person (or via courier)
- Mailing the disclosures, which may include overnight delivery
- Via electronic delivery methods subject to compliance with the consumer consent and other applicable provisions of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001 et seq.)

Under the timing requirements of the rule, if a creditor provides appropriate disclosures by mail, electronic delivery or courier, the creditor may presume that the consumer receives the disclosure three Specific Business Days after they are mailed, transmitted, or deposited with the courier service, for purposes of determining when the three-business-day waiting period begins. This is commonly referred to as the three-business-day mailbox rule.

When Correspondent has evidence that the consumer received the disclosures earlier than three Specific Business Days after mailing or delivery, Correspondent may rely on that evidence under the rule and consider the disclosures to be received on that date.

Consumer's Intent to Proceed (§1026.19(e)(2)(i)(A))

Correspondent must document, in retainable form, a consumer's intent to proceed with the transaction. The consumer may communicate this intent either orally in person, over the phone, via written communication, including email, or by signing a preprinted form provided by Correspondent. A consumer may indicate an intent to proceed with a transaction in any manner the consumer chooses, unless a particular manner of communication is required by the creditor.

Correspondent may not impose any fee, other than a reasonable credit report fee, on any consumer until the consumer receives the LE and indicates their intent to proceed with the transaction.

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Acknowledging receipt of the LE does not meet compliance requirements for documenting the consumer's intent to proceed.

Disclosure of NMLSR ID#

Both the LE and CD must disclose the name and National Mortgage Licensing System & Registry (NMLSR) ID number of Correspondent and the individual loan originator.

In the case where the NMLSR ID number may not be available at the time of completion of the LE, under certain state allowable conditions to originate loans pending issuance (such as during the transfer between employers), the state license number will be provided at a minimum.

The Loan Estimate (12 CFR §1026.37)

For closed-end credit transactions secured by real property (other than exempt transactions), Correspondent is required to provide the consumer with good-faith estimates of credit costs and transaction terms on the LE.

The LE replaces and combines into one form the existing GFE and initial TIL. The disclosure is three pages long and may require use of an addendum if there is more required information than a section of the form can accommodate.

Correspondent is responsible for delivering the initial LE or placing it in the mail no later than the third General Business Day after receiving the six items which define an application. The initial LE must also be delivered or placed in the mail at least seven Specific Business Day before consummation of the transaction. The regulation allows the consumer to modify or waive this seven-business-day waiting period after receiving the LE if the consumer has a bona-fide personal financial emergency that necessitates consummating the credit transaction before the end of the waiting period. Computershare Loan Services will not purchase a loan where any modification or waiver of a mandatory waiting period has been granted.

Good Faith Requirement and Variance

Correspondent is required to act in good faith and exercise due diligence in obtaining information necessary to complete the LE. However, there may be some information that is unknown (i.e., not reasonably available to Correspondent at the time the LE is made). In these instances, Correspondent may use estimates even though it knows that more precise information will be available by the point of consummation.

Whether or not a LE was made in good faith is determined by calculating the difference between the estimated charges originally provided in the LE and the actual charges paid by or imposed on the consumer in the CD.

- Generally, if the charges paid by or imposed on the consumer exceed the amount originally disclosed on the LE, it is not in good faith, regardless of whether Correspondent later discovers a technical error, miscalculation, or underestimation of a charge.

However, a LE is considered to be in good faith if Correspondent charges the consumer less than the amount disclosed on the LE, without regard to any variance limitations.

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Variance Limitations

Correspondent may charge the consumer more than the amount disclosed in the LE if the amount charged falls within the explicit variance thresholds and the estimate is not for a zero variance charge where variations are never permitted as described in the Fee Variance section above. Correspondent may also charge the consumer more than the amount charged in the original LE when a valid change in circumstance occurs requiring a revised LE.

If the amounts paid by the consumer at closing exceed the amounts disclosed on the LE beyond the applicable variance threshold, Correspondent must refund the excess to the consumer no later than 60 calendar days after consummation.

Revisions and Corrections to Loan Estimates

Correspondent is generally bound by the LE provided within three General Business Days of the application, and may not issue revisions to LEs because it later discovers technical errors, miscalculations, or underestimations of charges.

Correspondent is permitted to provide to the consumer revised LEs (and use them to compare estimated amounts to amounts actually charged for purposes of determining good faith) only in certain specific circumstances:

- Changed circumstances that occur after the LE is provided to the consumer that cause estimated settlement charges to increase more than the aggregate 10 percent variance
- The consumer is ineligible for an estimated charge previously disclosed because a changed circumstance, as defined above, affected the consumer's creditworthiness or the value of the security for the loan
- The consumer requests revisions to the credit terms or settlement charges that cause an estimated charge to increase
- Any points or Correspondent credits change because the interest rate was not locked when the initial LE was prepared, and a subsequent rate lock has occurred
- The consumer indicates intent to proceed after the closing cost expiration date and time disclosed on the LE (found on page 1 under ("Rate Lock"))
- On new construction loan transactions, where the creditor reasonably expects that settlement will occur more than 60 days after the LE is provided, the creditor may provide a revised LE, as long as this fact was clearly and conspicuously disclosed to the consumer on the LE originally provided. If no such statement is provided, the creditor may not issue revised disclosures, unless otherwise provided for above.

Timing for Revisions to Loan Estimate

Generally, Correspondent must deliver or place in the mail the revised LE to the consumer no later than three General Business Days after receiving the information sufficient to establish a valid change in circumstance has occurred.

Correspondent may not provide a revised LE on or after the date it provides the CD.

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Correspondent must ensure that the consumer receives the revised LE no later than four Specific Business Days prior to consummation. If Correspondent is mailing the revised LE and relying upon the three-business-day mailbox rule, Correspondent would need to place in the mail the revised LE no later than seven Specific Business Days before consummation of the transaction to allow three business days for receipt.

The regulation allows the consumer to waive or modify the seven-business-day waiting period after receiving the Loan Estimate if the extension of credit is needed to meet a bona fide personal financial emergency. Computershare Loan Services will not purchase a loan where any modification or waiver of a mandatory waiting period has been granted.

Closing Disclosure (12 CFR §1026.38)

For applicable loans in which a LE has been issued, Correspondent must provide a final disclosure reflecting the actual terms of the transaction called the CD.

The CD replaces and combines into one form the existing final TIL and HUD-1 disclosures. The disclosure is five pages long and may require use of an addendum if there is more required information than a section of the form can accommodate.

In addition to the disclosures required on the LE, the CD also incorporates other mandated information, including the following;

- more specific transaction information regarding any property seller;
- settlement agent;
- mortgage insurance certificate number;
- real estate agents (including commissions);
- information relative to any potential for negative amortization;
- acceptance of any partial mortgage payments made by the borrower during the loan servicing;
- contract details;
- liability after foreclosure;
- refinancing statement;
- a tax deductibility clause; and
- greater detail regarding escrow accounts.

In addition, the CD has information previously found on the Truth in Lending Statement such as the following:

- the Total of Payments (The Total of Payments disclosed on the LE and CD is calculated differently than the total of payments disclosed on the 1026.18 TIL Disclosure Statement and used to calculate the APR.)
- Total Finance Charges
- Total Amount Financed (together with the APR previously known as the "federal box")

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Preparation of the Closing Disclosure

While the regulation allows for either the settlement agent or Correspondent to produce and provide the CD, Correspondent retains all liability for any errors found on the document.

Preparation of the Closing Disclosure for a Seller

For a purchase transaction, the settlement agent is required to provide the seller with the CD reflecting the actual terms of the seller's transaction. The settlement agent may comply with this requirement by providing the seller with a copy of the CD provided to the consumer (buyer) if it also contains information relating to the seller's transaction. The settlement agent may instead provide the seller with a separate disclosure, including only the information applicable to the seller's transaction from the CD. However, if the seller's disclosure is provided in a separate document, the settlement agent will provide Correspondent with a copy of the CD provided to the seller. The settlement agent will provide the seller its copy of the CD no later than the day of consummation.

Delivery of the Closing Disclosure

The CD must be received by the consumer at least three Specific Business Days prior to consummation.

For transactions involving multiple consumers, Correspondent must ensure that the CD is provided separately to each consumer having the right to rescind under TILA, either directly or via the settlement agent, as appropriate. For transactions that are not rescindable, Correspondent must provide the CD to the consumer with primary liability for the mortgage transaction.

Correspondent must ensure delivery of the appropriate disclosures in accordance with the timing requirements for each by one or more of the following methods and in accordance with the rule, as necessitated for compliance:

- In person (or via courier)
- Mailing the disclosures, which may include overnight delivery
- Via electronic delivery methods subject to compliance with the consumer consent and other applicable provisions of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001 et seq.)

Under the timing requirements of the rule, if a creditor provides appropriate disclosures by mail, electronic delivery or courier, the creditor may presume that the consumer receives the disclosure three Specific Business Days after they are mailed, transmitted, or deposited with the courier service, for purposes of determining when the 3-business-day waiting period begins. This is commonly referred to as the three-business-day mailbox rule.

When Correspondent has evidence that the consumer received the disclosures earlier than three Specific Business Days after mailing or delivery, Correspondent may rely on that evidence under the rule and consider the disclosures to be received on that date.

If the CD is provided in person, it is considered received by the consumer on the day it is provided.

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Computershare Loan Services Seller Guide

The regulation allows the consumer to waive or modify the three-business-day waiting period if the extension of credit is needed to meet a bona fide personal financial emergency. Computershare Loan Services will not purchase a loan where any modification or waiver of a mandatory waiting period has been granted.

Revised Closing Disclosures

Once a CD is delivered or mailed to the consumer, consummation cannot occur until three Specific Business Days after the disclosure is considered received by the consumer. There are three categories of changes that require a corrected CD containing all changed terms:

1. Changes that occur before consummation that will require a new three-specific-business-day waiting period:
 - a. The disclosed APR becomes inaccurate by more than $\frac{1}{8}$ of 1 percent above or below the previously disclosed APR and a revised CD with the correct APR and all other associated terms that have changed needs to be provided.
 - b. The loan product previously disclosed becomes inaccurate and a revised CD with the correct loan product and all other associated terms that have been changed needs to be provided.
 - c. A prepayment penalty is added to the transaction and a revised CD with the prepayment penalty provisions and all other associated terms that have changed needs to be provided.
2. Changes that occur before consummation that do not require a new three-specific-business-day waiting period (any changes not covered above); the revised CD will be provided at or before consummation, however the consumer has the right to inspect the CD during the business day before consummation. If a consumer asks to inspect the CD the business day before consummation, the CD presented to the consumer will reflect any adjustments to the costs or terms that are known to Correspondent at the time the consumer inspects the document.
3. Changes that occur after consummation

Disclosures Required Postconsummation

Correspondent must make the following disclosures clearly and conspicuously in writing, in a form that the consumer may keep.

Postconsummation Correction to the Closing Disclosure

If during the 30-day period following consummation, an event in connection with the settlement of the transaction occurs that causes the CD to become inaccurate, and such inaccuracy results in a change to an amount actually paid by the consumer, the Correspondent must deliver or place in the mail a corrected CD no later than 30 days after receiving information sufficient to establish that such an event has occurred. An example of such an event might be a recording fee or a transfer tax that differs from what was disclosed, or the discovery of an unpaid assessment at the time of document recording.

If the CD contains non-numeric clerical errors, Correspondent must deliver or mail a corrected CD no later than 60 days after consummation.

In the case where a refund of excessive fees paid by the consumer are necessary, related to good faith analysis, the refund amount must be provided to consumer no later than 60 calendar days after consummation. In addition, Correspondent must deliver or mail the corrected CD reflecting such refund no later than 60 days after consummation.

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Anti-Predatory Lending Policy

Computershare Loan Services does not purchase loans from Correspondents when those loans have the appearance, in the opinion of Computershare Loan Services, of being originated using predatory lending practices. These practices include, without limitation, the extension of credit without regard to the ability of the Borrower to repay or the extension of credit which has no apparent benefit to the Borrower.

Computershare Loan Services will take those steps it deems reasonably necessary to ensure mortgage transactions comply with this policy.

Computershare Loan Services will make every reasonable attempt to notify Correspondent of transactions submitted for purchase that possess the characteristics referenced in this policy. If, in the opinion of Computershare Loan Services, a loan meets one or more of the characteristics as described above Computershare Loan Services will notify Correspondent of its determination and the reason for that determination.

Texas Refinance Mortgage Loans

If the Mortgage Loan is a Texas Refinance Mortgage Loan, it must be originated in compliance with the provisions of the applicable section of Article XVI, Section 50 of the Texas Constitution, the Texas Civil Statutes, the Texas Finance Code and all Applicable Laws.

SAFE Act and NMLS

Computershare Loan Services requires that all Mortgage Loans meet the applicable Federal, GSE, and State requirements of the Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act.

If the license/ID numbers are missing or incorrect Computershare Loan Services will not purchase the Mortgage Loan until the issue has been remedied.

The following information must be provided:

- Initial and final 1003 must include the Mortgage Loan Originator's ID
- Initial and final 1003 must include the Mortgage Loan Originator's Company ID

Information on the 1003

Mortgage Loan Originator's Name	Must agree with the name as listed on the NMLS website
Mortgage Loan Originator ID	Must agree with the ID as listed on the National Mortgage Licensing System and Registration (NMLS) website

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Mortgage Loan Originator's Company Name	Must agree with the name as listed on the NMLS website
Mortgage Loan Originator's Company's ID	Must agree with the ID as listed on the NMLS website Note: If the company has more than one location the ID for the corporate office is required
Mortgage Loan Originator's Company's Address	Should be the address where the loan was originated

Computershare Loan Services will use the following website to validate the information:

<http://www.nmlsconsumeraccess.org>.

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Glossary

A-B

Ability to Repay Standards: The standards set forth in Regulation Z as amended, 12 C.F.R Part 1026.43(c).

Account Executive: The sales role within the Computershare Loan Services Correspondent Channel responsible for managing Correspondent relationships.

Accepted Servicing Practices: With respect to any Mortgage Loan, those mortgage servicing practices performed (i) by prudent mortgage lending institutions that service mortgage loans of the same type as such Mortgage Loan in the jurisdiction where the related Mortgaged Property is located, (ii) in accordance with applicable state, local and federal laws, rules and regulations, and (iii) in a manner consistent with the Agreement and at least equal in quality to the servicing practices used by Correspondent or Correspondent's designee for the Mortgage Loans they own in their own portfolio

Adjustment Date: **As to each ARM Loan, the date on which the Mortgage Interest Rate is adjusted in accordance with the terms of the related Mortgage Note.**

Affiliate: With respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Persons means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms "controlling" and "controlled" have meanings not dissimilar to the foregoing.

Agency: Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), Government National Mortgage Association ("Ginnie Mae"), Federal Housing Administration ("FHA"), Veterans Administration ("VA"), Department of Housing and Urban Development ("HUD"), U.S. Department of Agriculture ("USDA") Rural Housing Service ("RHS") or any other federal or state agency which purchases or guarantees mortgage loans.

Agency Guides or Agency Guidelines: The Fannie Mae Selling Guide, Freddie Mac Single Family Seller/Servicer Guide, FHA Single Family Housing Policy Handbook 4000.1 Veterans Administration Lenders Handbook – VA Pamphlet 26-7 and the USDA Rural Development Single Family Housing Guaranteed Lender Handbooks. Each as amended by announcements, letters or circulars issued by that Agency or by related documents published by that Agency and incorporated into that Agency's Guide by reference.

Agency Transfer: The sale or transfer by Computershare Loan Services of some or all of the Mortgage Loans to an Agency pursuant to a Reconstitution Agreement.

Agreement: The Correspondent Agreement, including exhibits and addenda or appendices, along with the Seller Guide and the Commitment Confirmation. These documents constitute the agreement between Computershare Loan Services and Correspondent and are collectively referred to as the "Agreement." The

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Agreement governs the business relationship between Computershare Loan Services and Correspondent and governs the sale of Mortgage Loans by Correspondent to Computershare Loan Services.

Agent Sponsorship Request Form: This is a LenderLive form which is to be completed by the Correspondent to request VA Agent sponsorship.

Allonge: An addendum to a contract or other transaction on which a party affixes his/her signature.

ALTA: American Land Title Association or any successor thereto.

Amortization: The gradual reduction of mortgage debt through periodic payments of principal and interest over the term of the Mortgage Note.

Annual Percentage Rate (APR): The annual cost of a Mortgage Loan to a Mortgagor, expressed as a percentage of the original principal balance of such Mortgage Loan, but the calculation of which also include other charges and fees to reflect the total cost of financing the Mortgage Loan.

Anti-Money Laundering (AML) Laws: All applicable anti-money laundering laws and regulations, including but not limited to the Bank Secrecy Act and its subsequent revisions and enhancements, the Customer Identification Program requirements of the USA Patriot Act, and Office of Foreign Assets Control requirements.

Applicable Laws, Applicable Law: All applicable (1) federal, state or local legal requirements (statutes, rules, regulations and ordinances) including, without limitation, anti-predatory and abusive lending, usury, truth-in-lending, consumer privacy and non-public personal information protection and security, real estate settlement procedures, consumer credit protection (including Uniform Consumer Credit Code laws), fair credit reporting, unfair and deceptive acts and practices (including collection practices), equal credit opportunity or fair housing and disclosure laws (including, without limitation, any provisions relating to Prepayment Penalties) applicable to the solicitation, origination, servicing and collection of the Mortgage Loan and any Prepayment Penalties associated with such Mortgage Loan, (2) requirements and guidelines of each governmental agency, board, commission, instrumentality, and other governmental body or office having jurisdiction, and (3) judicial and administrative judgments, orders, stipulations, awards, writs, and injunctions.

Applicants: Borrowers or Mortgagors, as they are referred to prior to the closing of the Mortgage Loan.

Appraisal: USPAP compliant appraisal of the subject property including photographs and comparables; as required by the Seller Guide, Mortgage Loan Program, Product Profiles, Non-Agency/Jumbo Program Eligibility and Underwriting Guidelines, and other applicable guidelines.

Appraised Value: The value of subject property determined by the Appraiser(s) or appraisal method (inclusive of the appraisal review and/or reconciliation process and rules set forth in the Computershare Loan Services Correspondent Lending Guide, Product Profile, and applicable guidelines) and considered in calculating the Loan-to-value ratio for the Mortgage Loan transaction.

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ARM Loan: Any Mortgage Loan in which the related Mortgage Note contains a provision whereby the Mortgage Interest Rate is adjusted from time to time in accordance with the terms of such Mortgage Note.

Assignment: An assignment to Computershare Loan Services of all of Correspondent's rights, title, and interest in and to a Mortgage Loan and the Mortgage Loan File, which assignment shall include, without limitation, an endorsement in favor of Computershare Loan Services of the Note executed by Borrower, and Assignment of the Mortgage securing such Note in proper, legal and recordable form, an assignment of any other security securing such Note, an assignment of any and all servicing rights with respect to the Mortgage Loan, and an assignment of all documents, files, instruments, and insurance policies contained in the Mortgage Loan File.

Assignment of Mortgage: An assignment of Mortgage, notice of transfer or equivalent instrument, in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to reflect of record the sale of the Mortgage Loan to Computershare Loan Services.

Attorney-in-Fact: The Person that is appointed pursuant to a Power of Attorney.

Automated Certificate Eligibility System (ACES): Electronic link in the VA Portal used to submit electronic applications.

AVM: An automated valuation model using a mathematical methodology as applied to public records and other property sales price data to arrive at a determination of value for real property without the use of a human appraiser.

AUS: An Automated Underwriting System.

Balloon Mortgage Loan: Any Mortgage Loan in which the Mortgage Note matures prior to full amortization and requires a final and accelerated lump-sum payment of outstanding principal.

Base Price: The single loan base price for a loan product at specific rate is published on the Rate Sheet and posted on eOriginator. It is also considered the starting price of a loan to which the SRP and all other loan price adjusters are added or subtracted.

Basis Point: One one-hundredth of one percent, or 1/100 of 1 percent (e.g., 7.5 basis points is equal to 0.075 percent).

Beneficiary: Anyone receiving or to receive benefits.

Best Efforts Lock, also referred to as a "Best Efforts Commitment": A Commitment under which the Correspondent has committed to deliver a specific Mortgage Loan with a specific Mortgagor or Mortgagors that is eligible for purchase by Computershare Loan Services pursuant to this Guide and conforms to the Mortgage Loan described in the Commitment Confirmation, if that Mortgage Loan closes. If the specified

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Mortgage Loan does not close and is not delivered under the terms of the Lock Confirmation there is no Pair-off Fee assessed against the Correspondent by Computershare Loan Services. Delivery of a loan under this commitment type converts to mandatory only if the loan closes or if the loan is Relocked.

Borrower (Mortgagor): The obligor who receives funds in the form of a Mortgage Loan with the obligation of repaying the Mortgage Loan under the terms of the Mortgage Note.

Bulk-Mandatory Trade Commitment: A commitment by Computershare Loan Services to purchase a specific set (specified pool) of identified Mortgage Loans that fit the terms of the Commitment requested, Computershare Loan Services eligibility guidelines and the terms of the Correspondent's Agreement with Computershare Loan Services. Correspondents can commingle multiple eligible products and multiple interest rates into a single Bulk Trade. The delivery of the identified Mortgage Loans is mandatory and failure to deliver under the terms of the Commitment Confirmation will result in the assessment of a Pair-off Fee.

Business Day: For purposes of this Seller Guide, other than for regulatory compliance requirements, a business day is any day other than Saturday, Sunday or any of the holidays upon which Computershare Loan Services is officially closed for business. For regulatory compliance purposes, a business day may be defined under the "Specific Definition" "all calendar days except Sundays and legal public holidays (U. S. C. 6103(a) or the "General Definition", "a day on which the creditor's offices are open to the public for substantially all of its business functions," (Regulation Z §226.2(a)(6)). For purposes of the specific definition, Section 1026 of the TRID Rule gives examples of legal holidays as: New Year's Day, the birthday of Martin Luther King Jr., Washington's Birthday and Memorial, Independence, Labor, Columbus, Veterans, Thanksgiving and Christmas Days.

Buy Down Account: An account in which funds are held pending application as part of the Monthly Payment as each such Monthly Payment becomes due during the period that a Buy-Down Plan is in effect.

Buy Down Plan: A Mortgage Loan payment plan pursuant to which funds are advanced by a person other than the Mortgagor (e.g. a builder, seller or lender) to reduce the Monthly Payments either during the entire term of the Mortgage Loan, a "permanent buy-down," or for an initial term, a "partial-term buy-down."

C-D

Cash-Out Refinance: A refinancing transaction in which the amount of money received from the new Mortgage Loan exceeds the total amount of money needed to pay any closing costs and points on such Mortgage Loan and repay the existing first mortgage loan, any outstanding subordinate mortgage liens, and any other fees or costs related thereto.

Certificate of Completion: A certification required to confirm the completion of any additional repairs or other items required by an appraiser.

Certificate of Eligibility: The Certificate of Eligibility (COE) serves as proof that an applicant has officially met the minimum service requirement to obtain a VA guaranteed loan.

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Changed Circumstances:

Acts of God, war, disaster, or other emergency;

- Information particular to the Borrower or transaction that was relied on in providing the GFE but that changes or is found to be inaccurate after the GFE has been provided. This may include information about the credit quality of the Borrower, the amount of the loan, the estimated value of the property, or any other information that was used in providing the GFE;
- New information particular to the Borrower or transaction that was not relied on in providing the GFE; or
- Other circumstances which are particular to the Borrower or transaction, including boundary disputes, the need for flood insurance or environmental problems

Changed Circumstances *do not include*:

- The Borrower's name, the Borrower's monthly income, the property address, an estimate of the value of the property, the mortgage loan amount sought, and any information contained in any credit report obtained by the loan originator prior to providing the GFE, unless the information changes or is found to be inaccurate after the GFE has been provided; or
- Market price fluctuations by themselves

Client : A person or entity that has been approved by Computershare Loan Services and has entered into the Correspondent Agreement with Computershare Loan Services to sell Mortgage Loans to Computershare Loan Services. Also known as "Seller" or "Correspondent" or "Correspondent Seller."

Closing Date (Mortgage Loan Closing Date): The date loan funds were, or were available to be, disbursed to the Borrower and other parties to the Mortgage Loan transaction. Also may be referred to as "disbursement date." See also Note Date and Consummation Date.

Closing Disclosure (CD): The Closing Disclosure form was designed by the Consumer Financial Protection Bureau (CFPB) to meet the TILA-RESPA Integrated Disclosure requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Closing Disclosure (CD) form replaces the Final TIL and HUD-1 Settlement Statement for loans with applications dated on or after 10/3/15 that are subject, to the TRID requirements. Also see Loan Estimate and TRID definitions.

Commitment: A written commitment for the Correspondent to deliver and for Computershare Loan Services to purchase a certain Mortgage Loan(s) in a Best Efforts Lock/Best Efforts Commitment or a Bulk Trade Commitment, or an unspecified but eligible Mortgage Loan or group of Mortgage Loans in a Mandatory Commitment.

Commitment Confirmation: A communication from Computershare Loan Services to Correspondent that confirms: (1) the Purchase Price, Mortgage Interest Rate, and other terms set forth therein to be offered if the loan is closed and funded, has been registered in the Computershare Loan Services's computer system; and (2) will be the effective terms of the loan if Computershare Loan Services determines to purchase and fund the loan.

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Condominium or Condo: A form of ownership of real property in which the Mortgagor receives title to an individual unit, an individual interest in the project's common areas, and, in some cases, the exclusive use of certain limited common areas.

Confidential Information: Computershare Loan Services' various trade secrets, confidential and proprietary methods, techniques, processes, applications, approaches, products, programs, policies, practices, procedures and other confidential information used to conduct Computershare Loan Services' business, and Non-Public Personal Information.

Confirmation: A confirmation of the parties' intent to effect the sale by Seller and the purchase by Computershare Loan Services of one or more Mortgage Loan(s) pursuant to the terms of the Agreement and the related Confirmation, which shall take the form of a Best Efforts Lock Confirmation, a Mandatory Trade Confirmation or a bulk Purchase Commitment.

Consummation Date: In 12 CFR 1026.2(a)(13) the CFPB, provides this definition and official interpretation of Consummation: "State Law Governs: When a contractual obligation on the consumer's part is created is a matter to be determined under applicable law; Regulation Z does not make this determination. A contractual agreement, for example, that under applicable law binds the consumer to the credit terms would be consummation..."

For Mortgage Loans with applications dated on or after 10/3/15 that are subject, to the TRID requirements, the definition of Consummation Date is revised by implementation of the TILA-RESPA Integrated Disclosure (TRID) Rule as follows: For TRID purposes, consummation may commonly occur at the same time as closing or settlement, but it is a legally distinct event. Consummation occurs when the consumer becomes contractually obligated to the creditor on the loan, not, for example, when the consumer becomes contractually obligated to a seller on a real estate transaction. (§ 1026.2(a)(13)). The point in time when a consumer becomes contractually obligated to the creditor on the loan depends on applicable State law. (§ 1026.2(a)(13); Comment 2(a)(13)-1) Creditors and settlement agents should verify the applicable State laws to determine when consummation will occur.

See also Note Date and Closing Date definitions.

Conforming and Conforming High Balance Mortgage Loan: A Mortgage Loan not insured or guaranteed by the federal government (FHA, VA or USDA) where the Mortgage Note amount is within Fannie Mae or Freddie Mac guidelines.

Conventional Mortgage Loan: A Mortgage Loan not insured or guaranteed by the federal government (FHA, VA or USDA). A Conventional Mortgage Loan might have a Fannie Mae or Freddie Mac conforming or high balance Mortgage Note amount, or might be a "jumbo" loan exceeding Fannie Mae and Freddie Mac limits.

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Control Affiliate: An entity that is under common control with the Correspondent, or any of its principals, officers, or Control Persons.

Control Person: A person with the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract or otherwise. Any person that is a general partner or executive officer, including Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Credit Officer, Chief Compliance Officer, director and individuals occupying similar positions or performing similar functions. For purposes of Computershare Loan Services's policies generally includes management level employees to meet the strictest of the various state definitions unless otherwise stated in the policy document.

Cooperative Mortgage Loan: Mortgage Loans relating to one or more units in a Cooperative Project.

Cooperative Project: A residential or mixed-use property in which a corporation or trust holds title and sells shares of stock representing the value of a single apartment unit to individuals who, in turn, receive a proprietary lease as evidence of title.

Contract Underwrite: Mortgage Loans underwritten by an individual or an entity that is not an employee of the Correspondent. Contract Underwriters include, but are not limited to independent service providers or individuals working through a mortgage related service provider company, such as a Private Mortgage Insurance (MI) company,

Corporate Resolution: A duly executed corporate resolution, certified by the corporate secretary or other authorized officer.

Correspondent: A person or entity that has been approved by Computershare Loan Services and has entered into the Correspondent Agreement with Computershare Loan Services to sell Mortgage Loans to Computershare Loan Services. Also known as "Seller" or "Correspondent Seller" or the "Client."

Correspondent Agreement: The Mortgage Loan Collectively, the Correspondent Agreement, by and between the Correspondent and the Computershare Loan Services, and the Guide, as each may be amended, supplemented or otherwise modified from time to time, together with any Confirmations executed or otherwise submitted and accepted in connection therewith.

Correspondent Channel: In the Correspondent Channel, Correspondent Sellers approved by Computershare Loan Services originate and close Mortgage Loans in the Correspondent's own name. Those closed Mortgage Loans might be subsequently purchased by Computershare Loan Services in the sole discretion of Computershare Loan Services through the Correspondent Channel.

Correspondent Seller: A person or entity that has been approved by Computershare Loan Services and has entered into the Correspondent Agreement with Computershare Loan Services to sell Mortgage Loans to Computershare Loan Services. Also known as "Correspondent" or "Seller" or the "Client."

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Credit Bureau: An organization from which credit reports are obtained.

Credit Report: A report obtained by a prospective lender that contains a credit score of a prospective Mortgagor and is used to aid in determination of such prospective Mortgagor's credit worthiness.

Credit Decisions: A creditor's decision regarding the extension of credit to a consumer on the terms applied for, or other definition as it may apply with respect to various local, state, and federal laws. On Delegated Mortgage Loans, Computershare Loan Services relies on Correspondents to prudently underwrite all Mortgage Loan applications and to make credit decisions for those Mortgage Loans. Computershare Loan Services does not render underwriting or Credit Decisions on Mortgage Loans submitted for review or purchase. Any review performed by Computershare Loan Services, whether performed before or after a Mortgage Loan is funded to the Mortgagor, does not relieve the Correspondent of representations and warranties.

Credit Score: A numerical value assigned to an individual that ranks his or her credit risk at a given point in time based on information in the individual's credit file.

Custodial Account: Any account maintained by the Correspondent or the Correspondent's subservicer for the sole and exclusive benefit of the Computershare Loan Services and titled "Correspondent or its subservicer in trust for the benefit of Computershare Loan Services." The Correspondent shall use the Custodial Account to segregate and hold all funds collected and received in connection with the Mortgage Loans separate and apart from any of its own funds and general assets.

Custodial Agreement: The agreement, if any, executed by the Computershare Loan Services and the Custodian governing the retention of the originals of each Mortgage Note, Mortgage, Assignment of Mortgage and other Mortgage Loan Document, in a form acceptable to the Computershare Loan Services.

Custodian: The custodian under the Custodial Agreement, or such Custodian's successor in interest or assigns, or any successor to the Custodian under the Custodial Agreement, as therein provided.

Delegated Correspondent Seller: A contractual agreement between Computershare Loan Services and the Correspondent in which the Correspondent is responsible for underwriting and issuing credit decisions on Mortgage Loans. The Correspondent is "delegated" with underwriting and closing authority. The Correspondent must adhere to requirements set forth in the Correspondent Agreement and this Guide.

Debt-to-Income Ratio: A ratio derived by dividing a prospective Mortgagor's total monthly debt or payment obligations by his or her gross monthly income.

Delinquency: Delinquency occurs when all or part of the Mortgagor's monthly installment of principal, interest and where applicable, Escrow/Impound is unpaid after the 'due date' as defined in the Mortgage Note or security documents. A Delinquency as of the close of business of the last Business Day before the next due date is considered a one payment, or 30-

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day, Delinquency, and a continuing Delinquency as of the close of business of the following month is considered a 60 day Delinquency, and so forth for subsequent months, regardless of the number of calendar days in a particular month.

Depositor: In the context of Regulation AB, a Depositor receives or purchases and transfers or sells the pool assets to the issuing entity. For asset-backed securities transactions where there is not an intermediate transfer of the assets from the sponsor to the issuing entity, the term Depositor refers to the sponsor. For asset-backed securities transactions where the person transferring or selling the pool assets is itself a trust, the Depositor of the issuing entity is the depositor of that trust.

Designated Guidelines: The underwriting guidelines designated by Computershare Loan Services from time to time.

Desktop Underwriter (DU): Fannie Mae's proprietary AUS.

Discretionary Acceptance: means that Institutions may accept private flood insurance policies that do not meet Biggert-Waters Act's criteria for mandatory acceptance, provided that certain conditions are met, which include but are not limited to ensuring that the policy provides sufficient protection of the asset, consistent with general safety and soundness principals

Direct Trade Commitment or Direct Trade Mandatory Delivery Commitment: A Commitment under which the Correspondent has committed to deliver an eligible for Purchase Mortgage Loan or Mortgage Loans, which conform(s) to the program and Mortgage Loan characteristics described in the Commitment Confirmation.

Dodd-Frank: The Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, and all of its implementing rules and regulations.

E-F

Electronic Delivery or eDelivery: An electronic process which allows Mortgage Loan Documents to be delivered electronically rather than by paper or mail. (Note: Secure email does not qualify as an acceptable eDelivery process.)

Electronic Record: A record created, generated, sent, communicated, received or stored by electronic means.

Electronic Signature (or eSignature): Any symbol or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign. An electronic sound, symbol or process attached to or logically associated with a record executed or adopted by a person with the intent to sign the record.

Early Payment Default (EPD): An Early Payment Default exists when any of the first four (4) Monthly Payments due to the Computershare Loan Services from the Mortgagor on a Mortgage Loan becomes ninety

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(90) days or more delinquent. For any Mortgage Loan that is not eligible for sale to an Agency, an Early Payment Default exists when any Monthly Payment due to the Computershare Loan Services from the Mortgagor on a Mortgage Loan becomes (30) days or more delinquent on or prior to one-hundred twenty (120) days after the related Purchase Date. However, no Early Payment Default shall be deemed to occur where the Mortgage becomes delinquent due to an administrative error by the Computershare Loan Services or a related servicer in connection with the application of payments relating to a servicing transfer so long as the Mortgagor resumes timely payment within sixty (60) days of the related Purchase Date.

Early Payoff (EPO) : An Early Payoff exists when a Mortgage Loan is paid in full within 150 days of purchase commencing with the Purchase Date of such Mortgage Loan.

ECOA: Equal Credit Opportunity Act.

Eligibility Review : A review performed by Computershare Loan Services on Mortgage Loans to determine if the loan is eligible for purchase. This review does not comprise approval of the Mortgagor's creditworthiness

eOriginator: Computershare Loan Services's online system tool that features automated pricing engine and product eligibility platform; interactive means to lock loans; Mortgage Loan File image upload capabilities; ability to review and clear conditions and manage Correspondent's pipeline.

Escrow Item: An expense required to be escrowed by a Mortgagor under the related Mortgage including, without limitation, taxes, special assessments, homeowner's associations assessments, ground rents, water, sewer and other governmental impositions or charges that are or may become liens on the related Mortgaged Property prior to that of the related Mortgage, as well as Hazard Insurance, Flood Insurance and private mortgage insurance premiums.

Escrow/Impound Account: All funds collected by Correspondent and/or Servicer to cover expenses of the Mortgagor required to be paid under the Mortgage Loan Documents, including, but not limited to, taxes, special assessments, ground rents, water, sewer and other governmental impositions or charges that are or may become liens on the Mortgaged Property prior to that of the Mortgage Loan, as well as hazard, flood and mortgage insurance premiums.

Escrow Payments: A mortgage payment typically consists of a principal payment, interest payment and an escrow payment to be used for the payment of taxes and insurances.

ESIGN: The federal Electronic Signatures in Global and National Commerce Act, as amended.

Events of Default: As described in this Guide, including without limitation as set forth in this Guide.

Fannie Mae: Fannie Mae, formerly known as the Federal National Mortgage Association (FNMA), or any successor thereto.

FHA: The Federal Housing Administration, a division of HUD, or any successor thereto.

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FHA Case Number: A mortgage loan number assigned by FHA for loan tracking and insuring purposes.

FHA Direct Endorsed Lender: Unconditional authority granted by HUD permitting lender to underwrite and close without prior review of loan by HUD.

FHA Mortgage Loan: A Mortgage Loan that is insured by FHA.

FHA Principal Authorized Agent Relationship: A relationship in which a Mortgagee with unconditional DE authority permits another DE-approved Mortgagee to underwrite mortgages on its behalf.

FHA Sponsored Originator Relationship: A relationship that permits a third party originator (TPO) to participate in FHA programs by establishing a sponsorship relationship with an FHA DE-approved lender. (Computershare Loan Services requires the TPO to be an FHA approved mortgagee)

Financial Counterparty: Entities and persons who have a shared financial interest in Mortgage Loans with Computershare Loan Services or share financial risk with Computershare Loan Services. For example, Computershare Loan Services defines Financial Counterparties to include Correspondents, broker-dealers and warehouse banks.

Financial Counterparty Risk Management Department: The department within Computershare Loan Services responsible for assessing new Correspondent eligibility, monitoring active Correspondents, managing Correspondent's Agreements and managing the termination of Correspondent relationships.

First Mortgage: A Mortgage Loan that is the primary lien against the property.

Fixed Rate Mortgage Loan: Any Mortgage Loan in which the Mortgage Interest Rate set forth in the Mortgage Note is fixed for the full term of such Mortgage Loan.

Flood Insurance: An insurance policy insuring against flood damage to a Mortgaged Property.

Freddie Mac: Freddie Mac, formerly known as the Federal Home Mortgage Loan Mortgage Corporation (FHLMC), or any successor thereto.

Fully Indexed Rate: The Mortgage Interest Rate on an ARM Loan, equal to the Index plus the Margin and rounded to the nearest 1/8 of 1 percent, or 0.125 percent.

Funding Date: The date Computershare Loan Services pays the Purchase Price for a Mortgage Loan to the Correspondent. Also known as Purchase Date.

G-H

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Ginnie Mae: Government National Mortgage Association, or any successor thereto

Government Mortgage Loan: A Mortgage Loan insured by FHA or guaranteed by VA or USDA.

GSE: Fannie Mae and Freddie Mac.

Guarantor: A party who is secondarily liable for another's debt or performance (in contrast to a surety who is primarily liable with the principal debtor).

Guide: This Computershare Loan Services Correspondent Lending Seller Guide, as amended from time to time.

Hazard Insurance: A fire and casualty extended coverage insurance policy insuring against loss or damage from fire and other perils covered within the scope of standard extended hazard coverage naming Correspondent and its successors and assigns, as a mortgagee under a standard mortgagee clause, together with all riders and endorsements thereto.

Hazardous Substances: Any substances, materials or waste that are or become regulated under applicable federal, state or local laws or regulations or that are classified as hazardous or toxic under federal, state or local laws or regulations.

High Cost Mortgage Loan: Any mortgage loan that is classified as (a) "high cost," "threshold," "covered," "abusive" or "predatory" loan under HOEPA, Regulation Z, Regulation X or any other applicable state, federal or local law (or a similarly classified loan using different terminology under a law, regulation or ordinance imposing heightened regulatory scrutiny or additional legal liability for residential mortgage loans having high interest rates, points and/or fees), or (b) a High Cost Mortgage Loan or Covered Mortgage Loan, as applicable (as such terms are defined in the then current Standard & Poor's LEVELS® Glossary).

HMDA: Home Mortgage Disclosure Act, as amended.

HOEPA: The Home Ownership and Equity Protection Act of 1994, as amended.

HUD: United State Department of Housing and Urban Development, or any successor thereto

HVCC: The Home Valuation Code of Conduct created jointly by Freddie Mac, Fannie Mae, the Federal Housing Finance Agency and the New York State Attorney General, as amended.

Homestead Property, Texas: To establish a "homestead" a person or family must show a combination of both an intent to owner occupy the property as a permanent residence and some overt act in the use of the property in the intended manner. In Texas (a) If used for the purposes of an urban home or as both an urban home and a place to exercise a calling or business, the homestead of a family or a single, adult person, not otherwise entitled to a homestead, shall consist of not more than 10 acres of land which may be in one or

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more contiguous lots, together with any improvements thereon. (b) If used for the purposes of a rural home, the homestead shall consist of: (1) for a family, not more than 200 acres, and other restrictions apply.

I-J

Index: With respect to each ARM Loan, the Index shall mean a referenced rate that is added to the Margin to compute the Mortgage Interest Rate for such ARM Loan, as such Mortgage Interest Rate may be adjusted from time to time in accordance with the provisions of the related Mortgage Note.

Initial Note Rate: The initial rate at which interest accrues on an ARM Loan until the first Interest Adjustment Date.

Interest Adjustment Date: With respect to each ARM Loan, the date on which an adjustment to the Mortgage Interest Rate on the related Mortgage Note becomes effective.

Interest Rate Reduction Refinance (IRRRL): A VA-guaranteed loan made to refinance an existing VA-guaranteed loan, generally at a lower interest rate than the existing VA loan, and with a lower principal and interest payments.

Investor: The purchaser of a closed Mortgage Loan. Computershare Loan Services is the "investor" when it purchases a Mortgage Loan under the Agreement. Computershare Loan Services may elect to sell loans it originates or purchases to secondary market investors such as banks or the Agencies.

Jumbo : A loan that is not salable to Fannie Mae or Freddie Mac, insurable by FHA or eligible for guaranty by VA or USDA. Also known as Non-Agency

K-L

Laws: All federal, state, county, local and foreign laws, regulations, licensing requirements, ordinances, codes, rules, and orders that may be applicable to Correspondent's business and ability to perform its obligations hereunder, all as may be amended or supplemented from time to time.

Lender: The lender of record on the Mortgage Note and Mortgage.

Lifetime Mortgage Interest Rate Cap: The absolute maximum Mortgage Interest Rate payable with respect to an ARM Loan, above which the Mortgage Interest Rate shall not be adjusted, as provided in accordance with the provisions of the Mortgage Note.

Loan Product Advisor (LPA): Freddie Mac's proprietary AUS

Loan-to-value (LTV): With respect to any Mortgage Loan, the ratio of the original principal balance of a Mortgage Loan to the Appraised Value of the Mortgaged Property.

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Loan Level Price Adjustments (LLPA): Pricing adjustments deducted from or added to the published base price at time of purchase. If known at commitment, the Commitment Confirmation publishes the applicable loan-level price adjustments (LLPA)

Loan Level Price Adjustment Notes:

- Computershare Loan Services reserves the right to invoice Correspondent for LLPA, if discovered after loan purchase
- Correspondent is responsible to properly identify the loan and all characteristics that may incur a LLPA at time of loan registration/commitment or delivery

Loan Estimate (LE): The Loan Estimate (LE) form was designed by the Consumer Financial Protection Bureau (CFPB) to meet the TILA-RESPA Integrated Disclosure requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Loan Estimate (LE) form replaces the early TIL and Good Faith Estimate (GFE) for loans with applications dated on or after 10/3/15 that are subject, to the TRID requirements. Also see Closing Disclosure and TRID definitions.

M-N

Mandatory Acceptance: Means that institutions are required to accept private flood insurance policies that meet both the statutory definition of private flood insurance and the mandatory purchase requirement.

Margin: With respect to each ARM Loan, the percentage amount set forth in the related Mortgage Note that is added to the Index to compute the Mortgage Interest Rate for such ARM Loan, as such Mortgage Interest Rate may be adjusted from time to time in accordance with the provisions of the related Mortgage Note.

Master Servicer: Any master servicer appointed by Computershare Loan Services, in its sole discretion, in connection with a Reconstitution.

Maximum Loan Amount: The maximum origination-date principal balance of a Mortgage Loan eligible for delivery to an Agency or Non-Agency / Jumbo under its guidelines, as such guidelines may be amended from time to time.

MERS: Collectively, MERSCORP, Inc. and Mortgage Electronic Registration Systems, Inc., and their successors and assigns.

MERS Designated Mortgage Loan: A Mortgage Loan for which (a) the Correspondent has designated or will designate MERS as, or has taken or will take such action as is necessary to cause MERS to be, the mortgagee of record, as nominee for the Correspondent, in accordance with MERS Procedures Manual and (b) the Correspondent has designated or will designate Computershare Loan Services as the MERS Investor on the MERS® System.

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MERS Investor: With respect to each MERS Designated Mortgage Loan the Person named on the MERS® System as the “investor” pursuant to the MERS Procedures Manual.

MERS ORG ID# for Computershare Loan Services: #1010320.

MERS Procedures Manual: The MERS Procedures Manual, as it may be amended, supplemented or otherwise modified from time to time.

MERS® System: An electronic mortgage loan registration system maintained by MERS.

MIN: A MERS Mortgage Identification Number.

Monthly Payment: The scheduled monthly payment of principal and interest on a Mortgage Loan.

Mortgage: A mortgage, deed of trust or other instrument securing a Mortgage Note;

Mortgage Credit Certificate: A certificate issued by certain state or local governments that allows a taxpayer to claim a tax credit for some portion of the mortgage interest paid during a given tax year.

Mortgage Insurance (MI): Insurance that covers the lender against a percentage of the losses it might sustain on a Mortgage Loan as a result of a default by the Mortgagor of his or her obligation to make the required Monthly Payments.

Mortgage Insurance Contract Underwriting: Approval level that allows approved companies to underwrite and issue loan approvals on Mortgage Loans Seller intends to submit to Computershare Loan Services for purchase.

Mortgage Insurer: the relevant insurer or guarantor providing insurance or a guaranty/guarantee for repayment of the Mortgage Loan, including any private mortgage insurer, the Federal Housing Administration (FHA), the U.S. Department of Veterans Affairs (VA), the U.S. Department of Agriculture (USDA), or any other similar state or federal agency.

Mortgage Interest Rate: The annual rate at which interest accrues on any Mortgage Loan, exclusive of any primary mortgage insurance and, if applicable, as adjusted from time to time in accordance with the provisions of the related Mortgage Note.

Mortgaged Property: The property encumbered by the Mortgage.

Mortgage Loan: A residential mortgage loan sold or intended to be sold by Correspondent to Computershare Loan Services and that meets or is intended to meet all of the requirements of this Guide and the entire Agreement. The term “Mortgage Loan” includes all of the Correspondent’s rights, title and interest in and to the Mortgage Loan, including but not limited to the Servicing Rights, the related Mortgage Note, all

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Mortgage Loan Documents, the Mortgage Loan File, collateral and all other material and information collected by the Correspondent in connection with the Mortgage Loan.

Mortgage Loan Delivery: The Correspondent electronically transfers Mortgage Loan data and images to Computershare Loan Services and Computershare Loan Services receives those images so that the Mortgage Loan is complete and eligible for purchase by Computershare Loan Services.

Mortgage Loan Document(s): Includes originals and copies of the appraisal, the application, all supporting documentation for Mortgagor eligibility and Correspondent underwriting analysis, the Mortgage, the Mortgage Note, all Assignments of Mortgage, disclosures, and all other documents required under the applicable Mortgage Loan Program or described in this Guide.

Mortgage Loan File: The Mortgage Loan Documents and any additional documents pertaining to such Mortgage Loan required to be added thereto pursuant to Applicable Law, Agency requirements, applicable guidelines and this Guide.

Mortgage Loan Product: Any specific Mortgage Loan product offering within a Mortgage Loan Program. For example, Fannie Mae loans might be a program, and fixed or ARM offerings are products within the program.

Mortgage Loan Program or Loan Program: Any one or more of the Mortgage Loan Programs pursuant to which a Correspondent may sell Mortgage Loans in accordance with this Guide and the Agreement. Computershare Loan Services's Mortgage Loan Program offerings are described in the Product Profiles.

Mortgage Note (Note): With respect to each Mortgage Loan, the related promissory note or other evidence of indebtedness of the Mortgagor secured by the related Mortgage.

Mortgage Service Providers: An entity or individual engaged to handle or perform, for a Correspondent, part of the Mortgage Loan application processing, underwriting, Purchasing or post-closing functions. This entity or individual is generally paid on a fee basis for services performed, with the payment of fees not being contingent on Mortgage Loan approval or closing.

Mortgagor (Borrower): The obligor who receive funds in the form of a Mortgage Loan with the obligation of repaying the Mortgage Loan under the terms of the Mortgage Note.

Net Escrow Payments: Escrow Payment balances remaining after advances by the Correspondent for taxes and insurance to the extent documented under a detailed statement provided to the Computershare Loan Services.

Non-Agency : A loan that is not salable to Fannie Mae or Freddie Mac, insurable by FHA or eligible for guaranty by VA or USDA. Also known as Jumbo

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Non-delegated: A contractual agreement between Computershare Loan Services and the Correspondent in which Computershare Loan Services is responsible for underwriting and issuing credit decisions on Mortgage Loans. The Correspondent must adhere to requirements set forth in the Correspondent Agreement and this Guide.

Non-public Personal Information: Any prospect's, Applicant's, Financial Counterparty's or Borrower's first name or first initial and last name linked with additional personal elements. These personal elements include, but are not limited to:

- Social Security number;
- Driver's license number or State identification card number;
- Account or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account;
- Medical records;
- Educational records;
- Financial records; or
- Studies or surveys using personally identifiable data.

*The definition of Non-Public Personal Information does **not** include publicly available information that is lawfully made available to the general public from federal, state or local government records, or widely distributed media (e.g. publicly recorded documents).

Note Date: For purposes of regulatory compliance, such as rescission, the signature date on the Note. For purposes of determining Mortgage Loan maturity date, the date printed on the Note when the Note was created (also referred to as Loan Document date). See also Closing Date and Consummation Date.

Note Rate: The annual rate at which interest accrues on the unpaid principal balance of a Mortgage Loan, as provided in accordance with the provisions of the related Mortgage Note.

O-P

OCC: The Office of the Comptroller of the Currency, or any successor thereto.

OFAC Regulations: The regulations promulgated by the Office of Foreign Assets Control of the United States Department of the Treasury.

Operations Department: The department at Computershare Loan Services responsible for the operational and fulfillment aspects of Mortgage Loan purchases from Correspondents.

Pair-off Fee : A monetary assessment charged to a Correspondent whenever the terms of a Commitment Confirmation are not met. The charge compensates Computershare Loan Services for losses incurred from the failure to deliver a loan under a Mandatory Commitment.

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Par Price: A price for the loan purchased that is equal to 100 percent of the unpaid principal balance that is being purchased.

Payment Due Date: The day of the month on which a Monthly Payment is due on a Mortgage Loan, exclusive of any days of grace.

Periodic Mortgage Interest Rate Cap: With respect to each ARM Loan, the absolute maximum amount by which the Mortgage Interest Rate may increase or decrease on an Interest Adjustment Date above the Mortgage Interest Rate previously in effect, as provided in accordance with the provisions of the Mortgage Note.

Permitted Encumbrances: With respect to any Mortgage, (a) the lien of current real property taxes and assessments not yet due and payable, (b) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording being acceptable to mortgage lending institutions generally and specifically referred to in the lender's title insurance policy delivered to the originator of the Mortgage Loan and which do not adversely affect the Appraised Value of the Mortgaged Property, and (c) other matters to which like properties are commonly subject which do not, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by the Mortgage or the use, enjoyment, value or marketability of the related Mortgaged Property.

Person: An individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other entity.

PITI: Principal, interest, taxes and insurance.

Power of Attorney (or POA): A legal document meeting the requirements set forth in this Guide authorizing a Person to act on behalf of another Person.

Prepayment Penalty: With respect to any Mortgage Loan, any provision permitting imposition of a penalty, premium or fee upon a prepayment of such Mortgage Loan, in whole or in part, prior to maturity.

Pricing Indications: Until a Commitment Confirmation is issued, all price offerings issued by Computershare Loan Services are indications and subject to change without notice. This includes pricing and fees that might be offered, displayed or published by any means, including; pricing engines, Rate Sheets, pricing tools and verbal or email indications of price provided by the Commitment Desk. Computershare Loan Services does not offer overnight price protection.

Primary Mortgagor: The occupying Mortgagor with the highest income, unless stated otherwise.

Principal Prepayment: Any payment or other recovery of principal on a Mortgage Loan which is received in advance of its scheduled Due Date, including any prepayment penalty or premium thereon, which is not

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accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment.

Product: A specific type of Mortgage Loan product available for sale to Computershare Loan Services by Correspondent as set forth in the Agreement.

Product Profile The summary product and program guidelines that, together with the Agreement and this Guide, set forth the requirements, characteristics and eligibility for certain Mortgage Loan products.

Purchasable: A Mortgage Loan File that is complete and free of defects. A delivered file is considered to be in purchasable form if it meets all of the following requirements: product and program parameters; federal, state and local laws and regulations; industry standards, and the standards of any applicable Guarantor, Insurer, or Investor; this Guide, including any updates, and the Correspondent Agreement; Computershare Loan Services specific documentation; loan must be funded through a Computershare Loan Services approved warehouse lender, as identified in this Guide.

Purchase Advice: The document setting forth the Purchase Date, and the price and terms and conditions for the purchase of each Mortgage Loan.

Purchase Date: The date Computershare Loan Services pays the Purchase Price for a Mortgage Loan to the Correspondent.

Purchase Price: The price paid for each Mortgage Loan, often expressed as a percentage of the unpaid principal balance of the Mortgage Loan, inclusive of subsequent adjustments made, if any, in accordance with the related Commitment Confirmation .

Purchase Price Percentage: With respect to each Mortgage Loan that is identified in a Purchase Commitment as subject to a bulk purchase, the final terms governing the purchase and sale of such Mortgage Loan, including, without limitation, the Purchase Price Percentage, the Purchase Price and the wire instructions with respect thereto.

Purchaser: Computershare Loan Services is referred to as Purchaser.

Q-R

Qualified Appraiser: An appraiser properly licensed or certified (as required) by the applicable governmental body in the jurisdiction in which the Mortgaged Property is located in accordance with the requirements of FIRREA, who, at a minimum, met the requirements of Fannie Mae or Freddie Mac and was selected by Correspondent in accordance with Appraiser Independence Requirements as adopted by Fannie Mae or Freddie Mac and the Appraisal Independence Requirements set forth in Title XIV, Subtitle F, Section 1472 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (adding Section 129E to the Truth in Lending Act 15 U.S.C. 1631 et seq.) and any regulations promulgated pursuant thereto (or such other requirements as set forth in the Agreement) for selecting an independent appraiser and whose compensation was not affected by the approval or disapproval of the Mortgage Loan.

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Qualified Correspondent: Under Regulation AB, any Person from whom Computershare Loan Services purchased Mortgage Loans, provided that the following conditions are satisfied: (i) such Mortgage Loans were originated pursuant to an agreement between Computershare Loan Services and such Person that contemplated that such Person would underwrite mortgage loans from time to time, for sale to Computershare Loan Services, in accordance with the Product Profiles or guidelines that do not vary materially from such Product Profiles; (ii) such Mortgage Loans were in fact underwritten as described in clause (i) above and were acquired by Computershare Loan Services within 180 days after origination; (iii) either (x) the Product Profiles were, at the time such Mortgage Loans were originated, used by Computershare Loan Services in origination of mortgage loans of the same type as the Mortgage Loans for Computershare Loan Services's own account or (y) the Product Profiles were, at the time such Mortgage Loans were underwritten, designated by Computershare Loan Services on a consistent basis for use by Lenders in originating mortgage loans to be purchased by Computershare Loan Services; and (iv) Computershare Loan Services employed, at the time such Mortgage Loans were acquired by the Computershare Loan Services, pre-purchase or post-purchase quality assurance procedures (which may involve, among other things, review of a sample of mortgage loans purchased during a particular time period or through particular channels) designed to ensure that Persons from which it purchased mortgage loans properly applied the underwriting criteria designated by Computershare Loan Services. For the avoidance of doubt, a "Qualified Correspondent" includes a "table broker" or mortgage lender that originates loans underwritten and funded by Computershare Loan Services or an Affiliate of Computershare Loan Services.

Qualified Insurer: An insurer acceptable to Fannie Mae and Freddie Mac and which is rated A/VIII or better in the current Best's Key Rating Guide.

Qualified Mortgage: A covered Mortgage Loan meeting the standard as defined in Section 129C of the federal Truth in Lending Act, 15 U.S.C. 1639c, and as further defined in Regulation Z, 12 C.F.R. Part 1026.43, as amended, and in the implementing rules of the CFPB, HUD, VA, USDA or applicable Agency or regulatory authority, excepting such Mortgage Loans which are not eligible for Qualified Mortgage status based on the standard that is broadly applied to creditors in general, and rely on provisions specific to small creditors to be eligible as Qualified Mortgages. The Agency PSPA requires that SLS only purchase loans that meet the revised QM loan definition or meet other requirements for loans not covered by QM. CFPB's Revised QM Rule in Regulation Z became effective on March 1, 2021 (12 C.F.R. 1026.43(e)(2)). Lenders can apply these policies immediately but must apply to all loans with applications dated on or after July 1, 2021.

Reallocation: Moving a Mortgage Loan from one Commitment to another active Commitment with an open position.

Rebuttable Presumption (Mortgage) Loan – a Qualified Mortgage that is subject to a rebuttable presumption of compliance with the Ability to Repay requirements in Regulation Z as amended, in accordance with 12 CFR 1026.43e and the associated implementing rules for Qualified Mortgages created by the CFPB, HUD, VA, USDA or other Agency or regulatory authority that are applicable to the Mortgage Loan.

Reconstitution: Any Agency Transfer, Securitization or Whole Mortgage Loan Transfer.

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Reconstitution Agreement: (i) In connection with any Agency Transfer, any and all pool purchase contracts, and/or agreements reasonably acceptable to the Master Servicer, trustee and Computershare Loan Services, among Correspondent, Computershare Loan Services, the Master Servicer, the applicable Agency and any servicer, (ii) in connection with a Whole Mortgage Loan Transfer, an assignment, assumption and recognition agreement, a Correspondent's warranties and servicing agreement or a participation and servicing agreement, in any case in form and substance reasonably acceptable to Computershare Loan Services and the new owner, and (iii) in connection with a Securitization, a pooling and servicing agreement, an indenture, trust agreement and servicing agreement, or an assignment, assumption and recognition agreement, in any case in form and substance reasonably acceptable to Computershare Loan Services and all necessary parties.

Reconstitution Date: With respect to each Reconstitution, the applicable closing date thereof.

Relock (New – 10/29/15): A request to commit a Mortgage Loan for a second time.

Redemption Period: A period of time established by state laws during which a property owner has the right to redeem his or her real estate from a foreclosure or tax sale and reclaim title and possession of the property.

Remedies: Each and every remedy of Computershare Loan Services as against the Correspondent relating to any Event of Default or other breach of any provision, representation, warranty or covenant as set forth in this Guide, including without limitation the General Remedies described in this Guide.

Representations and Warranties: the representations, warranties and covenants made by the Correspondent in the Agreement, including without limitation the Representations and Warranties Respecting the Individual Mortgage Loans and the Representations, Warranties and Covenants Respecting the Correspondent that are set forth in this Guide.

Repurchase Price: The repurchase price for a Mortgage Loan subject to a Repurchase Obligation under the Agreement shall be as follows: 1) the current unpaid principal balance; plus 2) all accrued and unpaid interest on the Mortgage Loan from the last date through which interest has been paid through and including the last day of the month in which the Correspondent repurchases the Mortgage Loan; plus 3) the original SRP, if any, paid by Computershare Loan Services with respect to such Mortgage Loan or the greater of premium paid in excess to par or 100 basis points of the purchased loan amount if the loan is not eligible for sale to an Agency; plus 4) any unreimbursed servicing or escrow advances made by Computershare Loan Services with regard to such Mortgage Loan as of the date of repurchase; plus 5) any and all costs and expenses, including, but not limited to, reasonable fees and expenses of counsel incurred by Computershare Loan Services as a result of any breach by Correspondent of its representations and warranties under the Agreement, to enforce Seller's obligation to repurchase such Mortgage Loan and/or to foreclose on such Mortgage Loan; plus 6) an administrative fee of \$3,000; plus 7) if applicable, all interest accrued at the Mortgage Interest Rate in respect of such Mortgage Loan on the aggregate of the amounts set forth in 1) through 6) of this definition (net of any proceeds received by the Computershare Loan Services), from the last day of the month in which a foreclosure sale occurred to but excluding the date of repurchase; less 8) any proceeds of mortgage insurance collected by Correspondent and attributable to such Mortgage Loan, less 9) the net proceeds of any

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foreclosure sale to a third-party (sale price minus costs and expenses, including but not limited to reasonable fees and expenses of counsel incurred by Computershare Loan Services in connection with the foreclosure sale).

Repurchase Obligation: The requirement for Correspondent to repurchase Mortgage Loan(s) for various breaches defined in the Correspondent Agreement and Guide.

Rescission: The cancellation or annulment of a transaction or contract by the operation of law or by mutual consent.

RESPA: Real Estate Settlement Procedures Act, as amended.

Revocation Right: The right of Computershare Loan Services to, in its sole and absolute discretion, revoke any price quoted on a Mortgage Loan if Correspondent has provided inaccurate or misleading information

S-T

SAFE Act: The Secure and Fair Enforcement for Mortgage Licensing Act, as amended.

Safe Harbor QM Loan - a Qualified Mortgage that is granted "safe harbor" status in relation to compliance with the Ability to Repay requirements in Regulation Z as amended, in accordance with 12 CFR 1026.43e and the associated implementing rules for Qualified Mortgages created by the CFPB, HUD, VA, USDA or other Agency or regulatory authority that are applicable to the Mortgage Loan.

Secondary Department: The department within Computershare Loan Services responsible for managing interest rate and price offerings and associated interest rate and hedge strategies and risks, and executing Commitments with Correspondents.

Seasoned Loan: Mortgage Loans delivered to Computershare Loan Services greater than 30 days past the Note date or aged greater than 45 days past the Note date, on the Purchase Date by Computershare Loan Services, are classified as Seasoned Loans.

Securitization: Any transaction involving either (i) a sale or other transfer of some or all of the Mortgage Loans directly or indirectly to an issuing entity in connection with an issuance of publicly offered or privately placed, rated or unrated mortgage-backed securities or trustee or a custodian in connection with the issuance of participation certificates, or (ii) an issuance of publicly offered or privately placed, rated or unrated securities, the payments on which are determined primarily by reference to one or more portfolios of residential mortgage loans consisting, in whole or in part, of some or all of the Mortgage Loans, or such other similar transaction or structure.

Seller: A person or entity that has been approved by Computershare Loan Services and has entered into the Correspondent Agreement with Computershare Loan Services to sell Mortgage Loans to Computershare Loan Services. Also known as "Correspondent" or "Correspondent Seller" or the "Client."

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Computershare Loan Services Seller Guide

Seller Guide : The Correspondent Lending Seller Guide (this Guide) which includes all Product Profiles, Non-Agency/Jumbo Program Eligibility and Underwriting Guidelines, policies, procedures, and requirements of Computershare Loan Services made available to the Correspondent and applicable to the registration, underwriting, closing and funding of Mortgage Loans pursuant to this Agreement.

Seller Information: In connection with a Reconstitution, any information provided by or on behalf of Correspondent regarding Correspondent, Correspondent's or other originator's Static Pool Information, Correspondent's servicing practices or performance, the Mortgage Loans or the Correspondent's underwriting guidelines as set forth in any offering document prepared in connection with such Reconstitution.

Service Release Premium (SRP): A one-time premium paid to the Correspondent for the Servicing Rights on a Mortgage Loan, which is a component of the Purchase Price for such Mortgage Loan.

Servicing Rights: With respect to each Mortgage Loan, any and all of the following: (a) all rights to service the Mortgage Loan; (b) any payments or monies payable or received or receivable for servicing the Mortgage Loans; (c) any late fees, prepayment fees, assumption fees, penalties or similar payments with respect to the Mortgage Loans; (d) all agreements or documents creating, defining or evidencing any such servicing rights and all rights of the Correspondent thereunder; (e) possession and use of any and all credit files pertaining to the Mortgage Loans or pertaining to the past, present or prospective servicing of the Mortgage Loans; (f) all accounts and other rights to payment related to any of the property described in this paragraph; (g) all rights and benefits relating to the direct solicitation of the related Mortgagors and attendant right, title and interest in and to the list of such Mortgagors and data relating to their Mortgages; and (h) all rights, powers and privileges incident to any of the foregoing.

Settlement Agent: A neutral third-party that facilitates the closing of a real estate transaction, including the closing of the Mortgage Loan, and the collection and disbursement of Mortgage Loan proceeds. The settlement agent can be a Lender, an escrow company, title company, title agent or attorney.

SIFMA: The Securities Industry and Financial Markets Association, which is a securities agency trade group representing securities firms, banks and asset management companies. Frequently, mortgage lenders rely on the published trading hours of SIFMA to determine the business days and hours of their trading and lock desks.

Subordination: The act of a party acknowledging, by written recorded instrument that its lien is inferior to another lien on the same property.

Subordinate Financing: Any mortgage or other lien that is junior in priority to the First Mortgage.

Subservicer: A third-party mortgage service provider that manages the daily servicing of mortgage loans on behalf of a Correspondent or the Master Servicer. Servicing refers to the day-to-day management of a servicing portfolio including: collecting mortgage payments from Mortgagors, paying taxes, insurance and other costs on the Mortgagor's behalf and resolving Delinquencies.

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Computershare Loan Services Seller Guide

Survey: A measurement of land, prepared by a registered land surveyor, showing the location of the land with reference to known points, its dimensions, and the location and dimensions of any improvements thereon.

Tangible Net Worth: With respect to Correspondent as of any date of determination, the sum of Correspondent's total assets, less its intangible assets, and less its total liabilities, consistent with and in accordance with the then-current HUD definition of tangible net worth; provided, that Computershare Loan Services's calculation of Tangible Net Worth may deviate from that of HUD or GAAP due to the exclusion of certain intangible or volatile assets.

Texas Refinance Mortgage Loan: Any Mortgage Loan originated in the state of Texas pursuant to Article XVI, Section 50 of the Texas Constitution. Such programs include: 50(a)(3), an owelty partition imposed against the entirety of the property by a court order or a written agreement of the parties to the partition, including a debt of one spouse in favor of the other spouse resulting from a division or award of a family homestead in a divorce proceeding, 50(a)(4) the refinance of a lien against a homestead, including a federal tax lien resulting from the tax debt of both spouses, if the homestead is a family homestead, or from the tax debt of the owner, 50(a)(5) home improvement loan or new construction of homestead property and 50(a)(6) Texas equity "cash-out" loan and others.

Third Party Originations (or TPO): A Mortgage Loan that was originated by a party other than the party who is funding or purchasing the Mortgage Loan, as applicable, depending on the context within which the term is used.

Third Party Originator: The third-party originator of any TPO that is not the party who is funding or purchasing the Mortgage Loan.

TIL: Truth in Lending Act, as amended.

TRID, TILA-RESPA Integrated Disclosures Rule: To meet the TILA-RESPA Integrated Disclosure requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, two new disclosure forms were designed by the Consumer Financial Protection Bureau (CFPB): Loan Estimate (LE) form replaces the Initial (early) TIL and GFE, and the Closing Disclosure (CD) form replaces the Final TIL and HUD-1 Settlement Statement. The new forms are required for loan applications taken on and after 10/3/15. The integrated forms do not apply to the following loan types: Home Equity Lines of Credit (HELOCs), Reverse Mortgages, Mortgages secured by a Mobile Home or dwelling not attached to real property, Transactions that are not "covered" under Regulation Z, such as business Loans (e.g. "investment properties" that are not consumer loans) are not included in the list of "exempted" loan types.

U-V

UETA: The official text of the Uniform Electronic Transactions Act proposed by the National Conference of Commissioners on Uniform State Laws.

USDA (Agency): The organization unit within the U.S. Department of Agriculture that is responsible for administering the Single Family Housing Guarantee Loan Program (SFHGLP).

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Computershare Loan Services Seller Guide

USPAP: Uniform Standards of Professional Appraisal Practice.

VA: Department of Veteran's Affairs, guarantor for VA Mortgage Loans.

VA Authorized Agent: A person or entity that performs any portion of work involved in originating and closing a VA-guaranteed loan on behalf of, or in the name of a sponsoring lender.

VA Entitlement: This is the amount of guarantee made by the US Department of Veterans Affairs. Loans securitized and placed into GNMA pools must have a minimum entitlement of 25% of loan amount.

VA Lender ID: The VA Lender ID is the seller's identifier in all VA lending transactions, whether the Seller is acting as an Agent or on its own behalf as a Lender.

VA LAPP: The Veteran's Administration Lender Appraisal Processing Program.

Vendor Management: The role within Computershare Loan Services responsible for evaluating and managing vendor activities.

W-Z

WebLGY: WebLGY is a web-based VA application that provides a variety of functions related to VA appraisal and valuations

Whole Mortgage Loan Transfer: The sale or transfer by Computershare Loan Services of some or all of the Mortgage Loans in a whole loan or participation format pursuant to a Reconstitution Agreement.

Wire Instructions: The instructions provided by Seller to Computershare Loan Services in connection with the wiring of funds by the Computershare Loan Services to Seller or Seller's designee.

Worse Case Pricing : Worse Case Pricing is determined by comparing the current market base price to the originally committed base price for the same commitment period and selecting the lower of the two.

